ANNUAL REPORT

Of

Company Name: Berneil Water Company

PO Box 219

Mailing Address: Tempe AZ

85280-0219 **04/12/24, 1:53 PM**

RECEIVED BY EMAIL

Docket No.: W-01275A ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Docket No.: W-01275A
For the Year Ended: 12/31/23

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Application Type: Original Filing

Application Date: 4/11/2024

ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT Berneil Water Company

CITICII	11 4101	Company		_
		A Class	D	Utility

For the Calendar Year E	Ended: <u>12/31/23</u>					
Primary Address:	P.O. Box 219					
	Tempe		State: Arizona		Zip Code:	85280
·		4			_ 1	
Telephone Number:	480-966-5804]				
Date of Original Organiz	zation of Utility:	10/23/1	951			
Person to whom corresp	ondence should be addresse	ed concern	ing this report:			
	Bradley Folkman					
Telephone No.:						
Address:	P.O. Box 219					
City:	Tempe		State: Arizona		Zip Code:	85280
Email:	support@arizonawaterworks.	com			_	
Name:						
Telephone No.:						
Address:			~ 1		ler a i	
City:			State:		Zip Code:	
Email:						
Name:						
Telephone No. :						
Address:						
City:			State:		Zip Code:	
Email:						
				_		
Name						
Name:						
Telephone No. : Address:						
City:			State:		Zip Code:	
Email:		<u> </u>	State.		Zip Couc.	
Emun.						
Name:						
Telephone No.:						
Address:		•				
City:			State:		Zip Code:	
Email:						
Ownership	"C" Corneration		1			
Ownership:	"C" Corporation					
Counties Served:	Maricopa					

ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT Berneil Water Company

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.
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.

		Utility	y Plant in Service	(Water)			
Account	Description	Beginning Year	Current Year	Current Year	Adjusted Original	Accumulated	OCLD (OC less
No.		Original Cost	Additions	Retirements	Cost	Depreciation	AD)
301	Organization	\$0			\$0		\$0
302	Franchises	0			0		0
303	Land and Land Rights	1,332			1,332		1,332
304	Structures and Improvements	33,960			33,960	30,302	3,658
305	Collecting & Improving Reservoirs	0			0		0
306	Lake, River, Canal Intakes	0			0		0
307	Wells and Springs	293,177			293,177	270,117	23,060
308	Infiltration Galleries	0			0		0
309	Supply Mains	0			0		0
310	Power Generation Equipment	0			0		0
311	Pumping Equipment	572,561	22,967		595,528	347,102	248,426
320	Water Treatment Equipment	0			0		0
320.1	Water Treatment Plants	0			0		0
320.2	Solution Chemical Feeders	0			0		0
320.3	Point-of-Use Treatment Devices	0			0		0
330	Distribution Reservoirs and Standpipes	0			0		0
330.1	Storage Tanks	282,276			282,276	251,457	30,818
330.2	Pressure Tanks	0			0		0
331	Transmission and Distribution Mains	1,004,602	3,838		1,008,440	933,914	74,526
333	Services	0			0		0
334	Meters and Meter Installations	363,855	35,706		399,560	216,956	182,604
335	Hydrants	113,668			113,668	105,998	7,670
336	Backflow Prevention Devices	0			0		0
339	Other Plant and Misc. Equipment	0			0		0
340	Office Furniture and Equipment	0			0		0
340.1	Computer & Software	5,795	3,559		9,355	3,724	5,631
341	Transportation Equipment	44,575			44,575	11,501	33,073
342	Stores Equipment	0			0		0
343	Tools, Shop and Garage Equipment	0			0		0
344	Laboratory Equipment	0			0		0
345	Power Operated Equipment	0			0		0
346	Communication Equipment	0			0		0
347	Miscellaneous Equipment	36,693			36,693	32,946	3,747
348	Other Tangible Plant	0			0		0
	Totals	\$2,752,494	\$66,070	\$0	\$2,818,563	\$2,204,018	\$614,545

