

ANNUAL REPORT

Of

Company Name: Sandario Water Company, Inc.

6808 N Dysart Rd Ste 116

Mailing Address: Glendale AZ 85307

Docket No.: W-01831A

For the Year Ended: 12/31/25

RECEIVED BY EMAIL

4/9/2026, 1:09 PM

**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

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: 3/30/2026

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Sandario Water Company, Inc.
A Class ☐ Utility

For the Calendar Year Ended: 12/31/25

Primary Address:

6808 N Dysart Rd Ste 116		
City: Glendale	State: Arizona	Zip Code: 85307

Telephone Number:

623-219-4740

Date of Original Organization of Utility:

4/11/1988

Person to whom correspondence should be addressed concerning this report:

Name:

Bryan Thomas

Telephone No. :

623-219-4740

Address:

6808 N Dysart Rd Ste 116		
City: Glendale	State: Arizona	Zip Code: 85307

Email:

bthomas@hopewater.com
--

On-Site Manager
Name:

Paul Juhl

Telephone No. :

520-448-4975 Ext. 107

Address:

1645 W Valencia Rd Ste 109-Box 506		
City: Tucson	State: Arizona	Zip Code: 85746

Email:

pjuhl@tierrwatermgmt.com
--

--

Name:

--

Telephone No. :

--

Address:

City:	State:	Zip Code:

Email:

--

--

Name:

--

Telephone No. :

--

Address:

City:	State:	Zip Code:

Email:

--

--

Name:

--

Telephone No. :

--

Address:

City:	State:	Zip Code:

Email:

--

Ownership:

"C" Corporation

Counties Served:

Pima

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Sandario Water Company, Inc.

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.
--	---

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.
--	---

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	\$650	\$0	\$0	\$650	\$0	\$650
302	Franchises	450	0	0	450	0	450
303	Land and Land Rights	1,850	0	0	1,850	0	1,850
304	Structures and Improvements	24,301	0	0	24,301	23,777	524
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	59,857	0	0	59,857	56,221	3,636
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	284,382	3,195	0	287,577	226,933	60,644
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	4,028	0	0	4,028	4,029	(1)
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	33,307	0	0	33,307	33,307	0
330.1	Storage Tanks	14,551	0	0	14,551	14,551	0
330.2	Pressure Tanks	16,702	0	0	16,702	12,746	3,956
331	Transmission and Distribution Mains	679,943	0	0	679,943	528,789	151,154
333	Services	80,074	8,342	0	88,416	57,109	31,307
334	Meters and Meter Installations	108,195	7,010	0	115,205	70,564	44,641
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	35,299	0	0	35,299	18,092	17,207
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	4,495	0	0	4,495	1,902	2,593
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$1,348,084	\$18,547	\$0	\$1,366,631	\$1,048,020	\$318,611

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	\$650	\$0	\$0	\$650	\$650	\$0	0.00%	\$0
302	Franchises	450	0	0	450	450	0	0.00%	0
303	Land and Land Rights	1,850	0	0	1,850	1,850	0	0.00%	0
304	Structures and Improvements	24,301	0	0	24,301	22,193	2,108	3.33%	70
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	59,857	0	0	59,857	32,542	27,315	3.33%	910
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	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	284,382	3,195	0	287,577	183,014	104,563	12.50%	14,130
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	4,028	0	0	4,028	4,029	(1)	20.00%	(0)
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	33,307	0	0	33,307	33,307	0	2.22%	0
330.1	Storage Tanks	14,551	0	0	14,551	14,453	98	2.22%	98
330.2	Pressure Tanks	16,702	0	0	16,702	0	16,702	5.00%	835
331	Transmission and Distribution Mains	679,943	0	0	679,943	248,436	431,507	2.00%	8,630
333	Services	80,074	8,342	0	88,416	15,679	72,737	3.33%	2,283
334	Meters and Meter Installations	108,195	7,010	0	115,205	0	115,205	8.33%	9,305
335	Hydrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	35,299	0	0	35,299	0	35,299	6.67%	2,354
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	0.00%	0
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	4,495	0	0	4,495	0	4,495	10.00%	450
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$1,348,084	\$18,547	\$0	\$1,366,631	\$556,603	\$810,028		\$39,065

