

ANNUAL REPORT

Of

Company Name: Sahuarita Water Company L.L.C.
4549 E. Fort Lowell Rd.

Mailing Address: Tucson AZ
85712

Docket No.: W-03718A
For the Year Ended: 12/31/20

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**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

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: 3/31/2021

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Sahuarita Water Company L.L.C.
A Class Utility

For the Calendar Year Ended:

Primary Address:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

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

Regulatory and Management Contact

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

On-Site Manager

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

Statutory Agent

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

Attorney

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

Ownership:

Counties Served:

Important changes during the year	
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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.
	No

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.
	No

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	\$7,541	0	0	\$7,541	\$0	\$7,541
302	Franchises	352,403	0	0	352,403	0	352,403
303	Land and Land Rights	13,636	0	0	13,636	0	13,636
304	Structures and Improvements	414,577	10,000	2,318	422,259	163,941	258,318
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	2,132,085	0	9,131	2,122,954	656,853	1,466,101
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	556,180	5,663	4,447	557,396	267,736	289,660
311	Pumping Equipment	222,499	45,373	10,830	257,042	216,702	40,340
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	1,499,569	0	0	1,499,569	559,424	940,145
320.2	Solution Chemical Feeders	48,577	0	0	48,577	48,578	(1)
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
320.4	Arsenic Media	417,503	0	0	417,503	45,083	372,420
320.5	Arsenic Media Regeneration	181,693	0	0	181,693	30,901	150,792
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	1,833,052	0	0	1,833,052	615,497	1,217,555
330.2	Pressure Tanks	38,199	0	0	38,199	21,500	16,699
331	Transmission and Distribution Mains	14,991,250	279,673	0	15,270,923	3,738,917	11,532,006
333	Services	3,035,017	283,740	0	3,318,757	1,053,641	2,265,116
334	Meters and Meter Installations	1,618,758	166,601	81,764	1,703,595	1,524,719	178,876
335	Hydrants	947,809	54,319	0	1,002,128	181,289	820,839
336	Backflow Prevention Devices	1,660	0	0	1,660	1,121	539
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	161,605	6,540	3,695	164,450	41,413	123,037
340.1	Computer & Software	129,020	29,487	2,592	155,915	129,118	26,797
341	Transportation Equipment	172,321	53,132	0	225,453	162,520	62,933
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	46,850	1,504	0	48,354	22,645	25,709
344	Laboratory Equipment	132	0	0	132	132	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	592,380	1,136	0	593,516	593,516	0
347	Miscellaneous Equipment	695	0	0	695	695	0
348	Other Tangible Plant	1,014,554	0	0	1,014,554	1,014,554	0
	Totals	\$30,429,565	\$937,168	\$114,777	\$31,251,956	\$11,090,495	\$20,161,461

Sahuarita Water Company L.L.C.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/20

