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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT

Of

Company Name: **Adaman Mutual Water Company**
16251 W Glendale Ave

Mailing Address: Litchfield Park AZ
85340

Docket No.: W-01997A
For the Year Ended: 12/31/22

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@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: 10/18/2023

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Adaman Mutual Water Company
A Class Utility

For the Calendar Year Ended: 12/31/22

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:

Management Contact

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:

Important changes during the year	
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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				\$0		\$0
302	Franchises				0		0
303	Land and Land Rights				0		0
304	Structures and Improvements	10,053			10,053		10,053
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	496,307			496,307	9,844	486,463
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	91,728			91,728	1,773	89,955
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants	905,718	72,170		977,888	49,920	927,968
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes	45,548			45,548		45,548
330.1	Storage Tanks				0		0
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	436,388			436,388	7,506	428,882
333	Services				0		0
334	Meters and Meter Installations	96,480	2,548	2,932	96,096	6,793	89,303
335	Hydrants	1,751			1,751		1,751
336	Backflow Prevention Devices	965			965		965
339	Other Plant and Misc. Equipment	57,030			57,030	1,162	55,868
340	Office Furniture and Equipment	5,048			5,048		5,048
340.1	Computer & Software	10,828			10,828	2,166	8,662
341	Transportation Equipment	72,390	139,113		211,503	18,676	192,827
342	Stores Equipment	0			0		0
343	Tools, Shop and Garage Equipment	3,421	3,222		6,643	299	6,344
344	Laboratory Equipment	0			0		0
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant	19,703			19,703	464	19,239
	Totals	\$2,253,359	\$217,053	\$2,932	\$2,467,479	\$98,603	\$2,368,876

Adaman Mutual Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/22

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	\$0	\$0	\$0	\$0		\$0		\$0
302	Franchises	0	0	0	0		0		0
303	Land and Land Rights	0	0	0	0		0		0
304	Structures and Improvements	10,053	0	0	10,053	10,053	0		0
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	496,307	0	0	496,307	114,291	382,016	23.00%	87,864
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	91,728	0	0	91,728	85,892	5,836	94.00%	5,486
320	Water Treatment Equipment	0	0	0	0		0		0
320.1	Water Treatment Plants	905,718	72,170	0	977,888	497,789	480,099	51.00%	226,447
320.2	Solution Chemical Feeders	0	0	0	0		0		0
320.3	Point-of-Use Treatment Devices	0	0	0	0		0		0
330	Distribution Reservoirs and Standpipes	45,548	0	0	45,548	45,548	0		0
330.1	Storage Tanks	0	0	0	0		0		0
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	436,388	0	0	436,388	269,430	166,958	62.00%	103,514
333	Services	0	0	0	0		0		0
334	Meters and Meter Installations	96,480	2,548	2,932	96,096	79,005	17,090	83.00%	14,345
335	Hydrants	1,751	0	0	1,751	1,751	0	37.00%	0
336	Backflow Prevention Devices	965	0	0	965	965	0		0
339	Other Plant and Misc. Equipment	57,030	0	0	57,030	20,796	36,234		0
340	Office Furniture and Equipment	5,048	0	0	5,048	5,048	0		0
340.1	Computer & Software	10,828	0	0	10,828	4,512	6,316	42.00%	2,653
341	Transportation Equipment	72,390	139,113	0	211,503	24,141	187,363	12.00%	14,137
342	Stores Equipment	0	0	0	0		0		0
343	Tools, Shop and Garage Equipment	3,421	3,222	0	6,643	3,720	2,923	56.00%	735
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	19,703	0	0	19,703	4,451	15,252	23.00%	3,508
	Subtotal	\$2,253,359	\$217,053	\$2,932	\$2,467,479	\$1,167,390	\$1,300,088		\$458,688

Contribution(s) in Aid of Construction (Gross) \$120,737
Less: Non Amortizable Contribution(s) 120,737
Fully Amortized Contribution(s) _____
Amortizable Contribution(s) \$0
Times: Proposed Amortization Rate 35.28%
Amortization of CIAC \$0

