

ANNUAL REPORT

Of

Company Name:

Hillcrest Water Company 915 E. Bethany Home Rd.
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Mailing Address: Phoenix AZ
85014

RECEIVED BY EMAIL
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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Docket No.: W-02128A
For the Year Ended:

12/31/24

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@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:

4/15/2025

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Hillcrest Water Company
A Class Utility

For the Calendar Year Ended: 12/31/24

Primary Address:

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

Telephone Number:

520-623-5172

Date of Original Organization of Utility:

2/25/1970

Person to whom correspondence should be addressed concerning this report:

Name:

Gary Wene

Telephone No. :

520-623-5172

Address:

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

Email:

gwene@southwesternutility.com

na

Name:

na

Telephone No. :

na

Address:

na
City: na State: na Zip Code: na

Email:

na

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Name:

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Telephone No. :

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City: na State: na Zip Code: na

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City: na State: na Zip Code: na

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Name:

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Telephone No. :

na

Address:

na
City: na State: na Zip Code: na

Email:

na

Ownership:

"C" Corporation

Counties Served:

Maricopa

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Hillcrest Water Company

Important changes during the year	
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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.
	N/A

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.
	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	OCLD (OC less AD)
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	0	0	0	0	0	0
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	0	390	0	390	0	390
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	0	5,521	0	5,521	0	5,521
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	0	0	0	0	0	0
330.1	Storage Tanks	58,102	0	0	58,102	0	58,102
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	16,310	0	0	16,310	0	16,310
333	Services	6,800	4,971	0	11,771	0	11,771
334	Meters and Meter Installations	20,016	1,278	0	21,294	0	21,294
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	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
	Totals	\$101,228	\$12,161	\$0	\$113,388	\$0	\$113,388

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	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0	0.00%	0
304	Structures and Improvements	0	0	0	0	0	0	0.00%	0
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	0	390	0	390	0	390	0.00%	0
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	0	5,521	0	5,521	0	5,521	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
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	58,102	0	0	58,102	0	58,102	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	16,310	0	0	16,310	0	16,310	0.00%	0
333	Services	6,800	4,971	0	11,771	0	11,771	0.00%	0
334	Meters and Meter Installations	20,016	1,278	0	21,294	0	21,294	0.00%	0
335	Hydrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$101,228	\$12,161	\$0	\$113,388	\$0	\$113,388		\$0

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	5.30%
Amortization of CIAC	\$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Hillcrest Water Company
Annual Report
Balance Sheet Assets
12/31/24

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
Account No.	Current and Accrued Assets			
131	Cash		\$22,668	\$26,122
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		259	(142)
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$22,927	\$25,980
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$101,228	\$113,388
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(107,213)	0
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		(\$5,985)	\$113,388
	Total Assets		\$16,941	\$139,368

*Note these items feed automatically from AR3 UPIS Page 4

Hillcrest Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
Account No.	Current Liabilities			
231	Accounts Payable		\$12,942	\$38,319
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		254	242
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$13,196	\$38,561
	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		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		\$13,196	\$38,561
	Capital Accounts			
201	Common Stock Issued		\$69,345	\$69,345
211	Other Paid-In Capital		0	0
215	Retained Earnings		(21,750)	(29,836)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$47,595	\$39,509
	Total Liabilities and Capital		\$60,791	\$78,071

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

Hillcrest Water Company
Annual Report
Water Comparative Income Statement
12/31/24

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2024 - 12/31/2024	Last Year 01/01/2023 - 12/31/2023
	Operating Revenue		
461	Metered Water Revenue	\$46,680	\$47,327
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	120	0
474	Other Water Revenue	0	0
	Total Revenues	\$46,800	\$47,327
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	4,370	3,499
618	Chemicals	805	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	0	0
620.2	Office Supplies and Expense	4,462	2,680
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	0	0
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	2,847	2,678
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	29	0
403	Depreciation Expense (From Schedule AR4)		0
408	Taxes Other Than Income	0	0
408.11	Property Taxes	2,811	0
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$15,325	\$8,857
	Operating Income / (Loss)	\$31,475	\$38,470
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	\$31,475	\$38,470