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	\$7,541	\$0	\$0	\$7,541	\$7,541	\$0	0.00%	\$0
302	Franchises	352,403	0	0	352,403	352,403	0	0.00%	0
303	Land and Land Rights	13,636	0	0	13,636	13,636	0	0.00%	0
304	Structures and Improvements	414,577	10,000	2,318	422,259	0	422,259	3.33%	13,933
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	2,132,085	0	9,131	2,122,954	0	2,122,954	3.33%	70,846
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	556,180	5,663	4,447	557,396	0	557,396	5.00%	27,839
311	Pumping Equipment	222,499	45,373	10,830	257,042	0	257,042	12.50%	29,971
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	1,499,569	0	0	1,499,569	0	1,499,569	3.33%	49,936
320.2	Solution Chemical Feeders	48,577	0	0	48,577	39,132	9,445	20.00%	1,889
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
320.4	Arsenic Media	417,503	0	0	417,503	0	417,503	6.67%	27,847
320.5	Arsenic Media Regeneration	181,693	0	0	181,693	0	181,693	40.00%	72,677
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	1,833,052	0	0	1,833,052	0	1,833,052	2.22%	40,694
330.2	Pressure Tanks	38,199	0	0	38,199	0	38,199	5.00%	1,910
331	Transmission and Distribution Mains	14,991,250	279,673	0	15,270,923	0	15,270,923	2.00%	302,622
333	Services	3,035,017	283,740	0	3,318,757	0	3,318,757	3.33%	105,790
334	Meters and Meter Installations	1,618,758	166,601	81,764	1,703,595	0	1,703,595	8.33%	138,376
335	Hvdrants	947,809	54,319	0	1,002,128	0	1,002,128	2.00%	19,499
336	Backflow Prevention Devices	1,660	0	0	1,660	0	1,660	6.67%	111
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	161,605	6,540	3,695	164,450	0	164,450	6.67%	10,874
340.1	Computer & Software	129,020	29,487	2,592	155,915	129,020	26,895	20.00%	2,690
341	Transportation Equipment	172,321	53,132	0	225,453	80,116	145,337	20.00%	23,754
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	46,850	1,504	0	48,354	0	48,354	5.00%	2,380
344	Laboratory Equipment	132	0	0	132	132	0	10.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	592,380	1,136	0	593,516	312,030	281,486	10.00%	28,092
347	Miscellaneous Equipment	695	0	0	695	695	0	10.00%	0
348	Other Tangible Plant	1,014,554	0	0	1,014,554	1,014,554	0	10.00%	0
	Subtotal	\$30,429,565	\$937,168	\$114,777	\$31,251,956	\$1,949,259	\$29,302,697		\$971,731

Contribution(s) in Aid of Construction (Gross)	\$12,699,979
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	2,937,871
Amortizable Contribution(s)	<u>\$9,762,108</u>
Times: Proposed Amortization Rate	3.32%
Amortization of CIAC	\$323,729

Less: Amortization of CIAC \$323,729

DEPRECIATION EXPENSE **\$648,002**

Sahuarita Water Company L.L.C.
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		\$2,315,567	\$3,215,172
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		0	0
146	Notes Receivable from Associated Companies		4,173	809
151	Plant Material and Supplies		42,719	40,573
162	Prepayments		216,581	187,396
174	Miscellaneous Current and Accrued Assets		232,125	234,662
	Total Current and Accrued Assets		\$2,811,165	\$3,678,611
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$30,429,565	\$31,251,956
103	Property Held for Future Use		367,715	425,377
105	Construction Work in Progress		66,422	29,668
108	Accumulated Depreciation (enter as negative)*		(10,233,536)	(11,090,495)
121	Non-Utility Property		77,621	79,560
122	Accumulated Depreciation - Non Utility		(55,114)	(59,973)
	Total Fixed Assets		\$20,652,673	\$20,636,094
	Total Assets		\$23,463,838	\$24,314,705

*Note these items feed automatically from AR3 UPIS Page 4

Sahuarita Water Company L.L.C.
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		\$0	\$0
232	Notes Payable (Current Portion)		211,822	211,822
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		142,732	146,768
236	Accrued Taxes		26,217	33,032
237	Accrued Interest		3,595	3,590
242	Miscellaneous Current and Accrued Liabilities		131,297	431,687
	Total Current Liabilities		\$515,663	\$826,899
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$1,480,457	\$1,336,969
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		2,610,391	3,093,399
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		9,544,585	12,699,979
272	Less: Amortization of Contributions		0	(3,261,600)
281	Accumulated Deferred Income Tax		0	
	Total Deferred Credits		\$12,154,976	\$12,531,778
	Total Liabilities		\$14,151,096	\$14,695,647
	Capital Accounts			
201	Common Stock Issued		\$0	
211	Other Paid-In Capital		0	
215	Retained Earnings		506,946	1,056,314
218	Proprietary Capital (Sole Props and Partnerships)		8,805,797	8,562,744
	Total Capital		\$9,312,743	\$9,619,057
	Total Liabilities and Capital		\$23,463,839	\$24,314,705

