

**ANNUAL REPORT**

Of

Company Name: Southland Utilities Company, Inc.  
PO Box 85160

Mailing Address: Tucson AZ  
85754

Docket No.: W-02062A  
For the Year Ended: 12/31/18

**RECEIVED**  
**APR 15 2019**  
ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: [rdefuente@azcc.gov](mailto:rdefuente@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: 4/15/2019

4-23-19

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Southland Utilities Company, Inc.  
A Class  A  D Utility

1. For the Calendar Year Ended: 12/31/18

2. Address: 

PO Box 85160			
City: Tucson	State: Arizona	Zip Code: 85754	

3. Telephone Number: 520-623-5172

4. Date of Original Organization of Utility: 3/21/1973

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

Name: Bonnie O'Connor  
Telephone No. : 520-623-5172  
Address: 

PO Box 85160			
City: Tucson	State: Arizona	Zip Code: 85754	

  
Email: info@southwesternutility.com

6. On-Site Manager:

Name: Jason Long  
Telephone No. : 520-431-7723  
Address: 

PO Box 85160			
City: Tucson	State: Arizona	Zip Code: 85754	

  
Email: info@southwesternutility.com

7. Ownership: "C" Corporation

8. Counties Served: Cochise

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$0			\$0		\$0
302	Franchises				0		0
303	Land and Land Rights	1,070			1,070		1,070
304	Structures and Improvements	50,415			50,415	15,689	34,726
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	49,524			49,524	32,403	17,121
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	458,046			458,046	303,811	154,235
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants	6,560			6,560	983	5,577
320.2	Solution Chemical Feeders	4,732			4,732	4,732	0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes				0		0
330.1	Storage Tanks	653,678			653,678	172,686	480,992
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	252,719			252,719	213,147	39,572
333	Services	42,406			42,406	41,384	1,022
334	Meters and Meter Installations	83,479	375		83,854	73,259	10,595
335	Hydrants	153,743			153,743	13,837	139,906
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment				0	(626)	626
340.1	Computer & Software				0		0
341	Transportation Equipment				0		0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment				0		0
344	Laboratory Equipment				0		0
345	Power Operated Equipment				0		0
346	Communication Equipment	9,972			9,972	3,407	6,565
347	Miscellaneous Equipment	9,683			9,683	5,097	4,586
348	Other Tangible Plant				0		0
	<b>Totals</b>	<b>\$1,776,027</b>	<b>\$375</b>	<b>\$0</b>	<b>\$1,776,402</b>	<b>\$879,809</b>	<b>\$896,593</b>

**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.

Southland Utilities Company, Inc.  
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	\$0	\$0	\$0	\$0	\$0		\$0
302	Franchises	0	0	0	0			0
303	Land and Land Rights	1,070	0	0	1,070	1,070		0
304	Structures and Improvements	50,415	0	0	50,415		3.33%	1,679
305	Collecting & Improving Reservoirs	0	0	0	0			0
306	Lake, River, Canal Intakes	0	0	0	0			0
307	Wells and Springs	49,524	0	0	49,524	30,144	3.33%	645
308	Infiltration Galleries	0	0	0	0			0
309	Supply Mains	0	0	0	0			0
310	Power Generation Equipment	0	0	0	0			0
311	Pumping Equipment	458,046	0	0	458,046	75,674	12.50%	47,797
320	Water Treatment Equipment	0	0	0	0			0
320.1	Water Treatment Plants	6,560	0	0	6,560		3.33%	218
320.2	Solution Chemical Feeders	4,732	0	0	4,732	4,732	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0			0
330	Distribution Reservoirs and Standpipes	0	0	0	0			0
330.1	Storage Tanks	653,678	0	0	653,678		2.22%	14,512
330.2	Pressure Tanks	0	0	0	0			0
331	Transmission and Distribution Mains	252,719	0	0	252,719	209,091	2.00%	873
333	Services	42,406	0	0	42,406	41,070	3.33%	44
334	Meters and Meter Installations	83,479	375	0	83,854	64,853	8.33%	1,567
335	Hydrants	153,743	0	0	153,743		2.00%	3,075
336	Backflow Prevention Devices	0	0	0	0			0
339	Other Plant and Misc. Equipment	0	0	0	0			0
340	Office Furniture and Equipment	0	0	0	0		6.67%	112
340.1	Computer & Software	0	0	0	0			0
341	Transportation Equipment	0	0	0	0			0
342	Stores Equipment	0	0	0	0			0
343	Tools, Shop and Garage Equipment	0	0	0	0			0
344	Laboratory Equipment	0	0	0	0			0
345	Power Operated Equipment	0	0	0	0			0
346	Communication Equipment	9,972	0	0	9,972		10.00%	997
347	Miscellaneous Equipment	9,683	0	0	9,683		10.00%	968
348	Other Tangible Plant	0	0	0	0			0
	<b>Subtotal</b>	<b>\$1,776,027</b>	<b>\$375</b>	<b>\$0</b>	<b>\$1,776,402</b>	<b>\$426,634</b>		<b>\$72,487</b>

