

ANNUAL REPORT

Of

Company Name: **Picacho Sewer Company**
9532 E. Riggs Rd

Mailing Address: **Sun Lakes** **AZ**
85248

Docket No.: **SW-03709A**
For the Year Ended: **12/31/18**

RECEIVED
MAY 14 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WASTEWATER 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: **4/24/2019**

5-16-19

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Picacho Sewer Company
A Class ☒ Utility

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

2. Address:

9532 E Riggs Road			
City: Sun Lakes	State: Arizona	Zip Code: 85248	

3. Telephone Number:

480-895-9200

4. Date of Original Organization of Utility:

1998

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

Name:

Steve Soriano

Telephone No. :

480-895-9200

Address:

9532 E Riggs Road			
City: Sun Lakes	State: Arizona	Zip Code: 85248	

Email:

Steve.Soriano@Robson.com

6. On-Site Manager:

Name:

Dave Voorhees

Telephone No. :

480-895-5009

Address:

24607 S Price Road			
City: Sun Lakes	State: Arizona	Zip Code: 85248	

Email:

Dave.Voorhees@Robson.com

7. Ownership:

"S" Corporation

8. Counties Served:

Pinal

Picacho Sewer Company
Annual Report
Utility Plant in Service (Wastewater)
12/31/18

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
351	Organization	\$0	\$0	\$0	\$0	\$0	\$0
352	Franchises	0	\$0	\$0	0	0	0
353	Land and Land Rights	0	\$0	\$0	0	0	0
354	Structures and Improvements	165,994	0	0	165,994	39,298	126,696
355	Power Generation Equipment	792	7,335	0	8,127	316	7,811
360	Collections Wastewater - Force	0	0	0	0	0	0
361	Collections Wastewater - Gravity	2,945,007	302,893	0	3,247,900	1,010,956	2,236,944
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	704,247	86,485	0	790,732	209,467	581,265
364	Flow Measuring Devices	7,178	0	0	7,178	3,311	3,867
365	Flow Measuring Installations	0	0	0	0	0	0
366	Reuse Services	0	0	0	0	0	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0
370	Receiving Wells	322,875	0	0	322,875	157,688	165,187
371	Pumping Equipment	843,538	536	6,000	838,074	281,677	556,397
374	Reuse Distribution Reservoirs	0	0	0	0	0	0
375	Reuse Trans. And Distr. Equipment	838	0	0	838	84	754
380	Treatment and Disposal Equipment	4,086,243	38,002	8,519	4,115,726	1,972,919	2,142,807
381	Plant Sewers	0	0	0	0	0	0
382	Outfall Sewer Lines	1,347,867	0	0	1,347,867	619,269	728,598
389	Other Plant and Misc. Equipment	67,106	0	0	67,106	(44,587)	111,693
390	Office Furniture and Equipment	0	187	0	187	7	180
390.1	Computer & Software	4,508	0	0	4,508	554	3,954
391	Transportation Equipment	0	0	0	0	0	0
392	Stores Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	3,901	0	0	3,901	445	3,456
394	Laboratory Equipment	762	0	0	762	61	701
395	Power Operated Equipment	0	0	0	0	0	0
396	Communication Equipment	6,130	0	0	6,130	335	5,795
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$10,506,986	\$435,438	\$14,519	\$10,927,905	\$4,251,800	\$6,676,105

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.

Picacho Sewer Company
Annual Report
Depreciation Expense for the Current Year (Wastewater)
12/31/18