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

		Dep	reciation Expense	e for the Current	Year (Water)				
Account No.	Description	Beginning Year	Current Year	Current Year	Adjusted	Fully	Depreciable	Depreciation	Depreciation
		Original Cost	Additions	Retirements	Original Cost	Depreciated/Non- depreciable Plant	Plant	Percentages	Expense
301	Organization	\$0	\$0	\$0	\$0		\$0		\$0
302	Franchises	0	0	0	0		0		0
303	Land and Land Rights	1,332	0	0	1,332	1,332	0		0
304	Structures and Improvements	33,960	0	0	33,960	21,590	12,370	5.00%	591
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	293,177	0	0	293,177	240,509	52,668	5.00%	2,633
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	572,561	22,967	0	595,528	192,080	403,448	5.00%	19,249
320	Water Treatment Equipment	0	0	0	0		0		0
320.1	Water Treatment Plants	0	0	0	0		0		0
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	0	0	0	0		0		0
330.1	Storage Tanks	282,276	0	0	282,276	237,504	44,772	5.00%	2,239
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	1,004,602	3,838	0	1,008,440	646,996	361,444	5.00%	15,641
333	Services	0	0	0	0		0		0
334	Meters and Meter Installations	363,855	35,706	0	399,560	79,675	319,885	5.00%	14,915
335	Hydrants	113,668	0	0	113,668	57,727	55,941	5.00%	1,210
336	Backflow Prevention Devices	0	0	0	0		0		0
339	Other Plant and Misc. Equipment	0	0	0	0		0		0
340	Office Furniture and Equipment	0	0	0	0		0		0
340.1	Computer & Software	5,795	3,559	0	9,355		9,355	5.00%	349
341	Transportation Equipment	44,575	0	0	44,575		44,575	5.00%	2,229
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	36,693	0	0	36,693	20,873	15,819	5.00%	791
348	Other Tangible Plant	0	0	0	0		0		0
	Subtotal	\$2,752,494	\$66,070	\$0	\$2,818,563	\$1,498,286	\$1,320,277		\$59,846

 Contribution(s) in Aid of Construction (Gross)
 \$263,892

 Less: Non Amortizable Contribution(s)
 106,634

 Fully Amortized Contribution(s)
 \$157,258

 Amortizable Contribution(s)
 \$157,258

 Times: Proposed Amortization Rate
 5.00%

 Amortization of CIAC
 \$7,676

Less: Amortization of CIAC \$7,676

DEPRECIATION EXPENSE \$52,170

Berneil 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	\$41,722	\$137,823
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	0	0
146	Notes Receivable from Associated Companies	139,500	139,500
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	Total Current and Accrued Assets	\$181,222	\$277,323
Account No.	Fixed Assets		
101	Utility Plant in Service*	\$2,752,494	\$2,818,563
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation (enter as negative)*	(2,144,171)	(2,204,018)
121	Non-Utility Property	44,099	44,099
122	Accumulated Depreciation - Non Utility	0	0
	Total Fixed Assets	\$652,421	\$658,644
	Total Assets	\$833,643	\$935,967

*Note these items feed automatically from AR3 UPIS Page 4

Berneil Water Company Annual Report Balance Sheet Liabilities and Owners Equity

	Balance Sheet Liabilities and Ow	vners Equity	
	Liabilities	Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current Liabilities		
231	Accounts Payable	(\$26,494)	(\$2,588)
232	Notes Payable (Current Portion)	0	0
234	Notes Payable to Associated Companies	0	0
235	Customer Deposits	2,037	2,037
236	Accrued Taxes	0	0
237	Accrued Interest	0	0
242	Miscellaneous Current and Accrued Liabilities	0	0
	Total Current Liabilities	(\$24,457)	(\$551)
	Long Term Debt		
224	Long Term Debt (Notes and Bonds)	\$0	\$0
	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	263,892	263,892
272	Less: Amortization of Contributions	(245,785)	(253,461)
281	Accumulated Deferred Income Tax	0	0
	Total Deferred Credits	\$18,107	\$10,431
	Total Liabilites	(\$6,350)	\$9,880
	Capital Accounts		
201	Common Stock Issued	\$25,000	\$25,000
211	Other Paid-In Capital	0	0
215	Retained Earnings	814,993	901,086
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	Total Capital	\$839,993	\$926,086
	Total Liabilities and Capital	\$833,643	\$935,967

