

| |
|----------------------|
| ANNUAL REPORT |
|----------------------|

Of

Company Name:

| |
|-----------------------|
| Picacho Water Company |
|-----------------------|

9532 E. Riggs Rd.

Mailing Address: Sun Lakes AZ
85248

RECEIVED BY EMAIL
4/17/2021, 4:30 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Docket No.: W-03528A
For the Year Ended:

| |
|----------|
| 12/31/20 |
|----------|

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type:

| |
|-----------------|
| Original Filing |
|-----------------|

Application Date:

| |
|-----------|
| 5/17/2021 |
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ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Picacho Water Company
A Class ☐ Utility

For the Calendar Year Ended: 12/31/20

Primary Address:

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| 9532 E Riggs Road |
| City: Sun Lakes State: Arizona Zip Code: 85248 |

Telephone Number:

| |
|--------------|
| 480-895-9200 |
|--------------|

Date of Original Organization of Utility:

| |
|------|
| 1998 |
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Person to whom correspondence should be addressed concerning this report:

Name:

| |
|-------------|
| Brian Smith |
|-------------|

Telephone No. :

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|--------------|
| 480-895-9200 |
|--------------|

Address:

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|--|
| 9532 E Riggs Road |
| City: Sun Lakes State: Arizona Zip Code: 85248 |

Email:

| |
|--|
| Brian.Smith@Robson.com |
|--|

On-Site Manager
Name:

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|---------------|
| Dave Voorhees |
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Telephone No. :

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| 480-895-5009 |
|--------------|

Address:

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|--|
| 9532 E Riggs Road |
| City: Sun Lakes State: Arizona Zip Code: 85248 |

Email:

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|--|
| Dave.Voorhees@Robson.com |
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NA
Name:

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Telephone No. :

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Address:

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| City: . State: Arizona Zip Code: 85248 |

Email:

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NA
Name:

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Telephone No. :

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Address:

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| City: . State: Arizona Zip Code: 85248 |

Email:

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NA
Name:

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Telephone No. :

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Address:

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| . |
| City: . State: Arizona Zip Code: 85248 |

Email:

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Ownership:

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| "S" Corporation |
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Counties Served:

| |
|-------|
| Pinal |
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| |
|--|
| Important changes during the year |
|--|

| | |
|----|---|
| No | For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year? |
| | If yes, please provide specific details in the box below. |
| | n/a |

| | |
|----|---|
| No | Has the company been notified by any other regulatory authorities during the year, that they are out of compliance? |
| | If yes, please provide specific details in the box below. |
| | n/a |

