RECEIVED BY EMAIL 4/10/2024, 12:50 PM 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-01831AFor the Year Ended:12/31/23

WATER UTILITY

То

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: | Orig | ginal Filing |
|-------------------|----------|--------------|
| Application Date: | 4/5/2024 | |

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

| For the Calendar Year E | Ended: $12/31/23$ | | | |
|--------------------------|---------------------------|-------------|-------------------|-----------------|
| Primary Address: | 6808 N Dysart Rd Ste 116 | | |] |
| - | Glendale | | State: Arizona | Zip Code: 85307 |
| City. | Olelidate | | State. Alizolia | |
| Telephone Number: | 623-935-1100 | | | |
| Date of Original Organiz | zation of Utility: | 4/11/1988 | | |
| Person to whom corresp | ondence should be addres | sed concern | ning this report: | |
| | Bryan Thomas | | | |
| Telephone No. : | | | | |
| | 6808 N Dysart Rd Ste 116 | | | |
| | Glendale | | State: Arizona | Zip Code: 85307 |
| Email: | Bnthomas@hearthstonecom | pany.com | | |
| On-Site Manager | | | | |
| | Paul Juhl | | | |
| Telephone No. : | 520-448-4975 Ext. 107 | | | |
| Address: | 1645 W Valencia Rd Ste 10 | 9-Box 506 | | |
| | Tucson | | State: Arizona | Zip Code: 85746 |
| Email: | pjuhl@tierrwatermgmt.com | | | |
| | | | | |
| | | | | |
| Name: | | | 4 | |
| Telephone No. : | | | | |
| Address: | | - | | |
| City: | | | State: | Zip Code: |
| Email: | | | | |
| | | | | |
| Name: | | | | |
| Telephone No. : | | | | |
| Address: | | | | |
| City: | | | State: | Zip Code: |
| Email: | | | | |
| | | | | |
| Name: | | | r | |
| Telephone No. : | | | - | |
| Address: | | | | |
| City: | | 1 | State: | Zip Code: |
| • | | | State. | |
| Email: | | | | |
| Ownership: | "C" Corporation | | 1 | |
| | | | | |
| Counties Served: | Pima | |] | |

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

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

| | | Utilit | y Plant in Service | (Water) | | | |
|---------|--|----------------|--------------------|--------------|-------------------|--------------|---------------|
| Account | Description | Beginning Year | Current Year | Current Year | Adjusted Original | Accumulated | OCLD (OC less |
| No. | _ | Original Cost | Additions | Retirements | Cost | Depreciation | 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

| | | | reciation Expense | | · · · · · · · · · · · · · · · · · · · | | | | |
|-------------|--|----------------|-------------------|--------------|---------------------------------------|---------------------------------------|-------------|--------------|--------------|
| Account No. | Description | Beginning Year | Current Year | Current Year | Adjusted | Fully | Depreciable | Depreciation | Depreciation |
| | | Original Cost | Additions | Retirements | Original Cost | Depreciated/Non- depreciable Plant | Plant | Percentages | 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) Less: Non Amortizable Contribution(s) Fully Amortized Contribution(s) Amortizable Contribution(s) Times: Proposed Amortization Rate Amortization of CIAC \$460,927 0 61,194 **\$399,733** 5.05% \$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 Ow | vners 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 |
| 201 | Other Paid-In Capital | 3,208 | 3,208 |
| 211 | Retained Earnings | (19,960) | 14,227 |
| 213 | 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

