

ANNUAL REPORT

Of

Company Name: Berneil Water Company

PO Box 219

Mailing Address:

Tempe

AZ

85280-0219

RECEIVED BY EMAIL

4/13/2026, 5:27 AM

**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

Docket No.: W-01275A

For the Year Ended: 12/31/25

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: 4/13/2026

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

For the Calendar Year Ended: 12/31/25

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

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Name:

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Telephone No. :

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Address:

City:		State:	
		Zip Code:	

Email:

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Name:

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Telephone No. :

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City:		State:	
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Name:

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Telephone No. :

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		Zip Code:	

Email:

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Name:

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Telephone No. :

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Address:

City:		State:	
		Zip Code:	

Email:

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Ownership:

"C" Corporation

Counties Served:

Maricopa

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Berneil Water Company

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.

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	\$0	\$0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	1,332	0	0	1,332	0	1,332
304	Structures and Improvements	33,960	8,227	0	42,187	31,546	10,640
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	275,384	17,793
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	710,558	14,964	0	725,522	393,829	331,693
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	255,935	26,341
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	1,011,147	949	0	1,012,096	954,169	57,927
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	409,375	5,725	0	415,100	248,938	166,162
335	Hydrants	113,668	0	0	113,668	107,815	5,853
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	9,355	0	0	9,355	4,496	4,859
341	Transportation Equipment	44,575	0	44,575	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	36,693	0	0	36,693	34,528	2,165
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$2,946,115	\$29,865	\$44,575	\$2,931,405	\$2,306,640	\$624,765

Berneil Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/25

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		\$0
302	Franchises	0	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	8,227	0	42,187	23,865	18,322	5.00%	710
305	Collecting & Improving Reservoirs	0	0	0	0	0	0		0
306	Lake, River, Canal Intakes	0	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		0
309	Supply Mains	0	0	0	0	0	0		0
310	Power Generation Equipment	0	0	0	0	0	0		0
311	Pumping Equipment	710,558	14,964	0	725,522	242,978	482,544	5.00%	23,847
320	Water Treatment Equipment	0	0	0	0	0	0		0
320.1	Water Treatment Plants	0	0	0	0	0	0		0
320.2	Solution Chemical Feeders	0	0	0	0	0	0		0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0		0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0		0
330.1	Storage Tanks	282,276	0	0	282,276	252,978	29,298	5.00%	2,239
330.2	Pressure Tanks	0	0	0	0	0	0		0
331	Transmission and Distribution Mains	1,011,147	949	0	1,012,096	889,505	122,591	5.00%	8,310
333	Services	0	0	0	0	0	0		0
334	Meters and Meter Installations	409,375	5,725	0	415,100	90,041	325,059	5.00%	16,149
335	Hydrants	113,668	0	0	113,668	95,504	18,164	5.00%	908
336	Backflow Prevention Devices	0	0	0	0	0	0		0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0		0
340	Office Furniture and Equipment	0	0	0	0	0	0		0
340.1	Computer & Software	9,355	0	0	9,355	2,930	6,425	5.00%	364
341	Transportation Equipment	44,575	0	44,575	0	0	0	5.00%	1,114
342	Stores Equipment	0	0	0	0	0	0		0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0		0
344	Laboratory Equipment	0	0	0	0	0	0		0
345	Power Operated Equipment	0	0	0	0	0	0		0
346	Communication Equipment	0	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		0
	Subtotal	\$2,946,115	\$29,865	\$44,575	\$2,931,405	\$1,860,515	\$1,070,890		\$57,067

Contribution(s) in Aid of Construction (Gross)	\$263,892
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	130,163
Amortizable Contribution(s)	\$133,729
Times: Proposed Amortization Rate	5.00%
Amortization of CIAC	\$3,343

Less: Amortization of CIAC **\$3,343**

DEPRECIATION EXPENSE \$53,723

Berneil Water Company
Annual Report
Balance Sheet Assets
12/31/25

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2025)	Balance at End of Year (2025)
Account No.	Current and Accrued Assets			
131	Cash		\$107,473	\$250,028
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	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$246,973	\$250,028
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$2,946,115	\$2,931,405
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(2,264,418)	(2,306,640)
121	Non-Utility Property		44,099	44,099
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$725,796	\$668,863
	Total Assets		\$972,769	\$918,891

*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 (2025)	Balance at End of Year (2025)
Account No.	Current Liabilities			
231	Accounts Payable		\$10,234	\$24,789
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		\$12,271	\$26,826
	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		(260,549)	(263,892)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$3,343	(\$0)
	Total Liabilites		\$15,614	\$26,826
	Capital Accounts			
201	Common Stock Issued		\$25,000	\$25,000
211	Other Paid-In Capital			
215	Retained Earnings		932,155	867,065
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$957,155	\$892,065
	Total Liabilities and Capital		\$972,769	\$918,891