| Utility Plant in Service (Water) | | | | | | | |
|----------------------------------|--|------------------------------|------------------------|--------------------------|------------------------|--------------------------|--------------------|
| Account No. | Description | Beginning Year Original Cost | Current Year Additions | Current Year Retirements | Adjusted Original Cost | Accumulated Depreciation | OCLD (OC less AD) |
| 301 | Organization | \$0 | \$0 | \$0 | \$0 | 0 | \$0 |
| 302 | Franchises | 183,896 | 0 | 0 | 183,896 | 0 | 183,896 |
| 303 | Land and Land Rights | 0 | 0 | 0 | 0 | 0 | 0 |
| 304 | Structures and Improvements | 38,184 | 0 | 0 | 38,184 | 7,468 | 30,716 |
| 305 | Collecting & Improving Reservoirs | 0 | 0 | 0 | 0 | 0 | 0 |
| 306 | Lake, River, Canal Intakes | 0 | 0 | 0 | 0 | 0 | 0 |
| 307 | Wells and Springs | 2,091,845 | 0 | 0 | 2,091,845 | 882,245 | 1,209,600 |
| 308 | Infiltration Galleries | 0 | 0 | 0 | 0 | 0 | 0 |
| 309 | Supply Mains | 0 | 0 | 0 | 0 | 0 | 0 |
| 310 | Power Generation Equipment | 5,313 | 5,245 | 0 | 10,558 | 474 | 10,084 |
| 311 | Pumping Equipment | 1,346,739 | 816 | 0 | 1,347,555 | 353,093 | 994,462 |
| 320 | Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 320.1 | Water Treatment Plants | 0 | 0 | 0 | 0 | 0 | 0 |
| 320.2 | Solution Chemical Feeders | 38,200 | 4,072 | 800 | 41,472 | (6,565) | 48,037 |
| 320.3 | Point-of-Use Treatment Devices | 0 | 0 | 0 | 0 | 0 | 0 |
| 330 | Distribution Reservoirs and Standpipes | 0 | 0 | 0 | 0 | 0 | 0 |
| 330.1 | Storage Tanks | 883,323 | 0 | 0 | 883,323 | 388,225 | 495,099 |
| 330.2 | Pressure Tanks | 6,912 | 0 | 0 | 6,912 | (921) | 7,833 |
| 331 | Transmission and Distribution Mains | 4,935,202 | 90,880 | 0 | 5,026,082 | 1,356,595 | 3,669,486 |
| 333 | Services | 785,973 | 45,715 | 0 | 831,688 | 204,741 | 626,947 |
| 334 | Meters and Meter Installations | 432,015 | 37,450 | 0 | 469,465 | 94,903 | 374,562 |
| 335 | Hydrants | 609,544 | 39,212 | 0 | 648,756 | 183,644 | 465,112 |
| 336 | Backflow Prevention Devices | 0 | 0 | 0 | 0 | 0 | 0 |
| 339 | Other Plant and Misc. Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 340 | Office Furniture and Equipment | 14,183 | 0 | 0 | 14,183 | 5,339 | 8,844 |
| 340.1 | Computer & Software | 9,269 | 0 | 0 | 9,269 | 374 | 8,895 |
| 341 | Transportation Equipment | 58,854 | 0 | 0 | 58,854 | 13,139 | 45,715 |
| 342 | Stores Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 343 | Tools, Shop and Garage Equipment | 5,425 | 1,051 | 0 | 6,476 | 225 | 6,250 |
| 344 | Laboratory Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 345 | Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 346 | Communication Equipment | 188,932 | 495 | 0 | 189,427 | 79,576 | 109,851 |
| 347 | Miscellaneous Equipment | 18,680 | 727 | 0 | 19,407 | (5,601) | 25,009 |
| 348 | Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 |
| | Totals | \$11,652,489 | \$225,662 | \$800 | \$11,877,351 | \$3,556,954 | \$8,320,397 |