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

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	\$4,524,821	\$3,897,462
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	50,964	79,089
474	Other Water Revenue	17,844	19,996
	Total Revenues	\$4,593,630	\$3,996,547
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	943,753	991,628
615	Purchased Power	179,954	187,074
618	Chemicals	21,479	17,136
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	93,256	79,507
620.2	Office Supplies and Expense	11,618	12,340
630	Contractual Services	16,440	0
631	Contractual Services - Engineering	4,989	2,927
632	Contractual Services - Accounting	14,414	24,743
633	Contractual Services - Legal	3,064	887
634	Contractual Services - Management Fees	1,149,246	1,044,460
635	Contractual Services - Water Testing	13,753	13,586
636	Contractual Services - Other	134,254	135,531
640	Rents	0	0
641	Rental of Building/Real Property	1,538	1,538
642	Rental of Equipment	0	0
650	Transportation Expenses	22,411	25,782
657	Insurance - General Liability	18,162	17,402
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	18,464
670	Bad Debt Expense	24	131
675	Miscellaneous Expense	9,351	25,428
403	Depreciation Expense (From Schedule AR4)	648,002	638,614
408	Taxes Other Than Income	0	0
408.11	Property Taxes	213,649	209,765
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	8,252	7,467
	Total Operating Expenses	\$3,507,609	\$3,454,410
	Operating Income / (Loss)	\$1,086,021	\$542,137
	Other Income / (Expense)		
419	Interest and Dividend Income	\$14,961	\$27,848
421	Non-Utility Income	29,612	28,680
426	Miscellaneous Non-Utility (Expense)	(5,944)	(16,794)
427	Interest (Expense)	(68,335)	(74,925)
	Total Other Income / (Expense)	(\$29,706)	(\$35,191)
	Net Income / (Loss)	\$1,056,314	\$506,946

Sahuarita Water Company L.L.C.
 Annual Report
 Full time equivalent employees
 12/31/20

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	2.0	0.5	0.0	2.5
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	5.0	0.0	0.0	5.0
Meter reader	0.0	0.0	0.0	0.0
Customer Service	3.0	0.0	0.0	3.0
Accounting	0.9	0.2	0.0	1.1
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	1.0	0.0	0.0	1.0
Other	0.0	0.0	0.0	0.0
Total	11.9	0.7	0.0	12.6

Sahuarita Water Company L.L.C.
 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	9/4/2009	1/0/1900	1/0/1900	1/0/1900
Source of Loan	WIFA	0	0	0
ACC Decision No.	70984	0	0	0
Reason for Loan	Arsenic Treatment	0	0	0
Dollar Amt. Issued	\$4,694,523	\$0	\$0	\$0
Amount Outstanding	\$1,548,791	\$0	\$0	\$0
Date of Maturity	9/1/2029	1/0/1900	1/0/1900	1/0/1900
Interest Rate	4.20%	0.00%	0.00%	0.00%
Current Year Interest	\$68,335	\$0	\$0	\$0
Current Year Principal	\$143,488	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$120,343
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Meter Deposits Refunded During the Test Year:	\$22,813
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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.

Well and Water Usage

Name of the System: SAHUARITA WATER COMPANY											
ADEQ Public Water System Number:		AZ0410312									
ADWR PCC Number:		91-000495.0000									
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2020	Meter Size (inches)	How measured:	Active
55-611144	300	1,400	905	24	Turbine	1975	267	254	10	Metered	Yes
55-216840	300	1,800	1,080	18	Turbine	2008	362	333	10	Metered	Yes
55-562962	not equipped	0	500	8	N/A	1997	0	N/A	N/A	0	No
55-611141	not equipped	0	982	24	N/A	1970	0	N/A	N/A	0	No
55-611143	not equipped	0	1,053	24	N/A	1974	0	N/A	N/A	0	No
55-611145	not equipped	0	990	24	N/A	1981	0	N/A	N/A	0	No
55-611146	not equipped	0	973	16	N/A	1969	0	N/A	N/A	0	No
55-611172*	400	1,800	1,135	24	Turbine	1,970	245	234	10	Metered	Yes
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	N/A
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Name of system water delivered to:	SAHUARITA VILLAGE WATER CO
ADWR PCC Number:	91-000443.0000
Source of water delivered to another system	Ground Water