| Account No. | Calendar Year | Current Year | Last Year |
|-------------|--|-------------------------|-------------------------|
| Account No. | | 01/01/2023 - 12/31/2023 | 01/01/2022 - 12/31/2022 |
| | Operating Revenue | 01/01/2023 - 12/31/2023 | 01/01/2022 - 12/31/2022 |
| 461 | Metered Water Revenue | \$194,599 | \$196,50 |
| 460 | Unmetered Water Revenue | 0 | \$150,00 |
| 462 | Fire Protection Revenue | 0 | |
| 469 | Guaranteed Revenues (Surcharges) | 11,589 | 11,44 |
| 471 | Miscellaneous Service Revenues | 5,417 | 7,92 |
| 474 | Other Water Revenue | 0 | 1,52 |
| 4/4 | Total Revenues | \$211,605 | \$215,86 |
| | | \$=11,000 | \$=10,00 |
| | Operating Expenses | | |
| 601 | Salaries and Wages | \$0 | \$ |
| 604 | Employee Pensions and Benefits | 0 | |
| 610 | Purchased Water | 500 | |
| 615 | Purchased Power | 20,864 | 19,93 |
| 618 | Chemicals | 558 | 1,84 |
| 620 | Materials and Supplies | 0 | |
| 620.1 | Repairs and Maintenance | 2,475 | 1,73 |
| 620.2 | Office Supplies and Expense | 6,019 | 2,67 |
| 630 | Contractual Services | 0 | |
| 631 | Contractual Services - Engineering | 0 | |
| 632 | Contractual Services - Accounting | 700 | 1,11 |
| 633 | Contractual Services - Legal | 58 | 1,60 |
| 634 | Contractual Services - Management Fees | 91,019 | 87,07 |
| 635 | Contractual Services - Water Testing | 3,855 | 1,37 |
| 636 | Contractual Services - Other | 0 | -,-, |
| 640 | Rents | 0 | |
| 641 | Rental of Building/Real Property | 0 | |
| 642 | Rental of Equipment | 0 | |
| 650 | Transportation Expenses | 3,305 | 2,48 |
| 657 | Insurance - General Liability | 3,418 | 2,58 |
| 657.1 | Insurance - General Liability | 0 | 2,30 |
| | | 0 | 1,40 |
| 665 | Regulatory Commission Expense - Rate | 250 | |
| 670 | Bad Debt Expense | 3,209 | (9) |
| 675 | Miscellaneous Expense | 13,186 | |
| 403 | Depreciation Expense (From Schedule AR4) | | 10,41 |
| 408 | Taxes Other Than Income | 0 | 11.05 |
| 408.11 | Property Taxes | 11,651 | 11,85 |
| 409 | Income Taxes | 11,319 196 | 15,79 |
| 427.1 | Customer Security Deposit Interest | | 25 |
| | Total Operating Expenses | \$172,582 | \$164,22 |
| | Operating Income / (Loss) | \$39,023 | \$51,64 |
| | Other Income / (Expense) | | |
| 419 | Interest and Dividend Income | \$1,029 | \$1,06 |
| 419 | Non-Utility Income | 0 | 85 |
| | | 0 | 63 |
| 426 | Miscellaneous Non-Utility (Expense) | (5,864) | |
| 427 | Interest (Expense) | (\$4,835) | (6,11 (\$4,19 |
| | Total Other Income / (Expense) | (\$4,835) | (\$4,19 |
| | Net Income / (Loss) | \$34,188 | \$47,44 |

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

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

Full time equivalent employees

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

Meter Deposits Refunded During the Test Year:

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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.

