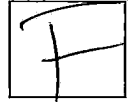


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



**W-01654-A**  
**Farmers Water Co.**  
**PO Box 7**  
**Sahuarita, AZ 85629**

RECEIVED

MAR 12 2009

AZ CORP COMM  
Director Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>9</b>	<b>30</b>	<b>2008</b>
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FOR COMMISSION USE

<b>ANN 04</b>	<b>08</b>
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PROCESSED BY:

3-12-09

SCANNED

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>FARMERS WATER CO.</u>			
Mailing Address <u>P.O. BOX 7 (1525 E. SAHUARITA RD.)</u>			
<small>(Street)</small>			
<u>SAHUARITA</u>	<u>AZ</u>	<u>85629</u>	
<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>	
<u>520-879-7474</u>	<u>520-791-2853</u>	<u>n/a</u>	
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>	
Email Address <u>n/a</u>			
Local Office Mailing Address <u>P.O. Box 7 (1525 E. SAHUARITA RD.)</u>			
<small>(Street)</small>			
<u>SAHUARITA</u>	<u>AZ</u>	<u>85629</u>	
<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>	
<u>520-879-7474</u>	<u>520-791-2853</u>	<u>n/a</u>	
<small>Local Office Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>	
Email Address <u>n/a</u>			

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>WARREN E. CULBERTSON</u>				<u>CEO</u>
<small>(Name)</small>				<small>(Title)</small>
<u>1525 E. SAHUARITA RD.</u>	<u>SAHUARITA</u>	<u>AZ</u>	<u>85629</u>	
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>	
<u>520-879-7473</u>	<u>520-791-2853</u>	<u>520-400-2111</u>		
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>		
Email Address <u>n/a</u>				
<b>On Site Manager:</b> <u>JOHN (JACK) MILLER</u>				
<small>(Name)</small>				
<u>1525 E. SAHUARITA RD.</u>	<u>SAHUARITA</u>	<u>AZ</u>	<u>85629</u>	
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>	
<u>520-879-7432</u>	<u>520-791-2853</u>	<u>520-444-7820</u>		
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>		
Email Address <u>n/a</u>				

Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: T. PATRICK GRIFFIN

ONE SOUTH CHURCH

(Street)

TUCSON

(City)

AZ

(State)

85701

(Zip)

520-792-3836

Telephone No. (Include Area Code)

520-792- 2853

Fax No. (Include Area Code)

n/a

Cell No. (Include Area Code)

Attorney: same as above

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address \_\_\_\_\_

Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

Sole Proprietor (S)

C Corporation (C) (Other than Association/Co-op)

Partnership (P)

Subchapter S Corporation (Z)

Bankruptcy (B)

Association/Co-op (A)

Receivership (R)

Limited Liability Company

Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

APACHE

COCHISE

COCONINO

GILA

GRAHAM

GREENLEE

LA PAZ

MARICOPA

MOHAVE

NAVAJO

PIMA

PINAL

SANTA CRUZ

YAVAPAI

YUMA

STATEWIDE

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises	6,893		6,893
303	Land and Land Rights			
304	Structures and Improvements	17,319	13,605	3,714
307	Wells and Springs	214,197	123,017	91,180
311	Pumping Equipment	160,570	137,497	23,073
320	Water Treatment Equipment	10,288	9,710	578
330	Distribution Reservoirs and Standpipes	451,289	374,652	76,637
331	Transmission and Distribution Mains	5,899,095	1,579,902	4,319,193
333	Services	776,364	183,224	593,140
334	Meters and Meter Installations	271,182	112,736	158,446
335	Hydrants	189,866	59,743	130,123
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	71,434	41,058	30,376
341	Transportation Equipment	52,059	35,070	16,989
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>8,120,556</b>	<b>2,670,214</b>	<b>5,450,342</b>

