

ANNUAL REPORT

Of

Company Name: **Berneil Water Company**
PO Box 219

Mailing Address: Tempe AZ
85280-0219

RECEIVED BY EMAIL
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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

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: **4/11/2024**

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

For the Calendar Year Ended: 12/31/23

Primary Address:

P.O. Box 219			
City:	Tempe	State:	Arizona
		Zip Code:	85280

Telephone Number: 480-966-5804

Date of Original Organization of Utility: 10/23/1951

Person to whom correspondence should be addressed concerning this report:

Name: Bradley Folkman
Telephone No. : 480-966-5804
Address: P.O. Box 219
City: Tempe State: Arizona Zip Code: 85280
Email: support@arizonawaterworks.com

[Redacted]
Name: [Redacted]
Telephone No. : [Redacted]
Address: [Redacted]
City: [Redacted] State: [Redacted] Zip Code: [Redacted]
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[Redacted]
Name: [Redacted]
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City: [Redacted] State: [Redacted] Zip Code: [Redacted]
Email: [Redacted]

[Redacted]
Name: [Redacted]
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Address: [Redacted]
City: [Redacted] State: [Redacted] Zip Code: [Redacted]
Email: [Redacted]

[Redacted]
Name: [Redacted]
Telephone No. : [Redacted]
Address: [Redacted]
City: [Redacted] State: [Redacted] Zip Code: [Redacted]
Email: [Redacted]

Ownership: "C" Corporation

Counties Served: Maricopa

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 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		\$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

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	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)	
Fully Amortized Contribution(s)	106,634
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 Owners 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!

Berneil Water Company
Annual Report
Water Comparative Income Statement
12/31/23

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	\$691,848	\$717,951
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	29,604
	Total Revenues	\$691,848	\$747,556
	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
	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)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	\$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

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
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Meter Deposits Refunded During the Test Year:	\$0
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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)
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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
- (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	2,325
Method used:	(a)

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

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	514	0	3	9	0
February	514	0	3	9	0
March	514	0	3	9	0
April	514	0	3	9	0
May	514	0	3	9	0
June	512	0	3	9	0
July	513	0	3	9	0
August	512	0	3	9	0
September	512	0	3	9	0
October	515	0	3	9	0
November	515	0	3	9	0
December	515	0	3	9	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 (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.

* 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

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):

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

\$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.

Verification and Certification (Taxes)

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


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: 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:


signature of owner/official

telephone no.