| Depreciation Expense for the Current Year (Water) | | | | | | | | | |
|---|--|------------------------------|------------------------|--------------------------|------------------------|---|---------------------|--------------------------|----------------------|
| Account No. | Description | Beginning Year Original Cost | Current Year Additions | Current Year Retirements | Adjusted Original Cost | Fully Depreciated/Non-depreciable Plant | Depreciable Plant | Depreciation Percentages | Depreciation Expense |
| 301 | Organization | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% | \$0 |
| 302 | Franchises | 183,896 | 0 | 0 | 183,896 | 183,896 | 0 | 0.00% | 0 |
| 303 | Land and Land Rights | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 304 | Structures and Improvements | 38,184 | 0 | 0 | 38,184 | 0 | 38,184 | 3.00% | 1,146 |
| 305 | Collecting & Improving Reservoirs | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 306 | Lake, River, Canal Intakes | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 307 | Wells and Springs | 2,091,845 | 0 | 0 | 2,091,845 | 0 | 2,091,845 | 3.00% | 62,755 |
| 308 | Infiltration Galleries | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 309 | Supply Mains | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 310 | Power Generation Equipment | 5,313 | 5,245 | 0 | 10,558 | 0 | 10,558 | 2.53% | 267 |
| 311 | Pumping Equipment | 1,346,739 | 816 | 0 | 1,347,555 | 0 | 1,347,555 | 3.00% | 40,404 |
| 320 | Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 320.1 | Water Treatment Plants | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 320.2 | Solution Chemical Feeders | 38,200 | 4,072 | 800 | 41,472 | 0 | 41,472 | 2.83% | 1,173 |
| 320.3 | Point-of-Use Treatment Devices | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 330 | Distribution Reservoirs and Standpipes | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 330.1 | Storage Tanks | 883,323 | 0 | 0 | 883,323 | 0 | 883,323 | 3.00% | 26,500 |
| 330.2 | Pressure Tanks | 6,912 | 0 | 0 | 6,912 | 0 | 6,912 | 3.01% | 208 |
| 331 | Transmission and Distribution Mains | 4,935,202 | 90,880 | 0 | 5,026,082 | 0 | 5,026,082 | 2.99% | 150,328 |
| 333 | Services | 785,973 | 45,715 | 0 | 831,688 | 0 | 831,688 | 2.98% | 24,750 |
| 334 | Meters and Meter Installations | 432,015 | 37,450 | 0 | 469,465 | 0 | 469,465 | 2.89% | 13,550 |
| 335 | Hydrants | 609,544 | 39,212 | 0 | 648,756 | 0 | 648,756 | 2.97% | 19,248 |
| 336 | Backflow Prevention Devices | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 339 | Other Plant and Misc. Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 340 | Office Furniture and Equipment | 14,183 | 0 | 0 | 14,183 | 0 | 14,183 | 3.00% | 426 |
| 340.1 | Computer & Software | 9,269 | 0 | 0 | 9,269 | 0 | 9,269 | 3.00% | 278 |
| 341 | Transportation Equipment | 58,854 | 0 | 0 | 58,854 | 0 | 58,854 | 3.00% | 1,766 |
| 342 | Stores Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 343 | Tools, Shop and Garage Equipment | 5,425 | 1,051 | 0 | 6,476 | 0 | 6,476 | 2.59% | 168 |
| 344 | Laboratory Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 345 | Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 346 | Communication Equipment | 188,932 | 495 | 0 | 189,427 | 0 | 189,427 | 2.99% | 5,672 |
| 347 | Miscellaneous Equipment | 18,680 | 727 | 0 | 19,407 | 0 | 19,407 | 2.89% | 561 |
| 348 | Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| | Subtotal | \$11,652,489 | \$225,662 | \$800 | \$11,877,351 | \$183,896 | \$11,693,455 | | \$349,200 |

| | |
|--|------------|
| Contribution(s) in Aid of Construction (Gross) | \$0 |
| Less: Non Amortizable Contribution(s) | 0 |
| Fully Amortized Contribution(s) | 0 |
| Amortizable Contribution(s) | <u>\$0</u> |
| Times: Proposed Amortization Rate | 2.99% |
| Amortization of CIAC | \$0 |

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE \$349,200

Picacho Water Company
Annual Report
Balance Sheet Assets
12/31/20

| Balance Sheet Assets | | | | |
|----------------------|---|--|---|----------------------------------|
| | Assets | | Balance at Beginning of Year (2020) | Balance at End of Year (2020) |
| Account No. | Current and Accrued Assets | | | |
| 131 | Cash | | \$59,976 | \$289,652 |
| 134 | Working Funds | | 0 | 0 |
| 135 | Temporary Cash Investments | | 0 | 0 |
| 141 | Customer Accounts Receivable | | 48,485 | 64,714 |
| 142 | Other Receivables | | 0 | 0 |
| 145 | Accounts Receivable - Related Party | | 2,131 | 8,028 |
| 146 | Notes Receivable from Associated Companies | | 0 | 66 |
| 151 | Plant Material and Supplies | | 0 | 0 |
| 162 | Prepayments | | 4,232 | 2,120 |
| 174 | Miscellaneous Current and Accrued Assets | | 0 | 0 |
| | Total Current and Accrued Assets | | \$114,824 | \$364,579 |
| Account No. | Fixed Assets | | | |
| 101 | Utility Plant in Service* | | \$11,652,489 | \$11,877,351 |
| 103 | Property Held for Future Use | | 0 | 0 |
| 105 | Construction Work in Progress | | 0 | 0 |
| 108 | Accumulated Depreciation (enter as negative)* | | (3,208,554) | (3,556,954) |
| 121 | Non-Utility Property | | 0 | 0 |
| 122 | Accumulated Depreciation - Non Utility | | 0 | 0 |
| | Total Fixed Assets | | \$8,443,935 | \$8,320,397 |
| | Total Assets | | \$8,558,759 | \$8,684,976 |