Depreciation Expense for the Current Year (Wastewater)								
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
351	Organization	\$0	\$0	\$0	\$0	0	0.00%	\$0
352	Franchises	0	0	0	0	0	0.00%	0
353	Land and Land Rights	0	0	0	0	0	0.00%	0
354	Structures and Improvements	165,994	0	0	165,994	0	4.00%	6,640
355	Power Generation Equipment	792	7,335	0	8,127	0	3.11%	253
360	Collections Wastewater - Force	0	0	0	0	0	0.00%	0
361	Collections Wastewater - Gravity	2,945,007	302,893	0	3,247,900	0	3.80%	123,566
362	Special Collecting Structures	0	0	0	0	0	0.00%	0
363	Services to Customers	704,247	86,485	0	790,732	0	3.77%	29,840
364	Flow Measuring Devices	7,178	0	0	7,178	0	4.00%	287
365	Flow Measuring Installations	0	0	0	0	0	0.00%	0
366	Reuse Services	0	0	0	0	0	0.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0.00%	0
370	Receiving Wells	322,875	0	0	322,875	0	4.00%	12,915
371	Pumping Equipment	843,538	536	6,000	838,074	0	4.01%	33,625
374	Reuse Distribution Reservoirs	0	0	0	0	0	0.00%	0
375	Reuse Trans. And Distr. Equipment	838	0	0	838	0	4.06%	34
380	Treatment and Disposal Equipment	4,086,243	38,002	8,519	4,115,726	0	3.99%	164,255
381	Plant Sewers	0	0	0	0	0	0.00%	0
382	Outfall Sewer Lines	1,347,867	0	0	1,347,867	0	4.00%	53,915
389	Other Plant and Misc. Equipment	67,106	0	0	67,106	0	4.00%	2,684
390	Office Furniture and Equipment	0	187	0	187	0	0.00%	7
390.1	Computer & Software	4,508	0	0	4,508	0	3.99%	180
391	Transportation Equipment	0	0	0	0	0	0.00%	0
392	Stores Equipment	0	0	0	0	0	0.00%	0
393	Tools, Shop and Garage Equipment	3,901	0	0	3,901	0	4.00%	156
394	Laboratory Equipment	762	0	0	762	0	4.07%	31
395	Power Operated Equipment	0	0	0	0	0	0.00%	0
396	Communication Equipment	6,130	0	0	6,130	0	4.00%	245
397	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
398	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$10,506,986	\$435,438	\$14,519	\$10,927,905	\$0		\$428,633

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	3.92%
Amortization of CIAC	\$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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.

Picacho Sewer Company
Annual Report
Balance Sheet Assets
12/31/18

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current and Accrued Assets			
131	Cash		\$85,903	\$135,278
132	Special Deposits		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		47,644	53,457
142	Other Accounts Receivable		0	0
143	Accumulated Provision for Uncollectable Accounts		0	0
145	Accounts Receivable - Related Parties		287	139
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		2,447	0
173	Accrued Utility Revenue		0	0
174	Miscellaneous Current and Accrued Assets		0	0
181	Unamortized Debt Discounts		0	0
	Total Current and Accrued Assets		\$136,281	\$188,874
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$0
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$10,506,986	\$10,927,905
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	10,286
108	Accumulated Depreciation (enter as negative)*		(3,837,686)	(4,251,800)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$6,669,300	\$6,686,391
	Total Assets		\$6,805,581	\$6,875,265

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 the adjusted end of year balance from AR4.

Picacho Sewer Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current Liabilities			
231	Accounts Payable		\$19,480	\$27,271
232	Notes Payable (Current Portion)		0	0
233	Accounts Payable - Related Party		0	245
234	Notes Payable to Associated Companies		8,880	26,078
235	Customer Deposits		0	0
236	Accrued Taxes		12,577	15,558
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		6,103	9,914
253	Other Deferred Credits		0	0
	Total Current Liabilities		\$47,040	\$79,066
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Total Long Term Debt		\$0	\$0
	Deferred Credits			
252	Advances in Aid of Construction		\$0	\$0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$47,040	\$79,066
	Capital Accounts			
201	Common Stock Issued		\$2,750,000	\$2,750,000
211	Other Paid-In Capital		7,724,997	8,057,437
215	Retained Earnings		(3,716,456)	(4,011,238)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$6,758,541	\$6,796,199
	Total Liabilities and Capital		\$6,805,581	\$6,875,265

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.

