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**ANNUAL REPORT**

Of

Company Name:   
PO Box 1086

Mailing Address: Sun City AZ  
85372

Docket No.: W-01578A  
For the Year Ended:

RECEIVED  
171-11868-11-10001  
200 APR 28 P 4:47  
ARIZONA CORPORATION COMMISSION  
COMPLIANCE SECTION

**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:   
Application Date:

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Aguila Water Services, Inc.  
A Class  Utility

For the Calendar Year Ended: 12/31/19

Primary Address: 

PO BOX 1086		
City: SUN CITY	State: AZ	Zip Code: 85372

Telephone Number: 

602-942-1352
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Date of Original Organization of Utility: 

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Person to whom correspondence should be addressed concerning this report:

Name: 

VICTORIA BONNET
-----------------

  
Telephone No. : 

602-942-1352
--------------

  
Address: 

405 STARLIGHT LANE		
City: WICKENBURG	State: AZ	Zip Code: 85390

  
Email: 

aguilawater@qwestoffice.net
-----------------------------

On-Site Manager  
Name: 

DON BOHLIER-CERIFIED OPERATOR
-------------------------------

  
Telephone No. : 

928-778-1888
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Address: 

4750 TONTO CIRCLE		
City: PRESCOTT VALLEY	State: ARIZONA	Zip Code: 86311

  
Email: 

NONE
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Name: 

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Telephone No. : 

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Address: 

City:	State:	Zip Code:

  
Email: 

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Name: 

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Telephone No. : 

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Address: 

City:	State:	Zip Code:

  
Email: 

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Name: 

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Telephone No. : 

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Address: 

City:	State:	Zip Code:

  
Email: 

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Ownership: 

SUBCHAPTER S CORPORATION
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Counties Served: 

MARICOPA
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<b>Important changes during the year</b>
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	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year? NO
	If yes, please provide specific details in the box below.
	N/A

	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance? NO
	If yes, please provide specific details in the box below.
	N/A

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OC LD (OC less AD)
301	Organization				\$0		\$0
302	Franchises				0		0
303	Land and Land Rights	600			600		600
304	Structures and Improvements	26,462			26,462	25,392	1,070
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	130,165			130,165	122,220	7,945
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	89,390			89,390	77,975	11,415
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes	98,572			98,572	97,712	860
330.1	Storage Tanks				0		0
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	291,160			291,160	269,598	21,562
333	Services	51,500			51,500	40,469	11,031
334	Meters and Meter Installations	56,269	763		57,032	51,765	5,267
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment	17,267			17,267	17,199	68
340	Office Furniture and Equipment	18,431			18,431	18,431	0
340.1	Computer & Software				0		0
341	Transportation Equipment	100,764			100,764	98,346	2,418
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				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	<b>Totals</b>	<b>\$880,580</b>	<b>\$763</b>	<b>\$0</b>	<b>\$881,343</b>	<b>\$819,107</b>	<b>\$62,236</b>

Aguila Water Services, Inc.  
 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
301	Organization	\$0	\$0	\$0	\$0		\$0		\$0
302	Franchises	0	0	0	0		0		0
303	Land and Land Rights	600	0	0	600	600	0		0
304	Structures and Improvements	26,462	0	0	26,462		26,462		47
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	150,165	0	0	150,165		150,165		2,968
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	89,390	0	0	89,390		89,390		1,015
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	0	0	0	0		0		0
320.3	Point-of-Use Treatment Devices	0	0	0	0		0		0
330	Distribution Reservoirs and Standpipes	98,572	0	0	98,572		98,572		115
330.1	Storage Tanks	0	0	0	0		0		0
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	291,160	0	0	291,160		291,160		1,325
333	Services	51,500	0	0	51,500		51,500		469
334	Meters and Meter Installations	56,269	763	0	57,032		57,032		267
335	Hvdrants	0	0	0	0		0		0
336	Backflow Prevention Devices	0	0	0	0		0		0
339	Other Plant and Misc. Equipment	17,267	0	0	17,267		17,267		7
340	Office Furniture and Equipment	18,431	0	0	18,431	18,431	0		0
340.1	Computer & Software	0	0	0	0		0		0
341	Transportation Equipment	100,764	0	0	100,764		100,764		40
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	0	0	0	0		0		0
347	Miscellaneous Equipment	0	0	0	0		0		0
348	Other Tangible Plant	0	0	0	0		0		0
	<b>Subtotal</b>	<b>\$880,580</b>	<b>\$763</b>	<b>\$0</b>	<b>\$881,343</b>	<b>\$19,031</b>	<b>\$862,312</b>		<b>\$6,253</b>

Contribution(s) in Aid of Construction (Gross)

Less: Non Amortizable Contribution(s)