*Note these items feed automatically from AR3 UPIS Page 4

Picacho Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

| Balance Sheet Liabilities and Owners Equity | | | | |
|---|---|--|--|----------------------------------|
| | Liabilities | | Balance at Beginning of Year (2020) | Balance at End of Year (2020) |
| Account No. | Current Liabilities | | | |
| 231 | Accounts Payable | | \$16,363 | \$21,659 |
| 232 | Notes Payable (Current Portion) | | 0 | 0 |
| 233 | Accounts Payable - Related Party | | 97,137 | 0 |
| 234 | Notes Payable to Associated Companies | | 20,524 | 0 |
| 235 | Customer Deposits | | 0 | 0 |
| 236 | Accrued Taxes | | 29,094 | 32,446 |
| 237 | Accrued Interest | | 0 | 0 |
| 242 | Miscellaneous Current and Accrued Liabilities | | 4,226 | 16,930 |
| | Total Current Liabilities | | \$167,344 | \$71,035 |
| | | | | |
| | Long Term Debt | | | |
| 224 | Long Term Debt (Notes and Bonds) | | \$0 | \$0 |
| | | | | |
| | Deferred Credits | | | |
| 251 | Unamortized Premium on Debt | | \$0 | \$0 |
| 252 | Advances in Aid of Construction | | 0 | 0 |
| 255 | Accumulated Deferred Investment Tax Credits | | 0 | 0 |
| 271 | Contributions in Aid of Construction | | 0 | 0 |
| 272 | Less: Amortization of Contributions | | 0 | 0 |
| 281 | Accumulated Deferred Income Tax | | 0 | 0 |
| | Total Deferred Credits | | \$0 | \$0 |
| | Total Liabilities | | \$167,344 | \$71,035 |
| | | | | |
| | Capital Accounts | | | |
| 201 | Common Stock Issued | | \$1,475,000 | \$1,475,000 |
| 211 | Other Paid-In Capital | | 6,244,502 | 6,344,502 |
| 215 | Retained Earnings | | 671,913 | 794,440 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | 0 | 0 |
| | Total Capital | | \$8,391,415 | \$8,613,942 |
| | Total Liabilities and Capital | | \$8,558,759 | \$8,684,976 |

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Picacho Water Company
Annual Report
Water Comparative Income Statement
12/31/20

