

ANNUAL REPORT

Of

Company Name: Liberty Utilities (Rio Rico Water and Sewer) Corp
12725 W. Indian School Rd., Ste. D101

Mailing Address: Avondale AZ
85392

Docket No.: WS-02676A
For the Year Ended: 12/31/19

**RECEIVED
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4/23/2020, 04:36 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: 4/15/2020

ARIZONA CORPORATION COMMISSION
 WATER UTILITY ANNUAL REPORT
 Liberty Utilities (Rio Rico Water and Sewer) Corp
 A Class **B** Utility

For the Calendar Year Ended: 12/31/19

Primary Address: 12725 W Indian School Rd, Ste D-101
 City: Avondale State: Arizona Zip Code: 85392

Telephone Number: 623-935-9367

Date of Original Organization of Utility: 5/18/1992

Person to whom correspondence should be addressed concerning this report:

Name: Leticia Washington
 Telephone No. : 623-935-9367
 Address: 12725 W Indian School Rd, Ste
 City: Avondale State: Arizona Zip Code: 85392
 Email: Leticia.Washington@LibertyUtilities.com

Management Contact

Name: Matthew Garlick
 Telephone No. : 623-298-3763
 Address: 12725 W Indian School Rd, Ste
 City: Avondale State: Arizona Zip Code: 85392
 Email: Matthew.Garlick@LibertyUtilities.com

On-Site Manager

Name: Martin Garland
 Telephone No. : 520-377-7655
 Address: 1225 W Frontage Rd
 City: Rio Rico State: Arizona Zip Code: 85648
 Email: Martin.Garland@LibertyUtilities.com

NA

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

NA

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

Ownership: "C" Corporation

Counties Served: Santa Cruz

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.
	NA

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.
	NA

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)
101.2	Operating Leases	\$0	\$0	\$0	\$0	\$0	\$0
301	Organization	0	0	0	0	0	0
302	Franchises	417	0	0	417	0	417
303	Land and Land Rights	45,968	0	0	45,968	0	45,968
304	Structures and Improvements	3,228,111	14,834	967	3,241,977	1,666,865	1,575,113
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	549,813	0	0	549,813	335,411	214,402
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	266,236	0	0	266,236	73,370	192,866
310	Power Generation Equipment	217,195	0	0	217,195	187,661	29,534
311	Pumping Equipment	2,314,800	251,771	36,861	2,529,710	1,446,306	1,083,404
320	Water Treatment Equipment	1,114	0	0	1,114	(2,869)	3,983
320.1	Water Treatment Plants	371,759	1,991	341	373,408	276,132	97,276
320.2	Solution Chemical Feeders	53,117	14,034	0	67,151	38,851	28,300
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	690,752	0	0	690,752	336,607	354,145
330.2	Pressure Tanks	69,778	0	0	69,778	69,675	104
331	Transmission and Distribution Mains	23,565,350	258,709	5,751	23,818,308	13,125,472	10,692,836
333	Services	4,841,335	555,524	58,826	5,338,034	415,542	4,922,492
334	Meters and Meter Installations	1,747,359	342,792	29,690	2,060,461	1,142,096	918,364
335	Hydrants	642,498	1,118	84	643,531	296,788	346,743
336	Backflow Prevention Devices	15,855	0	0	15,855	4,964	10,891
339	Other Plant and Misc. Equipment	124,155	0	0	124,155	102,240	21,915
340	Office Furniture and Equipment	21,291	1,422	1,389	21,324	14,057	7,267
340.1	Computer & Software	184,158	22,470	3,458	203,170	84,663	118,507
341	Transportation Equipment	175,482	0	0	175,482	163,689	11,793
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	105,151	0	53	105,098	29,588	75,510
344	Laboratory Equipment	3,061	0	0	3,061	3,061	(1)
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	277,315	0	0	277,315	321,957	(44,642)
347	Miscellaneous Equipment	5,427	0	0	5,427	(7,042)	12,469
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$39,517,496	\$1,464,666	\$137,422	\$40,844,739	\$20,125,085	\$20,719,654

Liberty Utilities (Rio Rico Water and Sewer) Corp
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/19