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\$819

Sandario Water Company, Inc. Annual Report Well and Water Usage 12/31/23

| | | | | Well and Wate | er Usage | | | | | | |
|--|--|--|---|---|---|--|---|-------------|------------|-----------|--------|
| Name of the System: | | SANDARIO WAT | ER CO. | | 8 | | | | | | |
| ADEQ Public Water Syst | tem Number: | | AZ0410093 | | | | 1 | | | | |
| ADWR PCC Number: | | | 91-000434.0000 | | 1 | | | | | | |
| Well registry 55# (55- | | | Casing Depth | Casing Diameter | Pump Motor | | Water level | Water level | Meter Size | How | |
| XXXXXX): | Pump Horsepower | Pump Yield (gpm) | (feet) | (inches) | Type ** | Year Drilled | 2010 | 2023 | (inches) | measured: | Active |
| 55-518208 | 40 | 350 | 600 | 12 | Submersible | 1989 | 300 | 305 | 4 | Metered | Ye |
| 55-594513 | 15 | 80 | 590 | 8 | Submersible | 2003 | 320 | 330 | | Metered | Ye |
| | | | | | | | | | | | |
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| | | | | | | | | | | | |
| Name of system water de | elivered to: | | | | | | | | | | |
| ADWR PCC Number: | | | NA | | | | | | | | |
| | | | | | | | | | | | |
| Source of water delivered | d to another system | | | | 1 | | | | | | |
| Source of water delivered | , , , , , , , , , , , , , , , , , , , | | | | 1 | | | | | | |
| Source of water delivered Name of system water re | , , , , , , , , , , , , , , , , , , , | | | | 1 | |] | | | | |
| Source of water delivered Name of system water re ADWR PCC Number: | ceived from: | | NA | | | |] | | | | |
| Source of water delivered Name of system water re ADWR PCC Number: Source of water received | ceived from: | | | | | |] | | | | |
| Source of water delivered Name of system water re ADWR PCC Number: | ceived from: | | | | | |] | | | | |
| Source of water delivered Name of system water re ADWR PCC Number: Source of water received | ceived from: | | | Water received | | |] | 1 | | | |
| Source of water delivered Name of system water re ADWR PCC Number: Source of water received | ceived from: | | NA | Water received | Estimated | Purchased | Purchased |] | | | |
| Source of water delivered Name of system water re ADWR PCC Number: Source of water received | CCEIVED from: | Water cold | NA Water delivered | (purchased) from | Estimated | Purchased | Purchased | | | | |
| Source of water delivered Name of system water re <u>ADWR PCC Number</u> : Source of water received Well registry 55# (55-XX) | ceived from: (XXXX): Water withdrawn | Water sold | NA Water delivered (sold) to other | (purchased) from other systems | authorized use | Power | Power | | | | |
| Source of water delivered Name of system water re <u>ADWR PCC Number:</u> Source of water received Well registry 55# (55-X) Month | ceived from: (XXXX): Water withdrawn (gallons)1 | (gallons)2 | NA Water delivered (sold) to other systems (gallons)3 | (purchased) from other systems (gallons)4 | authorized use (gallons)5 | Power Expense ⁶ | Power (kWh) ⁷ | | | | |
| Source of water delivered Name of system water re <u>ADWR PCC Number</u> : Source of water received Well registry 55# (55-XX Month January | Water withdrawn (gallons)1 2,156,520.00 | (gallons)2 1,876,310.00 | NA Water delivered (sold) to other systems (gallons)3 0.00 | (purchased) from other systems (gallons)4 0.00 | authorized use (gallons)5 0.00 | Power Expense ⁶ \$1,116 | Power (kWh) ⁷ 7,649 | | | | |
| Source of water delivered Name of system water re ADWR PCC Number: Source of water received Well registry 55# (55-X) Month January February | ceived from: CXXXX): Water withdrawn (gallons)1 2,156,520.00 1,932,971.00 | (gallons)2 1,876,310.00 1,583,720.00 | NA Water delivered (sold) to other systems (gallons)3 0.00 0.00 | (purchased) from other systems (gallons)4 0.00 0.00 | authorized use (gallons)5 0.00 100,000.00 | Power Expense ⁶ \$1,116 1,397 | Power (kWh) ⁷ 7,649 7,532 | | | | |