This amount goes on the Balance Sheet Acct. No. 108 

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	6,893		
303	Land and Land Rights			
304	Structures and Improvements	17,319	4.46%	772
307	Wells and Springs	214,197	4.07%	8,713
311	Pumping Equipment	160,570	4.47%	7,183
320	Water Treatment Equipment	10,288	2.33%	240
330	Distribution Reservoirs and Standpipes	451,289	3.92%	17,699
331	Transmission and Distribution Mains	5,899,095	3.99%	235,127
333	Services	776,364	4.00%	31,055
334	Meters and Meter Installations	271,182	5.59%	15,151
335	Hydrants	189,866	4.00%	7,595
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	71,434	9.74%	6,955
341	Transportation Equipment	52,059	24.27%	12,635
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>8,120,556</b>		<b>343,124</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

**BALANCE SHEET**

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ (8,976)	\$ (31,782)
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	28,002	50,310
146	Notes/Receivables from Associated Companies	1,026,334	1,159,017
151	Plant Material and Supplies		
162	Prepayments	(703)	(751)
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$1,044,657	\$1,176,794
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$8,031,404	\$8,120,557
103	Property Held for Future Use		
105	Construction Work in Progress	8,988	12,446
108	Accumulated Depreciation – Utility Plant	(2,327,090)	(2,670,214)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$5,713,302	\$5,462,789
	<b>TOTAL ASSETS</b>	<b>\$6,757,959</b>	<b>\$6,639,583</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 9,988	\$ 10,450
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	34,418	34,913
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 44,406</b>	<b>\$ 45,363</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	6,929,348	6,968,241
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	278,839	248,847
272	Less: Amortization of Contributions	( 54,432)	( 54,570)
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$7,153,755</b>	<b>\$7,162,518</b>
	<b>TOTAL LIABILITIES</b>	<b>\$7,198,161</b>	<b>\$7,207,881</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 2,500	\$ 2,500
211	Paid in Capital in Excess of Par Value	497,500	497,500
215	Retained Earnings	(940,202)	(1,068,298)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$(440,202)</b>	<b>\$(568,298)</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$6,757,959</b>	<b>\$6,639,583</b>

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 532,073	\$ 555,645
460	Unmetered Water Revenue		
474	Other Water Revenues	13,244	16,976
	<b>TOTAL REVENUES</b>	<b>\$ 545,317</b>	<b>\$ 572,621</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 193,709	\$ 201,450
610	Purchased Water		
615	Purchased Power	16,942	50,828
618	Chemicals		
620	Repairs and Maintenance	76,477	37,502
621	Office Supplies and Expense	15,427	17,347
630	Outside Services	15,105	28,215
635	Water Testing	11,154	11,944
641	Rents		
650	Transportation Expenses	2,018	1,443
657	Insurance – General Liability	3,317	2,859
659	Insurance - Health and Life	22,691	22,539
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	8,494	17,625
403	Depreciation Expense (LESS: Amortization)	284,911	288,554
408	Taxes Other Than Income		
408.11	Property Taxes	20,099	20,414
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 670,345</b>	<b>\$ 700,720</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$( 125,028)</b>	<b>\$( 128,099)</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$</b>	<b>\$</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$(125,028)</b>	<b>\$(128,099)</b>

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

<b>COMPANY NAME</b>	<b>FARMERS WATER CO.</b>	<b>09/30/08</b>
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>	<b>PWS 10-048</b>

**WATER COMPANY PLANT DESCRIPTION**

**Sahuarita**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-534922(S-52A)	30	220	1520	8	4	1993
55-624001(S-52)	60	600	1200	14/12	8	1974

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
15	1		
7 1/2	1		
3/4	1		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
17,500 gals	2	5,000 gals	1
30,000 gals	1		

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**Sahuarita S-52 & S-52A**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		2971
3	iron	1624
4	iron	1722
5		
6	Dip	377
8		
10		
12	Dip	296
16		
4	PVC	3822
6	PVC	2681
8	PVC	3785
12		
16		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	75
3/4	
1	5
1 1/2	1
2	1
Comp. 3	
Turbo 3	
Comp. 4	1
Tubo 4	
Comp. 6	
Tubo 6	
<b>Total</b>	<b>82</b>

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

**TREATMENT EQUIPMENT:**

One (1) chlorine tablet injection system at Sahuarita Pumping Station.