Name of system water received from:	na
ADWR PCC Number:	#N/A
Source of water received	na
Well registry 55# (55-XXXXXX):	na

Month	Water withdrawn (gallons) ¹	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	39,334.00	35,686.86	0.00	0.00	1,070,600.00	\$11,478	112,600
February	35,584.00	32,543.53	0.00	0.00	61,100.00	10,524	97,600
March	41,806.00	39,113.15	0.00	0.00	84,100.00	11,512	115,353
April	49,799.00	47,177.81	0.00	0.00	45,100.00	14,674	141,964
May	56,114.00	53,136.09	0.00	0.00	43,600.00	20,074	173,940
June	67,486.00	63,832.56	0.00	0.00	35,700.00	17,832	173,115
July	61,437.00	58,267.15	0.00	0.00	46,100.00	16,013	165,702
August	58,554.00	55,940.21	0.00	0.00	31,100.00	15,492	160,069
September	60,497.00	57,651.34	0.00	0.00	13,600.00	17,393	177,529
October	54,443.00	51,506.73	0.00	0.00	20,600.00	13,487	154,096
November	56,250.00	51,527.71	0.00	0.00	1,532,100.00	16,142	167,302
December	45,882.00	43,246.09	0.00	0.00	32,100.00	13,407	133,607
Totals	627,186.00	589,629.21	0.00	0.00	3,015,800.00	\$178,029	1,772,877

If applicable, in the space below please provide a description for all un-metered water use along with amounts:

¹ Water withdrawn - Total gallons of water withdrawn from pumped sources.
² Water sold - Total gallons from 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 fighting, 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.

Water Utility Plant Description

Name of the System:	SAHUARITA WATER COMPANY		
ADEQ Public Water System Number:	AZ0410312		
ADWR PCC Number:	91-000495.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	PVC & DI	5,966
6.00	PVC & DI	27,931
8.00	PVC & DI	204,547
12.00	PVC & DI	72,705
16.00	PVC & DI	11,246
24.00	PVC & DI	7,180
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	5,217	25%	70%
3/4	806	28%	61%
1	154	47%	47%
1.5	30	40%	3%
2	86	70%	1%
3	2	100%	0%
4	3	100%	33%
6	2	50%	100%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%

SERVICE LINES		
Material	Percent of system	Year installed
Copper	100%	9-present
NA	0%	0
NA	0%	0
NA	0%	0
NA	0%	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
10	250	1
20	250	1
25	550	2
30	325	1
40	630	2
50	800	2
75	850	2
100	1,000	1

FIRE HYDRANTS	
Type	Quantity
Standard *	437
Other	0

STORAGE TANKS				
Capacity (gallons)	Material	Quantity	Year installed	
1,000,000	Steel	1	1999	
1,200,000	Steel	1	2006	
350,000	Steel	1	2003	
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,000	Steel	1	1999
5,000	Steel	1	1999
5,000	Steel	1	2000
5,000	Steel	1	2003
5,000	Steel	1	2004
5,000	Steel	1	2009

* 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.

Water Utility Plant Description (Continued)

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

TREATMENT EQUIPMENT:	2000 gpm Arsenic Treatment Plant
STRUCTURES:	Fences, walls and gates surrounding storage yards, wells, reservoirs, boosters and arsenic treatment plant. Modular office buildings. Two 8' 20' Conex storage containers.
OTHER:	Three (3) stand-by power generators: one (1) 400 kW at Booster Station 1, one (1) 230 kW at Booster Station 2, and one (1) 500 kW at Arsenic Treatment Plant/Well 23.

