II. COMPANY OVERVIEW.

Q. Please describe Sahuarita Water Company.

A. SWC provides water service to over 5,500 connections or roughly 16,000 customers located in the Rancho Sahuarita Master Planned Development in the Town of Sahuarita in Pima County, Arizona. Although the Company services a number of commercial, industrial and irrigation customers, the majority of our customers are residential. The largest residential customer class (nearly 87 percent of the customer base) is served by 5/8-inch meters. SWC utilizes 11 direct employees of Rancho Sahuarita Management Company, which is an affiliate of SWC, and the costs associated with those employees are allocated to SWC based upon SWC's utilization of their time and services.

Q. What are the SWC's water resources?

A. SWC is dependent solely on groundwater. We operate three groundwater wells, two owned by SWC and the other owned by the Town of Sahuarita ("Sahuarita"). SWC holds a 99-year lease on the Sahuarita Well. SWC is a member service area within the CAGRD, which replenishes pumped groundwater on behalf of SWC.

Q. Is Sahuarita Water located within an active management area or "AMA"?

A. Yes, we are provider within the Tucson Active Management Area (TAMA).

Q. Is the company a designated provider of an assured water supply?

A. Yes, the SWC holds a designation of 10,983 Acre-feet of assured water supply with ADWR (DWR No. 86-401203.0001).