| Water Comparative Income Statement | | | |
|------------------------------------|--|---|--------------------------------------|
| Account No. | Calendar Year | Current Year 01/01/2020 - 12/31/2020 | Last Year 01/01/2019 - 12/31/2019 |
| | Operating Revenue | | |
| 461 | Metered Water Revenue | \$1,014,339 | \$860,257 |
| 460 | Unmetered Water Revenue | 0 | 0 |
| 462 | Fire Protection Revenue | 0 | 0 |
| 469 | Guaranteed Revenues (Surcharges) | 0 | 0 |
| 471 | Miscellaneous Service Revenues | 0 | 0 |
| 474 | Other Water Revenue | 6,258 | 5,909 |
| | Total Revenues | \$1,020,596 | \$866,166 |
| | | | |
| | Operating Expenses | | |
| 601 | Salaries and Wages | \$127,378 | \$101,178 |
| 603 | Salaries and Wages - Officers | 6,442 | 6,422 |
| 604 | Employee Pensions and Benefits | 21,218 | 17,996 |
| 610 | Purchased Water | 0 | 0 |
| 615 | Purchased Power | 230,639 | 198,663 |
| 618 | Chemicals | 3,743 | 5,656 |
| 620 | Materials and Supplies | 0 | 0 |
| 620.1 | Repairs and Maintenance | 15,057 | 10,787 |
| 620.2 | Office Supplies and Expense | 15,704 | 14,169 |
| 630 | Contractual Services | 0 | 0 |
| 631 | Contractual Services - Engineering | 0 | 0 |
| 632 | Contractual Services - Accounting | 605 | 600 |
| 633 | Contractual Services - Legal | 0 | 851 |
| 634 | Contractual Services - Management Fees | 0 | 0 |
| 635 | Contractual Services - Water Testing | 4,958 | 6,286 |
| 636 | Contractual Services - Other | 15,371 | 13,008 |
| 640 | Rents | 137 | 0 |
| 641 | Rental of Building/Real Property | 0 | 0 |
| 642 | Rental of Equipment | 0 | 91 |
| 650 | Transportation Expenses | 21,602 | 19,783 |
| 656 | Insurance - Vehicles | 2,755 | 5,905 |
| 657 | Insurance - General Liability | 16,562 | 12,103 |
| 657.1 | Insurance - Health and Life | 0 | 0 |
| 665 | Regulatory Commission Expense - Rate | 0 | 0 |
| 670 | Bad Debt Expense | 511 | 247 |
| 675 | Miscellaneous Expense | 4,679 | 6,330 |
| 403 | Depreciation Expense (From Schedule AR4) | 349,200 | 340,241 |
| 407.5 | Amortization – EADIT | 0 | 0 |
| 408 | Taxes Other Than Income | 0 | 0 |
| 408.11 | Property Taxes | 47,597 | 44,746 |
| 408.12 | Payroll Taxes | 7,974 | 6,577 |
| 408.13 | Other Taxes and Licenses | 5,611 | 4,644 |
| 409 | Income Taxes | 0 | 0 |
| 427.1 | Customer Security Deposit Interest | 0 | 0 |
| | Total Operating Expenses | \$897,741 | \$816,283 |
| | | | |
| | Operating Income / (Loss) | \$122,855 | \$49,883 |
| | | | |
| | Other Income / (Expense) | | |
| 419 | Interest and Dividend Income | \$0 | \$0 |
| 421 | Non-Utility Income | 671 | 583 |
| 426 | Miscellaneous Non-Utility (Expense) | (69) | (457) |
| 427 | Interest (Expense) | (932) | (6,365) |
| | Total Other Income / (Expense) | (\$329) | (\$6,239) |
| | | | |
| | Net Income / (Loss) | \$122,526 | \$43,644 |

Full time equivalent employees

| | Direct Company | Allocated | Outside service | Total |
|----------------------|----------------|-----------|-----------------|-------|
| President | 0.0 | 0.0 | 0.0 | 0.0 |
| Vice-president | 0.0 | 0.0 | 0.0 | 0.0 |
| Manager | 0.0 | 0.1 | 0.0 | 0.1 |
| Engineering Staff | 0.0 | 0.0 | 0.0 | 0.0 |
| System Operator(s) | 0.9 | 0.3 | 0.0 | 1.2 |
| Meter reader | 0.0 | 0.1 | 0.0 | 0.1 |
| Customer Service | 0.1 | 0.1 | 0.0 | 0.2 |
| Accounting | 0.0 | 0.0 | 0.1 | 0.1 |
| Business Office | 0.0 | 0.0 | 0.0 | 0.0 |
| Rates Department | 0.0 | 0.0 | 0.0 | 0.0 |
| Administrative Staff | 0.0 | 0.2 | 0.0 | 0.2 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 1.0 | 0.8 | 0.2 | 2.0 |