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

Account No. Calendar Year Current Year Last Year									
Account No.	Calendar Fear								
	Operating Revenue	01/01/2023 - 12/31/2023	01/01/2022 - 12/31/2022						
461	Metered Water Revenue	\$691,848	\$717,951						
460	Unmetered Water Revenue	0	(17,731						
462	Fire Protection Revenue	0							
469	Guaranteed Revenues (Surcharges)	0	(
471	Miscellaneous Service Revenues	0	(
474	Other Water Revenue	0	29,604						
777	Total Revenues	\$691,848	\$747,556						
	10002 110 (01100)	, ,	. ,						
	Operating Expenses								
601	Salaries and Wages	\$35,927	\$40,800						
604	Employee Pensions and Benefits	4,035	22,293						
610	Purchased Water	105,151	105,485						
615	Purchased Power	116,384	115,079						
618	Chemicals	3,470	4,938						
620	Materials and Supplies	11,400	24,940						
620.1	Repairs and Maintenance	0	0						
620.2	Office Supplies and Expense	0	0						
630	Contractual Services	216,585	273,983						
631	Contractual Services - Engineering	0	0						
632	Contractual Services - Accounting	0	0						
633	Contractual Services - Legal	0	0						
634	Contractual Services - Management Fees	0	0						
635	Contractual Services - Water Testing	1,739	4,009						
636	Contractual Services - Other	0	0						
640	Rents	0	0						
641	Rental of Building/Real Property	0	0						
642	Rental of Equipment	0	0						
650	Transportation Expenses	6,091	10,081						
657	Insurance - General Liability	8,129	6,769						
657.1	Insurance - Health and Life	0	0						
665	Regulatory Commission Expense - Rate	0	0						
670	Bad Debt Expense	0	0						
675	Miscellaneous Expense	3,861	5,235						
403	Depreciation Expense (From Schedule AR4)	52,170	52,364						
408	Taxes Other Than Income	25,400	10,058						
408.11	Property Taxes	15,412	16,388						
409	Income Taxes	0	50						
427.1	Customer Security Deposit Interest	0	0						
	Total Operating Expenses	\$605,754	\$692,472						
	Operating Income / (Loss)	\$86,094	\$55,083						
44.5	Other Income / (Expense)	40	**						
419	Interest and Dividend Income	\$0	\$0						
421	Non-Utility Income	0	0						
426	Miscellaneous Non-Utility (Expense)	0	(
427	Interest (Expense)	0	0						
	Total Other Income / (Expense)	\$0	\$0						
		\$86,094	\$55,083						

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager	0.5			0.5
Engineering Staff				0.0
System Operator(s)			1.0	1.0
Meter reader				0.0
Customer Service			0.5	0.5
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.5	0.0	1.5	2.0

Berneil 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	None									
Source of Loan										
ACC Decision No.										
Reason for Loan										
Dollar Amt. Issued										
Amount Outstanding										
Date of Maturity										
Interest Rate										
Current Year Interest										
Current Year Principal										

Meter Deposit Balance at Test Year End:	\$0		
		40	,
Meter Deposits Refunded During the Test Year	:•	\$0	

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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.

Berneil Water Company Annual Report Well and Water Usage 12/31/23

				Well and Wat	er Usage						
Name of the System:		BERNEIL WATER	R COMPANY								
ADEQ Public Water Sys	stem Number:		AZ0407008				•				
ADWR PCC Number:			91-000183.0000								
Well registry 55# (55-			Casing Depth	Casing Diameter	Pump Motor	Year	Water level	Water level	Meter Size	How	1
XXXXXX):	Pump Horsepower	Pump Yield (gpm)	(feet)	(inches)	Type **	Drilled	2013	2023	(inches)	measured:	Active
55-554073	125	600	1,215	16	Submersible	350	n/a	n/a	6	Metered	Yes
55-627600	350	1,400	1,398	24	Line Shaft	1968	n/a	n/a	8	Metered	Yes
55-609543			855	16		1969				N/A	No
						•					
						•					
	•		•							•	
Name of system water d	elivered to:					•					
ADWR PCC Number:							-				

Name of system water delivered to:			
ADWR PCC Number:			
Source of water delivered to another system			-
		_	
Name of system water received from:	CITY OF SCOTTS	SDALE	
ADWR PCC Number:		91-000227.0000	
Source of water received	NA		-
Well registry 55# (55-XXXXXX):	NA		

Month	Water withdrawn (gallons)1	Water sold (gallons)2	(sold) to other systems (gallons)3	other systems (gallons)4	authorized use (gallons)5	Power Expense ⁶	Power (kWh) ⁷
	,	ų,	systems (ganons)3	,	(ganons)3		· · · /
January	20,167,600.00	18,515,041.00		16,352.00		\$5,302	44,061
February	19,843,500.00	18,863,566.00		9,366.00		4,772	39,983
March	23,830,600.00	22,209,374.00		9,657.00		6,173	46,752
April	32,600,100.00	31,751,426.00		11,364.00		7,547	60,508
May	41,978,400.00	39,746,546.00		10,739.00		10,340	88,313
June	48,492,800.00	50,433,101.00		7,977,203.00		12,440	109,034
July	57,035,100.00	58,641,110.00		7,102.00		12,827	110,867
August	63,237,900.00	60,944,170.00		3,674.00		15,339	136,203
September	45,777,600.00	43,652,500.00		9,784.00		12,428	107,038
October	55,003,900.00	52,397,939.00		1,774.00		12,405	107,058
November	36,231,200.00	35,777,514.00		75,732.00		11,571	98,429
December	30,477,700.00	29,412,007.00		7,312.00		6,614	51,475
Totals	474,676,400.00	462,344,294.00	0.00	8,140,059.00	0.00	\$117,758	999,721