Less: Amortization of CIAC
DEPRECIATION EXPENSE

Adaman Mutual Water Company
Annual Report
Balance Sheet Assets
12/31/22

Balance Sheet Assets			
	Assets		
		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current and Accrued Assets		
131	Cash	\$19,465	\$23,144
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	35,996	28,308
146	Notes Receivable from Associated Companies	(6,465)	5,258
151	Plant Material and Supplies		
162	Prepayments	45,972	24,267
174	Miscellaneous Current and Accrued Assets		
	Total Current and Accrued Assets	\$94,968	\$80,978
Account No.	Fixed Assets		
101	Utility Plant in Service*	\$2,253,359	\$2,467,479
103	Property Held for Future Use		
105	Construction Work in Progress	7,104	7,104
108	Accumulated Depreciation (enter as negative)*	(5,062)	(98,603)
121	Non-Utility Property	112,986	112,986
122	Accumulated Depreciation - Non Utility		
	Total Fixed Assets	\$2,368,387	\$2,488,965
	Total Assets	\$2,463,355	\$2,569,943

*Note these items feed automatically from AR3 UPIS Page 4

Adaman Mutual Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current Liabilities			
231	Accounts Payable		\$110,967	\$87,610
232	Notes Payable (Current Portion)		9,644	0
234	Notes Payable to Associated Companies		100	100
235	Customer Deposits		5,305	3,855
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		47,281	46,228
	Total Current Liabilities		\$173,297	\$137,793
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$62,098	\$150,764
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		1,996,133	1,988,890
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		120,737	120,737
272	Less: Amortization of Contributions		(52,724)	(52,724)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$2,064,146	\$2,056,903
	Total Liabilities		\$2,299,541	\$2,345,461
	Capital Accounts			
201	Common Stock Issued		\$2,487	\$2,487
211	Other Paid-In Capital			
215	Retained Earnings		198,926	161,326
218	Proprietary Capital (Sole Props and Partnerships)		(37,600)	60,669
	Total Capital		\$163,813	\$224,482
	Total Liabilities and Capital		\$2,463,354	\$2,569,943

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

Adaman Mutual Water Company
Annual Report
Water Comparative Income Statement
12/31/22

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2022 - 12/31/2022	Last Year 01/01/2021 - 12/31/2021
	Operating Revenue		
461	Metered Water Revenue	\$448,714	\$315,187
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		2,337
474	Other Water Revenue	59,707	40,785
	Total Revenues	\$508,421	\$358,309
	Operating Expenses		
601	Salaries and Wages	\$79,240	\$78,093
604	Employee Pensions and Benefits		
610	Purchased Water	31,016	28,761
615	Purchased Power	23,571	22,720
618	Chemicals	35,300	31,641
620	Materials and Supplies	2,467	1,925
620.1	Repairs and Maintenance	69,065	27,207
620.2	Office Supplies and Expense	8,813	8,611
630	Contractual Services		
631	Contractual Services - Engineering	19	294
632	Contractual Services - Accounting	12,066	21,567
633	Contractual Services - Legal	29,311	18,653
634	Contractual Services - Management Fees		
635	Contractual Services - Water Testing	2,206	3,562
636	Contractual Services - Other		
640	Rents	8,400	8,400
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	11,594	12,231
657	Insurance - General Liability	13,558	12,959
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	7,558	5,249
403	Depreciation Expense (From Schedule AR4)	458,688	63,199
408	Taxes Other Than Income	25,606	30,349
408.11	Property Taxes	12,434	13,452
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$830,912	\$388,873
	Operating Income / (Loss)	(\$322,490)	(\$30,564)
	Other Income / (Expense)		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(9,069)	(6,640)
	Total Other Income / (Expense)	(\$9,069)	(\$6,640)
	Net Income / (Loss)	(\$331,560)	(\$37,204)