Contribution(s) in Aid of Construction (Gross)	\$87,956
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	72,721
Amortizable Contribution(s)	<u>\$15,235</u>
Times: Proposed Amortization Rate	2.00%
Amortization of CIAC	\$305

Less: Amortization of CIAC

**DEPRECIATION EXPENSE**

**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.

Southland Utilities Company, Inc.  
 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.	<b>Current and Accrued Assets</b>			
131	Cash		\$160,123	\$244,309
134	Working Funds			
135	Temporary Cash Investments		76,476	
141	Customer Accounts Receivable		4,429	12,741
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets		11,881	92,290
	<b>Total Current and Accrued Assets</b>		<b>\$252,909</b>	<b>\$349,340</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$1,776,027	\$1,776,402
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(807,320)	(879,809)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$968,707</b>	<b>\$896,593</b>
	<b>Total Assets</b>		<b>\$1,221,616</b>	<b>\$1,245,933</b>

**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



Southland Utilities Company, Inc.  
Annual Report  
Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$9,008	\$16,916
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		15,778	16,518
236	Accrued Taxes		10,683	1,672
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			7,597
	<b>Total Current Liabilities</b>		<b>\$35,469</b>	<b>\$42,703</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$834,763	\$793,006
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		5,066	6,571
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		87,956	87,956
272	Less: Amortization of Contributions		(81,938)	(82,243)
281	Accumulated Deferred Income Tax			
	<b>Total Deferred Credits</b>		<b>\$11,084</b>	<b>\$12,284</b>
	<b>Total Liabilities</b>		<b>\$881,316</b>	<b>\$847,993</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$6,000	\$6,000
211	Other Paid-In Capital		186,492	186,492
215	Retained Earnings		147,808	205,448
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>\$340,300</b>	<b>\$397,940</b>
	<b>Total Liabilities and Capital</b>		<b>\$1,221,616</b>	<b>\$1,245,933</b>

**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!

Southland Utilities Company, Inc.  
Annual Report  
Water Comparative Income Statement  
12/31/18

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$341,171	\$346,959
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		(70)
471	Miscellaneous Service Revenues		
474	Other Water Revenue	12,820	13,237
	<b>Total Revenues</b>	<b>\$353,991</b>	<b>\$360,126</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	28,242	27,122
618	Chemicals	389	386
620	Materials and Supplies		
620.1	Repairs and Maintenance	1,905	10,245
620.2	Office Supplies and Expense	4,430	4,715
630	Contractual Services	29,575	
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	4,959	5,065
633	Contractual Services - Legal	188	1,357
634	Contractual Services - Management Fees	89,282	106,754
635	Contractual Services - Water Testing	2,502	2,548
636	Contractual Services - Other	228	227
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	2,578	2,521
657	Insurance - General Liability	2,127	1,931
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense	0	3,221
675	Miscellaneous Expense	2,031	2,145
403	Depreciation Expense (From Schedule AR4)	72,183	72,055
408	Taxes Other Than Income		
408.11	Property Taxes	17,727	18,016
409	Income Taxes	4,228	3,816
427.1	Customer Security Deposit Interest	357	399
	<b>Total Operating Expenses</b>	<b>\$262,931</b>	<b>\$262,523</b>
	<b>Operating Income / (Loss)</b>	<b>\$91,060</b>	<b>\$97,603</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$842	\$977
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		(4,153)
427	Interest (Expense)	(34,262)	(35,977)
	<b>Total Other Income / (Expense)</b>	<b>(\$33,420)</b>	<b>(\$39,153)</b>
	<b>Net Income / (Loss)</b>	<b>\$57,640</b>	<b>\$58,450</b>

