

**ANNUAL REPORT**

Of

Company Name: Sandario Water Company, Inc.  
PO Box 85160

Mailing Address: Tucson AZ  
85754

Docket No.: W-01831A  
For the Year Ended: 12/31/19

**RECEIVED  
BY EMAIL**

4/30/2020, 12:53 PM  
ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

**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: 5/11/2020

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

For the Calendar Year Ended: 12/31/19

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:

<b>Important changes during the year</b>
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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	\$650	\$0	\$0	\$650	\$0	\$650
302	Franchises	450	0	0	450	0	450
303	Land and Land Rights	850	0	0	850	0	850
304	Structures and Improvements	23,790	0	0	23,790	23,364	426
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	0	0	59,057	50,857	8,200
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	198,375	11,023	0	209,398	165,192	44,206
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	3,427	601
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	12,838	1,713
330.2	Pressure Tanks	16,702	0	0	16,702	7,736	8,966
331	Transmission and Distribution Mains	571,309	0	0	571,309	484,663	86,646
333	Services	61,853	2,826	0	64,679	45,390	19,289
334	Meters and Meter Installations	138,020	974	0	138,994	57,064	81,930
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	0	0	30,500	5,085	25,415
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
	<b>Totals</b>	<b>\$1,153,442</b>	<b>\$14,823</b>	<b>\$0</b>	<b>\$1,168,265</b>	<b>\$888,923</b>	<b>\$279,342</b>

Sandario Water Company, Inc.  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/19

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$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	850	0	0	850	850	0	0.00%	0
304	Structures and Improvements	23,790	0	0	23,790	22,193	1,597	3.33%	53
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	0	0	59,057	32,542	26,515	3.33%	883
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	198,375	11,023	0	209,398	146,046	63,352	12.50%	21,779
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	1,642	2,386	20.00%	477
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	571,309	0	0	571,309	248,437	322,872	2.00%	6,457
333	Services	61,853	2,826	0	64,679	15,679	49,000	3.33%	1,585
334	Meters and Meter Installations	138,020	974	0	138,994	36,639	102,355	8.33%	8,486
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	0	0	30,500	0	30,500	6.67%	2,034
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
	<b>Subtotal</b>	\$1,153,442	\$14,823	\$0	\$1,168,265	\$538,435	\$629,830		\$42,913

Contribution(s) in Aid of Construction (Gross)	\$460,927
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	52,785
Amortizable Contribution(s)	<b>\$408,142</b>
Times: Proposed Amortization Rate	5.05%
<b>Amortization of CIAC</b>	\$20,702

Less: Amortization of CIAC \$20,702

**DEPRECIATION EXPENSE** **\$22,211**

Sandario Water Company, Inc.  
Annual Report  
Balance Sheet Assets  
12/31/19

<b>Balance Sheet Assets</b>				
	<b>Assets</b>		<b>Balance at Beginning of Year (2019)</b>	<b>Balance at End of Year (2019)</b>
<b>Account No.</b>	<b>Current and Accrued Assets</b>			
131	Cash		\$24,962	\$67,532
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		614	4,891
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		6,001	1,455
	<b>Total Current and Accrued Assets</b>		<b>\$31,577</b>	<b>\$73,878</b>
<b>Account No.</b>	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$1,153,442	\$1,168,265
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(846,011)	(888,923)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$307,431</b>	<b>\$279,342</b>
	<b>Total Assets</b>		<b>\$339,008</b>	<b>\$353,220</b>

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

Sandario Water Company, Inc.  
Annual Report  
Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$9,511	\$788
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		12,257	12,565
236	Accrued Taxes		4,069	33,562
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	172
	<b>Total Current Liabilities</b>		<b>\$25,837</b>	<b>\$47,087</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$120,648	\$117,038
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		3,245	4,818
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		460,927	460,927
272	Less: Amortization of Contributions		(256,654)	(277,356)
281	Accumulated Deferred Income Tax		(4,849)	5,396
	<b>Total Deferred Credits</b>		<b>\$202,669</b>	<b>\$193,785</b>
	<b>Total Liabilites</b>		<b>\$349,154</b>	<b>\$357,910</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$1,000	\$0
211	Other Paid-In Capital		2,208	3,208
215	Retained Earnings		(13,354)	(7,898)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>(\$10,146)</b>	<b>(\$4,690)</b>
	<b>Total Liabilities and Capital</b>		<b>\$339,008</b>	<b>\$353,220</b>

**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  
12/31/19

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$175,840	\$179,417
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	35,700	30,142
471	Miscellaneous Service Revenues	6,652	7,413
474	Other Water Revenue	0	0
	<b>Total Revenues</b>	<b>\$218,192</b>	<b>\$216,972</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	15,043	15,486
618	Chemicals	746	2,103
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	1,652	1,750
620.2	Office Supplies and Expense	2,147	3,516
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	9,553	6,601
633	Contractual Services - Legal	1,542	2,473
634	Contractual Services - Management Fees	82,717	82,939
635	Contractual Services - Water Testing	2,252	4,057
636	Contractual Services - Other	0	505
640	Rents	0	480
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	3,084	1,832
657	Insurance - General Liability	1,401	2,407
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	559
670	Bad Debt Expense	0	435
675	Miscellaneous Expense	3,693	2,537
403	Depreciation Expense (From Schedule AR4)	22,211	24,562
408	Taxes Other Than Income	0	0
408.11	Property Taxes	9,115	8,060
409	Income Taxes	28,160	(1,352)
427.1	Customer Security Deposit Interest	452	585
	<b>Total Operating Expenses</b>	<b>\$183,768</b>	<b>\$159,535</b>
	<b>Operating Income / (Loss)</b>	<b>\$34,424</b>	<b>\$57,437</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$978	\$381
421	Non-Utility Income	0	449
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(6,780)	(7,626)
	<b>Total Other Income / (Expense)</b>	<b>(\$5,802)</b>	<b>(\$6,796)</b>
	<b>Net Income / (Loss)</b>	<b>\$28,622</b>	<b>\$50,641</b>