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
101.2	Operating Leases	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
301	Organization	0	0	0	0	0	0	0.00%	0
302	Franchises	417	0	0	417	0	417	0.00%	0
303	Land and Land Rights	45,968	0	0	45,968	0	45,968	0.00%	0
304	Structures and Improvements	3,228,111	14,834	967	3,241,977	0	3,241,977	3.33%	107,727
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	2.50%	0
307	Wells and Springs	549,813	0	0	549,813	0	549,813	3.33%	18,309
308	Infiltration Galleries	0	0	0	0	0	0	6.67%	0
309	Supply Mains	266,236	0	0	266,236	2	266,234	2.00%	5,325
310	Power Generation Equipment	217,195	0	0	217,195	0	217,195	5.00%	10,860
311	Pumping Equipment	2,314,800	251,771	36,861	2,529,710	999,208	1,530,501	12.50%	177,881
320	Water Treatment Equipment	1,114	0	0	1,114	3,053	(1,939)	3.33%	(65)
320.1	Water Treatment Plants	371,759	1,991	341	373,408	0	373,408	3.33%	12,407
320.2	Solution Chemical Feeders	53,117	14,034	0	67,151	0	67,151	20.00%	12,027
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	690,752	0	0	690,752	0	690,752	2.22%	15,335
330.2	Pressure Tanks	69,778	0	0	69,778	0	69,778	5.00%	3,489
331	Transmission and Distribution Mains	23,565,350	258,709	5,751	23,818,308	1	23,818,306	2.00%	473,837
333	Services	4,841,335	555,524	58,826	5,338,034	0	5,338,034	3.33%	169,486
334	Meters and Meter Installations	1,747,359	342,792	29,690	2,060,461	607,535	1,452,926	8.33%	107,988
335	Hydrants	642,498	1,118	84	643,531	0	643,531	2.00%	12,860
336	Backflow Prevention Devices	15,855	0	0	15,855	0	15,855	6.67%	1,058
339	Other Plant and Misc. Equipment	124,155	0	0	124,155	377	123,778	6.67%	8,256
340	Office Furniture and Equipment	21,291	1,422	1,389	21,324	8,188	13,136	6.67%	875
340.1	Computer & Software	184,158	22,470	3,458	203,170	174,149	29,021	20.00%	3,903
341	Transportation Equipment	175,482	0	0	175,482	141,493	33,990	20.00%	6,798
342	Stores Equipment	0	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	105,151	0	53	105,098	43	105,055	5.00%	5,254
344	Laboratory Equipment	3,061	0	0	3,061	3,061	(1)	10.00%	(0)
345	Power Operated Equipment	0	0	0	0	0	0	5.00%	0
346	Communication Equipment	277,315	0	0	277,315	0	277,315	10.00%	27,732
347	Miscellaneous Equipment	5,427	0	0	5,427	0	5,427	10.00%	543
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$39,517,496	\$1,464,666	\$137,422	\$40,844,739	\$1,937,110	\$38,907,629		\$1,181,883

Contribution(s) in Aid of Construction (Gross)	\$20,676,215
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$20,676,215
Times: Proposed Amortization Rate	3.04%
Amortization of CIAC	\$628,074

Less: Amortization of CIAC	\$628,074
DEPRECIATION EXPENSE	\$553,809

Liberty Utilities (Rio Rico Water and Sewer) Corp
Annual Report
Balance Sheet Assets
12/31/19

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		\$10,232	\$22,184
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		286,699	292,908
142	Other Accounts Receivable		0	0
143	Accumulated Provision for Uncollectable Accounts		(2,557)	(2,080)
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		2,250	2,250
173	Accrued Utility Revenue		0	0
174	Miscellaneous Current and Accrued Assets		282,227	304,993
	Total Current and Accrued Assets		\$578,850	\$620,255
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$28,058	\$43,076
186.2	Other Deferred Debits		80,190	26,893
	Total Deferred Debits		\$108,248	\$69,969
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$39,517,496	\$40,844,739
103	Property Held for Future Use		0	0
105	Construction Work in Progress		2,072,739	2,167,623
108	Accumulated Depreciation (enter as negative)*		(19,106,340)	(20,125,085)
121	Non-Utility Property		1,148,904	2,335,542
122	Accumulated Depreciation - Non Utility		0	(1,216,775)
	Total Fixed Assets		\$23,632,797	\$24,006,044
	Total Assets		\$24,319,896	\$24,696,268