Adaman Mutual Water Company
 Annual Report
 Full time equivalent employees
 12/31/22

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager	1.0			1.0
Engineering Staff				0.0
System Operator(s)	1.0			1.0
Meter reader	4.0			4.0
Customer Service				0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff	1.0			1.0
Other				0.0
Total	7.0	0.0	0.0	7.0

Adaman Mutual Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/22

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	1/18/2019			
Source of Loan	MidFirst			
ACC Decision No.				
Reason for Loan	Replace Original Loan			
Dollar Amt. Issued	\$130,438			
Amount Outstanding	\$34,270			
Date of Maturity	2/1/2024			
Interest Rate	6.35%			
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:	\$3,855
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Meter Deposits Refunded During the Test Year:	\$2,575
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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.

Water Utility Plant Description (Continued)

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

TREATMENT EQUIPMENT:	2 - 2/GHP chemical metering pumps, 100 gallon chemical metering pumps, chlorine residual test kit, and arsenic treatment plant
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STRUCTURES:	Chlorine house, fences and signs
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OTHER:	Power generator, meters, computer equipment, software, tools, pumping equipment and wells
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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

Method used:

Customer and Other Information	
Name of the System:	Adaman Mutual Water Company
ADEQ Public Water System Number:	AZ0407001
ADWR PCC Number:	91-000180.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	221		74		
February	222		72		
March	222		72		
April	223		65		
May	222		83		
June	223		66		
July	223		57		
August	223		85		
September	223		85		
October	223		87		
November	222		90		
December	222		85		

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.
 Continue to work on new water mains for unknown amount of industrial development as well as changing out old meters.

* an ERC is based on the calculation on the bottom of AR9 page 12.

Adaman Mutual Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	Adaman Mutual Water Company
ADEQ Public Water System Number:	AZ0407001
ADWR PCC Number:	91-000180.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.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): NA

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	
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Amount of actual property taxes paid during Calendar Year 2022 was	\$12,943
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If no property taxes paid, explain why. NA
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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.

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: Scott G. Schofield, General Manager
Company name: Adaman Mutual Water Company

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

FOR THE YEAR ENDING: 12/31/22

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.



Scott G. Schofield
signature of owner/official

(623)935-2837
telephone no.

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

THIS

18th

DAY OF

Maricopa
(county name)

October 2023
(month) and (year)

MY COMMISSION EXPIRES

26-Nov-2026
(date)

Mary A. Coleman
(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: Scott G. Schofield, General Manager
Company name: Adaman Mutual Water Company

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

FOR THE YEAR ENDING: 12/31/22

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 (\$)

\$508,421

(The amount in the box above includes

\$28,519 in sales taxes
billed or collected)



Scott G. Schofield
signature of owner/official

(623)935-2837
telephone no.

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

Maricopa
(county name)

THIS 18th DAY OF October 2023
(month) and (year)

MY COMMISSION EXPIRES 26-Nov-2026
(date)

Mary A. Coleman
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: Scott G. Schofield, General Manager
Company name: Adaman Mutual Water Company

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

FOR THE YEAR ENDING: 12/31/22

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 (\$)

\$177,857
(The amount in the box above includes
\$11,205 in sales taxes
billed or collected)



Scott G. Schofield
signature of owner/official

(623)935-2837
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Maricopa
(county name)

THIS 18th DAY OF October 2023
(month) and (year)

MY COMMISSION EXPIRES 26-Nov-2026
(date)

Mary A. Coleman
(signature of notary public)

for Income Tax Statement of Certification

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: Scott G. Schofield, General Manager
Company name: Adaman Mutual Water Company

FOR THE YEAR ENDING: 12/31/22

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 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.



Scott G. Schofield
signature of owner/official

(623)935-2837
telephone no.

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

Maricopa
(county name)

THIS

18th

DAY OF

October 2023
(month) and (year)

MY COMMISSION EXPIRES

26-Nov-2026
(date)

Mary A. Coleman
(signature of notary public)