| Source of water delivered Name of system water re ADWR PCC Number: Source of water received Well registry 55# (55-X) Month January February March | ceived from: (XXXX): Water withdrawn (gallons)1 2,156,520.00 1,932,971.00 2,325,866.00 | (gallons)2 1,876,310.00 1,583,720.00 1,648,162.00 | NA Water delivered (sold) to other systems (gallons)3 0.00 0.000 0.00 | (purchased) from other systems (gallons)4 0.00 0.00 0.00 | authorized use (gallons)5 0.00 100,000.00 100,000.00 | Power Expense ⁶ \$1,116 1,397 1,372 | Power (kWh) ⁷ 7,649 7,532 7,404 | | | | |
| Source of water delivered Name of system water re ADWR PCC Number; Source of water received Well registry 55# (55-XX) Month January February March April | Ceived from: (XXXX): Water withdrawn (gallons)1 2,156,520.00 1,932,971.00 2,325,866.00 2,718,761.00 | (gallons)2 1,876,310.00 1,583,720.00 1,648,162.00 2,369,222.00 | NA Water delivered (sold) to other systems (gallons)3 0.00 0.00 0.00 0.00 | (purchased) from other systems (gallons)4 0.00 0.00 0.00 | authorized use (gallons)5 0.00 100,000.00 100,000.00 0.00 | Power Expense ⁶ \$1,116 1,397 1,372 1,660 | Power (kWh) ⁷ 7,649 7,532 7,404 9,083 | | | | |
| Source of water delivered Name of system water re ADWR PCC Number; Source of water received Well registry 55# (55-X) Month January February March April May | ceived from: (XXXX): Water withdrawn (gallons)1 2,156,520.00 1,932,971.00 2,325,866.00 2,718,761.00 2,684,458.00 | (gallons)2 1,876,310.00 1,583,720.00 1,648,162.00 2,369,222.00 2,459,478.00 | NA Water delivered (sold) to other systems (gallons)3 0.00 0.00 0.00 0.00 0.00 | (purchased) from other systems (gallons)4 0.00 0.00 0.000 0.000 | authorized use (gallons)5 0.00 100,000.00 100,000.00 0.00 0.00 | Power Expense ⁶ \$1,116 1,397 1,372 1,660 1,940 | Power (kWh) ⁷ 7,649 7,532 7,404 9,083 11,064 | | | | |
| Source of water delivered Name of system water re ADWR PCC Number: Source of water received Well registry 55# (55-XX) Month January February March April May June | ceived from: (XXXX): Water withdrawn (gallons)1 2,156,520.00 1,932,971.00 2,325,866.00 2,718,761.00 2,684,458.00 3,639,254.00 | (gallons)2 1,876,310.00 1,583,720.00 1,648,162.00 2,369,222.00 2,459,478.00 3,421,256.00 | NA Water delivered (sold) to other systems (gallons)3 0.00 0.00 0.00 0.00 0.00 0.00 | (purchased) from other systems (gallons)4 0.00 0.00 0.00 0.00 0.00 0.00 | authorized use (gallons)5 0.00 100,000.00 100,000.00 0.00 0.00 | Power Expense ⁶ \$1,116 1,397 1,372 1,660 1,940 2,015 | Power (kWh) ⁷ 7,649 7,532 7,404 9,083 11,064 11,894 | | | | |
| Source of water delivered Name of system water re <u>ADWR PCC Number:</u> Source of water received Well registry 55# (55-XX) Month January February March April May June June | ceived from: (XXXX): Water withdrawn (gallons)1 2,156,520.00 1,932,971.00 2,325,866.00 2,718,761.00 2,684,458.00 3,639,254.00 3,840,790.00 | (gallons)2 1,876,310.00 1,583,720.00 1,648,162.00 2,369,222.00 2,459,478.00 3,421,256.00 3,674,377.00 | NA Water delivered (sold) to other systems (gallons)3 0.00 0.00 0.00 0.00 0.00 0.00 0.00 | (purchased) from other systems (gallons)4 0.00 0.00 0.00 0.00 0.00 0.00 | authorized use (gallons)5 0.00 100,000.00 0.00 0.00 0.00 0.00 | Power Expense ⁶ \$1,116 1,397 1,372 1,660 1,940 2,015 2,482 | Power (kWh) ⁷ 7,649 7,532 7,404 9,083 11,064 11,894 14,802 | | | | |
| Source of water delivered Name of system water re ADWR PCC Number; Source of water received Well registry 55# (55-XX) Month January February March April May June July August | Ceived from: CXXXX): Water withdrawn (gallons)1 2,156,520.00 1,932,971.00 2,325,866.00 2,718,761.00 2,684,458.00 3,639,254.00 3,639,254.00 3,639,231.00 | (gallons)2 1,876,310.00 1,583,720.00 2,369,222.00 2,459,478.00 3,421,256.00 3,674,377.00 3,462,416.00 | NA Water delivered (sold) to other systems (gallons)3 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0. | (purchased) from other systems (gallons)4 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0. | authorized use (gallons)5 0.00 100,000.00 0.00 0.00 0.00 0.00 0.0 | Power Expense ⁶ \$1,116 1,397 1,372 1,660 1,940 2,015 2,482 2,147 | Power (kWh) ⁷ 7,649 7,532 7,404 9,083 11,064 11,894 14,802 12,718 | | | | |