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

Picacho Sewer Company
Annual Report
Wastewater Comparative Income Statement
12/31/18

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 -	Last Year 01/01/2017 -
	Operating Revenue		
521	Flat Rate Revenues	\$585,669	\$508,140
522	Measured Revenues	20,250	20,261
534	Rents from Wastewater Property	0	0
536	Other Wastewater Revenues	6,917	4,944
	Total Revenues	\$612,836	\$533,345
	Operating Expenses		
701	Salaries and Wages	\$162,397	\$143,766
703	Salaries and Wages - Officers	5,731	\$5,731
704	Employee Pensions and Benefits	34,647	22,603
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	66,889	64,698
715	Purchased Power	35,869	33,193
716	Fuel for Power Production	0	0
718	Chemicals	6,325	4,182
720	Materials and Supplies	0	0
720.1	Repairs and Maintenance	25,385	29,881
720.2	Office Supplies and Expense	20,294	19,358
721	Office Expense	0	0
731	Contractual Services - Engineering	3,785	0
732	Contractual Services - Accounting	700	800
733	Contractual Services - Legal	0	0
734	Contractual Services - Management Fees	0	0
735	Contractual Services - Testing	6,845	5,666
736	Contractual Services - Other	12,360	13,655
740	Rents - Building	0	0
742	Rents - Equipment	15,759	16,327
750	Transportation Expenses	11,220	6,824
756	Insurance - Vehicle	2,201	5,963
757	Insurance - General Liability	11,878	13,127
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	0	0
760	Advertising Expense	0	0
766	Regulatory Commission Expense - Rate Case	0	0
767	Regulatory Commission Expense - Other	0	0
770	Bad Debt Expense	689	626
775	Miscellaneous Expense	3,242	2,426
403	Depreciation Expense (From Schedule AR4)	428,633	417,476
408	Taxes Other Than Income	14,556	2,895
408.11	Property Taxes	27,345	24,957
408.12	Payroll Taxes	9,948	11,092
409	Income Taxes	0	0
	Total Operating Expenses	\$906,698	\$845,246
	Operating Income / (Loss)	(\$293,862)	(\$311,901)
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	0	0
421	Non-Utility Income	15	11
426	Miscellaneous Non-Utility (Expense)	(247)	(115)
427	Interest (Expense)	(688)	(12,301)
	Total Other Income / (Expense)	(\$920)	(\$12,405)
	Net Income / (Loss)	(\$294,782)	(\$324,306)

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.

Picacho Sewer Company
Annual Report
Full time equivalent employees
12/31/18

Full time equivalent employees

	Direct Company	Outside service	Total
President	0.0000	0.0003	0.0003
Vice-president	0.0020	0.0000	0.0020
Manager	0.1144	0.0240	0.1384
Engineering Staff	0.0000	0.0000	0.0000
System Operator(s)	2.4352	0.0000	2.4352
Customer Service	0.0574	0.0000	0.0574
Accounting	0.0000	0.0940	0.0940
Business Office	0.0000	0.0020	0.0020
Rates Department	0.0000	0.0000	0.0000
Administrative Staff	0.2476	0.0000	0.2476
Other	0.0000	0.0000	0.0000
Total	2.8566	0.1203	2.9769

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.

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

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	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:	\$0
---	-----

Meter Deposits Refunded During the Test Year:	\$0
---	-----

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.

Picacho Sewer Company
Annual Report
Wastewater Utility Plant Description
12/31/18

Wastewater Utility Plant Description

Name of System:	Picacho Sewer Company
Wastewater Inventory Number (if applicable):	none
Type of Treatment	other
Design Capacity of Plant (Gallons per day)	250,000

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)
7135 S Robson Blvd	2	15	600	12566
5751 N Robson Blvd	2	10	300	10376
4998 N Toltec Rd	2	3	200	6342
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

FORCE MAINS

Size	Material	Length (Feet)
4 inch	PVC	3,183
6 inch	PVC	600
8 inch	PVC	6,031
10 inch	PVC	940
15 inch	PVC	3,720
18 inch	PVC	2,940
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA

MANHOLES

Type	Quantity
Standard	300
Drop	NA

CLEANOUTS

Quantity
38
NA
NA
NA

Note: If you are filing for more than one system, please provide separate sheets for each system.

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.