*Note these items feed automatically from AR3 UPIS Page 4

Liberty Utilities (Rio Rico Water and Sewer) Corp
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$231	\$1,449
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		(1,588,873)	(2,256,893)
235	Customer Deposits		454,938	480,713
236	Accrued Taxes		10,707	8,402
237	Accrued Interest		16,278	16,041
242	Miscellaneous Current and Accrued Liabilities		1,289,254	1,755,782
	Total Current Liabilities		\$182,533	\$5,494
	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		1,604,082	1,360,380
253	Other Deferred Credits		1,168,646	30,295
255	Accumulated Deferred Investment Tax Credits		0	(1,550)
271	Contributions in Aid of Construction		20,269,284	20,676,215
272	Less: Amortization of Contributions		(12,918,750)	(13,556,079)
281	Accumulated Deferred Income Tax		1,465,228	3,346,741
	Total Deferred Credits		\$11,588,489	\$11,856,002
	Total Liabilities		\$11,771,023	\$11,861,496
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		7,786,288	7,708,051
215	Retained Earnings		4,762,586	5,126,722
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$12,548,874	\$12,834,772
	Total Liabilities and Capital		\$24,319,896	\$24,696,268

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

Liberty Utilities (Rio Rico Water and Sewer) Corp
Annual Report
Water Comparative Income Statement
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$3,767,029	\$3,588,591
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	2,650	2,686
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	74,179	0
474	Other Water Revenue	0	75,985
	Total Revenues	\$3,843,858	\$3,667,262
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	50,605	29,216
615	Purchased Power	334,052	340,463
616	Fuel for Power Production	0	0
618	Chemicals	21,125	22,310
620	Materials and Supplies	23,710	23,416
620.1	Repairs and Maintenance	0	0
620.2	Office Supplies and Expense	40,205	56,242
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	24,683	35,055
633	Contractual Services - Legal	1,286	252
634	Contractual Services - Management Fees	820,948	785,980
635	Contractual Services - Water Testing	44,164	11,992
636	Contractual Services - Other	664,407	678,595
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	7,364	7,746
650	Transportation Expenses	48,747	40,600
657	Insurance - General Liability	19,527	20,672
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
667	Regulatory Commission Expense - Other	37,269	25,141
670	Bad Debt Expense	8,623	(70,795)
675	Miscellaneous Expense	96,694	75,656
403	Depreciation Expense (From Schedule AR4)	553,809	534,751
408	Taxes Other Than Income	0	0
408.11	Property Taxes	201,249	182,125
409	Income Taxes	412,026	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$3,410,492	\$2,799,418
	Operating Income / (Loss)	\$433,366	\$867,845
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
420	AFUDC Revenue	13	0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(18,135)	(14,450)
433	Extraordinary Income	0	0
434	Extraordinary Deductions	0	0
	Total Other Income / (Expense)	(\$18,122)	(\$14,450)
	Net Income / (Loss)	\$415,244	\$853,394

Liberty Utilities (Rio Rico Water and Sewer) Corp
 Annual Report
 Full time equivalent employees
 12/31/19

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.1	0.0	0.1
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.8	0.0	0.8
Engineering Staff	0.0	0.5	0.0	0.5
System Operator(s)	0.0	6.2	0.0	6.2
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	2.2	0.0	2.2
Accounting	0.0	1.6	0.0	1.6
Business Office	0.0	0.3	0.0	0.3
Rates Department	0.0	0.3	0.0	0.3
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.2	0.0	0.2
Total	0.0	12.0	0.0	12.0