**STRUCTURES:**

S-52 well site: 6' chain link fence 96' LF perimeter.

S-52A well site: 6' chain link fence 90' LF perimeter.

Sahuarita storage & pumping station: 6' chain link fence 260' LF perimeter.

**OTHER:**

Two (2) Ford F-150 pickups.

One (1) Ford F-250 small truck.

One (1) Mercury Grand Marquis.

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

<b>COMPANY NAME</b>	<b>FARMERS WATER CO.</b>	<b>09/30/08</b>
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>	<b>PWS 10-049</b>

**WATER COMPANY PLANT DESCRIPTION**  
**CONTINENTAL**  
**WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-624012(E5A)	75	500	520	16	8	1959
55-624020(E-13A)	60	650	1100	18	8	1953
55-624028(NP-2)	10	35	375	16	2	1977
55-210420(E-17) (Not in use to date)	50	500	800	12 ¾	6	2006

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
60	4	189	
30	3		
20	2		
15	4		
10	1		
¾	1		
3	1		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
1,000,000 gals	1	5,000 gals	5
500,000 gals	1		
75,000 gals	1		
8,000 gals	1		

<b>COMPANY NAME</b> FARMERS WATER CO.	09/30/08
<b>Name of System:</b>	<b>ADEQ Public Water System Number: PWS 10-049</b>

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**Continental, Madera Highlands & NP-2**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	iron	1386
3	iron	1755
4	iron	1955
5		
6	Dip	3030
8	Dip	1346
10		
12	Dip	4205
16	Dip	3319
4	PVC	10,788
6	PVC	21,983
8	PVC	82,484
12	PVC	9,803
16	PVC	600

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	744
3/4	1
1	157
1 1/2	14
2	33
Comp. 3	1
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	2
<b>Total</b>	<b>952</b>

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

**TREATMENT EQUIPMENT:**

Four (4) Chlorine tablet injection systems.

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**STRUCTURES:**

Wood storage bldg. 128 sq ft with 188 LF perimeter 6' chain link fence.  
Wood storage bld. 60 sq ft with 598 LF perimeter 6' chain link fence.  
NP-2 well site: 108 LF perimeter 6' chain link fence.  
Pump station at Colonia Real: 451 LF perimeter 6' chain link fence.  
E-13A Well Site: 195 LF of 6' chain link fence.  
E-13A Pump Station: 542 LF of block wall (tiered; height varies with terrain) and 6' chain link fence.

**OTHER:**

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

<b>COMPANY NAME</b> FARMERS WATER CO.	09/30/08
<b>Name of System:</b> ADEQ Public Water System Number:	PWS 10-213

**WATER COMPANY PLANT DESCRIPTION**  
Santa Rita Springs

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-624025	200	1900	1186	18/16	12	1974
					2	

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
50	2	120	0
25	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1,000,000 gals	1	5,000 gals	1
		10,000 gals	1

COMPANY NAME FARMERS WATER CO.	09/30/08
Name of System:	ADEQ Public Water System Number: PWS 10-213

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

Santa Rita Springs – W-11

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	ACP	2,727
5		
6	ACP	2,835
8	Dip	90
10		
12	Dip	1,120
16		
4	PVC	6,184
6	PVC	18,608
8	PVC	18,181
12	PVC	13,244
16		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	1298
3/4	
1	38
1 1/2	1
2	12
Comp. 3	
Turbo 3	3
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	
<b>Total</b>	<b>1352</b>

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

TREATMENT EQUIPMENT:

One (1) Chlorine tablet injection systems. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

STRUCTURES:

1-60 sq ft storage bldg at pump station with 224 LF of perimeter 6' chain link fence.  
 W-11 well site: 143 LF of 8' block wall.