Contribution(s) in Aid of Construction (Gross)	\$460,927
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	94,979
Amortizable Contribution(s)	\$365,948
Times: Proposed Amortization Rate	5.05%
Amortization of CIAC	\$18,480

Less: Amortization of CIAC \$18,480

DEPRECIATION EXPENSE \$20,585

Sandario Water Company, Inc.
Annual Report
Balance Sheet Assets
12/31/25

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2025)	Balance at End of Year (2025)
Account No.	Current and Accrued Assets			
131	Cash		\$27,855	\$57,631
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		2,005	6,330
146	Notes Receivable from Associated Companies		(28,127)	(32,341)
151	Plant Material and Supplies		0	0
162	Prepayments		3,404	3,501
174	Miscellaneous Current and Accrued Assets		11,232	45,118
	Total Current and Accrued Assets		\$16,369	\$80,239
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,348,084	\$1,366,631
103	Property Held for Future Use		0	0
105	Construction Work in Progress		5,496	5,496
108	Accumulated Depreciation (enter as negative)*		(1,008,954)	(1,048,020)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$344,626	\$324,107
	Total Assets		\$360,995	\$404,346

*Note these items feed automatically from AR3 UPIS Page 4

Sandario Water Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2025)	Balance at End of Year (2025)
Account No.	Current Liabilities			
231	Accounts Payable		\$13,933	\$3,615
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		(30,177)	(27,302)
235	Customer Deposits		8,771	8,705
236	Accrued Taxes		6,728	6,454
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		235	104
	Total Current Liabilities		(\$510)	(\$8,424)
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$95,609	\$90,537
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		119,926	120,051
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		460,927	460,926
272	Less: Amortization of Contributions		(376,288)	(394,769)
281	Accumulated Deferred Income Tax		1,023	32,537
	Total Deferred Credits		\$205,588	\$218,745
	Total Liabilities		\$300,687	\$300,858
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		3,208	3,208
215	Retained Earnings		57,100	100,280
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$60,308	\$103,488
	Total Liabilities and Capital		\$360,995	\$404,346

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

Sandario Water Company, Inc.
Annual Report
Water Comparative Income Statement
12/31/25

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2025 - 12/31/2025	Last Year 01/01/2024 - 12/31/2024
	Operating Revenue		
461	Metered Water Revenue	\$217,355	\$202,947
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	12,070	10,853
471	Miscellaneous Service Revenues	5,410	3,835
474	Other Water Revenue	0	0
	Total Revenues	\$234,835	\$217,635
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	24,619	19,047
618	Chemicals	4,133	2,177
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	8,569	18,689
620.2	Office Supplies and Expense	0	0
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	900	900
633	Contractual Services - Legal	78	35
634	Contractual Services - Management Fees	91,120	76,034
635	Contractual Services - Water Testing	2,191	2,670
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	983	510
657	Insurance - General Liability	6,065	3,521
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	3,330	3,200
403	Depreciation Expense (From Schedule AR4)	20,585	18,524
408	Taxes Other Than Income	0	0
408.11	Property Taxes	10,883	11,495
409	Income Taxes	14,297	14,194
427.1	Customer Security Deposit Interest	128	344
	Total Operating Expenses	\$187,881	\$171,340
	Operating Income / (Loss)	\$46,954	\$46,295
	Other Income / (Expense)		
419	Interest and Dividend Income	\$902	\$945
421	Non-Utility Income	647	1,248
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(5,322)	(5,616)
	Total Other Income / (Expense)	(\$3,773)	(\$3,423)
	Net Income / (Loss)	\$43,181	\$42,872

Full time equivalent employees

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

Sandario Water Company, Inc.
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/25

