ANNUAL REPORT

Of

Company Name:

Rincon Water Company

Mailing Address:

HC #70 Box 3601

Sahuarita AZ 85629

Docket No.:

W-01723A

For the Year Ended:

12/31/19



WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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: 2/7/2020

CALVERT & IVESTER, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

2930 N Swan Road, Ste 209 TUCSON, AZ 85712

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Dale R. Calvert, CPA E-mail: dale@calvertandivester.com

Sara J. Ivester, CPA Email: sara@calvertandivester.com

Board of Directors Rincon Water Company Sahuarita, Arizona

We have prepared from information provided to us by management the accompanying balance sheet of Rincon Water Company as of December 31, 2019 and 2018 and the related water comparative income statement and supplementary information contained in the schedule of utility plant in service, schedule of depreciation expense for the current year and schedule of long-term debt for the year then ended included in the accompanying prescribed form, Water Utility Annual Report. These financial statements were not subjected to any audit, review or compilation standards nor did we verify the accuracy or completeness of information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission which differ from a presentation in accordance with generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

We are not independent with respect to Rincon Water Company.

Calvert & Ivester, PLLC Tucson, AZ

March 6, 2020

ARIZONA CORPORATION COMMISSION WATER UTILITIY ANNUAL REPORT

| A Class | Е | Utility |
|---------|---|---------|
|---------|---|---------|

| 1. For the Calendar Yea | r Ended: <u>12/31/19</u> | | | | |
|--------------------------|---------------------------|--------------------|--------------|--|-----------|
| 2. Address: | HC #70 Box 3601 | | | 12 2 2 2 2 2 2 2 | NV-YIEL |
| City: | Sahuarita | State: | Arizona | Zip Code: | 85629 |
| 3. Telephone Number: | (520) 625-1671 | | | | |
| 4. Date of Original Orga | nization of Utility: | 6/10/1959 | | | |
| 5. Person to whom corre | spondence should be addre | essed concerning t | this report: | | |
| Name: | Michael Urman | 1112 011 | | | |
| Telephone No.: | (520) 325-5000 | | | | |
| Address: | | 200 | | SET OF A SEC. | Dita Line |
| City: | Tucson | State: | Arizona | Zip Code: | 85716 |
| Email: | N/A | | | The state of the s | 00/10 |
| 6. On-Site Manager: | | | , | | |
| Name: | Karen Hartwell | | | | |
| Telephone No. : | (520) 625-1671 | | | | |
| • | HC #70 Box 3601 | | | | ntiniann |
| City: | Sahuarita | State: | Arizona | Zip Code: | 85620 |
| Email: | N/A | State. | 2 ti izolia | Zip Code. | 03029 |
| | | | | | |
| 7. Ownership: | "S" Corporation | | | | |
| 8. Counties Served: | Pima | Harrie En | | | |
| | | | | | Page 2 |

Rincon Water Company Annual Report Utility Plant in Service (Water) 12/31/19

| | | | Plant in Service | | | | |
|---------|--|----------------|------------------|--------------|---------------|--------------|-------------|
| Account | Description | Beginning Year | Current Year | Current Year | Adjusted | Accumulated | OCLD (OC le |
| No. | | Original Cost | Additions | Retirements | Original Cost | Depreciation | AD) |
| 301 | Organization | 0 | 0 | 0 | 0 | 0 | 0 |
| 302 | Franchises | 1,549 | 0 | 0 | 1,549 | .0 | 1.549 |
| 303 | Land and Land Rights | 14,843 | 0 | 0 | 14,843 | 0 | 14,843 |
| 304 | Structures and Improvements | 80,825 | 0 | 0 | 80,825 | 80.825 | 0 |
| 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 | 30,556 | 0 | 0 | 30,556 | 30,556 | 0 |
| 308 | Infiltration Galleries | 0 | 0 | 0 | 0 | 0 | 0 |
| 309 | Supply Mains | 0 | 0 | 0 | 0 | 0 | 0 |
| 310 | Power Generation Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 311 | Pumping Equipment | 59,142 | 0 | 0 | 59,142 | 51.735 | 7 407 |
| 320 | Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 320.1 | Water Treatment Plants | 0 | 0 | 0 | 0 | (60,548) | 60 548 |
| 320.2 | Solution Chemical Feeders | 0 | 0 , | 0 | 0 | 0 | 00,348_ |
| 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 | 167,023 | 0 | 0 | 167,023 | 167,023 | 0 |
| 330.2 | Pressure Tanks | 17,707 | 0 | 0 | 17,707 | 15,051 | 2.656 |
| 331 | Transmission and Distribution Mains | 903,095 | 0 | 0 | 903,095 | 888,815 | 14.279 |
| 333 | Services | 34,995 | 0 | 0 | 34,995 | 33,571 | 1.424 |
| 334 | Meters and Meter Installations | 12,665 | 0 | 0 | 12,665 | 12,665 | 0 |
| 335 | Hydrants | 0 | 0 | 0 | 0 | 0 | 0 |
| 336 | Backflow Prevention Devices | 0 | 0 | 0 | 0 | 0 | 0 |
| 339 | Other Plant and Misc. Equipment | 78,174 | 0 | 0 | 78,174 | 46,800 | 31.374 |
| 340 | Office Furniture and Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 340.1 | Computer & Software | 0 | 0 | 0 | 0 | 0 | 0 |
| 341 | Transportation Equipment | 3,152 | 0 | 0 | 3.152 | 788 | 2.364 |
| 342 | Stores Equipment | 0 | 0 | 0 | 3,132 | 0 | 2,304 |
| 343 | Tools, Shop and Garage Equipment | 6,990 | 0 | 0 | 6.990 | 3,307 | 3.683 |
| 344 | Laboratory Equipment | 0 | 0 | 0 | 0,550 | 0 | 0,083 |
| 345 | Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 346 | Communication Equipment | 8,833 | 0 | 0 | 8.833 | 8.833 | 0 |
| 347 | Miscellaneous Equipment | 10,742 | 0 | 0 | 10.742 | 2,422 | 8,320 |
| 348 | Other Tangible Plant | 0 | 0 | 0 | 10,742 | 0 | 0,320 |
| | Totals | 1,430,290 | 0 | 0 | 1.430.290 | 1,281,843 | 148,447 |

