

ANNUAL REPORT

Of

Company Name:

Pima Utility Company

9532 E. Riggs Rd.

Mailing Address:

Sun Lakes AZ

85248

Docket No.:

SW-02199A

For the Year Ended:

12/31/17

RECEIVED

MAY 03 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WASTEWATER 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:

2018

53-18

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT

Pima Utility Company

A Class B Utility

1. For the Calendar Year Ended: 12/31/17

2. Address:

9532 E. Riggs Rd.			
City:	Sun Lakes	State:	Arizona
		Zip Code:	85248

3. Telephone Number: (480) 895-9200

4. Date of Original Organization of Utility: 1972

5. Person to whom correspondence should be addressed concerning this report:

Name: Steve Soriano
Telephone No. : (480) 895-9200
Address:

9532 E. Riggs Rd.			
City:	Sun Lakes	State:	Arizona
		Zip Code:	85248

Email: steve.soriano@robson.com

6. On-Site Manager:

Name: Dave Voorhees
Telephone No. : (480) 895-5009
Address:

24607 S. Price Rd.			
City:	Sun Lakes	State:	Arizona
		Zip Code:	85248

Email: dave.voorhees@robson.com

7. Ownership: "S" Corporation

8. Counties Served: Maricopa

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
351	Organization	\$0	\$0	\$0	\$0	\$0	\$0
352	Franchises	0	0	0	0	0	0
353	Land and Land Rights	91,528	0	0	91,528	0	91,528
354	Structures and Improvements	473,743	23,209	0	496,952	150,331	346,621
355	Power Generation Equipment	146,713	0	0	146,713	22,422	124,291
360	Collections Wastewater - Force	1,752,268	40,683	0	1,792,951	111,807	1,681,144
361	Collections Wastewater - Gravity	3,725,149	0	0	3,725,149	1,611,062	2,114,087
362	Special Collecting Structures	1,951,584	51,225	2,726	2,000,083	791,490	1,208,593
363	Services to Customers	676,700	2,689	0	679,389	237,366	442,023
364	Flow Measuring Devices	0	0	0	0	0	0
365	Flow Measuring Installations	0	0	0	0	0	0
366	Reuse Services	0	0	0	0	0	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0
370	Receiving Wells	673,826	0	0	673,826	205,763	468,063
371	Pumping Equipment	3,740,405	96,026	47,528	3,788,903	3,649,372	139,531
374	Reuse Distribution Reservoirs	0	0	0	0	0	0
375	Reuse Trans. And Distr. Equipment	137,467	0	0	137,467	56,506	80,961
380	Treatment and Disposal Equipment	10,690,064	422,060	321,658	10,790,466	8,244,709	2,545,757
381	Plant Sewers	0	0	0	0	0	0
382	Outfall Sewer Lines	0	0	0	0	0	0
389	Other Plant and Misc. Equipment	982,648	2,229	1,402	983,475	983,475	0
390	Office Furniture and Equipment	9,154	908	1,209	8,853	4,070	4,783
390.1	Computer & Software	19,096	5,571	3,588	21,079	14,222	6,857
391	Transportation Equipment	61,623	0	0	61,623	47,635	13,988
392	Stores Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	112,744	8,938	8,652	113,030	77,633	35,397
394	Laboratory Equipment	11,644	0	0	11,644	5,178	6,466
395	Power Operated Equipment	6,347	11,358	0	17,705	(256)	17,961
396	Communication Equipment	189,774	8,671	0	198,445	183,330	15,115
397	Miscellaneous Equipment	570	2,884	0	3,454	287	3,167
398	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$25,453,047	\$676,451	\$386,763	\$25,742,735	\$16,396,402	\$9,346,333

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.

Pima Utility Company
 Annual Report
 Depreciation Expense for the Current Year (Wastewater)
 12/31/17

