

ANNUAL REPORT

Of

Company Name: Appaloosa Water Company

PO Box 3150

Mailing Address: Chino Valley AZ
86323

Docket No.: W-03443A

For the Year Ended: 12/31/23

RECEIVED BY EMAIL

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**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

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: 5/31/2024

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

For the Calendar Year Ended:

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:

Regulatory and On-Site Manager Contact
Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

NA
Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Owner
Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Ownership:

Counties Served:

Important changes during the year

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.
	None

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.
	None

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	\$264	\$0	\$0	\$264	\$0	\$264
302	Franchises	3,161	0	0	3,161	0	3,161
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	67,051	0	0	67,051	0	67,051
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	289,281	0	0	289,281	0	289,281
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	131,994	0	0	131,994	0	131,994
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	148,250	0	0	148,250	0	148,250
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	25,635	0	0	25,635	0	25,635
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	111,216	0	0	111,216	0	111,216
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	760,558	0	0	760,558	0	760,558
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	30,875	0	0	30,875	0	30,875
335	Hydrants	48,876	0	0	48,876	0	48,876
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	1,409,880	(1,409,880)
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	12,889	0	0	12,889	0	12,889
	Totals	\$1,630,049	\$0	\$0	\$1,630,049	\$1,409,880	\$220,169

Appaloosa Water Company
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/23

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	\$264	\$0	\$0	\$264	\$264	\$0	0.00%	\$0
302	Franchises	3,161	0	0	3,161	3,161	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0	0.00%	0
304	Structures and Improvements	67,051	0	0	67,051	0	67,051	3.33%	2,233
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	289,281	0	0	289,281	0	289,281	3.33%	9,633
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	131,994	0	0	131,994	0	131,994	3.33%	4,395
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	148,250	0	0	148,250	0	148,250	3.33%	4,937
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	25,635	0	0	25,635	0	25,635	3.33%	854
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	111,216	0	0	111,216	0	111,216	2.22%	2,469
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	760,558	0	0	760,558	0	760,558	2.00%	15,211
333	Services	0	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	30,875	0	0	30,875	0	30,875	8.33%	2,572
335	Hydrants	48,876	0	0	48,876	0	48,876	2.00%	978
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
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	12,889	0	0	12,889	0	12,889	2.00%	258
	Subtotal	\$1,630,049	\$0	\$0	\$1,630,049	\$3,425	\$1,626,624		\$43,539

Contribution(s) in Aid of Construction (Gross) \$1,129,671
 Less: Non Amortizable Contribution(s) 3,425
 Fully Amortized Contribution(s) 0
 Amortizable Contribution(s) \$1,126,246
 Times: Proposed Amortization Rate 2.68%
Amortization of CIAC \$30,146

Less: Amortization of CIAC \$30,146

DEPRECIATION EXPENSE \$13,393

Appaloosa Water Company
 Annual Report
 Balance Sheet Assets
 12/31/23

Balance Sheet Assets			
	Assets	Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current and Accrued Assets		
131	Cash	\$8,436	(\$4,266)
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	0	(59,863)
146	Notes Receivable from Associated Companies	0	0
151	Plant Material and Supplies	2,794	3,553
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	Total Current and Accrued Assets	\$11,230	(\$60,576)
Account No.	Fixed Assets		
101	Utility Plant in Service*	\$1,630,049	\$1,630,049
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation (enter as negative)*	(2,192,866)	(1,409,880)
121	Non-Utility Property	0	0
122	Accumulated Depreciation - Non Utility	0	0
	Total Fixed Assets	(\$562,817)	\$220,169
	Total Assets	(\$551,587)	\$159,593