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

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Rincon Water Company Annual Report Depreciation Expense for the Current Year (Water) 12/31/19

| | | Depreciatio | n Expense for th | e Current Year | (Water) | | | |
|-------------|--|------------------------------------|---------------------------|-----------------------------|---------------------------|--|-----------------------------|------------------------|
| Account No. | Description | Beginning Year Original Cost | Current Year Additions | Current Year Retirements | Adjusted Original Cost | Fully Depreciated/Non- depreciable Plant | Depreciation Percentages | Depreciatio Expense |
| 301 | Organization | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 302 | Franchises | 1.549 | 0 | 0 | 1.549 | 1,549 | 0.00% | 0 |
| 303 | Land and Land Rights | 14,843 | 0 | 0 | 14,843 | 14,843 | 0.00% | 0 |
| 304 | Structures and Improvements | 80,825 | 0 | 0 | 80,825 | 80,825 | 5.00% | 0 |
| 305 | Collecting & Improving Reservoirs | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 306 | Lake, River, Canal Intakes | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 307 | Wells and Springs | 30,556 | 0 | 0 | 30,556 | 30,556 | 0.00% | 0 |
| 308 | Infiltration Galleries | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 309 | Supply Mains | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 310 | Power Generation Equipment | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 311 | Pumping Equipment | 59,142 | 0 | 0 | 59,142 | 0 | 5.00% | 2,957 |
| 320 | Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0.00% | 2,937 |
| 320.1 | Water Treatment Plants | 0 | 0 | 0 | 0 | 60,548 | 0.00% | 0 |
| 320.2 | Solution Chemical Feeders | 0 | 0 | Ö | 0 | 0 | 0.00% | 0 |
| 320.3 | Point-of-Use Treatment Devices | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 330 | Distribution Reservoirs and Standpipes | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 330.1 | Storage Tanks | 167,023 | 0 | 0 | 167.023 | 167,023 | 5.00% | 0 |
| 330.2 | Pressure Tanks | 17,707 | 0 | 0 | 17,707 | 0 | 5.00% | 885 |
| 331 | Transmission and Distribution Mains | 903,095 | 0 | 0 | 903.095 | 0 | 5.00% | 45,155 |
| 333 | Services | 34,995 | 0 | 0 | 34,995 | 0 | 5.00% | 1,750 |
| 334 | Meters and Meter Installations | 12,665 | 0 | 0 | 12,665 | 12.665 | 5.00% | 0 |
| 335 | Hydrants | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 336 | Backflow Prevention Devices | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 339 | Other Plant and Misc. Equipment | 78,174 | 0 | 0 | 78.174 | 0 | 5.00% | 3,909 |
| 340 | Office Furniture and Equipment | 0 | 0 | 0 | 0 | 0 | 0.00% | 3,909 |
| 340.1 | Computer & Software | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 341 | Transportation Equipment | 3,152 | 0 | 0 | 3.152 | 0 | 5.00% | 158 |
| 342 | Stores Equipment | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 343 | Tools, Shop and Garage Equipment | 6,990 | 0 | 0 | 6,990 | 0 | 5.00% | 350 |
| 344 | Laboratory Equipment | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 345 | Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 346 | Communication Equipment | 8,833 | 0 | 0 | 8,833 | 0 | 5.00% | 220 |
| 347 | Miscellaneous Equipment | 10,741 | 0 | 0 | 10,741 | 0 | 5.00% | 537 |
| | Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| | Subtotal | 1,430,290 | 0 | 0 | 1,430,290 | 368,009 | 0.0070 | 55,920 |