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 01/01/2025 - 12/31/2025	Last Year 01/01/2024 - 12/31/2024
	Operating Revenue		
461	Metered Water Revenue	\$723,302	\$690,431
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	2,489
	Total Revenues	\$723,302	\$692,920
	Operating Expenses		
601	Salaries and Wages	\$52,800	\$50,800
604	Employee Pensions and Benefits	5,142	3,563
610	Purchased Water	69,249	107,518
615	Purchased Power	127,896	132,788
618	Chemicals	7,720	2,789
620	Materials and Supplies	24,335	13,089
620.1	Repairs and Maintenance	0	0
620.2	Office Supplies and Expense	0	0
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	9,603	7,200
633	Contractual Services - Legal	515	664
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	1,212	1,664
636	Contractual Services - Other	225,073	229,808
640	Rents	0	0
641	Rental of Building/Real Property	0	7,700
642	Rental of Equipment	0	0
650	Transportation Expenses	5,757	6,964
657	Insurance - General Liability	8,265	9,180
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	3,055	5,308
403	Depreciation Expense (From Schedule AR4)	53,723	52,633
408	Taxes Other Than Income	11,290	13,439
408.11	Property Taxes	15,016	17,844
409	Income Taxes	0	2,664
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$620,650	\$665,615
	Operating Income / (Loss)	\$102,652	\$27,305
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	(139,500)	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	(\$139,500)	\$0
	Net Income / (Loss)	(\$36,848)	\$27,305

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)
12/31/25

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.

Berneil Water Company
Annual Report
Summary of System Improvement Surcharge
12/31/25

Summary of System Improvement Surcharge
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Month	Surcharge Amount	Number of Customers	Total Billed	Total Collected	Total Deposited	Difference
January			\$0.00			\$0.00
February			0.00			0.00
March			0.00			0.00
April			0.00			0.00
May			0.00			0.00
June			0.00			0.00
July			0.00			0.00
August			0.00			0.00
September			0.00			0.00
October			0.00			0.00
November			0.00			0.00
December			0.00			0.00
Total for the year			\$0.00	\$0.00	\$0.00	\$0.00

Interest earned this year

Decision No. approving the mechanism

[illegible]

Name of system water delivered to:		
ADWR PCC Number:		
Source of water delivered to another system		

Name of system water received from:	CITY OF SCOTTSDALE	
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	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	29,945,000.00	29,235,784.00	0.00	9,603.00	0.00	\$8,617	66,761
February	24,891,600.00	24,091,471.00	0.00	8,681.00	0.00	8,443	65,037
March	27,856,099.00	26,896,269.00	0.00	8,454.00	0.00	7,282	52,803
April	33,561,000.00	32,741,991.00	0.00	9,051.00	0.00	9,608	73,744
May	51,154,560.00	42,720,765.00	0.00	16,669.00	0.00	12,263	97,799
June	49,338,490.00	48,237,367.00	0.00	26,371.00	0.00	13,082	103,970
July	60,053,950.00	61,250,950.00	0.00	10,962.00	0.00	14,253	125,483
August	53,437,499.00	52,943,943.00	0.00	30,551.00	0.00	14,043	122,965
September	71,971,800.00	49,412,388.00	0.00	11,283.00	0.00	13,301	106,252
October	15,329,300.00	34,341,261.00	0.00	15,605.00	0.00	10,394	79,489
November	34,021,400.00	33,990,865.00	0.00	10,629.00	0.00	9,047	71,645
December	26,098,700.00	23,947,155.00	0.00	58,490.00	0.00	7,242	48,905
Totals	477,659,398.00	459,810,209.00	0.00	216,349.00	0.00	\$127,575	1,014,853

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. |
| 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			
Name of the System:		BERNEIL WATER COMPANY	
ADEQ Public Water System Number:		AZ0407008	
ADWR PCC Number:		91-000183.0000	

[illegible][illegible]

SERVICE LINES		
Material	Percent of system	Year installed

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

FIRE HYDRANTS	
Type	Quantity
Standard *	88
Other	

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

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)
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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

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	515	0	3	9	0
February	514	0	3	9	0
March	515	0	3	9	0
April	515	0	3	9	0
May	516	0	3	9	0
June	516	0	3	9	0
July	515	0	3	9	0
August	515	0	3	9	0
September	516	0	3	9	0
October	513	0	3	9	0
November	516	0	3	9	0
December	516	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?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

Berneil Water Company
Annual Report
Utility Shutoffs / Disconnects
12/31/25

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):

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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	
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Amount of actual property taxes paid during Calendar Year 2025 was
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\$15,016

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 Arizona I, the undersigned of the
(state name)

County of (county name): Maricopa
Name (owner or official) title: Bradley Folkman, President
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: 12/31/25

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.