OTHER: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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

<b>COMPANY NAME</b> FARMERS WATER CO.	<b>09/30/08</b>
<b>Name of System:</b>	<b>ADEQ Public Water System Number: PWS 10-414</b>

**WATER COMPANY PLANT DESCRIPTION**  
**Sahuarita Highlands**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-201058	30	200	600	12 ¾	4	2004

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
10	1	38	
25	1		
50	1		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
200,000 gals	1	5,000 gals	1

COMPANY NAME FARMERS WATER CO.	09/30/08
Name of System:	ADEQ Public Water System Number: PWS 10-414

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

Continental, Madera Highlands & NP-2

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	945
5		
6	PVC	2115
8	PVC	21,850
10		
12	PVC	498
16		
4		
6		
8		
12		
16		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	6
3/4	
1	19
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	
<b>Total</b>	<b>25</b>

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

**TREATMENT EQUIPMENT:**

One (1) Chlorine tablet injection systems. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**STRUCTURES:**

Well and pump station site: 8' block – 606 LF.  
 \_\_\_\_\_

**OTHER:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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

COMPANY NAME: FARMERS WATER CO.	09/30/08
Name of System:	ADEQ Public Water System Number: 10-049

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008**

E-5A + E-13A + NP-2

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 07	731	10882	12441	
NOVEMBER 07	744	9971	11551	
DECEMBER 07	759	9847	10872	
JANUARY 08	769	7168*	6598	
FEBRUARY 08	792	8965	11077	
MARCH 08	802	8672	9968	
APRIL 08	841	13156	15368	
MAY 08	853	14303	15108	
JUNE 08	872	15570	16535	
JULY 08	891	15674	15897	
AUGUST 08	909	12994	15441	
SEPTEMBER 08	919	13492*	13257	
<b>TOTALS →</b>		<b>140,694</b>	<b>154,113</b>	

\*within storage capacity of 1,603,000 gals.

What is the level of arsenic for each well on your system? \_\_\_\_\_ mg/l

(If more than one well, please list each separately.) E-5A: <5.0 PPB

E-13A: 5.3 PPB

NP-2: <5.0 PPB

If system has fire hydrants, what is the fire flow requirement?  1000  GPM for  2  hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

Yes                       No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

Yes                       No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

Yes                       No

If yes, provide the GPCPD amount: \_\_\_\_\_

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

COMPANY NAME: FARMERS WATER CO.		09/30/08
Name of System:	ADEQ Public Water System Number:	10-048

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008**

S-52 + S-52A

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 07	83	2332	2828	
NOVEMBER 07	84	2152	2732	
DECEMBER 07	84	2154	2162	
JANUARY 08	85	1671	1675	
FEBRUARY 08	84	2311	2644	
MARCH 08	83	1995	2287	
APRIL 08	82	3200	3365	
MAY 08	81	2822	2865	
JUNE 08	81	3009	3219	
JULY 08	81	3429	3607	
AUGUST 08	81	3260	3302	
SEPTEMBER 08	81	3788	3831	
<b>TOTALS →</b>		<b>32,123</b>	<b>34,517</b>	

What is the level of arsenic for each well on your system? \_\_\_\_\_ mg/l

*(If more than one well, please list each separately.)* S-52A: <5.0 PPB

S-52: 5.3 PPB

If system has fire hydrants, what is the fire flow requirement? \_\_N/A\_\_ GPM for \_\_N/A\_\_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

Yes                       No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

Yes                       No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

Yes                       No

If yes, provide the GPCPD amount: \_\_\_\_\_

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

COMPANY NAME: FARMERS WATER CO.

09/30/08

Name of System:

ADEQ Public Water System Number: 10-213

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008**

W-11

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 07	1327	6245	6653	
NOVEMBER 07	1327	6910	7110	
DECEMBER 07	1326	7801*	7705	
JANUARY 08	1327	6234	6366	
FEBRUARY 08	1327	7953	9031	
MARCH 08	1327	7169	7424	
APRIL 08	1328	9579	9728	
MAY 08	1330	7849	8592	
JUNE 08	1328	6948	7790	
JULY 08	1329	7940*	7513	
AUGUST 08	1330	6512	6674	
SEPTEMBER 08	1335	7053*	6828	
<b>TOTALS →</b>		<b>88,193</b>	<b>91,414</b>	

\*within storage capacity of 1,015,000 gals

What is the level of arsenic for each well on your system? 6.7 ppb

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1000    GPM for   2   hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

Yes                       No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

Yes                       No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

Yes                       No

If yes, provide the GPCPD amount: \_\_\_\_\_

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

COMPANY NAME: FARMERS WATER CO.