Contribution(s) in Aid of Construction (Gross)
Less: Non Amortizable Contribution(s)
Fully Amortized Contribution(s)
Amortizable Contribution(s)
Times: Proposed Amortization Rate
Amortization of CIAC

\$141,875 141,875 0 \$0 5.00% \$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE \$55,920

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Rincon Water Company Annual Report Balance Sheet Assets 12/31/19

| | Balance Sheet Assets | | |
|-------------|---|---|---------------------------------|
| | Assets | Balance at Beginning of Year (2019) | Balance at End o Year (2019) |
| Account No. | Current and Accrued Assets | | |
| 131 | Cash | \$21,811 | \$15,285 |
| 134 | Working Funds | 0 | 0 |
| 135 | Temporary Cash Investments | 75,617 | 87,657 |
| 141 | Customer Accounts Receivable | 3.728 | 3,751 |
| 146 | Notes Receivable from Associated Companies | 0 | 0 |
| 151 | Plant Material and Supplies | 0 | 0 |
| 162 | Prepayments | 0 | 0 |
| 174 | Miscellaneous Current and Accrued Assets | 0 | 0 |
| | Total Current and Accrued Assets | \$101,156 | \$106,693 |
| Account No. | Fixed Assets | | |
| 101 | Utility Plant in Service* | \$1,430,290 | \$1,430,290 |
| 103 | Property Held for Future Use | 0 | 0 |
| 105 | Construction Work in Progress | 0 | 0 |
| 108 | Accumulated Depreciation (enter as negative)* | (1,225,923) | (1,281,843) |
| 121 | Non-Utility Property | 0 | 0 |
| 122 | Accumulated Depreciation - Non Utility | 0 | 0 |
| | Total Fixed Assets | \$204,367 | \$148,447 |
| | Total Assets | \$305,523 | \$255,140 |

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

*Note these items feed automatically from AR3 UPIS Page 3

Rincon Water Company Annual Report Balance Sheet Liabilities and Owners Equity

| | Balance Sheet Liabilities and Ov | vners Equity | |
|-------------|---|-------------------------------------|----------------------------------|
| | Liabilities | Balance at Beginning of Year (2019) | Balance at End of Year (2019) |
| Account No. | Current Liabilities | | |
| 231 | Accounts Payable | \$0 | \$0 |
| 232 | Notes Payable (Current Portion) | 0 | 0 |
| 234 | Notes Payable to Associated Companies | 0 | 0 |
| 235 | Customer Deposits | 3,744 | 3,360 |
| 236 | Accrued Taxes | 234 | 0 |
| 237 | Accrued Interest | 0 | 0 |
| 242 | Miscellaneous Current and Accrued Liabilities | 3,000 | 3,000 |
| | Total Current Liabilities | \$6,978 | \$6,360 |
| | Long Term Debt | | |
| 224 | Long Term Debt (Notes and Bonds) | \$0 | S0 |
| | Deferred Credits | | |
| 251 | Unamortized Premium on Debt | \$0 | \$0 |
| 252 | Advances in Aid of Construction | 737,183 | 729,479 |
| 255 | Accumulated Deferred Investment Tax Credits | 0 | 0 |
| 271 | Contributions in Aid of Construction | 141,875 | 141,875 |
| 272 | Less: Amortization of Contributions | 0 | 0 |
| 281 | Accumulated Deferred Income Tax | 0 | 0 |
| | Total Deferred Credits | \$879,058 | \$871,354 |
| | Total Liabilites | \$886,036 | \$877,714 |
| | Capital Accounts | | |
| 201 | Common Stock Issued | \$588,857 | \$588,857 |
| 211 | Other Paid-In Capital | 141.073 | 141,073 |
| 215 | Retained Earnings | (1,310,443) | (1,352,504) |
| 218 | Proprietary Capital (Sole Props and Partnerships) | 0 | (1,552,504) |
| | Total Capital | (\$580,513) | (\$622,574) |
| | Total Liabilities and Capital | \$305,523 | \$255,140 |