Depreciation Expense for the Current Year (Wastewater)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciation Percentages	Depreciation Expense
351	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
352	Franchises	0	0	0	0	0	0.00%	0
353	Land and Land Rights	91,528	0	0	91,528	91,528	0.00%	0
354	Structures and Improvements	473,743	23,209	0	496,952	0	3.33%	16,162
355	Power Generation Equipment	146,713	0	0	146,713	0	5.00%	7,336
360	Collections Wastewater - Force	1,752,268	40,683	0	1,792,951	0	2.00%	35,452
361	Collections Wastewater - Gravity	3,725,149	0	0	3,725,149	0	2.00%	74,503
362	Special Collecting Structures	1,951,584	51,225	2,726	2,000,083	0	2.00%	39,517
363	Services to Customers	676,700	2,689	0	679,389	0	2.00%	13,561
364	Flow Measuring Devices	0	0	0	0	0	0.00%	0
365	Flow Measuring Installations	0	0	0	0	0	0.00%	0
366	Reuse Services	0	0	0	0	0	0.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0.00%	0
370	Receiving Wells	673,826	0	0	673,826	0	3.33%	22,438
371	Pumping Equipment	3,740,405	96,026	47,528	3,788,903	1,553,781	12.50%	276,360
374	Reuse Distribution Reservoirs	0	0	0	0	0	0.00%	0
375	Reuse Trans. And Distr. Equipment	137,467	0	0	137,467	0	2.50%	3,437
380	Treatment and Disposal Equipment	10,690,064	422,060	321,658	10,790,466	0	5.00%	537,013
381	Plant Sewers	0	0	0	0	0	0.00%	0
382	Outfall Sewer Lines	0	0	0	0	0	0.00%	0
389	Other Plant and Misc. Equipment	982,648	2,229	1,402	983,475	850,550	6.67%	8,839
390	Office Furniture and Equipment	9,154	908	1,209	8,853	0	6.67%	601
390.1	Computer & Software	19,096	5,571	3,588	21,079	14,665	20.00%	1,085
391	Transportation Equipment	61,623	0	0	61,623	41,640	20.00%	3,997
392	Stores Equipment	0	0	0	0	0	0.00%	0
393	Tools, Shop and Garage Equipment	112,744	8,938	8,652	113,030	0	5.00%	5,644
394	Laboratory Equipment	11,644	0	0	11,644	0	10.00%	1,164
395	Power Operated Equipment	6,347	11,358	0	17,705	0	5.00%	601
396	Communication Equipment	189,774	8,671	0	198,445	181,682	10.00%	1,242
397	Miscellaneous Equipment	570	2,884	0	3,454	0	10.00%	201
398	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$25,453,047	\$676,451	\$386,763	\$25,742,735	\$2,733,846		\$1,049,152

Contribution(s) in Aid of Construction (Gross) \$1,261,344
 Less: Non Amortizable Contribution(s) 0
 Fully Amortized Contribution(s) 0
 Amortizable Contribution(s) \$1,261,344
 Times: Proposed Amortization Rate 4.38%
 Amortization of CIAC \$55,222

Less: Amortization of CIAC \$55,222

DEPRECIATION EXPENSE \$993,930

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.

Pima Utility Company
Annual Report
Balance Sheet Assets
12/31/17

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current and Accrued Assets			
131	Cash		\$0	\$0
132	Special Deposits		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		322,159	313,085
142	Other Accounts Receivable		0	0
143	Accumulated Provision for Uncollectable Accounts		0	0
146	Notes Receivable from Associated Companies		0	1,532,572
151	Plant Material and Supplies		0	0
162	Prepayments		4,111	3,271
173	Accrued Utility Revenue		0	0
174	Miscellaneous Current and Accrued Assets		187,608	219,112
181	Unamortized Debt Discounts		0	5,179
	Total Current and Accrued Assets		\$513,878	\$2,073,219
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$0
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$25,414,577	\$25,742,735
103	Property Held for Future Use		0	0
105	Construction Work in Progress		19,542	53,874
108	Accumulated Depreciation (enter as negative)*		(15,838,621)	(16,396,402)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$9,595,498	\$9,400,207
	Total Assets		\$10,109,376	\$11,473,426

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.

Note these items feed automatically from the adjusted end of year balance from AR4.

Pima Utility Company
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current Liabilities			
231	Accounts Payable		\$69,986	\$126,409
232	Notes Payable (Current Portion)		279,000	279,000
233	Accounts Payable - Related Party		0	0
234	Notes Payable to Associated Companies		398,102	0
235	Customer Deposits		0	0
236	Accrued Taxes		95,624	88,770
237	Accrued Interest		7,169	4,110
241	Miscellaneous Current and Accrued Liabilities		30,715	29,858
253	Other Deferred Credits		0	0
	Total Current Liabilities		\$880,596	\$528,147
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$2,697,000	\$3,789,750
	Total Long Term Debt		\$2,697,000	\$3,789,750
	Deferred Credits			
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		1,242,739	1,261,344
272	Less: Amortization of Contributions		(935,814)	(1,001,341)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$306,925	\$260,003
	Total Liabilities		\$3,884,521	\$4,577,900
	Capital Accounts			
201	Common Stock Issued		\$72,624	\$72,624
211	Other Paid-In Capital		4,037,614	4,037,614
215	Retained Earnings		2,114,617	2,785,288
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$6,224,855	\$6,895,526
	Total Liabilities and Capital		\$10,109,376	\$11,473,426

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.

