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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT

Of

Company Name: Sandario Water Company, Inc.

6808 N Dysart Rd Ste 116

Mailing Address: Glendale AZ 85307

Docket No.: W-01831A

For the Year Ended: 12/31/23

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: 4/5/2024

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Sandario Water Company, Inc.
A Class Utility

For the Calendar Year Ended:

Primary Address:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

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

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

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

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

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

Ownership:

Counties Served:

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.
	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	\$650	\$0	\$0	\$650	\$0	\$650
302	Franchises	450	0	0	450	0	450
303	Land and Land Rights	1,850	0	0	1,850	0	1,850
304	Structures and Improvements	24,301	0	0	24,301	23,637	664
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	59,057	21,906	0	80,963	54,402	26,561
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	218,263	0	0	218,263	200,246	18,017
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	4,028	0	0	4,028	4,029	(1)
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	33,307	0	0	33,307	33,307	0
330.1	Storage Tanks	14,551	0	0	14,551	14,130	421
330.2	Pressure Tanks	16,702	0	0	16,702	11,076	5,626
331	Transmission and Distribution Mains	574,256	97,271	0	671,527	511,613	159,914
333	Services	74,307	502	0	74,809	52,769	22,040
334	Meters and Meter Installations	105,290	749	0	106,039	52,336	53,703
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	30,500	4,799	0	35,299	13,383	21,916
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	4,091	0	0	4,091	1,023	3,068
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$1,161,603	\$125,227	\$0	\$1,286,830	\$971,951	\$314,879

Sandario Water Company, Inc.
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	\$650	\$0	\$0	\$650	\$650	\$0	0.00%	\$0
302	Franchises	450	0	0	450	450	0	0.00%	0
303	Land and Land Rights	1,850	0	0	1,850	1,850	0	0.00%	0
304	Structures and Improvements	24,301	0	0	24,301	22,193	2,108	3.33%	70
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	59,057	21,906	0	80,963	32,542	48,421	3.33%	896
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	218,263	0	0	218,263	161,422	56,841	12.50%	9,385
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	4,028	0	0	4,028	4,029	(1)	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	33,307	0	0	33,307	33,307	0	2.22%	0
330.1	Storage Tanks	14,551	0	0	14,551	0	14,551	2.22%	323
330.2	Pressure Tanks	16,702	0	0	16,702	0	16,702	5.00%	835
331	Transmission and Distribution Mains	574,256	97,271	0	671,527	248,437	423,090	2.00%	7,489
333	Services	74,307	502	0	74,809	15,679	59,130	3.33%	1,961
334	Meters and Meter Installations	105,290	749	0	106,039	0	106,039	8.33%	8,802
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	30,500	4,799	0	35,299	0	35,299	6.67%	2,195
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	4,091	0	0	4,091	0	4,091	10.00%	409
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	\$1,161,603	\$125,227	\$0	\$1,286,830	\$520,559	\$766,271		\$32,365

Contribution(s) in Aid of Construction (Gross)	\$460,927
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	61,194
Amortizable Contribution(s)	\$399,733
Times: Proposed Amortization Rate	5.05%
Amortization of CIAC	\$19,179

Less: Amortization of CIAC **\$19,179**

DEPRECIATION EXPENSE **\$13,186**

Sandario Water Company, Inc.
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		\$29,987	\$38,742
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		(384)	9,691
146	Notes Receivable from Associated Companies		(16,355)	(12,181)
151	Plant Material and Supplies		0	0
162	Prepayments		5,557	1,895
174	Miscellaneous Current and Accrued Assets		44,632	10,903
	Total Current and Accrued Assets		\$63,437	\$49,050
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,161,603	\$1,286,830
103	Property Held for Future Use		0	0
105	Construction Work in Progress		6,296	4,296
108	Accumulated Depreciation (enter as negative)*		(939,586)	(971,951)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$228,313	\$319,175
	Total Assets		\$291,750	\$368,225