Picacho Sewer Company
Annual Report
Wastewater Utility Plant Description (Continued)

Wastewater Utility Plant Description (Continued)					
COLLECTION MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
8	PVC	67,154	4	PVC	1,564
10	PVC	1,272	4	NA	NA
12	PVC	172	4	NA	NA
NA	NA	NA	4	NA	NA
NA	NA	NA			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			

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

SOLIDS PROCESSING AND HANDLING FACILITIES	Digester and solids handling production facility
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Ultra-Violet
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Dual median filter
STRUCTURES (Buildings, Fences, Etc.)	Office building, electrical building
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Generators, meters, SCADA, Misc Tools

Note: If you are filing for more than one system, please provide separate sheets for each system.

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.

Picacho Sewer Company
Annual Report
Wastewater Flows
12/31/18

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	1,094	2,755,000	124,000	\$2,921	20,937
February	1,106	2,631,000	127,000	3,225	22,869
March	1,119	3,463,000	211,000	3,100	21,927
April	1,133	3,096,000	143,000	3,183	22,385
May	1,143	2,550,000	104,000	2,951	20,730
June	1,159	2,336,000	95,000	2,888	20,491
July	1,171	2,231,000	97,000	3,071	21,757
August	1,181	2,206,000	90,000	2,931	20,842
September	1,194	2,248,000	99,000	2,759	19,496
October	1,196	2,841,000	119,000	2,818	19,952
November	1,201	3,167,000	145,000	2,872	20,193
December	1,206	2,730,000	106,000	3,149	22,372
	Totals	32,254,000	1,460,000	\$35,869	253,951

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Reuse
Groundwater Permit Number	71-211286.0000, 73-211286.000
ADEQ Aquifer Protection Permit ("APP") Number	56-0013530000
ADEQ Reuse Permit Number	R-100587
EPA NPDES Permil Number	n/a
APP Effluent Treatment Requirement (Class)?	B+
Permitted Flow Rate	250,000/day
Permitted Organic Capacity	n/a
Hydraulic Capacity	250,000/day
Type of Biological Treatment	Sequenced Batch Reactor (SBR)

In the space below, list all violations within the past 12 months:

None

Note: If you are filing for more than one system, please provide separate sheets for each system.

1 Enter the total purchased power costs for the power meters associated with this system.

2 Enter the total purchased kWh used by the power meters associated with this system.

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.

Picacho Sewer Company
Annual Report
Property Taxes
12/31/18

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2018 was	\$26,103

If no property taxes paid, explain why.
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.

Picacho Sewer Company
Annual Report
Verification and Sworn Statement (Taxes)
12/31/18

RECEIVED
APR 26 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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: Steve Soriano - General Manager
Company name: Picacho Sewer Company

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.

Steve Soriano

signature of owner/official

480-895-9200

telephone no.

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

THIS 26th DAY OF

Maricopa
(county name)

April 2019
(month) and (year)

MY COMMISSION EXPIRES

4/25/21
(date)



Patricia Weston
(signature of notary public)

RECEIVED

APR 26 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):

Maricopa

Name (owner or official) title:

Steve Soriano - General Manager

Company name:

Picacho Sewer Company

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 (\$)

\$615,033

(The amount in the box above includes

\$2,197

in sales taxes
billed or collected)

Steve Soriano

signature of owner/official

480-895-9200

telephone no.

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

THIS

21st

DAY OF

Maricopa

(county name)

April, 2019

(month) and (year)

MY COMMISSION EXPIRES

4/25/21

(date)



Patricia A. Weston

(signature of notary public)

RECEIVED

APR 26 2019

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name):

Maricopa

Name (owner or official) title:

Steve Soriano - General Manager

Company name:

Picacho Sewer Company

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

FOR THE YEAR ENDING: 12/31/18

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

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

Arizona Intrastate Gross Operating Revenues Only (\$)

\$587,049

(The amount in the box above includes

\$0

in sales taxes
billed or collected)

Steve Soriano

signature of owner/official

480-895-9200

telephone no.

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

Maricopa
(county name)

THIS

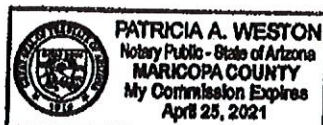
26th

DAY OF

April, 2019
(month) and (year)

MY COMMISSION EXPIRES

4/25/21
(date)



Patricia A. Weston
(signature of notary public)