| Source of water delivered Name of system water re ADWR PCC Number: Source of water received Well registry 55# (55-X) Month January February March April May June July August September | ceived from: (XXXX): Water withdrawn (gallons)1 2,156,520.00 1,932,971.00 2,325,866.00 2,718,761.00 2,684,458.00 3,639,254.00 3,840,790.00 3,840,790.00 3,245,508.00 | (gallons)2 1,876,310.00 1,583,720.00 1,648,162.00 2,369,222.00 3,421,256.00 3,674,377.00 3,462,416.00 2,384,375.00 | NA Water delivered (sold) to other systems (gallons)3 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0. | (purchased) from other systems (gallons)4 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0. | authorized use (gallons)5 0.00 100,000.00 0.00 0.00 0.00 0.00 0.0 | Power Expense ⁶ \$1,116 1,397 1,372 1,660 1,940 2,015 2,482 2,147 1,917 | Power (kWh) ⁷ 7,649 7,532 7,404 9,083 11,064 11,894 11,894 14,802 12,718 10,924 | | | | |
| Source of water delivered Name of system water re ADWR PCC Number: Source of water received Well registry 55# (55-XX) Month January February March April May June July July September October | ceived from: CXXXX): Water withdrawn (gallons)1 2,156,520.00 1,932,971.00 2,325,866.00 2,718,761.00 2,684,458.00 3,639,254.00 3,639,231.00 3,639,231.00 3,640,373.00 | (gallons)2 1,876,310.00 1,583,720.00 1,648,162.00 2,369,222.00 3,421,256.00 3,421,256.00 3,462,416.00 3,462,416.00 3,169,389.00 3,169,389.00 | NA Water delivered (sold) to other systems (gallons)3 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0. | (purchased) from other systems (gallons)4 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0. | authorized use (gallons)5 0.00 100,000.00 0.00 0.00 0.00 0.00 0.0 | Power Expense ⁶ \$1,116 1,397 1,372 1,660 1,940 2,015 2,482 2,147 1,917 2,123 | Power (kWh) ⁷ 7,649 7,532 7,404 9,083 11,064 11,894 14,802 14,802 14,802 12,718 10,924 12,162 | | | | |
| Source of water delivered Name of system water re ADWR PCC Number; Source of water received Well registry 55# (55-XX) Month January February March April May June July August September October November | ceived from: (XXXX): Water withdrawn (gallons)1 2,156,520.00 1,932,971.00 2,325,866.00 2,718,761.00 2,684,458.00 3,639,254.00 3,639,254.00 3,640,790.00 3,245,508.00 3,245,508.00 3,616,373.00 2,700,584.00 | (gallons)2 1,876,310.00 1,583,720.00 1,648,162.00 2,369,222.00 2,459,478.00 3,674,377.00 3,462,416.00 2,384,375.00 3,169,389.00 2,844,844.00 | NA Water delivered (sold) to other systems (gallons)3 0.00 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 | (purchased) from other systems (gallons)4 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0. | authorized use (gallons)5 0.00 100,000.00 0.00 0.00 0.00 0.00 0.0 | Power Expense ⁶ \$1,116 1,397 1,372 1,660 1,940 2,015 2,482 2,147 1,917 2,123 1,875 | Power (kWh) ⁷ 7,649 7,532 7,404 9,083 11,064 11,894 14,802 12,718 10,924 12,162 10,668 | | | | |
| Source of water delivered Name of system water re ADWR PCC Number: Source of water received Well registry 55# (55-XX) Month January February March April May June July July August September October | ceived from: CXXXX): Water withdrawn (gallons)1 2,156,520.00 1,932,971.00 2,325,866.00 2,718,761.00 2,684,458.00 3,639,254.00 3,639,231.00 3,639,231.00 3,640,373.00 | (gallons)2 1,876,310.00 1,583,720.00 1,648,162.00 2,369,222.00 3,421,256.00 3,421,256.00 3,462,416.00 3,462,416.00 3,169,389.00 3,169,389.00 | NA Water delivered (sold) to other systems (gallons)3 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0. | (purchased) from other systems (gallons)4 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0. | authorized use (gallons)5 0.00 100,000.00 0.00 0.00 0.00 0.00 0.0 | Power Expense ⁶ \$1,116 1,397 1,372 1,660 1,940 2,015 2,482 2,147 1,917 2,123 | Power (kWh) ⁷ 7,649 7,532 7,404 9,083 11,064 11,894 14,802 14,802 14,802 12,718 10,924 12,162 | | | | |

