

ANNUAL REPORT

Of

Company Name:

~~4010 E. Illinois~~ **PO Box 85160**

Mailing Address: Tucson AZ
~~85714~~ **85754**

Docket No.:

For the Year Ended:

RECEIVED
MAY 20 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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:

Application Date:

5-21-19

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Saguaro Water Company
A Class A Utility

1. For the Calendar Year Ended:

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

5. Person to whom correspondence should be addressed concerning this report:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

6. On-Site Manager:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

7. Ownership:

8. Counties Served:

Saguaro Water Company
 Annual Report
 Utility Plant in Service (Water)
 12/31/18

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	\$29,256	\$0	\$0	\$29,256	\$29,256	\$0
302	Franchises				0		0
303	Land and Land Rights	51,700			51,700		51,700
304	Structures and Improvements				0		0
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	198,612			198,612	133,562	65,050
308	Infiltration Galleries				0		0
309	Supply Mains	5,295,547			5,295,547	3,039,639	2,255,908
310	Power Generation Equipment				0		0
311	Pumping Equipment	174,852			174,852	148,480	26,372
320	Water Treatment Equipment	31,727			31,727	13,415	18,312
320.1	Water Treatment Plants				0		0
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes	570,519			570,519	505,674	64,845
330.1	Storage Tanks				0		0
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	527,800			527,800	98,663	429,137
333	Services	1,176			1,176	1,176	0
334	Meters and Meter Installations	242,414	16,841		259,255	154,349	104,906
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment	250			250	250	0
340	Office Furniture and Equipment				0		0
340.1	Computer & Software				0		0
341	Transportation Equipment				0		0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment	402			402	90	312
344	Laboratory Equipment				0		0
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	Totals	\$7,124,255	\$16,841	\$0	\$7,141,096	\$4,124,554	\$3,016,542

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.

Saguaro Water Company
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/18

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	Depreciation Percentages	Depreciation Expense
301	Organization	\$29,256	\$0	\$0	\$29,256	\$29,256	0.00%	\$0
302	Franchises	0	0	0	0		0.00%	0
303	Land and Land Rights	51,700	0	0	51,700	51,700	0.00%	0
304	Structures and Improvements	0	0	0	0		5.00%	0
305	Collecting & Improving Reservoirs	0	0	0	0		5.00%	0
306	Lake, River, Canal Intakes	0	0	0	0		5.00%	0
307	Wells and Springs	198,612	0	0	198,612	8,928	5.00%	9,484
308	Infiltration Galleries	0	0	0	0		5.00%	0
309	Supply Mains	5,295,547	0	0	5,295,547	192,062	5.00%	255,174
310	Power Generation Equipment	0	0	0	0		5.00%	0
311	Pumping Equipment	174,852	0	0	174,852	40,459	5.00%	6,720
320	Water Treatment Equipment	31,727	0	0	31,727	25	5.00%	1,585
320.1	Water Treatment Plants	0	0	0	0		5.00%	0
320.2	Solution Chemical Feeders	0	0	0	0		5.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0		5.00%	0
330	Distribution Reservoirs and Standpipes	570,519	0	0	570,519		5.00%	28,526
330.1	Storage Tanks	0	0	0	0		5.00%	0
330.2	Pressure Tanks	0	0	0	0		5.00%	0
331	Transmission and Distribution Mains	527,800	0	0	527,800		5.00%	26,390
333	Services	1,176	0	0	1,176	1,176	5.00%	0
334	Meters and Meter Installations	242,414	16,841	0	259,255	4,462	5.00%	12,319
335	Hydrants	0	0	0	0		5.00%	0
336	Backflow Prevention Devices	0	0	0	0		5.00%	0
339	Other Plant and Misc. Equipment	250	0	0	250	250	5.00%	0
340	Office Furniture and Equipment	0	0	0	0		5.00%	0
340.1	Computer & Software	0	0	0	0		5.00%	0
341	Transportation Equipment	0	0	0	0		5.00%	0
342	Stores Equipment	0	0	0	0		5.00%	0
343	Tools, Shop and Garage Equipment	402	0	0	402		5.00%	20
344	Laboratory Equipment	0	0	0	0			0
345	Power Operated Equipment	0	0	0	0			0
346	Communication Equipment	0	0	0	0			0
347	Miscellaneous Equipment	0	0	0	0			0
348	Other Tangible Plant	0	0	0	0			0
	Subtotal	\$7,124,255	\$16,841	\$0	\$7,141,096	\$328,318		\$340,218

Contribution(s) in Aid of Construction (Gross)	\$3,741,284
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$3,741,284</u>
Times: Proposed Amortization Rate	5.00%
Amortization of CIAC	\$187,064
Less: Amortization of CIAC	<input type="text" value="\$187,064"/>
DEPRECIATION EXPENSE	<input type="text" value="\$153,154"/>

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.

Saguaro Water Company
 Annual Report
 Balance Sheet Assets
 12/31/18

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current and Accrued Assets			
131	Cash		\$436,736	\$560,190
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		19,547	4,439
146	Notes Receivable from Associated Companies		195,000	195,000
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets		2,334	2,334
	Total Current and Accrued Assets		\$653,617	\$761,963
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$7,124,255	\$7,141,096
103	Property Held for Future Use		56,000	56,000
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(3,784,337)	(4,124,554)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$3,395,918	\$3,072,542
	Total Assets		\$4,049,535	\$3,834,505

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

Saguaro Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
Account No.	Liabilities		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Current Liabilities				
231	Accounts Payable		\$0	\$0
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		3,780	1,135
236	Accrued Taxes		18,559	(9,186)
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities		\$22,339	(\$8,051)
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		2,457,685	2,465,326
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		3,741,284	3,741,284
272	Less: Amortization of Contributions		(676,240)	(863,305)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$5,522,729	\$5,343,305
	Total Liabilities		\$5,545,068	\$5,335,254
Capital Accounts				
201	Common Stock Issued		\$102,100	\$102,100
211	Other Paid-In Capital		281,327	281,327
215	Retained Earnings		(1,878,960)	(1,884,176)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$1,495,533)	(\$1,500,749)
	Total Liabilities and Capital		\$4,049,535	\$3,834,505

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!