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	6/30/2017			
Source of Loan	CoBank			
ACC Decision No.	76071			
Reason for Loan	Improvements			
Dollar Amt. Issued	\$123,793			
Amount Outstanding	\$90,537			
Date of Maturity	1/20/2038			
Interest Rate	5.61%			
Current Year Interest	\$5,322			
Current Year Principal	\$5,072			

Meter Deposit Balance at Test Year End:	\$13,105
---	----------

Meter Deposits Refunded During the Test Year:	\$1,251
---	---------

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

[illegible]

Name of system water delivered to:			
ADWR PCC Number:		NA	
Source of water delivered to another system			

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

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 Expense6	Purchased Power (kWh)7
January	2,782,055.00	2,558,593.00	0.00	0.00	0.00	\$1,582	8,906
February	2,477,486.00	2,301,628.00	0.00	0.00	0.00	1,897	10,800
March	2,549,324.00	2,434,461.00	0.00	0.00	0.00	1,485	8,319
April	2,809,701.00	2,634,142.00	0.00	0.00	0.00	1,979	11,296
May	4,047,686.00	3,840,050.00	0.00	0.00	0.00	1,993	11,382
June	3,619,671.00	3,460,656.00	0.00	0.00	0.00	2,303	13,248
July	9,000,322.00	5,050,203.00	0.00	0.00	0.00	2,659	15,388
August	3,765,286.00	3,539,932.00	0.00	0.00	0.00	2,766	16,032
September	3,895,780.00	3,595,719.00	0.00	0.00	0.00	2,613	15,110
October	2,487,722.00	3,664,004.00	0.00	0.00	0.00	2,122	12,156
November	2,522,288.00	2,449,448.00	0.00	0.00	0.00	1,753	9,629
December	2,509,705.00	2,272,577.00	0.00	0.00	0.00	1,404	7,597
Totals	42,467,026.00	37,801,413.00	0.00	0.00	0.00	\$24,556	139,863

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

[illegible]

- | | |
|---|---|
| 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:	SANDARIO WATER CO.		
ADEQ Public Water System Number:	AZ0410093		
ADWR PCC Number:	91-000434.0000		

MAINS

[illegible]

SERVICE LINES

Material	Percent of system	Year installed
PVC	80%	1970
Copper	10%	2014-16
Black poly	10%	1970

BOOSTER PUMPS

Horsepower	GPM	Quantity
5	100	1
10	200	2
15	300	2

STORAGE TANKS

Capacity (gallons)	Material	Quantity	Year installed
12,000	Steel	4	1989
20,000	Steel	1	2003

CUSTOMER METERS

[illegible]

FIRE HYDRANTS

Type	Quantity
Standard *	0
Other	0

PRESSURE/BLADDER TANKS

Capacity (gallons)	Material	Quantity	Year installed
2,000	Steel	1	1970
5,000	Steel	1	1970
90	Steel/rubber	2	2012

* 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:	2 chlorinators
STRUCTURES:	700 feet of 6 foot tall chain link fence, 12 x 12 foot booster station
OTHER:	N/A

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 = (Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day)

ERC	286
Method used:	(a)

Customer and Other Information	
Name of the System:	SANDARIO WATER CO.
ADEQ Public Water System Number:	AZ0410093
ADWR PCC Number:	91-000434.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	348		2		0
February	346		2		0
March	350		2		0
April	350		2		0
May	351		2		0
June	353		2		0
July	353		2		0
August	356		2		0
September	354		2		0
October	354		2		0
November	356		2		0
December	352		3		0

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 (GPCPD) requirement?
If yes, provide the GPCPD 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.

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

Sandario Water Company, Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/25

Utility Shutoffs / Disconnects	
Name of the System:	SANDARIO WATER CO.
ADEQ Public Water System Number:	AZ0410093
ADWR PCC Number:	91-000434.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	4	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	1	0
November	0	0	0
December	0	0	0
Total	0	5	0

Other (description):

NA

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 2025 was	\$11,189

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): Maricopa
Name (owner or official) title: Bryan Thomas, Vice President
Company name: Sandario Water Company, Inc.

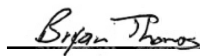
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/25

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

623-219-4740

telephone no.