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.2	0.0	0.0	0.2
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.2	0.0	0.2
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.1	0.0	0.1
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.2	0.0	0.2
Business Office	0.0	0.2	0.0	0.2
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.1	0.0	0.1
Other	0.0	0.0	0.0	0.0
Total	0.2	0.8	0.0	1.0

Hillcrest Water Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/24

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:	\$810
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Meter Deposits Refunded During the Test Year:	\$90
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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

[illegible]

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

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	625,600.00	321,321.00	0.00	0.00	0.00	\$374	2,322
February	334,300.00	136,850.00	0.00	0.00	0.00	370	2,298
March	619,500.00	350,270.00	0.00	0.00	0.00	373	2,316
April	953,600.00	279,760.00	0.00	0.00	0.00	378	2,347
May	1,190,500.00	312,264.00	0.00	0.00	0.00	471	2,925
June	1002100	386,760.00	0.00	0.00	0.00	470	2,919
July	873,800.00	383,600.00	0.00	0.00	0.00	375	2,329
August	1,131,300.00	260,140.00	0.00	0.00	0.00	471	2,925
September	926,100.00	257,980.00	0.00	0.00	0.00	376	2,335
October	1,029,600.00	261,280.00	0.00	0.00	0.00	473	2,937
November	1,378,700.00	346,450.00	0.00	0.00	0.00	474	2,944
December	767,500.00	215,930.00	0.00	0.00	0.00	374	2,323
Totals	10,832,600.00	3,512,605.00	0.00	0.00	0.00	\$4,979	30,919

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

n/a

- | |
|---|
| 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:		HILLCREST WATER COMPANY	
ADEQ Public Water System Number:		AZ0415026	
ADWR PCC Number:		91-000747.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	PVC	7,000
6.00	PVC	2,845
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

SERVICE LINES			
Material	Percent of system	Year installed	
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

BOOSTER PUMPS		
Horsepower	GPM	Quantity
A	100	1
NA	NA	NA
NA	NA	NA
NA	NA	NA

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
43,301	STEEL	1	1980
5,000	STEEL	1	1990
NA	NA	NA	NA
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	195	5%	80%
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

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
85	METAL	1	1980
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

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

TREATMENT EQUIPMENT:	NONE
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STRUCTURES:	NONE
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OTHER:	NONE
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Customer and Other Information		
Name of the System:	HILCREST WATER COMPANY	
ADEQ Public Water System Number:	AZ0415026	
ADWR PCC Number:	91-000747.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	198	0	0	0	0
February	198	0	0	0	0
March	160	0	0	0	0
April	197	0	0	0	0
May	194	0	0	0	0
June	196	0	0	0	0
July	153	0	0	0	0
August	156	0	0	0	0
September	151	0	0	0	0
October	155	0	0	0	0
November	145	0	0	0	0
December	159	0	0	0	0

199

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:

No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

If yes, which AMA?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

NA

Hillcrest Water Company
Annual Report
Utility Shutoffs / Disconnects
12/31/24

Utility Shutoffs / Disconnects		
Name of the System:	HILCREST WATER COMPANY	
ADEQ Public Water System Number:		AZ0415026
ADWR PCC Number:		91-000747.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	1	0
February	0	0	0
March	0	1	0
April	0	0	0
May	0	2	0
June	0	3	0
July	0	1	0
August	0	2	0
September	0	3	0
October	0	5	0
November	0	3	0
December	0	2	0
Total	0	23	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	
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Amount of actual property taxes paid during Calendar Year 2024 was
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\$2,811

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.

Verification and Certification (Taxes)

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

County of (county name): La Paz
Name (owner or official) title: Lacey Merritt
Company name: Hillcrest Water Company

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

FOR THE YEAR ENDING: 12/31/24

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.

Certification: I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I CERTIFY THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Lacey Merritt
signature of owner/official

520-624-1460
telephone no.



Rose S Chacon
Pima County
12/18/26