Fully Amortized Contribution(s)

Amortizable Contribution(s)

Times: Proposed Amortization Rate

Amortization of CIAC

\$0

0.73%

\$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Aguila Water Services, Inc.  
 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.	<b>Current and Accrued Assets</b>			
131	Cash		\$11,844	\$20,637
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		26,507	18,612
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies		3,226	3,226
162	Prepayments		6,033	6,080
174	Miscellaneous Current and Accrued Assets		944	741
	<b>Total Current and Accrued Assets</b>		<b>\$48,554</b>	<b>\$49,296</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$880,580	\$881,343
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(812,853)	(819,107)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$67,727</b>	<b>\$62,236</b>
	<b>Total Assets</b>		<b>\$116,281</b>	<b>\$111,532</b>

\*Note these items feed automatically from AR3 UPIS Page 4

Aguila Water Services, Inc.  
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.	<b>Current Liabilities</b>			
231	Accounts Payable		\$5,341	
232	Notes Payable (Current Portion)		17,577	
234	Notes Payable to Associated Companies			
235	Customer Deposits		34,480	35,799
236	Accrued Taxes		2,509	4,812
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		3,953	4,815
	<b>Total Current Liabilities</b>		<b>\$63,860</b>	<b>\$45,426</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$141,924	\$161,568
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		51,724	52,212
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		16,017	16,017
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	<b>Total Deferred Credits</b>		<b>\$67,741</b>	<b>\$68,229</b>
	<b>Total Liabilities</b>		<b>\$273,525</b>	<b>\$275,223</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$29,365	\$29,365
211	Other Paid-In Capital		48,006	48,006
215	Retained Earnings		(234,615)	(241,062)
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>(\$157,244)</b>	<b>(\$163,691)</b>
	<b>Total Liabilities and Capital</b>		<b>\$116,281</b>	<b>\$111,532</b>

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

Aguila Water Services, Inc.  
Annual Report  
Water Comparative Income Statement  
12/31/19

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$204,198	\$232,159
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	3,757	4,190
	<b>Total Revenues</b>	<b>\$207,955</b>	<b>\$236,349</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$115,211	\$110,980
604	Employee Pensions and Benefits		
610	Purchased Water	19,863	23,997
615	Purchased Power		
618	Chemicals	548	1,374
620	Materials and Supplies		
620.1	Repairs and Maintenance	2,655	24,301
620.2	Office Supplies and Expense	3,039	5,611
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting		
633	Contractual Services - Legal		
634	Contractual Services - Management Fees		
635	Contractual Services - Water Testing		
636	Contractual Services - Other		
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	15,078	12,738
657	Insurance - General Liability	11,872	10,632
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	20,883	18,773
403	Depreciation Expense (Prom Schedule AR4)	6,253	42,766
408	Taxes Other Than Income	13,338	13,463
408.11	Property Taxes	5,171	17,952
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	<b>Total Operating Expenses</b>	<b>\$213,911</b>	<b>\$282,587</b>
	<b>Operating Income / (Loss)</b>	<b>(\$5,956)</b>	<b>(\$46,238)</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income		
421	Non-Utility Income		12,290
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(490)	(2,660)
	<b>Total Other Income / (Expense)</b>	<b>(\$490)</b>	<b>\$9,630</b>
	<b>Net Income / (Loss)</b>	<b>(\$6,446)</b>	<b>(\$36,608)</b>



Aguila Water Services, Inc.  
 Annual Report  
 Full time equivalent employees  
 12/31/19

**Full time equivalent employees**

	Direct Company	Allocated	Outside service	Total
President	1.0			1.0
Vice-president				0.0
Manager				0.0
Engineering Staff	1.0			1.0
System Operator(s)	2.0			2.0
Meter reader				0.0
Customer Service				0.0
Accounting	0.0			0.0
Business Office	1.0			1.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
<b>Total</b>	5.0	0.0	0.0	5.0

Aguila Water Services, Inc.  
 Annual Report  
 Supplemental Financial Data (Long-Term Debt)  
 12/31/19

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amt. Issued	\$0	\$0	\$0	\$0
Amount Outstanding	\$0	\$0	\$0	\$0
Date of Maturity				
Interest Rate				
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$8,229
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Meter Deposits Refunded During the Test Year:	
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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.*





<b>Water Utility Plant Description (Continued)</b>
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For the following three items, list the utility owned assets in each category for each system.