*Note these items feed automatically from AR3 UPIS Page 4

Sandario Water Company, Inc.
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		\$756	\$11,076
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	(5,893)
235	Customer Deposits		11,546	12,420
236	Accrued Taxes		6,936	6,914
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		426	365
	Total Current Liabilities		\$19,664	\$24,882
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$104,914	\$100,386
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		23,917	119,628
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		460,927	460,927
272	Less: Amortization of Contributions		(338,629)	(357,808)
281	Accumulated Deferred Income Tax		37,709	2,775
	Total Deferred Credits		\$183,924	\$225,522
	Total Liabilites		\$308,502	\$350,790
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		3,208	3,208
215	Retained Earnings		(19,960)	14,227
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$16,752)	\$17,435
	Total Liabilities and Capital		\$291,750	\$368,225

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

Sandario Water Company, Inc.
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	\$194,599	\$196,501
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	11,589	11,447
471	Miscellaneous Service Revenues	5,417	7,920
474	Other Water Revenue	0	0
	Total Revenues	\$211,605	\$215,868
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	500	0
615	Purchased Power	20,864	19,934
618	Chemicals	558	1,843
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	2,475	1,737
620.2	Office Supplies and Expense	6,019	2,674
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	700	1,115
633	Contractual Services - Legal	58	1,606
634	Contractual Services - Management Fees	91,019	87,078
635	Contractual Services - Water Testing	3,855	1,375
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	3,305	2,480
657	Insurance - General Liability	3,418	2,583
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	1,400
670	Bad Debt Expense	250	(94)
675	Miscellaneous Expense	3,209	2,186
403	Depreciation Expense (From Schedule AR4)	13,186	10,412
408	Taxes Other Than Income	0	0
408.11	Property Taxes	11,651	11,854
409	Income Taxes	11,319	15,792
427.1	Customer Security Deposit Interest	196	251
	Total Operating Expenses	\$172,582	\$164,226
	Operating Income / (Loss)	\$39,023	\$51,642
	Other Income / (Expense)		
419	Interest and Dividend Income	\$1,029	\$1,069
421	Non-Utility Income	0	850
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(5,864)	(6,114)
	Total Other Income / (Expense)	(\$4,835)	(\$4,195)
	Net Income / (Loss)	\$34,188	\$47,447

Sandario Water Company, Inc.
 Annual Report
 Full time equivalent employees
 12/31/23

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager			unable to	0.0
Engineering Staff			determine	0.0
System Operator(s)			without	0.0
Meter reader			significant	0.0
Customer Service			analysis	0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	0.0	0.0

Sandario Water Company, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/23

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	6/30/2017			
Source of Loan	CoBank			
ACC Decision No.	76071			
Reason for Loan	Improvements			
Dollar Amt. Issued	\$123,793			
Amount Outstanding	\$100,386			
Date of Maturity	1/20/2038			
Interest Rate	5.61%			
Current Year Interest	\$5,864			
Current Year Principal	\$4,529			

Meter Deposit Balance at Test Year End:	\$12,682
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Meter Deposits Refunded During the Test Year:	\$819
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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 (Continued)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	2 chlorinators
STRUCTURES:	700 feet of 6 foot tall chain link fence, 12 x 12 foot booster station
OTHER:	N/A

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	248
Method used:	(a)

Customer and Other Information	
Name of the System:	SANDARIO WATER CO.
ADEQ Public Water System Number:	AZ0410093
ADWR PCC Number:	91-000434.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	336		2		0
February	335		2		0
March	339		2		0
April	338		2		0
May	340		2		0
June	341		2		0
July	341		2		0
August	341		2		0
September	336		2		0
October	337		2		0
November	337		2		0
December	339		2		0

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.

Sandario Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	SANDARIO WATER CO.
ADEQ Public Water System Number:	AZ0410093
ADWR PCC Number:	91-000434.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	5	0
February	0	6	0
March	0	4	0
April	0	3	0
May	0	4	0
June	0	1	0
July	0	3	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	26	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 2023 was	
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	\$11,752
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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 I, the undersigned of the
(state name)

County of (county name):	Maricopa
Name (owner or official) title:	Bryan Thomas, President
Company name:	Sandario Water Company, Inc.

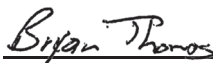
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

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.

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.


signature of owner/official

623-935-1100
telephone no.