 Water withdrawn - Total gallons of water withdrawn from pumped sources.
 Water sold - Total gallons from customer meters, and other sales such as construction water.
 Water sold - Total gallons from customer meters, and other sales such as construction water.
 Water delivered (sold) to other systems - Total gallons of water delivered to other systems.
 Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.
 Stimated 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
 Schein et al. Non-methering due (such action gains and such as public and the sustements) and the first such as the subscript such as the such as relived as unter article in such as the subscript such as the surface meter such as the subscript such as the surface meters and the first such as the surface meters and the surface meters and the surface meters and the surface meters are such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire
 Schein et al. Non-meters and the surface meters are such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire
 Schein et al. Non-meters are such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire
 Schein et al. Non-meters are such as the surface meters are such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire
 Schein et al. Non-meters are such as the surface meters are such as the surface meters are such as
 Schein et al. Non-meters are such as the surface meters are such as
 Schein et al. Non-meters are such as
 Schein et al. Non-met 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.

Sandario Water Company, Inc. Annual Report Water Utility Plant Description 12/31/23

| Water Utility Plant Description | | | | | |
|----------------------------------|---------------|----------------|---|--|--|
| Name of the System: | SANDARIO WATE | R CO. | | | |
| ADEQ Public Water System Number: | | AZ0410093 | | | |
| ADWR PCC Number: | | 91-000434.0000 |] | | |

| MAINS | | | |
|----------------|------------|---------------|--|
| Sizes (inches) | Material | Length (feet) | |
| 2.00 | Galvanized | 660 | |
| 2.00 | PVC | 710 | |
| 3.00 | AC/PVC | 4,530 | |
| 3.00 | PVC | 330 | |
| 4.00 | AC/PVC | 7,308 | |
| 4.00 | PVC | 5,864 | |
| 6.00 | AC/PVC | 20,535 | |
| 6.00 | PVC | 18,123 | |
| | | | |
| | | | |
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| | | | |

| SERVICE LINES | | | | | |
|---------------|-------------------|-----------|--|--|--|
| | | | | | |
| Material | Percent of system | installed | | | |
| PVC | 80% | 1970 | | | |
| Copper | 10% | 2014-16 | | | |
| Black poly | 10% | 1970 | | | |
| | | | | | |
| | | | | | |

| BOOSTER PUMPS | | | | |
|---------------|-----|----------|--|--|
| Horsepower | GPM | Quantity | | |
| 5 | 100 | 1 | | |
| 10 | 200 | 2 | | |
| 15 | 300 | 2 | | |
| | | | | |