Saguaro Water Company
Annual Report
Water Comparative Income Statement
12/31/18

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 -	Last Year 01/01/2017 - 12/31/2017
	Operating Revenue		
461	Metered Water Revenue	\$816,907	\$814,188
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	6,139	4,924
	Total Revenues	\$823,046	\$819,112
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	84,925	84,224
618	Chemicals		
620	Materials and Supplies	5,106	7,167
620.1	Repairs and Maintenance	28,396	6,072
620.2	Office Supplies and Expense	13,041	11,323
630	Contractual Services		
631	Contractual Services -Engineering		
632	Contractual Services - Accounting	1,547	1,475
633	Contractual Services - Legal	2,880	855
634	Contractual Services - Management Fees	267,000	336,000
635	Contractual Services - Water Testing	15,114	1,539
636	Contractual Services - Other	8,804	
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability	2,845	2,770
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense	3,007	(235)
675	Miscellaneous Expense	4,744	5,481
403	Depreciation Expense (From Schedule AR4)	153,154	152,453
408	Taxes Other Than Income		
408.11	Property Taxes	18,951	41,128
409	Income Taxes		(394)
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$609,514	\$649,858
	Operating Income / (Loss)	\$213,532	\$169,254
	Other Income / (Expense)		
419	Interest and Dividend Income	\$142	\$166
421	Non-Utility Income	6,268	(98)
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(161)	(189)
	Total Other Income / (Expense)	\$6,249	(\$121)
	Net Income / (Loss)	\$219,781	\$169,133

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.

Full time equivalent employees

	Direct Company	Outside service	Total
President	0.0		0.0
Vice-president	0.0		0.0
Manager	0.0		0.0
Engineering Staff	0.0	difficult to	#####
System Operator(s)	0.0	determine	#####
Meter reader	0.0	without	#####
Customer Service	0.0	significant	#####
Accounting	0.0	analysis	#####
Business Office	0.0		0.0
Rates Department	0.0		0.0
Administrative Staff	0.0		0.0
Other	0.0		0.0
Total	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.

Saguaro Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/18

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

Meter Deposit Balance at Test Year End:	\$37,890
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Meter Deposits Refunded During the Test Year:	\$4,552
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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.

Water Utility Plant Description (Continued)

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	Chlorinator
---------------------------------	-------------

STRUCTURES:	N/A
--------------------	-----

OTHER:	N/A
---------------	-----

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.

Customer and Other Information	
Name of the System:	SAGUARO WATER COMPANY
ADEQ Public Water System Number:	AZ0410177
ADWR PCC Number:	91-000467.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	1,166	0	0	0	1
February	1,174	0	0	0	1
March	1,065	0	0	0	1
April	1,178	0	0	0	1
May	1,176	0	0	0	1
June	1,179	0	0	0	1
July	1,178	0	0	0	1
August	1,185	0	0	0	1
September	1,191	0	0	0	1
October	1,194	0	0	0	1
November	1,199	0	0	0	1
December	1,169	0	0	0	1

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement?
 If yes, provide the GCPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

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	
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Amount of actual property taxes paid during Calendar Year 2018 was	\$18,951
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If no property taxes paid, explain why. N/A
--

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.

Verification and Sworn Statement (Taxes)

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

County of (county name): Pima
Name (owner or official) title: Gary Smyth, Owner
Company name: Saguaro Water Company

RECEIVED
MAY 01 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/18

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.

Gary Smyth
signature of owner/official

520-623-5172
telephone no.

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

THIS 1st DAY OF Pima
(month) and (year) May/2019

MY COMMISSION EXPIRES 5/27/19
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name): Pima

Name (owner or official) title: Gary Smyth, Owner

Company name: Saguaro Water Company

RECEIVED
MAY 01 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)

\$871,431

(The amount in the box above includes

\$48,385 in sales taxes
billed or collected)

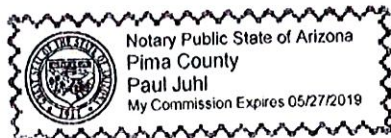
Gary Smyth
signature of owner/official

520-623-5172
telephone no.

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

THIS 1st DAY OF Pima
(county name) May 2019
(month) and (year)

MY COMMISSION EXPIRES 5/27/19
(date)



Paul Juhl
(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): Pima
Name (owner or official) title: Gary Smyth, Owner
Company name: Saguaro Water Company

RECEIVED
MAY 01 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)

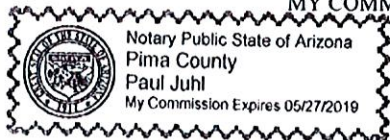
\$813,553
(The amount in the box above includes
\$43,819 in sales taxes
billed or collected)

[Signature]
signature of owner/official
520-623-5172
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pima
(county name)

THIS 1st DAY OF May 2019
(month) and (year)

MY COMMISSION EXPIRES 5/27/19
(date)



[Signature]
(signature of notary public)

Company	Saguaro Water Company	
Docket No.:	W-01790A	
Name of the System:	SAGUARO WATER COMPANY	
ADEQ Public Water System Number:	AZ0410177	
ADWR PCC Number:	91-000467.0000	

2018 Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	1	0
February	0	1	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	1	0
August	0	0	0
September	0	2	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	5	0

Other (description):

N/A

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.