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

1 Water withdrawn - Total gallons of water withdrawn from pumped sources.

1 Water windrawn - Total gallons of water windrawn noin 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.

Berneil Water Company Annual Report Water Utility Plant Description 12/31/23

Water Utility Plant Description				
Name of the System: BERNEIL WATER COMPANY				
ADEQ Public Water System Number:	AZ0407008			
ADWR PCC Number: 91-000183.0000				

	MAINS		
Sizes (inches)	Material	Length (feet)	
4.00	PVC	63	
6.00	PVC	53,21	
8.00	PVC	4,15	
4.00	ACP	3,65	
6.00	ACP	28,29	
6.00	DIP	6,28	

SERVICE LINES			
		Year	
Material	Percent of system	installed	

BOOSTER PUMPS				
Horsepower	GPM	Quantity		
40	475	3		
30	420	1		
20	350	1		
	·			

	STORAGE TANKS		
			Year
Capacity (gallons)	Material	Quantity	installed
100,000	Steel	1	1986
100,000	Steel	1	1986
135,000	Steel	1	1979

CUSTOMER METERS					
	CUSTOMER METERS				
		Percent over	Percent over		
Size (inches)	Quantity	1,000,000 gallons	10 years old		
1	497		65% **		
1.5	21		n/a		
Compound 4	3		n/a		
Turbine 6	2		n/a		
6+	1		n/a		
			** estimated		

FIRE HYDRANTS	
Type	Quantity
Standard *	98
Other	

PRESSURE/BLADDER TANKS				
Capacity				
(gallons)	Material	Quantity	Year installed	
5,000	Steel	1	1986	
5,000	Steel	1	2017	

* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility	Plant Description	(Continued)

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

TREATMENT EQUIPMENT:	Gas Chlorinators
STRUCTURES:	Block Fences
OTHER:	System interconnection with City of Scottsdale

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 If no historical flow data are available, use:
- (b) ERC = (Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day)

ERC 2,325 Method used: (a)

Customer and Other Information			
Name of the System:	BERNEIL WATE	ER COMPANY	
ADEQ Public Water System Number:		AZ0407008	
ADWR PCC Number:		91-000183.0000	

Month S January February March April May June July August September October November December	Single-Family 514 514 514 514 514 512 513 512 515	Multi-Family 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Commercial 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	Turf/Irrigation 9 9 9 9 9 9 9 9 9 9 9 9 9	Other Non-Residential 0 0 0 0 0 0 0 0
January February March April May June July August September October November	514 514 514 514 514 512 513 512 512	0 0 0 0 0 0 0	3 3 3 3 3 3 3 3	9 9 9 9 9	0 0 0 0
February March April May June July August September October November	514 514 514 514 512 513 512 512	0 0 0 0 0 0	3 3 3 3 3 3	9 9 9 9	0 0 0 0
March April May June July August September October November	514 514 514 512 513 512 512	0 0 0 0 0	3 3 3 3 3	9 9 9	0 0
April May June July August September October November	514 514 512 513 512 512	0 0 0 0	3 3 3 3	9 9	0
May June July August September October November	514 512 513 512 512	0 0 0 0	3 3 3	9	0
June July August September October November	512 513 512 512	0 0 0	3 3	9	
July August September October November	513 512 512	0	3		0
August September October November	512 512	0		9	
September October November	512		1 3		0
October November		0		9	0
November	515		3	9	0
		0	3	9	0
December	515	0	3	9	0
	515	0	3	9	0
Does the system have chlorination treatment? Yes 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)? Yes If yes, which AMA? Yes Phoenix 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.					

 $[\]ensuremath{^*}$ an ERC is based on the calculation on the bottom of AR9 page 12.

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

Utility Shutoffs / Disconnects			
Name of the System:	BERNEIL WATER COMPANY		
ADEQ Public Water System Number:		AZ0407008	
ADWR PCC Number:		91-000183.0000	

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

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.

Berneil Water Company Annual Report Property Taxes 12/31/23

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2023 was	\$15,412
If no property taxes paid, explain why.	

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.

Berneil Water Company Annual Report Verification and Certification (Taxes) 12/31/23

	Verification and Certification (Taxes)
Verification:	State of Arizona I, the undersigned of the (state name)
	County of (county name): Name (owner or official) title: Bradley Folkman Company name: Berneil 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
	480-966-5804 telephone no.