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

Meter Deposit Balance at Test Year End:	\$480,713
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Meter Deposits Refunded During the Test Year:	\$23,522
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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: RIO RICO UTILITIES INC.											
ADEQ Public Water System Number: AZD412011											
ADWR PCC Number: 91-000595.0000											
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 2019	Meter Size (inches)	How measured:	Active
55-502579	200	1,100	650	16	turbine	1983	Unknown	Unknown	8	Metered	Yes
55-619359	75	625	250	10	submersible	1985	Unknown	Unknown	6	Metered	Yes
55-604302	20	0	unk	16	none	1972	Unknown	Unknown	2		no
55-604364	75	625	251	10	submersible	1968	Unknown	Unknown	6	Metered	Yes
55-604363	75	650	603	12	submersible	1970	Unknown	Unknown	8	Metered	Yes
55-604366	20	0	unk	10	none	1967	Unknown	Unknown	2		no
55-587292	200	975	605	16	turbine	2003	Unknown	Unknown	10	Metered	Yes
55-206176	250	1,300	650	16	turbine	2005	Unknown	Unknown	10	Metered	Yes
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Name of system water delivered to: RIO RICO UTILITIES INC.	
ADWR PCC Number:	91-000595.0000
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 (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	56,796,000	46,032,000	0.00	0.00	380,000.00	\$16,617.72	131,534
February	53,347,000	41,779,000	0.00	0.00	340,000.00	\$16,736.92	128,742
March	68,526,000	43,974,927	0.00	0.00	570,000.00	\$16,221.46	115,737
April	69,624,000	51,869,053	0.00	0.00	720,000.00	\$17,118.74	134,672
May	66,427,000	55,491,438	0.00	0.00	800,000.00	\$18,296.17	158,934
June	76,506,000	58,009,211	0.00	0.00	960,000.00	\$14,476.43	131,701
July	70,766,000	66,669,219	0.00	0.00	920,000.00	\$16,208.83	164,692
August	71,992,000	58,978,961	0.00	0.00	800,000.00	\$17,130.70	93,158
September	65,891,000	59,568,632	0.00	0.00	640,000.00	\$17,998.52	103,157
October	67,751,000	51,569,400	0.00	0.00	560,000.00	\$17,480.92	130,063
November	62,073,000	52,765,789	0.00	0.00	540,000.00	\$17,325.85	139,581
December	59,942,000	48,087,913	0.00	0.00	820,000.00	\$15,989.21	114,088
Totals	789,641,000.00	634,795,543.00	0.00	0.00	8,050,000.00	\$201.601	1,546,059

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

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:	RIO RICO UTILITIES INC.		
ADEQ Public Water System Number:	AZ0412011		
ADWR PCC Number:	91-000595.0000		

MAINS			
Sizes (inches)	Material	Length (feet)	
2.00	NA	NA	NA
3.00	NA	NA	NA
4.00	NA	NA	NA
5.00	NA	NA	NA
6.00	DIP	2,349	
8.00	NA	NA	NA
10.00	NA	NA	NA
12.00	NA	NA	NA
NA	NA	NA	NA
4" and under	Various	325,458	
Over 4"	Various	1,478,264	
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	6,566	Unknown	Unknown
0.75	10	Unknown	Unknown
1	12	Unknown	Unknown
1.5	17	Unknown	Unknown
Compound 2	44	Unknown	Unknown
Turbine 2	0	Unknown	Unknown
Compound 3	24	Unknown	Unknown
Turbine 3	0	Unknown	Unknown
Compound 4	4	Unknown	Unknown
Turbine 5	0	Unknown	Unknown
Compound 6	2	Unknown	Unknown
Turbine 6	NA	Unknown	Unknown
6+	NA	Unknown	Unknown
NA	NA	Unknown	Unknown
NA	NA	Unknown	Unknown
NA	NA	Unknown	Unknown
NA	NA	Unknown	Unknown

SERVICE LINES			
Material	Percent of system	Year installed	
Copper	10%	Unknown	
Black poly	90%	Unknown	
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

BOOSTER PUMPS			
Horsepower	GPM	Quantity	
3	various	2	
7.5	various	9	
10	various	3	
15	various	10	
20	various	8	
25	various	13	
30	various	8	
40	various	2	

FIRE HYDRANTS	
Type	Quantity
Standard *	315
Other	0

STORAGE TANKS				
Capacity (gallons)	Material	Quantity	Year installed	
1,000	Steel	1	Unknown	
0.640	Steel	1	Unknown	
0.200	Steel	1	Unknown	
0.150	Steel	1	Unknown	
0.100	Steel	1	Unknown	
0.010	Steel	4	Unknown	
NA	NA	NA	NA	NA

PRESSURE/BLADDER TANKS				
Capacity (gallons)	Material	Quantity	Year installed	
5,000	Steel	16	Unknown	
2,000	Steel	9	Unknown	
1,500	Steel	3	Unknown	
132	Steel	2	Unknown	
90	Steel	1	Unknown	
53	Steel	1	Unknown	
34	Steel	4	Unknown	

* 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:	Sodium Hypochlorite System at each well site.
-----------------------------	---

STRUCTURES:	(2) 20 x 20 wooden sheds, (6) 8 x 8 chlorination buildings at wells.
--------------------	--

OTHER:	NA
---------------	----

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	245
Method used:	(a)

