

ANNUAL REPORT

Of

Company Name:
9532 E. Riggs Rd.

Mailing Address: Sun Lakes AZ
85248

Docket No.: W-02199A
For the Year Ended:

**RECEIVED
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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

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:
Application Date:

ARIZONA CORPORATION COMMISSION
 WATER UTILITY ANNUAL REPORT
 Pima Utility Company
 A Class Utility

For the Calendar Year Ended: 12/31/23

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

Telephone Number: 480-895-9200

Date of Original Organization of Utility: 1972

Person to whom correspondence should be addressed concerning this report:

Name: Brian Smith
 Telephone No. : 480-895-4235
 Address: 9532 E Riggs Road
 City: Sun Lakes State: Arizona Zip Code: 85248
 Email: Brian.Smith@Robson.com

On-Site Manager

Name: Justin Hanson
 Telephone No. : 480-895-5009
 Address: 24607 S Price Rd
 City: Sun Lakes State: Arizona Zip Code: 85248
 Email: Justin.Hanson@Robson.com

Regulatory and Management Contact

Name: Brian Smith
 Telephone No. : 480-895-4235
 Address: 9532 E Riggs Road
 City: Sun Lakes State: Arizona Zip Code: 85248
 Email: Brian.Smith@Robson.com

NA

Name: NA
 Telephone No. : NA
 Address: NA
 City: NA State: Arizona Zip Code: 85248
 Email: NA

NA

Name: NA
 Telephone No. : NA
 Address: NA
 City: NA State: Arizona Zip Code: 85248
 Email: NA

Ownership: "S" Corporation

Counties Served: Maricopa

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.
	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	97,637	0	0	97,637	0	97,637
304	Structures and Improvements	458,255	0	0	458,255	258,347	199,908
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	1,040,777	0	0	1,040,777	252,678	788,099
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	20,225	1,226	962	20,489	3,185	17,304
311	Pumping Equipment	3,525,830	37,232	12,698	3,550,364	2,434,545	1,115,819
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	114,290	1,346	0	115,636	115,636	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	1,775,170	0	1,500	1,773,670	763,936	1,009,734
330.2	Pressure Tanks	71,072	0	0	71,072	66,261	4,811
331	Transmission and Distribution Mains	3,792,137	6,549	0	3,798,686	2,523,819	1,274,867
333	Services	6,293,834	168,864	36,170	6,426,528	2,460,320	3,966,208
334	Meters and Meter Installations	1,024,559	52,730	66,244	1,011,045	615,691	395,354
335	Hydrants	901,487	4,000	0	905,487	791,880	113,607
336	Backflow Prevention Devices	1,024	0	0	1,024	102	922
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	4,518	2,187	0	6,705	431	6,274
340.1	Computer & Software	103,358	0	0	103,358	64,730	38,628
341	Transportation Equipment	359,227	0	44,780	314,447	314,447	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	139,852	2,689	0	142,541	90,809	51,732
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	145,590	127,640	26,492	246,738	81,222	165,516
346	Communication Equipment	264,198	31,139	209,828	85,509	47,510	37,999
347	Miscellaneous Equipment	10,773	0	0	10,773	7,045	3,728
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$20,143,813	\$435,602	\$398,674	\$20,180,741	\$10,892,594	\$9,288,147

Pima Utility Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/23

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	97,637	0	0	97,637	97,637	0	0.00%	0
304	Structures and Improvements	458,255	0	0	458,255	0	458,255	3.33%	15,260
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0	0
307	Wells and Springs	1,040,777	0	0	1,040,777	0	1,040,777	3.33%	34,658
308	Infiltration Galleries	0	0	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0	0	0
310	Power Generation Equipment	20,225	1,226	962	20,489	0	20,489	5.00%	1,018
311	Pumping Equipment	3,525,830	37,232	12,698	3,550,364	0	3,550,364	8.30%	294,724
320	Water Treatment Equipment	0	0	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0	0
320.2	Solution Chemical Feeders	114,290	1,346	0	115,636	0	115,636	20.00%	6,261
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0	0
330.1	Storage Tanks	1,775,170	0	1,500	1,773,670	0	1,773,670	2.22%	39,392
330.2	Pressure Tanks	71,072	0	0	71,072	0	71,072	5.00%	3,554
331	Transmission and Distribution Mains	3,792,137	6,549	0	3,798,686	0	3,798,686	2.00%	75,908
333	Services	6,293,834	168,864	36,170	6,426,528	0	6,426,528	3.33%	211,794
334	Meters and Meter Installations	1,024,559	52,730	66,244	1,011,045	0	1,011,045	8.33%	84,783
335	Hydrants	901,487	4,000	0	905,487	0	905,487	2.00%	18,070
336	Backflow Prevention Devices	1,024	0	0	1,024	0	1,024	6.67%	68
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	7	0
340	Office Furniture and Equipment	4,518	2,187	0	6,705	0	6,705	6.67%	374
340.1	Computer & Software	103,358	0	0	103,358	0	103,358	20.00%	20,672
341	Transportation Equipment	359,227	0	44,780	314,447	0	314,447	20.00%	(1,197)
342	Stores Equipment	0	0	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	139,852	2,689	0	142,541	0	142,541	5.00%	7,060
344	Laboratory Equipment	0	0	0	0	0	0	0	0
345	Power Operated Equipment	145,590	127,640	26,492	246,738	0	246,738	5.00%	9,808
346	Communication Equipment	264,198	31,139	209,828	85,509	0	85,509	10.00%	2,608
347	Miscellaneous Equipment	10,773	0	0	10,773	0	10,773	10.00%	1,050
348	Other Tangible Plant	0	0	0	0	0	0	0	0
	Subtotal	\$20,143,813	\$435,602	\$398,674	\$20,180,741	\$97,637	\$20,083,104		\$825,864