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

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

| Account No. | Water Comparative Calendar Year | | T . Tr |
|-------------|---|-------------------------|------------|
| Account No. | Calendar Year | Current Year | Last Year |
| | Operating Revenue | 01/01/2019 - 12/31/2019 | |
| 461 | Metered Water Revenue | \$57,558 | \$62,208 |
| 460 | Unmetered Water Revenue | 0 | 0 |
| 462 | Fire Protection Revenue | 0 | 0 |
| 469 | Guaranteed Revenues (Surcharges) | 0 | 0 |
| 471 | Miscellaneous Service Revenues | | 0 |
| 474 | Other Water Revenue | 0 | 0 |
| 7 / - | Total Revenues | | 0 |
| | Total Revenues | \$57,558 | \$62,208 |
| | Operating Expenses | | |
| 601 | Salaries and Wages | 0.0 | |
| 604 | Employee Pensions and Benefits | \$0 | \$0 |
| 610 | Purchased Water | 0 | 0 |
| 615 | Purchased Power | 0 | 0 |
| 618 | Chemicals | 4,854 | 5,265 |
| | Materials and Supplies | 0 | 0 |
| 620.1 | Repairs and Maintenance | 0 | 0 |
| 620.2 | Office Supplies and Expense | 14,539 | 7,525 |
| 630 | Contractual Services | 2,113 | 879 |
| 631 | | 596 | 0 |
| | Contractual Services - Engineering Contractual Services - Accounting | 0 | 0 |
| | Contractual Services - Accounting Contractual Services - Legal | 2,355 | 3,580 |
| | | 0 | 0 |
| 635 | Contractual Services - Management Fees Contractual Services - Water Testing | 7,435 | 4,200 |
| 636 | Contractual Services - Water Testing Contractual Services - Other | 971 | 1,180 |
| | Rents | 1,250 | 1,485 |
| | | 0 | 0 |
| | Rental of Building/Real Property | 0 | 0 |
| | Rental of Equipment | 0 | 96 |
| | Transportation Expenses | 0 | 177 |
| | Insurance - General Liability Insurance - Health and Life | 2,873 | 2,839 |
| | | 697 | 1,194 |
| | Regulatory Commission Expense - Rate | 45 | 45 |
| | Bad Debt Expense | 0 | 1,524 |
| | Miscellaneous Expense | 1,855 | 4,118 |
| | Depreciation Expense (From Schedule AR4) Taxes Other Than Income | 55,920 | 56,378 |
| | Property Taxes | 0 | 0 |
| | Income Taxes | 4,155 | 3,992 |
| | Customer Security Deposit Interest | 0 | 0 |
| | Total Operating Expenses | 0 | 0 |
| | Total Operating Expenses | \$99.658 | \$94,477 |
| | Operating Income / (Loss) | (\$42,100) | (\$32,269) |
| | | | |
| | Other Income / (Expense) | | |
| 419 I | Interest and Dividend Income | \$40 | \$36 |
| | Non-Utility Income | 0 | 0 |
| | Miscellaneous Non-Utility (Expense) | 0 | 0 |
| | nterest (Expense) | 0 | (27) |
| | Total Other Income / (Expense) | \$40 | \$9 |
| T I | Net Income / (Loss) | (\$42,060) | (\$32,260) |

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Rincon Water Company Annual Report Full time equivalent employees 12/31/19

Full time equivalent employees

| | Direct Company | Outside service | Total |
|----------------------|----------------|-----------------|-------|
| President | None | None | 0.0 |
| Vice-president | None | None | 0.0 |
| Manager | None | None | 0.0 |
| Engineering Staff | None | None | 0.0 |
| System Operator(s) | None | None | 0.0 |
| Meter reader | None | None | 0.0 |
| Customer Service | None | None | 0.0 |
| Accounting | None | None | 0.0 |
| Business Office | None | None | 0.0 |
| Rates Department | None | None | 0.0 |
| Administrative Staff | None | None | 0.0 |
| Other | None | None | 0.0 |
| Total | 0.0 | 0.0 | 0.0 |

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Rincon Water Company Annual Report Supplemental Financial Data (Long-Term Debt) 12/31/19

| | Supplementa | ıl Financial Data (Lo | ng-Term Debt) | |
|------------------------|--------------|-----------------------|---------------|---------|
| | Loan #1 | Loan #2 | Loan #3 | Loan #4 |
| Date Issued | NONE | NONE | NONE | NONE |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | | | | |
| Dollar Amt. Issued | | | | |
| Amount Outstanding | | | | |
| Date of Maturity | | | | |
| Interest Rate | Bright St. 1 | | | |
| Current Year Interest | Y | | | F-70 |
| Current Year Principal | | | | |

| Meter Deposit Balance at Test Year End: | \$3,360 | Empu | |
|---|---------|-----------------|--|
| | | | |
| Meter Deposits Refunded During the Test Y | ear: | \$281 | |

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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.