09/30/08

Name of System:

ADEQ Public Water System Number: 10-414

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008**

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 07	26	471	452	
NOVEMBER 07	27	58	189	
DECEMBER 07	27	185*	144	
JANUARY 08	28	64	100	
FEBRUARY 08	28	193*	190	
MARCH 08	28	178*	148	
APRIL 08	28	77	129	
MAY 08	28	69	81	
JUNE 08	28	360*	340	
JULY 08	28	94*	76	
AUGUST 08	25	103	140	
SEPTEMBER 08	25	229	275	
<b>TOTALS →</b>		<b>2081</b>	<b>2264</b>	

\*within storage capacity of 200,500 gals

What is the level of arsenic for each well on your system? <5.0 ppb  
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1000 \_\_ GPM for \_\_ 2 \_\_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

( X ) Yes                      ( ) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( X ) Yes                      ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes                      ( X ) No

If yes, provide the GPCPD amount: \_\_\_\_\_

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

COMPANY NAME Farmers Water Co YEAR ENDING 09/30/08

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2008 was: \$ **20,541 FISCAL YR**

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

130

INVOICE#	DATE	DESCRIPTION	GROSS AMOUNT	AMOUNT PAID
909630020	4/28/2008	2ND HALF 2007 TAXES	\$2,949.78	\$2,949.78
909639000	4/28/2008	2ND HALF 2007 TAXES	\$827.71	\$827.71
909639010	4/28/2008	2ND HALF 2007 TAXES	\$6,444.97	\$6,444.97

COMMENT

Stub Totals: \$10,222.46 \$10,222.46

**FARMERS WATER CO.**  
 P.O. Box 7  
 Sahuarita, AZ 85629-0007

Wells Fargo Bank, Ohio, N.A.  
 56382  
 24125

DATE: 4/28/2008  
 AMOUNT: \$ 10,222.46

PAY Ten Thousand Two Hundred Twenty Two Dollars And 46 Cents

CHECKS FOR AMOUNTS OVER \$5,000  
 REQUIRE 2 SIGNATURES

TO THE ORDER OF: BETH FORD, PIMA COUNTY TREASURER  
 PIMA COUNTY TREASURER  
 P.O. BOX 29011  
 PHOENIX, AZ 85038-9011

BY: \_\_\_\_\_  
 BY: \_\_\_\_\_

**NON-NEGOTIABLE**  
 AUTHORIZED SIGNATURES

13002528

130

*Handwritten signatures and initials:*  
 A large scribble with a diagonal line through it.  
 Initials "SF".  
 A signature that appears to be "A".

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE	
BPT0001	BETH FORD	0000000000001731	10/26/2007	
INVOICE #	DATE	DESCRIPTION	GROSS AMOUNT	AMOUNT PAID
909639010	10/1/2007	1ST HALF 2007 TAXES	\$6,444.97	\$6,444.97
909639000	10/1/2007	1ST HALF 2007 TAXES	\$827.71	\$827.71
909630020	10/1/2007	1ST HALF 2007 TAXES	\$2,949.78	\$2,949.78
303541810	10/1/2007	2007 TAXES	\$8.48	\$8.48
30481082B	10/1/2007	2007 TAXES	\$6.35	\$6.35
30418092F	10/1/2007	2007 TAXES	\$9.87	\$9.87
30418092G	10/1/2007	2007 TAXES	\$9.87	\$9.87
30418097D	10/1/2007	2007 TAXES	\$9.87	\$9.87
304189390	10/1/2007	2007 TAXES	\$12.03	\$12.03
30418098E	10/1/2007	2007 TAXES	\$12.03	\$12.03
304189430	10/1/2007	2007 TAXES	\$9.87	\$9.87
304189420	10/1/2007	2007 TAXES	\$9.87	\$9.87