Sandario Water Company, Inc.  
 Annual Report  
 Full time equivalent employees  
 12/31/19

**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
<b>Total</b>	0.0	0.0	0.0	0.0

<b>Supplemental Financial Data (Long-Term Debt)</b>				
	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	\$117,038			
Date of Maturity	1/20/2038			
Interest Rate	5.61%			
Current Year Interest	\$6,780			
Current Year Principal	\$3,610			

Meter Deposit Balance at Test Year End:	\$4,818
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Meter Deposits Refunded During the Test Year:	\$354
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**List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.**





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

<b>TREATMENT EQUIPMENT:</b>	2 chlorinators
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<b>STRUCTURES:</b>	700 feet of 6 foot tall chain link fence, 12 x 12 foot booster station
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<b>OTHER:</b>	N/A
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Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365
- (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	210
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	333	0	2	0	0
February	330	0	2	0	0
March	328	0	2	0	0
April	327	0	2	0	0
May	326	0	2	0	0
June	326	0	2	0	0
July	327	0	2	0	0
August	328	0	2	0	0
September	331	0	2	0	0
October	332	0	2	0	0
November	332	0	2	0	0
December	331	0	2	0	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  
 12/31/19

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	10	0
February	0	3	0
March	0	8	0
April	0	2	0
May	0	4	0
June	0	1	0
July	0	0	0
August	0	2	0
September	0	4	0
October	0	2	0
November	0	1	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>37</b>	<b>0</b>

**Other (description):**

NA
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**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  
12/31/19

<b>Property Taxes</b>	
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Amount of actual property taxes paid during Calendar Year 2019 was	\$8,578
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If no property taxes paid, explain why.
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N/A
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<b>Instructions:</b> 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.
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**Verification and Sworn Statement (Taxes)**

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

County of (county name): Maricopa  
Name (owner or official) title: Bryan Thomas, CFO  
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: 12/31/19

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**Sworn Statement:** I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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

**RECEIVED  
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4/30/2020, 12:53 PM  
ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

Bryan Thomas  
signature of owner/official

623-935-1100  
telephone no.

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

THIS 30<sup>th</sup> DAY OF April 2020  
(month) and (year)

MY COMMISSION EXPIRES 8/15/23  
(date)



Veronica G Gonzalez  
(signature of notary public)

**Verification and Sworn Statement**

**Verification:**

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

County of (county name): Maricopa  
Name (owner or official) title: Bryan Thomas, CFO  
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: 12/31/19

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**Sworn Statement:** IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$231,660

(The amount in the box above includes

\$13,468 in sales taxes

billed or collected)

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4/30/2020, 12:53 PM

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

Bryan Thomas  
signature of owner/official

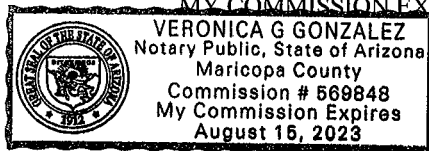
623-935-1100  
telephone no.

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

THIS 30<sup>th</sup> DAY OF April 2020  
(month) and (year)

MY COMMISSION EXPIRES

8/15/23  
(date)



Veronica G Gonzalez  
(signature of notary public)

**Verification and Sworn Statement (Residential Revenue)**

**Verification:**

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

County of (county name): Maricopa  
Name (owner or official) title: Bryan Thomas, CFO  
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: 12/31/19

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**Sworn Statement:** IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$229,784

(The amount in the box above includes

\$13,359 in sales taxes  
billed or collected)

**RECEIVED  
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4/30/2020, 12:53 PM

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

Bry T  
signature of owner/official

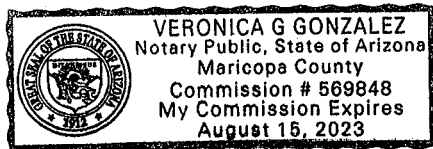
623-935-1100  
telephone no.

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

Maricopa  
(county name)

THIS 30<sup>th</sup> DAY OF April 2020  
(month) and (year)

MY COMMISSION EXPIRES 8/15/23  
(date)



Veronica G Gonzalez  
(signature of notary public)

Gross-up Sharing Method for Income Tax Statement of Certification

Verification:

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

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

FOR THE YEAR ENDING: 12/31/19

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

RECEIVED  
BY EMAIL

4/30/2020, 12:53 PM  
ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

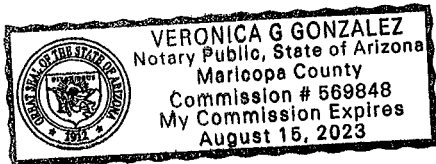
Bryan Thomas  
signature of owner/official  
623-935-1100  
telephone no.

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(date)



Veronica G. Gonzalez  
(signature of notary public)