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Rincon Water Company Annual Report Well and Water Usage 12/31/19

| | | | We | ll and Water Usage | | | | | |
|------------------------------------|-----------------|------------------|--------------|---|-----------------------|------------------|------------------------|-------------------|--------|
| Name of the System: | | Rincon Water Cor | mpany | | | | | | |
| ADEQ Public Water Sys | stem Number: | | AZ0410144 | | | | • | | |
| ADWR PCC Number: | | | N/A | | 1 | | | | |
| Well registry 55# (55- XXXXXX): | Pump Horsepower | Pump Yield (gpm) | Casing Depth | Casing Diameter (inches) | Pump Motor Type ** | Year Drilled | Meter Size (inches) | .How measured: | Active |
| 607531 | 15 | 1,550 | 280 | 12 | Turbine | 1982 | 4 | metered | Yes |
| 607532 | CAPPED | | II SENTEN | | | | | | No |
| 607533 | NOT IN SERV | TCE | | | | | | | No |
| | | | | | اللحج الملاأ | | | | 1000 |
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| Name of system water delivered to: | None | |
|--|------|--|
| ADWR PCC Number: | | |
| Source of water delivered to another system | | |
| The state of the s | | |
| Name of system water received from | None | |

ADWR PCC Number: Source of water received Well registry 55# (55-XXXXXX):

| Month | Water withdrawn (gallons) | Water sold (gallons) ² | Water delivered (sold) to other systems (gallons) ³ | Water received (purchased) from other systems (gallons) ⁴ | Estimated authorized use (gallons) ⁵ | Purchased Power Expense ⁶ | Purchased Power (kWh) ⁷ |
|-----------|---------------------------|--------------------------------------|--|---|---|--------------------------------------|---------------------------------------|
| January | 428.900 | 394.770 | 0 | _0 | 394,770 | \$262 | 1 725 |
| February | 510,800 | 439,030 | 0 | 0 | 439,030 | 268 | 1.733 |
| March | 564,300 | 469,140 | 0 | 0 | 469,140 | 320 | 2.241 |
| April | 683,000 | 587,220 | 0 | 0 | 587,220 | 319 | 2,237 |
| May | 788,100 | 688,610 | 0 | .0 | 688,610 | 490 | 2,989 |
| June | 979,100 | 885,250 | 0 | 0 | 885,250 | 499 | 2,188 |
| July | 1,022,800 | 918,380 | 0 | 0 | 918,380 | 591 | 3,696 |
| August | 982,100 | 888,850 | 0 | 0 | 888,850 | 492 | 3,004 |
| September | 924,900 | 829,560 | 0 | 0 | 829,560 | 475 | 2,892 |
| October | 825,400 | 743,920 | 0 | 0 | 743,920 | 429 | 3,096 |
| November | 868,400 | 731,700 | 0 | 0 | 731,700 | 390 | 2,859 |
| December | 447,400 | 443,210 | 0 | 0 | 443,210 | 322 | 2,259 |
| Totals | 9,025,200 | 8,019,640 | 0 | 0 | 8,019,640 | \$4,857 | 30,919 |

| f applicable, in the space below p | | | |
|------------------------------------|--|--|--|
| | | | |
| | | | |
| | | | |
| | | | |

0 534 acre feet used for flushing and dust control

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to repor

Water withdrawn - Total gallons of water withdrawn from pumped sources.
 Water sold - Total gallons customer meters, and other sales such as construction water.

2 Water sold - Total gallons customer meters, and other sales such as construction water.

3 Water delivered (sold) to other systems - Total gallons of water delivered to other systems.

4 Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.

5 Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks process, construction, fire flighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.

6 Enter the total purchased power costs for the power meters associated with this system.

7 Enter the total purchased kWh used by the power meters associated with this system.

Rincon Water Company Annual Report Water Utility Plant Description 12/31/19

| | Water Utility Plant Description | |
|----------------------------------|---------------------------------|--|
| Name of the System: | Rincon Water Company | |
| ADEQ Public Water System Number: | AZ0410144 | |
| ADWR PCC Number: | N/A | |

| | MAINS | |
|----------------|----------|---------------|
| Sizes (inches) | Material | Length (feet) |
| 2 | PVC | 1,000 |
| 3 | NA | 0 |
| 4 | PVC | 6,100 |
| 5 | NA | 0 |
| 6 | Transite | 40,900 |
| 8 | PVC | 2,377 |
| 10 | NA | 0 |
| 12 | NA | 0 |
| 6 | PVC | 33,033 |
| | | |
| | | |
| | | |
| | | |