Contribution(s) in Aid of Construction (Gross)	\$963,772
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$963,772</u>
Times: Proposed Amortization Rate	4.12%
Amortization of CIAC	\$39,720

Less: Amortization of CIAC \$39,720

DEPRECIATION EXPENSE **\$786,145**

Pima Utility Company
Annual Report
Balance Sheet Assets
12/31/23

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current and Accrued Assets			
131	Cash		\$437,620	\$413,352
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		194,519	215,480
142	Other Receivables		0	0
145	Accounts Receivable - Related Party		0	0
146	Notes Receivable from Associated Companies		2,395,564	3,048,525
151	Plant Material and Supplies		0	0
162	Prepayments		16,699	17,196
174	Miscellaneous Current and Accrued Assets		0	0
181	Unamortized Debt Discounts		0	0
	Total Current and Accrued Assets		\$3,044,402	\$3,694,553
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$0
	Total Deferred Debits		\$0	\$0
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$20,143,813	\$20,180,741
103	Property Held for Future Use		0	0
105	Construction Work in Progress		1,567,082	1,570,567
108	Accumulated Depreciation (enter as negative)*		(10,462,405)	(10,892,594)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$11,248,490	\$10,858,714
	Total Assets		\$14,292,892	\$14,553,267

*Note these items feed automatically from AR3 UPIS Page 4

Pima Utility Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current Liabilities			
231	Accounts Payable		\$110,456	\$87,010
232	Notes Payable (Current Portion)		0	0
233	Accounts Payable - Related Party		7,804	9,115
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		5,612	4,623
236	Accrued Taxes		79,280	77,910
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		139,447	163,443
	Total Current Liabilities		\$342,599	\$342,101
	Long Term Debt			
223	Advances from Associated Companies		\$3,276,425	\$3,827,503
224	Long Term Debt (Notes and Bonds)		0	0
	Total Long Term Debt		\$3,276,425	\$3,827,503
	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		963,772	963,772
272	Less: Amortization of Contributions		(816,631)	(856,351)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$147,141	\$107,421
	Total Liabilities		\$3,766,165	\$4,277,025
	Capital Accounts			
201	Common Stock Issued		\$107,416	\$107,416
211	Other Paid-In Capital		12,263,837	12,263,837
215	Retained Earnings		(1,844,526)	(2,095,011)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$10,526,727	\$10,276,242
	Total Liabilities and Capital		\$14,292,892	\$14,553,267

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

Pima Utility Company
Annual Report
Water Comparative Income Statement
12/31/23

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	Operating Revenue		
461	Metered Water Revenue	\$2,594,988	\$2,497,281
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	30,330	32,018
	Total Revenues	\$2,625,318	\$2,529,299
	Operating Expenses		
601	Salaries and Wages	\$617,996	\$555,375
603	Salaries and Wages - Officers	42,891	42,891
604	Employee Pensions and Benefits	92,613	92,757
610	Purchased Water	0	0
615	Purchased Power	468,600	412,094
618	Chemicals	22,426	18,763
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	70,547	67,643
620.2	Office Supplies and Expense	116,002	92,553
630	Contractual Services	0	0
631	Contractual Services - Engineering	5,364	603
632	Contractual Services - Accounting	5,450	5,663
633	Contractual Services - Legal	160	3,659
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	21,909	6,829
636	Contractual Services - Other	86,587	86,004
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	931	9,709
650	Transportation Expenses	44,640	37,352
656	Insurance - Vehicles	31,510	35,779
657	Insurance - General Liability	93,447	85,421
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	(24)	2,305
670	Bad Debt Expense	4,020	5,029
675	Miscellaneous Expense	22,239	20,194
403	Depreciation Expense (From Schedule AR4)	786,145	851,488
408	Taxes Other Than Income	24,854	26,396
408.11	Property Taxes	111,961	115,535
408.12	Payroll Taxes	38,700	40,054
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
434	Rate Case Adjustments	0	0
	Total Operating Expenses	\$2,708,968	\$2,614,096
	Operating Income / (Loss)	(\$83,650)	(\$84,797)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$4,735	\$0
421	Non-Utility Income	1,777	1,803
426	Miscellaneous Non-Utility (Expense)	(502)	(1,268)
427	Interest (Expense)	(6,846)	(74,816)
	Total Other Income / (Expense)	(\$836)	(\$74,281)
	Net Income / (Loss)	(\$84,486)	(\$159,078)