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

Pima Utility Company
Annual Report
Wastewater Comparative Income Statement
12/31/17

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	Operating Revenue		
521	Flat Rate Revenues	\$3,306,782	\$3,296,275
522	Measured Revenues	149,684	127,644
534	Rents from Wastewater Property	0	0
539	Other Wastewater Revenues	123,625	22,400
	Total Revenues	\$3,580,091	\$3,446,319
	Operating Expenses		
701	Salaries and Wages	\$589,924	\$561,658
703	Salaries and Wages - Officers	\$52,962	\$53,104
704	Employee Pensions and Benefits	91,036	91,458
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	135,827	129,086
715	Purchased Power	148,695	158,665
716	Fuel for Power Production	0	0
718	Chemicals	148,389	103,961
720	Materials and Supplies	154,972	119,891
721	Office Expense	67,647	66,449
731	Contractual Services - Engineering	0	3,529
732	Contractual Services - Accounting	4,375	4,425
733	Contractual Services - Legal	0	0
734	Contractual Services - Management Fees	0	0
735	Contractual Services - Testing	23,196	15,283
736	Contractual Services - Other	106,000	108,331
740	Rents - Building	0	0
742	Rents - Equipment	4,755	1,104
750	Transportation Expenses	21,350	27,771
756	Insurance - Vehicles	10,544	3,880
757	Insurance - General Liability	59,618	57,818
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	0	0
760	Advertising Expense	0	0
766	Regulatory Commission Expense - Rate Case	0	0
767	Regulatory Commission Expense - Other	(45,391)	0
770	Bad Debt Expense	6,049	11,928
775	Miscellaneous Expense	22,393	20,535
434	Rate Case Adjustments	(134,779)	0
403	Depreciation Expense (From Schedule AR4)	993,930	1,119,702
407.4	Amortization of Regulatory Asset	86,377	97,191
408	Taxes Other Than Income	11,074	13,224
408.11	Property Taxes	177,175	191,612
408.12	Payroll Taxes	44,673	38,363
409	Income Taxes	0	0
	Total Operating Expenses	\$2,780,791	\$2,998,968
	Operating Income / (Loss)	\$799,300	\$447,351
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	4,367	2,168
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	(1,546)	(4,242)
427	Interest (Expense)	(131,450)	(89,826)
	Total Other Income / (Expense)	(\$128,629)	(\$91,900)
	Net Income / (Loss)	\$670,671	\$355,451

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.

Pima Utility Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/17

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	1/18/1996	8/6/2012	7/13/2017	n/a
Source of Loan	IDA Bonds	Wells Fargo	Wells Fargo	n/a
ACC Decision No.	59134	73078	75985	n/a
Reason for Loan	Construction	Refinance/Const	Refinance/Const	n/a
Dollar Amt. Issued	\$10,300,000	\$4,185,000	\$4,185,000	n/a
Amount Outstanding	\$0	\$2,976,000	\$4,068,750	n/a
Date of Maturity	Various	7/25/2017	7/10/2022	n/a
Interest Rate	7.25%	3.04%	5.30%	n/a
Current Year Interest	\$0	\$89,826	\$145,648	n/a
Current Year Principal	\$0	\$279,000	\$279,000	n/a

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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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.

Wastewater Utility Plant Description	
Name of System:	n/a
Wastewater Inventory Number (if applicable):	n/a
Type of Treatment	Other
Design Capacity of Plant (Gallons per day)	2,400,000

LIFT STATION FACILITIES				
Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
Maryland - LS 1	2	20	650	14,960
Dobson - LS 2	2	10	500	1,878
Cochise - LS 3	2	5	375	2,900
S Brentwood - LS 4	2	3.5	250	2,900
N Brentwood - LS 5	2	3.5	250	2,900
N Alma School - LS 6	2	2.5	250	3,229
S Alma School - LS 7	2	3.5	250	3,229
Santan - LS 8	2	3.5	250	3,229
Sunnydale - LS 9	2	3.5	250	3,229
Unit 27 - LS 10	2	7.5	500	18,700
Unit 31 - LS 11	2	10	500	18,700
Unit 32 - LS 12	2	15	750	134,640
Yard - Ls 13	2	10	500	2,000
McDonalds - LS 14	2	2	200	2,000
Santan Vista - LS 15	2	2	250	2,000
WP1 - LS 16	3	25	600	12,000
0	0	0	0	0

FORCE MAINS		
Size	Material	Length (Feet)
6"	PVC	1,533
6"	DIP	119
8"	PVC	6,148
8"	DIP	439
10"	PVC	5,750
10"	DIP	90
12"	PVC	132
12"	DIP	59
16"	PVC	11,813
16"	DIP	399
0	0	0

MANHOLES	
Type	Quantity
Standard	1,396
Drop	0

CLEANOUTS	
Quantity	
220	
0	
0	
0	

Pima Utility Company
 Annual Report
 Wastewater Utility Plant Description (Continued)

Wastewater Utility Plant Description (Continued)					
COLLECTION MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
4	PVC	18,401	4	PVC	9,999
6	PVC	19,102	6	PVC	93
8	PVC	392,322	8	0	0
10	PVC	62,042	12	0	0
12	PVC	31,076	15	0	0
15	PVC	2,541	0	0	0
18	0	0	0	0	0
21	0	0	0	0	0
24	0	0	0	0	0
30	0	0	0	0	0
2	PVC	200	0	0	0
0	0	0	0	0	0

For the following five items, list the utility owned assets in each category for each system.