<b>TREATMENT EQUIPMENT:</b>	NONE
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<b>STRUCTURES:</b>	FRAME SHOP AND RECEIVING OFFICE AT PLANT SITE. STEEL SHADE OVER PUMPING EQUIPMENT AT PLANT SITE. CHAIN LINK FENCING AROUND PLANT SITE AND WELLS. CHAIN LINK FENCING AROUND BOOSTER STATION.
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<b>OTHER:</b>	NONE
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**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 days.
- (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

Method used:

Customer and Other Information	
Name of the System:	AGUILA WATER SERVICES, INC.
ADEQ Public Water System Number:	AZ04-07003
ADWR PCC Number:	91-000181

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	286	3	29	0	3
February	286	3	28	0	3
March	287	3	30	0	3
April	286	3	29	0	3
May	288	3	31	0	3
June	288	3	31	0	3
July	288	3	28	0	3
August	288	3	29	0	3
September	288	3	28	0	3
October	288	3	28	0	3
November	287	3	30	0	3
December	287	3	30	0	3

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.

Aguila Water Services, Inc.  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/19

<b>Utility Shutoffs / Disconnects</b>
---------------------------------------

Name of the System: AGUILA WATER SERVICES, INC.  
 ADEQ Public Water System Number: AZ04-07003  
 ADWR PCC Number: 91-000181

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	0	0
June	0	0	0
July	0	1	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>0</b>

Other (description): 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.

Aguila Water Services, Inc.  
Annual Report  
Property Taxes  
12/31/19

**Property Taxes**

Amount of actual property taxes paid during Calendar Year 2019 was

\$5,171

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: VICTORIA BONNET, PRESIDENT  
Company name: Aguila Water Services, Inc.

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.

Victoria H. Bonnet  
signature of owner/official

602-942-1352  
telephone no.

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

THIS

27<sup>th</sup>

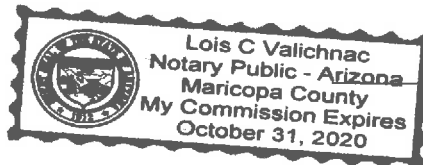
DAY OF

MARICOPA  
(county name)

April, 2020  
(month) and (year)

MY COMMISSION EXPIRES

(date)



Lois C Valichnac  
(signature of notary public)

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: VICTORIA BONNET, PRESIDENT  
Company name: Aguila Water Services, Inc.

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 (\$)

\$217,748

(The amount in the box above includes

\$13,550 in sales taxes

billed or collected)

*Victoria H. Bonnet*

signature of owner/official

602-942-1352

telephone no.

RECEIVED  
UTILITIES DIVISION  
2020 APR 28 P 4:47  
ARIZONA CORPORATION COMMISSION

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

MARICOPA  
(county name)

THIS

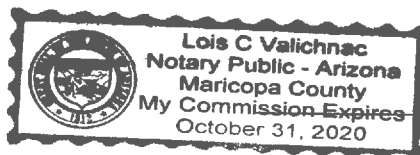
27<sup>th</sup>

DAY OF

APRIL, 2020  
(month) and (year)

MY COMMISSION EXPIRES

(date)



*Lois C Valichnac*  
(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): MARICOPA  
Name (owner or official) title: VICTORIA BONNET, PRESIDENT  
Company name: Aguila Water Services, Inc.

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 (\$)

\$192,835

(The amount in the box above includes

\$11,429 in sales taxes  
billed or collected)

Victoria H. Bonnet  
signature of owner/official

602-942-1352  
telephone no.

RECEIVED  
1122 4/28/20 4:47  
ARIZONA OFFICE

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

MARICOPA  
(county name)

THIS 29<sup>th</sup> DAY OF April, 2020  
(month) and (year)

MY COMMISSION EXPIRES \_\_\_\_\_  
(date)

Lois C Valichnac  
Notary Public - Arizona  
Maricopa County  
My Commission Expires  
October 31, 2020  
Lois C Valichnac  
Notary Public

Aguila Water Services, Inc.  
Annual Report  
Full Gross-up Method for Income Tax Statement of Certification  
12/31/19

**Full Gross-up Method for Income Tax Statement of Certification**

**Verification:**

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

County of (county name): MARICOPA  
Name (owner or official) title: VICTORIA BONNET, PRESIDENT  
Company name: Aguila Water Services, Inc.

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.

*Victoria H. Bonnet*

signature of owner/official

602-942-1352

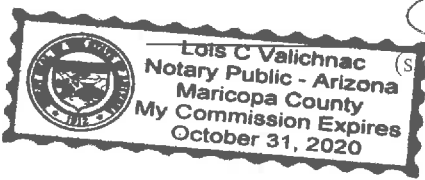
telephone no.

MARICOPA COUNTY  
2020 APR 28 P 4:47  
ARIZONA COUNTY CLERK

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

THIS 27<sup>th</sup> DAY OF April, 2020  
(month) and (year)

MY COMMISSION EXPIRES \_\_\_\_\_  
(date)



*Lois C. Valichnac*  
(signature of notary public)