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
Vice-president	0.0	0.0	0.1	0.1
Manager	0.1	0.3	0.0	0.5
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	7.5	0.0	0.0	7.5
Meter reader	1.0	0.0	0.0	1.0
Customer Service	0.5	0.4	0.0	0.9
Accounting	0.0	0.0	0.9	0.9
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.4	0.1	0.0	0.5
Other	0.0	0.0	0.0	0.0
Total	9.6	0.8	0.9	11.4

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	Loan #1	Loan #2	NA	NA
Source of Loan	41127	42929	NA	NA
ACC Decision No.	Wells Fargo	Wells Fargo	NA	NA
Reason for Loan	73078	75985	NA	NA
Dollar Amt. Issued	Refinance/Const	Refinance/Const	NA	NA
Amount Outstanding	\$4,185,000	\$4,185,000	NA	NA
Date of Maturity	7/24/2017	7/10/2022	NA	NA
Interest Rate	3.035%	4.165%	NA	NA
Current Year Interest	\$0	\$0	NA	NA
Current Year Principal	\$0	\$0	NA	NA

Meter Deposit Balance at Test Year End:	\$4,623
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Meter Deposits Refunded During the Test Year:	\$1,254
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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.

Water Utility Plant Description	
Name of the System:	PIMA UTILITIES COMPANY
ADEQ Public Water System Number:	AZ0407120
ADWR PCC Number:	91-000234.0000

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	221
4.00	PVC	7,031
6.00	PVC	306,747
8.00	PVC	96,682
10.00	PVC	43,488
12.00	PVC	13,527
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

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	9,817	28%	unknown
0.75	0	0%	unknown
1	312	76%	unknown
1.5	14	79%	unknown
2	101	90%	unknown
2.5	15	67%	unknown
4	1	100%	unknown
8	3	100%	unknown
10	3	100%	unknown
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

SERVICE LINES		
Material	Percent of system	Year installed
Black Poly	10%	unknown
Copper	90%	~1999
NA	NA	NA
NA	NA	NA
NA	NA	NA

BOOSTER PUMPS		
Horsepower	GPM	Quantity
75	650	4
40	450	2
25	250	8
60	500	1

FIRE HYDRANTS	
Type	Quantity
Standard *	709
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
400,000	carbon steel	1	1972
600,000	carbon steel	1	1986
750,000	carbon steel	2	1996, 1999
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,000	Steel	1	1999
15,000	Steel	1	1996
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:	Chlorinators (6)
STRUCTURES:	Fences, Enclosures, Storage
OTHER:	Pumps, hoses, vehicles, generators

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

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 Method used:

(a)

Customer and Other Information	
Name of the System:	PIMA UTILITIES COMPANY
ADEQ Public Water System Number:	AZ0407120
ADWR PCC Number:	91-000234.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	10,022	0	231	8	6
February	10,059	0	232	8	3
March	10,061	0	231	8	3
April	10,053	0	231	8	4
May	10,080	0	233	8	3
June	10,078	0	232	8	4
July	10,048	0	232	8	9
August	10,042	0	231	8	8
September	10,033	0	232	8	8
October	10,043	0	231	8	8
November	10,064	0	232	8	9
December	10,045	0	232	8	11

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.

Well 34 replacement. Estimated Completion 2024
 Arsenic Treatment Facility - Estimated Completion 2024

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

Pima Utility Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	PIMA UTILITIES COMPANY
ADEQ Public Water System Number:	AZ0407120
ADWR PCC Number:	91-000234.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	11	0
February	0	19	0
March	0	9	0
April	0	12	0
May	0	12	0
June	0	14	0
July	0	12	0
August	0	10	0
September	0	18	0
October	0	12	0
November	0	7	0
December	0	11	0
Total	0	147	0

Other (description):

N/A

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2023 was	\$113,246

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 I, the undersigned of the
(state name)

County of (county name):
Name (owner or official) title:
Company name:

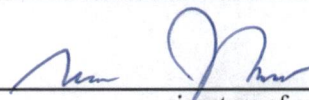
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/23

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.



signature of owner/official

480-895-4235

telephone no.