SOLIDS PROCESSING AND HANDLING FACILITIES	Centrifuge
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Ultra-Violet
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Sand & Anthracite
STRUCTURES (Buildings, Fences, Etc.)	Lift stations, Operations Building, Solids Building
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Laboratory Supplies

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	10,091	35,423	1,300	\$12,596	176,406
February	10,092	33,909	1,356	13,577	190,507
March	10,092	38,153	2,396	13,160	184,779
April	10,092	34,236	1,297	13,783	193,966
May	10,092	30,698	1,468	12,795	178,748
June	10,090	26,451	1,012	1,830	18,919
July	10,089	28,370	1,026	21,802	311,467
August	10,089	27,510	1,027	11,887	165,162
September	10,087	27,015	1,077	11,434	159,150
October	10,087	29,790	1,142	10,893	151,027
November	10,088	33,198	1,229	11,616	162,571
December	10,091	34,997	1,292	13,321	182,401
	Totals	379,750	15,622	\$148,696	2,075,103

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Reuse
Groundwater Permit Number	n/a
ADEQ Aquifer Protection Permit ("APP") Number	P100557
ADEQ Reuse Permit Number	R100557
EPA NPDES Permil Number	n/a
APP Effluent Treatment Requirement (Class)?	n/a

n/a

Note: If you are filing for more than one system, please provide separate sheets for each system.

1 Enter the total purchased power costs for the power meters associated with this system.

2 Enter the total purchased kWh used by the power meters associated with this system.

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.

Pima Utility Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

Name of System:	n/a
Wastewater Inventory Number (if applicable):	n/a

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2-609.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

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.

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2017 was	\$184,211

<p>If no property taxes paid, explain why.</p> <p>n/a</p>

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.

Verification and Statement (Taxes)

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

County of (county name): Maricopa
Name (owner or official) title: Steve Soriano - Vice President/General Manger
Company name: Pima Utility Company - Sewer Division

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

FOR THE YEAR ENDING: 12/31/17

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

MAY 03 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

[Handwritten Signature]

signature of owner/official

480-895-9200

telephone no.

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

THIS

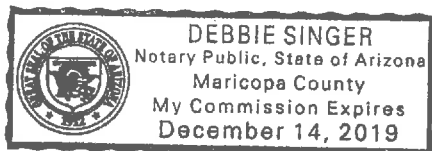
19th

DAY OF

Maricopa
(county name)
April 2018
(month) and (year)

MY COMMISSION EXPIRES

12-14-19
(date)



[Handwritten Signature]
(signature of notary public)

Verification and Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Maricopa
Name (owner or official) title: Steve Soriano - Vice President/General Manger
Company name: Pima Utility Company - Sewer Division

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)
\$3,591,456
(The amount in the box above includes
\$11,365 in sales taxes
billed or collected)

RECEIVED

MAY 03 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE



signature of owner/official

480-895-9200

telephone no.

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

THIS

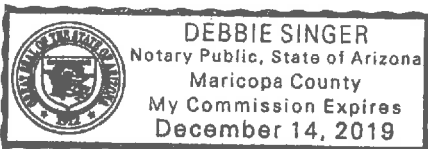
19th

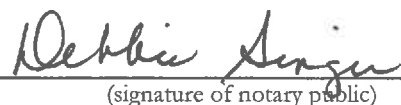
DAY OF

Maricopa
(county name)
April 2018
(month) and (year)

MY COMMISSION EXPIRES

12-14-19
(date)




(signature of notary public)

Verification and Statement (Residential Revenue)

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: Steve Soriano - Vice President/General Manger
Company name: Pima Utility Company - Sewer Division

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)

\$3,150,882

(The amount in the box above includes

\$0 in sales taxes
billed or collected)

RECEIVED

MAY 03 2018

ARIZONA CORPORATION COMMISSION
DIRECTOR'S OFFICE



signature of owner/official

480-895-9200

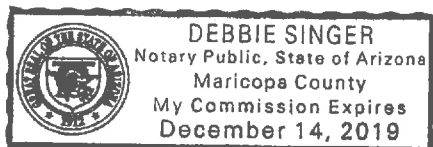
telephone no.

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

Maricopa
(county name)

THIS 19th DAY OF April 2018
(month) and (year)

MY COMMISSION EXPIRES 12-14-19
(date)



Debbie Singer
(signature of notary public)