Customer and Other Information	
Name of the System:	RIO RICO UTILITIES INC.
ADEQ Public Water System Number:	AZ0412011
ADWR PCC Number:	91-000595.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	6,546	0	207	0	51
February	6,564	0	205	0	50
March	6,573	0	207	0	49
April	6,591	0	208	0	51
May	6,601	0	210	0	50
June	6,602	0	207	0	48
July	6,616	0	210	0	41
August	6,607	0	209	0	50
September	6,612	0	209	0	49
October	6,630	0	209	0	41
November	6,624	0	199	0	49
December	6,640	0	207	0	51

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
 The Arizona Office of Economic Opportunity (AOEO) published 2019-2055 population projections for the state by county and sub-county in December 2018. Per the projections, the growth rate for the Rio Rico Census Designated Place (CDP) is approximately one percent for the next five years and then decreases to approximately 0.2% by 2055.

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

Liberty Utilities (Rio Rico Water and Sewer) Corp
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

Utility Shutoffs / Disconnects	
Name of the System:	RIO RICO UTILITIES INC.
ADEQ Public Water System Number:	AZ0412011
ADWR PCC Number:	91-000595.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	170	0
February	0	63	0
March	0	83	0
April	0	102	0
May	0	117	0
June	0	111	0
July	0	92	0
August	0	95	0
September	0	89	0
October	0	126	0
November	0	86	0
December	0	41	0
Total	0	1,175	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 2019 was

\$198,877

If no property taxes paid, explain why.

NA

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.

Liberty Utilities (Rio Rico Water and Sewer) Corp
Annual Report
Verification and Sworn Statement (Taxes)
12/31/19

Verification and Sworn Statement (Taxes)

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

County of (county name): Santa Cruz
Name (owner or official) title: Matthew Garlick, President AZ
Company name: Liberty Utilities (Rio Rico Water and Sewer) Corp

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

FOR THE YEAR ENDING: 12/31/19

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.

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

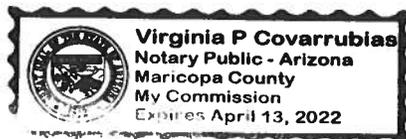
Matthew Garlick
signature of owner/official

623-298-3763
telephone no.

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

THIS 16th DAY OF Maricopa
(month) and (year)

MY COMMISSION EXPIRES April 13, 2022
(date)



Virginia P. Covarrubias
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Santa Cruz
Name (owner or official) title: Matthew Garlick, President AZ
Company name: Liberty Utilities (Rio Rico Water and Sewer) Corp

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

FOR THE YEAR ENDING: 12/31/19

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.

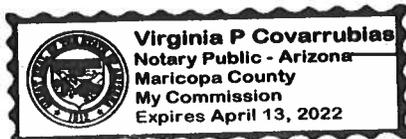
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$4,101,154
(The amount in the box above includes
\$257,296 in sales taxes
billed or collected)

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Matthew Garlick
signature of owner/official
623-298-3763
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Maricopa
(county name)
THIS 16th DAY OF April 2020
(month) and (year)
MY COMMISSION EXPIRES April 13, 2022
(date)



Virginia P. Covarrubias
(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): Santa Cruz
Name (owner or official) title: Matthew Garlick, President AZ
Company name: Liberty Utilities (Rio Rico Water and Sewer) Corp

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)

\$3,246,510

(The amount in the box above includes
\$203,678 in sales taxes
billed or collected)

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Matthew Garlick
signature of owner/official

623-298-3763
telephone no.

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

Maricopa
(county name)

THIS 16th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES April 13, 2022
(date)



Virginia P. Covarrubias
(signature of notary public)

Liberty Utilities (Rio Rico Water and Sewer) Corp
Annual Report
Gross-up Sharing Method for Income Tax Statement of Certification
12/31/19

Gross-up Sharing Method for Income Tax Statement of Certification

Verification:

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

County of (county name): Santa Cruz
Name (owner or official) title: Matthew Garlick, President AZ
Company name: Liberty Utilities (Rio Rico Water and Sewer) Corp

FOR THE YEAR ENDING: 12/31/19

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 NOT INCURRED NOR 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.

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Matthew Garlick

signature of owner/official

623-298-3763

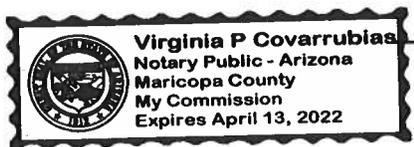
telephone no.

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

Maricopa
(county name)

THIS 16th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES April 13, 2022
(date)



Virginia P. Covarrubias
(signature of notary public)