| | Material | INES |
|--------|----------|--|
| | Material | Percent of system |
| Copper | | 2% |
| | | |
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| Size (inches) | Quantity |
|---------------|----------|
| | |
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| 1 | 73 |
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| | BOOSTER PUMPS | |
|------------|---------------|----------|
| Horsepower | GPM | Quantity |
| 20 | 210 | 2 |
| 40 | 350 | |
| 30 | 265 | 2 |
| 60 | 500 | |

| Capacity (gallons) | Material | Quantity |
|--------------------|----------|------------------|
| 186,000 | Steel | 1 |
| 20,000 | Steel | |
| 140,000 | Steel | TELL CHARGE BOIL |

| FIRE HYDRANTS | |
|---------------|----------|
| Туре | Quantity |
| Standard * | 20 |
| Other | 0 |

| PRESSURE/I | BLADDER T | ANKS |
|--------------------|---------------|------------|
| Capacity (gallons) | Material | Quantity |
| 5,000 | Steel | 2 |
| | | DELET |
| | | |
| | | E William |
| | 100 | In F 25 11 |
| | THE RESIDENCE | |

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary

^{*} A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

| Rincon Water Company |
|---|
| Annual Report |
| Water Utility Plant Description (Continued) |
| 12/31/19 |
| |

| | Water Utility Plant Description (Continued) | |
|-------------------------------|--|--|
| For the following three items | s, list the utility owned assets in each category for each system. | |

| TREATMENT EQUIPMENT: | None |
|-------------------------|---|
| STRUCTURES: | Water Plant with 2 buildings and a pond, all located on a fenced site |
| OTHER: | None |

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary

Rincon Water Company Annual Report Customer and Other Information 12/31/19

| Customer and Other Information | | | | | | | |
|----------------------------------|----------------------|--|--|--|--|--|--|
| Name of the System: | Rincon Water Company | | | | | | |
| ADEQ Public Water System Number: | AZ0410144 | | | | | | |
| ADWR PCC Number: | N/A | | | | | | |

| | | Nui | nber of Customer | rs | |
|-----------|---------------|------------------|------------------|------------------------|---------------------------|
| Month | Single-Family | Multi-Family | Commercial | Turf/Irrigation | Other Non- Residential |
| January | 72 | | | | 1201 |
| February | 73 | I YE WE THEN | | | |
| March | 72 | | | | |
| April | 72 | U DIE EUS | | | JI |
| May | 74 | The state of the | | Contract of the second | |
| June | 72 | | | | 1-15 |
| July | 72 | | | | |
| August | 72 | | | | THE NAME |
| September | 72 | | | | V 1 121 |
| October | 73 | | | | True de |
| November | 73 | | | | |
| December | 73 | | | | |

| If the system has fire hydrants, what is the fire flow requirements? | 250 GP | M for 1 hrs. |
|---|---------------------|--------------|
| Does the system have chlorination treatment? | No | |
| Does the Company have an ADWR Gallons Per Capita Per Day (GCPC If yes, provide the GPCPD amount: NA | PD) requirement? No | 0 |
| Is the Water Utility located in an ADWR Active Management Area (AM If yes, which AMA? | · · | ves ucson |

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary

| Property Taxes | | | | | | | | |
|--|---------|--|--|--|--|--|--|--|
| Amount of actual property taxes paid during Calendar Year 2019 was | \$4.155 | | | | | | | |
| VC. | | | | | | | | |
| If no property taxes paid, explain why. | | | | | | | | |
| All property taxes paid in full | | | | | | | | |
| 7 in property taxes paid in fair | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.



PIMA COUNTY TREASURER'S OFFICE

Beth Ford, CPA Pima County Treasurer

240 North Stone Avenue Tucson AZ, 85701-1199 (520) 724-8341

PIMA COUNTY TAX RECEIPT

RINCON WATER CO ATTN: KAREN HARTWELL HC 70 BOX 3601 SAHAURITA AZ 85629-9324

PAID BY: Lockbox

PROPERTY LOCATION: No Location Data Available

TOTAL TAX: \$ 3,176.39

PROPERTY TYPE: Secured, Centrally Assessed

PAYMENT DETAIL

| Receipt No. | State Code | Tax Year | Install No. | Payment Description | Payment Date Paymen |
|----------------|------------|-------------|----------------|---------------------|---------------------|
| 7218161 | 922320000 | 2019 | 1 | Tax Payment | 11/08/2019 1,588.2 |
| 7218161 | 922320000 | 2019 | 2 | Tax Payment | 11/08/2019 1,588.1 |
| Total Paym | nent | | | | \$ 3,176.3 |
| Remaining | Amount | | | | \$ 0.00 |

Remaining amount does NOT include interest, penalties or other charges on delinquent taxes.

Please call the Treasurer's Office at 520-724-8341 for payoff amount.