*Note these items feed automatically from AR3 UPIS Page 4

Appaloosa Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current Liabilities			
231	Accounts Payable		\$1,316	\$0
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		6,400	6,400
236	Accrued Taxes		1,817	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		1,537	0
	Total Current Liabilities		\$11,070	\$6,400
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$108,079	\$95,561
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		315,271	1,041,599
272	Less: Amortization of Contributions		(282,627)	(341,783)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$32,644	\$699,816
	Total Liabilities		\$151,793	\$801,778
	Capital Accounts			
201	Common Stock Issued		\$2,000	\$2,000
211	Other Paid-In Capital		0	0
215	Retained Earnings		(705,380)	(644,185)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$703,380)	(\$642,185)
	Total Liabilities and Capital		(\$551,587)	\$159,593

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

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	Operating Revenue		
461	Metered Water Revenue	\$124,455	\$192,571
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	0	0
	Total Revenues	\$124,455	\$192,571
	Operating Expenses		
601	Salaries and Wages	\$107,924	\$96,154
604	Employee Pensions and Benefits	0	0
610	Purchased Water	540	0
615	Purchased Power	10,289	8,796
618	Chemicals	0	0
620	Materials and Supplies	16,967	2,278
620.1	Repairs and Maintenance	3,678	1,630
620.2	Office Supplies and Expense	13,952	16,144
630	Contractual Services	0	332
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	0	2,187
633	Contractual Services - Legal	2,120	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	588	1,332
636	Contractual Services - Other	7,210	7,720
640	Rents	0	0
641	Rental of Building/Real Property	4,800	7,800
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	5,308	5,911
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	13,393	9,261
408	Taxes Other Than Income	0	7,458
408.11	Property Taxes	5,760	3,502
409	Income Taxes	50	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$192,579	\$170,505
	Operating Income / (Loss)	(\$68,124)	\$22,066
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	566	0
	Total Other Income / (Expense)	\$566	\$0
	Net Income / (Loss)	(\$67,557)	\$22,066

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	1.0	1.0	0.0	2.0
Vice-president	1.0	1.0	0.0	2.0
Manager	1.0	1.0	0.0	2.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	1.0	0.0	1.0	2.0
Meter reader	1.0	0.0	1.0	2.0
Customer Service	1.0	1.0	0.0	2.0
Accounting	1.0	0.0	1.0	2.0
Business Office	1.0	1.0	0.0	2.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	1.0	1.0	0.0	2.0
Other	0.0	0.0	0.0	0.0
Total	9.0	6.0	3.0	18.0

Appaloosa Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/23

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	11/6/2007	6/18/2021	none	none
Source of Loan	WIFA	WIFA	none	none
ACC Decision No.	71236	77848	none	none
Reason for Loan	Arsenic Plant	Replace/Repair Equip	none	none
Dollar Amt. Issued	\$200,000	\$22,384	\$0	\$0
Amount Outstanding	\$73,194	\$20,464	\$0	\$0
Date of Maturity	11/1/2029	6/1/2041	none	none
Interest Rate	3.68%	2.76%	0.00%	0.00%
Current Year Interest	\$560	\$300	\$0	\$0
Current Year Principal	\$11,506	\$960	\$0	\$0

Meter Deposit Balance at Test Year End:	\$6,400
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Meter Deposits Refunded During the Test Year:	\$600
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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.

Well and Water Usage

Name of the System: APPALOOSA WATER COMPANY											
ADEQ Public Water System Number: AZ0413208											
ADWR PCC Number: 91-000680.0000											
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2013	Water level 2023	Meter Size (inches)	How measured:	Active
55-607204	15	200	450	16	submersible	1999	175	186	6	Estimated	Yes
55-607203	10	100	260	12	submersible	2004	175	186	6	Estimated	Yes
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A
n/a	0	0	0	0	0	0	0	0	0	N/A	N/A

Name of system water delivered to:	APPALOOSA WATER COMPANY
ADWR PCC Number:	91-000680.0000
Source of water delivered to another system	NA
Name of system water received from:	APPALOOSA WATER COMPANY
ADWR PCC Number:	91-000680.0000
Source of water received	NA
Well registry 55# (55-XXXXXX):	n/a