**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.

Southland Utilities Company, Inc.  
 Annual Report  
 Full time equivalent employees  
 12/31/18

**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
<b>Total</b>	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.



Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	9/28/2012			
Source of Loan	WIFA			
ACC Decision No.	72429			
Reason for Loan	Mains/storage			
Dollar Amt. Issued	\$1,014,193			
Amount Outstanding	\$793,006			
Date of Maturity	9/1/2032			
Interest Rate	4.20%			
Current Year Interest	\$34,262			
Current Year Principal	\$41,756			

Meter Deposit Balance at Test Year End:	\$1,561
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Meter Deposits Refunded During the Test Year:	\$1,439
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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:		SOUTHLAND UTL-GOLDEN ACR							
ADEQ Public Water System Number:		AZ0402029							
ADWR PCC Number:		91-000047.0000							
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Meter Size (inches)	How measured:	Active
55-626149	40	150	600	12	Submersible	1967	4	Metered	Yes
55-626150	30	150	600	8	Submersible	1968	6	Metered	Yes

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

Month	Water withdrawn (acre ft) <sup>1</sup>	Water sold (acre ft) <sup>2</sup>	Water delivered (sold) to other systems (acre ft) <sup>3</sup>	Water received (purchased) from other systems (acre ft) <sup>4</sup>	Estimated authorized use (acre ft) <sup>5</sup>	Purchased Power Expense <sup>6</sup>	Purchased Power (kWh) <sup>7</sup>
January	7	6	0	0	0	\$1,928	11,865
February	7	7	0	0	0	1,791	11,022
March	6	6	0	0	0	1,740	10,708
April	7	7	0	0	0	2,305	14,696
May	11	10	0	0	0	2,681	16,198
June	11	10	0	0	0	2,818	17,773
July	9	9	0	0	0	2,661	16,816
August	11	10	0	0	0	2,578	15,587
September	7	7	0	0	0	2,558	15,017
October	9	8	0	0	0	2,629	15,534
November	8	8	0	0	0	2,208	14,611
December	7	7	0	0	0	2,145	13,882
Totals	101	94	0	0	0	\$28,242	173,709

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

1 Water withdrawn - Total acre feet of water withdrawn from pumped sources.  
2 Water sold - Total acre feet from customer meters, and other sales such as construction water.  
3 Water delivered (sold) to other systems - Total acre feet of water delivered to other systems.  
4 Water received (purchased) from other systems - Total acre feet of water purchased/received from other systems.  
5 Estimated authorized use - Total estimated acre feet 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:	SOUTHLAND UTL-GOLDEN ACR	
ADEQ Public Water System Number:	AZ0402029	
ADWR PCC Number:	91-000047.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	Stainless Steel	1,000
4.00	AC/PVC	18,100
4.00	PVC	526
6.00	PVC	2,711
6.00	AC/PVC	28,260

CUSTOMER METERS	
Size (inches)	Quantity
5/8 X 3/4	648
0.75	2
Compound 2	2
Turbine 3	1

SERVICE LINES	
Material	Percent of system

BOOSTER PUMPS			
Horsepower	GPM		Quantity
5	100		1
10	200		1
20	400		3
30	600		3

FIRE HYDRANTS	
Type	Quantity
Standard *	46
Other	0

STORAGE TANKS		
Capacity (gallons)	Material	Quantity
62,000	Steel	1
165,000	Steel	2

PRESSURE/BLADDER TANKS		
Capacity (gallons)	Material	Quantity
5,000	steel	1
90	steel/rubber	2