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK AND THE ACCOUNT WILL REVERT TO AN UNPAID STATUS

THIS IS NOT A BILL

Thank you for your payment!



PIMA COUNTY TREASURER'S OFFICE

Beth Ford, CPA Pima County Treasurer

240 North Stone Avenue Tucson AZ, 85701-1199 (520) 724-8341

PIMA COUNTY TAX RECEIPT

RINCON WATER COMPANY INC ATTN: KAREN HARTWELL HC 70 BOX 3601 SAHUARITA AZ 85629-9306

PAID BY: Lockbox

PROPERTY LOCATION: No Location Data Available

CAGRD FEE: \$ 31.04 TOTAL TAX: \$ 9.17 PROPERTY TYPE: Real Estate

PAYMENT DETAIL

| Receipt No. | State Code | Tax Year | Install No. | Payment Description | Payment Date | Paymen |
|----------------|------------|-------------|----------------|------------------------------|-----------------|----------------------|
| 7218158 | 205647200 | 2019 | 1 | Tax Payment | 11/08/2019 | 9.17 |
| 7218158 | 205647200 | 2019 | 1 | CAGRD Membership Fee Payment | 11/08/2019 | 31.04 |
| Total Paym | | | | | | \$ 40.2 ⁻ |
| Remaining | Amount | | | | | \$ 0.00 |

Remaining amount does NOT include interest, penalties or other charges on delinquent taxes.

Please call the Treasurer's Office at 520-724-8341 for payoff amount.

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PIMA COUNTY TREASURER'S OFFICE

Beth Ford, CPA Pima County Treasurer

240 North Stone Avenue Tucson AZ, 85701-1199 (520) 724-8341

PIMA COUNTY TAX RECEIPT

RINCON WATER CO HC 70 BOX 3601 SAHUARITA AZ 85629-9306

PAID BY: Lockbox

PROPERTY LOCATION: No Location Data Available

TOTAL TAX: \$ 927.58

PROPERTY TYPE: Real Estate

PAYMENT DETAIL

| Receipt No. | State Code | Tax Year | Instal No. | | Payment Date | Payment |
|----------------|------------|-------------|---------------|-------------|--------------|-----------|
| 7218160 | 20585004U | 2019 | 1 | Tax Payment | 11/08/2019 | 463.79 |
| 7218160 | 20585004U | 2019 | 2 | Tax Payment | 11/08/2019 | 463.79 |
| Total Paym | ient | | | | | \$ 927.58 |
| Remaining | Amount | | | | | \$ 0.00 |

Remaining amount does NOT include interest, penalties or other charges on delinquent taxes.

Please call the Treasurer's Office at 520-724-8341 for payoff amount.

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK AND THE ACCOUNT WILL REVERT TO AN UNPAID STATUS

THIS IS NOT A BILL

Thank you for your payment!



240 North Stone Avenue Tucson AZ, 85701-1199 (520) 724-8341

PIMA COUNTY TAX RECEIPT

RINCON WATER CO HC 70 BOX 3601 SAHUARITA AZ 85629-9306

PAID BY: Lockbox

PROPERTY LOCATION: No Location Data Available

TOTAL TAX: \$ 11.30

PROPERTY TYPE: Real Estate

PAYMENT DETAIL

| Receipt No. | State Code | Tax Year | Instal No. | Payment Description | Payment Date | Payment |
|----------------|------------|-------------|---------------|---------------------|-----------------|----------|
| 7218159 | 20585004R | 2019 | 1 | Tax Payment | 11/08/2019 | 11.30 |
| Total Payn | nent | | | | | \$ 11.30 |
| Remaining | Amount | | | | | \$ 0.00 |

Remaining amount does NOT include interest, penalties or other charges on delinquent taxes.

Please call the Treasurer's Office at 520-724-8341 for payoff amount.

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK AND THE ACCOUNT WILL REVERT TO AN UNPAID STATUS

THIS IS NOT A BILL

Thank you for your payment!

Rincon Water Company Annual Report Verification and Sworn Statement (Taxes) 12/31/19

FOR THE YEAR ENDING:

| 'erification: State of | Arizona (state name) | I, the undersigned of the |
|---|--|---|
| County of (converse Name (owner Company name) | r or official) title: | Pima Teralyn Thornsberry, President /ater Company |
| | AT THIS ANNUAL UTIL ION COMMISSION. | JITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA |

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.