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC

176

 Method used:

(a)

Customer and Other Information	
Name of the System:	SAHUARITA WATER COMPANY
ADEQ Public Water System Number:	AZ0410312
ADWR PCC Number:	91-000495.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	5,805	0	23	152	35
February	5,831	0	23	153	35
March	5,850	0	23	154	36
April	5,850	0	23	154	36
May	5,858	0	23	154	37
June	5,872	0	26	155	40
July	5,896	0	28	155	40
August	5,912	0	31	156	39
September	5,928	0	31	156	39
October	5,951	0	31	158	37
November	5,972	0	31	159	38
December	5,980	0	31	159	37

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?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

2022, new 600,000 gal gravity reservoir and 4000+ of transmission main.

* an ERC is based on the calculation on the bottom of AR9 page 12.

Sahuarita Water Company L.L.C.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/20

Utility Shutoffs / Disconnects	
Name of the System:	SAHUARITA WATER COMPANY
ADEQ Public Water System Number:	AZ0410312
ADWR PCC Number:	91-000495.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	21	0
February	0	27	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	48	0

Other (description):

Disconnections were suspended March-December 2020 due to COVID

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

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2020 was	\$216,007

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: MARIAN HOMIAK, CONTROLLER
Company name: Sahuarita Water Company L.L.C.

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 NOT CURRENT AND PAID IN FULL.

Marian Homiak

signature of owner/official

520-299-8766

telephone no.

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

THIS

31st

DAY OF

Pima

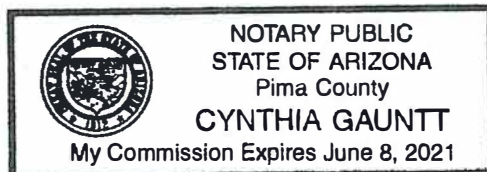
(county name)

March 2021

(month) and (year)

MY COMMISSION EXPIRES

June 8, 2021
(date)



Cynthia Gauntt
(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: MARIAN HOMIAK, CONTROLLER
Company name: Sahuarita Water Company L.L.C.

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:

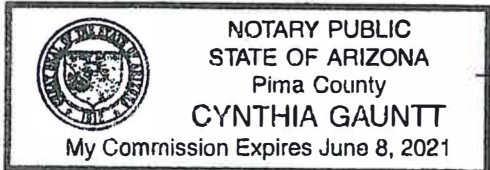
Arizona Intrastate Gross Operating Revenues Only (\$)
\$4,953,218
(The amount in the box above includes
\$371,429 in sales taxes
billed or collected)

Marian Homiak
signature of owner/official

520-299-8766
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pima
THIS 31st DAY OF March 2021
(county name)
(month) and (year)

MY COMMISSION EXPIRES June 8, 2021
(date)



Cynthia Gauntt
(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: MARIAN HOMIAK, CONTROLLER
Company name: Sahuarita Water Company L.L.C.

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 (\$)

\$2,910,677
(The amount in the box above includes
\$218,099 in sales taxes
billed or collected)

Marian Homiak

signature of owner/official

520-299-8766

telephone no.

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

Pima

(county name)

THIS

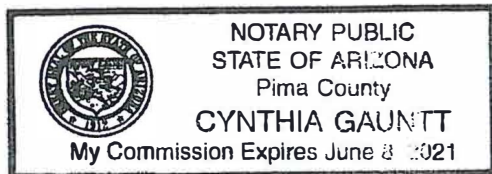
31st

DAY OF

March 2021
(month) and (year)

MY COMMISSION EXPIRES

June 8, 2021
(date)



Cynthia Gauntt
(signature of notary public)

Self-pay Method for Income Tax Statement of Certification

Verification:

State of ARI ZONA I, the undersigned of the
(state name)

County of (county name): PIMA
Name (owner or official) title: MARIAN HOMIAK, CONTROLLER
Company name: Sahuarita Water Company L.L.C.

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 INCURRED OR 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.

*Statement not necessary
and should not be
completed, signed & notarized*

signature of owner/official

520-299-8766

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 _____
(date)

(signature of notary public)