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	511,800.00	505,517.00	0.00	0.00	0.00	\$813	6,247
February	523,900.00	517,468.00	0.00	0.00	0.00	864	6,647
March	986,470.00	974,349.00	0	0.00	0.00	901	6,247
April	2,145,510.00	2,119,132.00	0.00	0.00	0.00	687	4,286
May	2,402,250.00	2,372,714.00	0.00	0.00	0.00	779	4,972
June	2,823,960.00	2,789,238.00	0.00	0.00	0.00	904	5,931
July	2,624,108.00	2,591,843.00	0.00	0.00	0.00	1,014	6,887
August	1,944,380.00	1,920,476.00	0.00	0.00	0.00	1,024	7,006
September	1,822,612.00	1,800,206.00	0.00	0.00	0.00	1,038	6,888
October	1,675,940.00	1,655,338.00	0.00	0.00	0.00	927	5,866
November	1,734,310.00	1,712,990.00	0.00	0.00	0.00	829	5,113
December	669,000.00	660,783.00	0.00	0.00	0.00	510	2,720
Totals	19,864,240.00	19,620,054.00	0.00	0.00	0.00	\$10,289	68,810

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 n/a

1 Water withdrawn - Total gallons of water withdrawn from pumped sources.
 2 Water sold - Total gallons from customer meters, and other sales such as construction water.
 3 Water delivered (sold) to other systems - Total gallons of water delivered to other systems.
 4 Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.
 5 Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.
 6 Enter the total purchased power costs for the power meters associated with this system.
 7 Enter the total purchased kWh used by the power meters associated with this system.

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

TREATMENT EQUIPMENT:	Arsenic treatment system and 5000 gallon wash tank
STRUCTURES:	60x40 slump block wall plant w/ block wall surround and iron entrance gates. 20x10 slump block wall treatment plant. 65000 gallon steel water storage tank. 5500 gallon water pressure tank
OTHER:	misc hoses, fixtures, pipe, meters, ladders, chemicals, chlorination system

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
- (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

153

 Method used:

(a)

Customer and Other Information	
Name of the System:	APPALOOSA WATER COMPANY
ADEQ Public Water System Number:	AZ0413208
ADWR PCC Number:	91-000680.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	238	0	0	0	0
February	238	0	0	0	0
March	238	0	0	0	0
April	238	0	0	0	0
May	238	0	0	0	0
June	238	0	0	0	0
July	238	0	0	0	0
August	238	0	0	0	0
September	238	0	0	0	0
October	238	0	0	0	0
November	238	0	0	0	0
December	238	0	0	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 (GCPCPD) 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.

Appaloosa Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	APPALOOSA WATER COMPANY
ADEQ Public Water System Number:	AZ0413208
ADWR PCC Number:	91-000680.0000

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):

n/a

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.

Property Taxes

Amount of actual property taxes paid during Calendar Year 2023 was

\$5,760

If no property taxes paid, explain why.

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.

Verification and Certification (Taxes)

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

County of (county name): Yavapai
Name (owner or official) title: Tony Cordovana, VP
Company name: Appaloosa Water Company

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

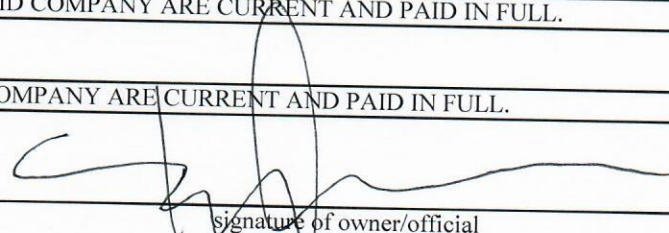
FOR THE YEAR ENDING: 12/31/23

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.

Certification:

I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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



signature of owner/official

928-925-7593
telephone no.