**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.

**Water Utility Plant Description (Continued)**

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

<b>TREATMENT EQUIPMENT:</b>	2 Chlorinators
<b>STRUCTURES:</b>	554 feet of six foot tall chain link fence, 10 x 12 foot brick storage structure, 16 x 20 foot booster building
<b>OTHER:</b>	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:	SOUTHLAND UTL-GOLDEN ACR
ADEQ Public Water System Number:	AZ0402029
ADWR PCC Number:	91-000047.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	550	0	34	0	0
February	550	0	34	0	0
March	550	0	34	0	0
April	551	0	34	0	0
May	556	0	34	0	0
June	559	0	34	0	0
July	563	0	34	0	0
August	558	0	34	0	0
September	562	0	34	0	0
October	560	0	34	0	0
November	560	0	34	0	0
December	560	0	34	0	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?

**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.

<b>Property Taxes</b>	
-----------------------	--

Amount of actual property taxes paid during Calendar Year 2018 was	
--	--

\$17,911
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If no property taxes paid, explain why.
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N/A
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<b>Instructions:</b> 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.
---



Southland Utilities Company, Inc.  
Annual Report  
Verification and Sworn Statement (Taxes)  
12/31/18

RECEIVED

APR 15 2019

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Sworn Statement (Taxes)

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

County of (county name): Pima  
Name (owner or official) title: Bonnie O'Connor  
Company name: Southland Utilities Company, Inc.

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

FOR THE YEAR ENDING: 12/31/18

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.

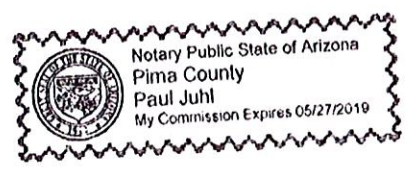
B. O'Connor  
signature of owner/official

520-623-5172  
telephone no.

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

THIS 10th DAY OF Pima April 2019  
(month) and (year)

MY COMMISSION EXPIRES 5/27/19  
(date)



[Signature]  
(signature of notary public)

RECEIVED

APR 15 2019

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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: Bonnie O'Connor

Company name: Southland Utilities Company, Inc.

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)

\$375,779

(The amount in the box above includes

\$21,788 in sales taxes  
billed or collected)

[Signature]  
signature of owner/official

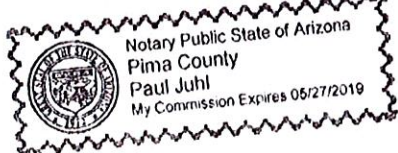
520-623-5172  
telephone no.

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

THIS

10<sup>th</sup> DAY OF Pima  
(county name)  
April 2019  
(month) and (year)

MY COMMISSION EXPIRES



5/27/19  
(date)  
[Signature]  
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Pima  
Name (owner or official) title: Bonnie O'Connor  
Company name: Southland Utilities Company, Inc.

RECEIVED  
APR 15 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 HEREBIN 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 (\$)

\$339,884  
(The amount in the box above includes  
\$19,707 in sales taxes  
billed or collected)

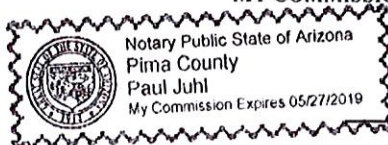
[Signature]  
signature of owner/official

520-623-5172  
telephone no.

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

THIS 10th DAY OF April 2019  
(month) and (year)

MY COMMISSION EXPIRES 5/27/19  
(date)



[Signature]  
(signature of notary public)

Company	Southland Utilities Company, Inc.	
Docket No.:	W-02062A	
Name of the System:	SOUTHLAND UTL-GOLDEN ACR	
ADEQ Public Water System Number:	AZ0402029	
ADWR PCC Number:	91-000047.0000	

2018 Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	3	0
February	0	8	0
March	0	9	0
April	0	3	0
May	0	9	0
June	0	12	0
July	0	19	0
August	0	9	0
September	0	4	0
October	0	15	0
November	0	6	0
December	0	3	0
<b>Total</b>	<b>0</b>	<b>100</b>	<b>0</b>

Other (description): N/A

**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.