Picacho Water Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/20

| Supplemental Financial Data (Long-Term Debt) | | | | |
|--|---------|---------|---------|---------|
| | Loan #1 | Loan #2 | Loan #3 | Loan #4 |
| Date Issued | n/a | n/a | n/a | n/a |
| Source of Loan | n/a | n/a | n/a | n/a |
| ACC Decision No. | n/a | n/a | n/a | n/a |
| Reason for Loan | n/a | n/a | n/a | n/a |
| Dollar Amt. Issued | n/a | n/a | n/a | n/a |
| Amount Outstanding | n/a | n/a | n/a | n/a |
| Date of Maturity | n/a | n/a | n/a | n/a |
| Interest Rate | n/a | n/a | n/a | n/a |
| Current Year Interest | n/a | n/a | n/a | n/a |
| Current Year Principal | n/a | n/a | n/a | n/a |

| | |
|---|-----|
| Meter Deposit Balance at Test Year End: | \$0 |
|---|-----|

| | |
|---|-----|
| Meter Deposits Refunded During the Test Year: | \$0 |
|---|-----|

List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Picacho Water Company
Annual Report
Verification and Sworn Statement (Taxes)
12/31/20

RECEIVED
BY EMAIL
04/29/2021, 10:09 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Verification and Sworn Statement (Taxes)

Verification: State of Arizona I, the undersigned of the
(state name)

County of (county name): Maricopa
Name (owner or official) title: Brian Smith - Vice President
Company name: Picacho Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



signature of owner/official

480-895-9200

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

28th

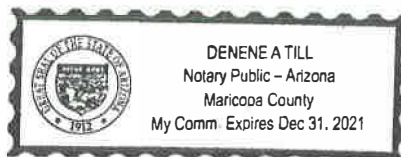
DAY OF

Maricopa
(county name)

April, 2021
(month) and (year)

MY COMMISSION EXPIRES

12/31/2021
(date)




(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)

County of (county name):

Maricopa

Name (owner or official) title:

Brian Smith - Vice President

Company name:

Picacho Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$1,127,044

(The amount in the box above includes

\$106,447 in sales taxes

billed or collected)



signature of owner/official

480-895-9200

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

28th

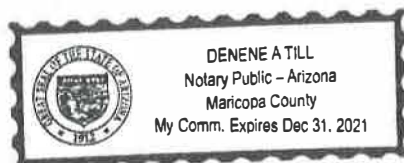
DAY OF

Maricopa
(county name)

April, 2021
(month) and (year)

MY COMMISSION EXPIRES

12/31/2021
(date)



Denene A. Till
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

State of Arizona I, the undersigned of the
(state name)

County of (county name): Maricopa
Name (owner or official) title: Brian Smith - Vice President
Company name: Picacho Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$531,278

(The amount in the box above includes

\$44,377 in sales taxes

billed or collected)


signature of owner/official

480-895-9200

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Maricopa
(county name)

THIS

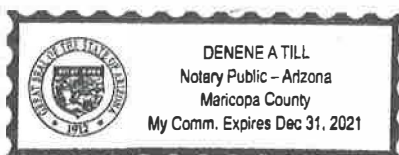
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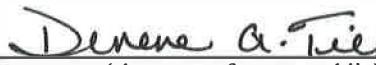
DAY OF

April, 2021
(month) and (year)

MY COMMISSION EXPIRES

12/31/2021
(date)




(signature of notary public)

Picacho Water Company
Annual Report
Full Gross-up Method for Income Tax Statement of Certification
12/31/20

Full Gross-up Method for Income Tax Statement of Certification

Verification:

State of Arizona I, the undersigned of the
(state name)

County of (county name):

Maricopa

Name (owner or official) title:

Brian Smith - Vice President

Company name:

Picacho Water Company

FOR THE YEAR ENDING: 12/31/20

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

Brian Smith

signature of owner/official

480-895-9200

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Maricopa
(county name)

THIS

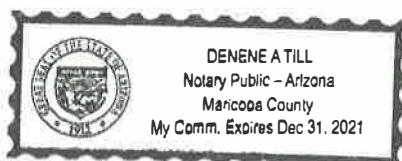
28th

DAY OF

April, 2021
(month) and (year)

MY COMMISSION EXPIRES

12/31/2021
(date)



Denene A. Till

(signature of notary public)