12/31/19

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.

mer/official (520) 625-1671 telephone no. SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY (county name) **THIS** DAY OF (month) and (year) MY COMMISSION EXPIRES

OFFICIAL SEAL KATHY FRANCES RUSICK NGTARY PUBLIC-ARIZONA PIMA COUNTY My Comm. #: 569151 My Comm. Exp. Aug. 21, 2023

(signature of notary public)

Rincon Water Company Annual Report Verification and Sworn Statement 12/31/19

Verification:

| | State of | L | | Arizona | I, the undersign | ed of the | | | |
|------------------|--|-----------------------|---|---|--|--------------------|------------------------------|--|--------|
| | C | (- | (state | name) | | | | | |
| | County of | | official) title: | | Pima Taralyn Thorn | sberry, President | | | |
| | Company i | | ominiar, mic. | Rincon Water | | socity, i resident | | _ | |
| | | | THIS ANNUA COMMISSIO | | OPERTY TAX | AND SALES TA | X REPORT TO | THE ARIZONA | |
| | FOR THE | YEAR | R ENDING: | 12/31/19 | | | | | |
| | UTILITY; CORRECT REPORT I | THAT STAT N RES | I HAVE CAI TEMENT OF SPECT TO EA | REFULLY EXA BUSINESS AN | MINED THE S D AFFAIRS OF RY MATTER A | AME, AND DEC | LARE THE SAI FOR THE PERI | LS AND RECORDS OF SAME TO BE A COMPLETE OD COVERED BY THIS IE BEST OF MY | E ANI |
| Sworn Statement: | STATUTE | S, IT I | S HEREIN RE | EPORTED THA | T THE GROSS | | EVENUE OF SA | 01, ARIZONA REVISED ID UTILITY DERIVED F : | |
| | nede of | G | er general en | | \$57,558 | the box above inc | - | aly (\$) | |
| | | inst. | | | \$3,573 billed or collect | ad) | in sales taxes | | |
| | Comments of the comments of th | 7 E ## | | | of conect | ed) | Mynus | owner/official | |
| | makes b | | 254 | | | | signature or | owner/official | |
| | Processing and the second | | | | | (52 | (0) 625-167 | <u>/</u> | |
| | | | A. (. | | | | teleph | one no. | |
| | | | | | AND SWORN THE COUNTY | TO BEFORE MI | E A NOTARY F | | |
| | | | | THIS | | 35 | _DAY OF | (county name) March 2010 (month) and (year) | •) |
| | | SONS ARRESTMENT | a day distributed. | MY COMMIS | SION EXPIRES | } | Aug 21, 3 | 1003 | |
| | | | KATI M | OFFICIAL SE HY FRANCES F TARY PUBLIC-AF PIMA COUN Comm. #: 56 | RUSICK RIZONA ITY | Kathy = | (signature of | DRusick notary public) | |
| | | | | omm. Exp. Aug. : | | | | Day | nge 16 |

Verification and Sworn Statement

Rincon Water Company Annual Report Verification and Sworn Statement (Residential Revenue) 12/31/19

| Verification and Sworn Statement (Residential Revenue) | | | | | | | |
|--|--|--|--|--------------------------------------|--|--|---|
| Verification: | State of | A (state n | rizona name) | I, the undersig | ned of the | | |
| | County of (county name): Name (owner or official) title: Company name: Rincon Water | | | | nsberry, Preside | ent | |
| | DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION. | | | | | | |
| | FOR THE YE | AR ENDING: | 12/31/19 | | | | |
| | OF SAID UTIL BE A COMPL PERIOD COV | LITY; THAT I F ETE AND COR | HAVE CARE RECT STAT S REPORT IN | FULLY EXAMENT OF B | MINED THE SA USINESS AND DEACH AND I | AME, AND DEC AFFAIRS OF EVERY MATT | PAPERS AND RECORDS CLARE THE SAME TO SAID UTILITY FOR THE ER AND THING SET |
| Sworn Statement: | Atement: 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: | | | | | | |
| | 2020 NAR 31 A 10 53 | Arizona Intrasta | ate Gross Ope | \$57,558 | n the box above | includes in sales taxes | ndu |
| | | | | | | signature of o | wner/othicial |
| | | The state of the s | | | (520) | 625-1671 telephor | ne no. |
| | | | | ED AND SWORN TO BEFO R THE COUNTY | | ORE ME A NOTARY PUBLIC (county name) | |
| | | | THIS | | 25 | DAY OF | (month) and (year) |
| jiyansidana. | 東 1 1 1 8 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | end till kallen i varietiens kallen enterfield garaktersken i Visionis (sie | AND THE RESERVE OF THE PARTY OF | ISSION EXPIF | RES | Aug 21, 2 | <u>0</u> 13 |
| | KATH NGT P MV | FFICIAL SEAY FRANCES RI ARY PUBLIC-ARI IMA COUN Comm. #: 569 mm. Exp. Aug. 2 | USICK IZONA TY 9151 | Kathe | + Consistence (signatu | Ceo Ru | ouck blic) |