30

COMMENT Stub Totals: \$10,310.70 \$10,310.70

\*\*\* CONTINUED ON REMITTANCE \*\*\*

**FARMERS WATER CO.** Wells Fargo Bank Ohio, N.A.

P.O. Box 7 Sahuarita, AZ 85629-0007

56482  
412

13002407

DATE: 10/26/2007

AMOUNT: \$ \*\*\*\*\*10,318.73

PAY Ten Thousand Three Hundred Eighteen Dollars And 73 Cents

CHECKS FOR AMOUNTS OVER \$5,000 REQUIRE 2 SIGNATURES

TO THE ORDER OF BETH FORD  
PIMA COUNTY TREASURER  
P.O. BOX 98765  
PHOENIX, AZ 85038-0765

BY \_\_\_\_\_  
BY \_\_\_\_\_

**NON-NEGOTIABLE**  
AUTHORIZED SIGNATURES



VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

RECEIVED

MAR 12 2009

AZ CORP COMMISSION  
Director Utilities

VERIFICATION

STATE OF \_\_\_\_\_  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)
NAME (OWNER OR OFFICIAL) TITLE
COMPANY NAME

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
09	30	2008

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.

*Warren L. Tubertson*

SIGNATURE OF OWNER OR OFFICIAL

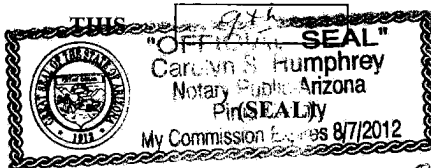
520-879-7473

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME	Pima	
MONTH	March	2009

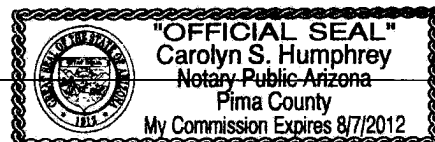


THIS \_\_\_\_\_ DAY OF \_\_\_\_\_

MY COMMISSION EXPIRES 8/7/2012

*Carolyn S. Humphrey*

SIGNATURE OF NOTARY PUBLIC



COMPANY NAME Farmers Water Co. YEAR ENDING 09/30/08

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported  
Estimated or Actual Federal Tax Liability

NOT APPLICABLE AS TAX RETURNS ARE  
FILED AS MEMBER OF A CONSOLIDATED  
GROUP WITH FARMERS INVESTMENT CO

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 93,595  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances 93,595

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
**SIGNATURE**

3/09/09  
**DATE**

Warren E. Culbertson  
**PRINTED NAME**

CEO  
**TITLE**

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

RECEIVED

MAR 12 2008

AZ CORP COMM  
Director Utilities

VERIFICATION

STATE OF \_\_\_\_\_

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
NAME (OWNER OR OFFICIAL) TITLE
COMPANY NAME

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
09	30	2008

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 REQUIREMENT 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 FISCAL YEAR 2008 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>572,621</u>

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 34,362  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL

520-879-7473

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS \_\_\_\_\_ DAY OF

(SEAL)

COUNTY NAME	
MONTH	, 20__

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES \_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

**RECEIVED**

MAR 12 2009

AZ CORP COMM  
Director Utilities

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME)	
NAME (OWNER OR OFFICIAL)	TITLE
COMPANY NAME	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
09	30	2008

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 40-401.01, 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 FISCAL YEAR 2008 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>406,183</u>

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 27,611  
IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

*Warren E. Tubbs*  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL

520-879-7473  
\_\_\_\_\_  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

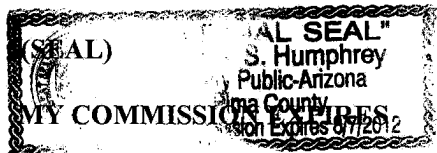
**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

<i>9th</i>
------------

**DAY OF**

NOTARY PUBLIC NAME <i>Carolyn S. Humphrey</i>	
COUNTY NAME <i>Pima</i>	
MONTH <i>March</i>	.20 <u>09</u>



X *Carolyn S. Humphrey*  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

*8/7/2012*