| STORAGE TANKS | | | | | |
|--------------------|----------|----------|-----------|--|--|
| | | | Year | | |
| Capacity (gallons) | Material | Quantity | installed | | |
| 12,000 | Steel | 4 | 1989 | | |
| 20,000 | Steel | 1 | 2003 | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| | CUSTOMER METERS | | | | | |
|---------------|-----------------|------------------|--------------|--|--|--|
| | | | Percent over | | | |
| Size (inches) | Quantity | 1,00,000 gallons | 10 years old | | | |
| 5/8 X 3/4 | 330 | 12% | 8% | | | |
| 0.75 | 4 | 25% | 0% | | | |
| 1 | 5 | 0% | 80% | | | |
| 1.5 | 2 | 50% | 50% | | | |
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| FIRE HYDRANTS | | |
|---------------|---|--|
| Type Quantity | | |
| Standard * | 0 | |
| Other | 0 | |

| PRESSURE/BLADDER TANKS | | | | | |
|------------------------|--------------|----------|----------------|--|--|
| Capacity | | | | | |
| (gallons) | Material | Quantity | Year installed | | |
| 2,000 | Steel | 1 | 1970 | | |
| 5,000 | Steel | 1 | 1970 | | |
| 90 | Steel/rubber | 2 | 2012 | | |
| | | | | | |
| | | | | | |
| | | | | | |

* 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)

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:

- 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
 If no historical flow data are available, use:
 EBC = (Tatel SED culture and (000) / 265 data (250 culture are data))
- ^(b) ERC = (Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day)

| ERC | 248 |
|--------------|-----|
| Method used: | (a) |

Sandario Water Company, Inc. Annual Report Customer and Other Information 12/31/23

E.

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

| | | N | sumber of Customer | S | |
|-----------------|--|-------------------|---------------------|-----------------|----------------|
| | | | | | Other Non- |
| Month | Single-Family | Multi-Family | Commercial | Turf/Irrigation | Residential |
| January | 336 | | 2 | | (|
| February | 335 | | 2 | | (|
| March | 339 | | 2 | | (|
| April | 338 | | 2 | | (|
| May | 340 | | 2 | | (|
| June | 341 | | 2 | | (|
| July | 341 | | 2 | | (|
| August | 341 | | 2 | | (|
| September | 336 | | 2 | | (|
| October | 337 | | 2 | | (|
| November | 337 | | 2 | | (|
| December | 339 | | 2 | | (|
| If yes, provide | oany have an ADWR Ga the GPCPD amount: ility located in an ADW .MA? | | 0 | | Ye Ye Ye |
| 1 | sent system connection ure system connection c | 1 | , 0 0 | | Unknow |
| Describe any p | lans and estimated com | pletion dates for | any enlargements or | improvements of | f this system. |
| | | | | | |
| | | | | | |
| | | | | | |

 \ast 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 | | | |

| | | Termination with | |
|-----------|---------------------|------------------|-------|
| Month | Termination without | Notice R14-2- | |
| | Notice R14-2-410.B | 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.

Sandario Water Company, Inc. Annual Report Property Taxes 12/31/23

| Property Taxes | |
|--|----------|
| Amount of actual property taxes paid during Calendar Year 2023 was | \$11,752 |
| 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.

Sandario Water Company, Inc. Annual Report Verification and Sworn Statement (Taxes) 12/31/23

| Verification: State of | Arizona (state name) | I, the undersigned of the | |
|------------------------|---|--|--|
| | county name): | Maricopa | |
| Name (own Company r | ner or official) title: | Bryan Thomas, President Water Company, Inc. | |
| 1 2 | | | |
| | | | |
| | | ITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA | |
| | HAT THIS ANNUAL UTILI TION COMMISSION. | ITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA | |
| | | ITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA | |

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.

Bijan Thomas

signature of owner/official

623-935-1100 telephone no.