

ANNUAL REPORT

Of

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

Mailing Address: Tempe AZ
85280-0219

Docket No.: W-01275A
For the Year Ended: **12/31/22**

RECEIVED BY EMAIL
4/24/2023 11:00 AM
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: **4/20/2023**

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Berneil 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:

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
--

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	0	0	33,960	29,711	4,249
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	267,484	25,693
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	534,711	77,850	40,000	572,561	327,853	244,708
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	249,219	33,057
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	983,704	20,898	0	1,004,602	918,274	86,328
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	348,887	24,968	10,000	363,855	202,041	161,814
335	Hydrants	113,668	0	0	113,668	104,788	8,880
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	0	0	5,795	3,375	2,420
341	Transportation Equipment	44,575	0	0	44,575	9,273	35,302
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	32,155	4,538
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$2,678,778	\$123,715	\$50,000	\$2,752,494	\$2,144,171	\$608,322

Berneil 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	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	1,332	0	0	1,332	0	1,332	0.00%	0
304	Structures and Improvements	33,960	0	0	33,960	21,590	12,370	5.00%	619
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	5.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	5.00%	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	5.00%	0
309	Supply Mains	0	0	0	0	0	0	5.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	5.00%	0
311	Pumping Equipment	534,711	77,850	40,000	572,561	204,325	368,235	5.00%	17,772
320	Water Treatment Equipment	0	0	0	0	0	0	5.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	5.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	5.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	5.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	5.00%	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	5.00%	0
331	Transmission and Distribution Mains	983,704	20,898	0	1,004,602	646,996	357,606	5.00%	17,358
333	Services	0	0	0	0	0	0	5.00%	0
334	Meters and Meter Installations	348,887	24,968	10,000	363,855	88,085	275,770	5.00%	13,625
335	Hydrants	113,668	0	0	113,668	57,727	55,941	5.00%	2,155
336	Backflow Prevention Devices	0	0	0	0	0	0	5.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	5.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	5.00%	0
340.1	Computer & Software	5,795	0	0	5,795	0	5,795	5.00%	290
341	Transportation Equipment	44,575	0	0	44,575	0	44,575	5.00%	2,229
342	Stores Equipment	0	0	0	0	0	0	5.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	5.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	5.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	5.00%	0
346	Communication Equipment	0	0	0	0	0	0	5.00%	0
347	Miscellaneous Equipment	36,693	0	0	36,693	15,147	21,545	5.00%	934
348	Other Tangible Plant	0	0	0	0	0	0	5.00%	0
	Subtotal	\$2,678,778	\$123,715	\$50,000	\$2,752,494	\$1,511,884	\$1,240,609		\$59,852

Contribution(s) in Aid of Construction (Gross)	\$263,892
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	106,634
Amortizable Contribution(s)	\$157,258
Times: Proposed Amortization Rate	5.00%
Amortization of CIAC	\$7,863

Less: Amortization of CIAC \$7,863

DEPRECIATION EXPENSE **\$51,989**

Berneil 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		\$30,574	\$38,851
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		\$170,074	\$178,351
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$2,678,778	\$2,752,494
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(2,133,945)	(2,144,171)
121	Non-Utility Property		44,099	44,099
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$588,932	\$652,421
	Total Assets		\$759,006	\$830,772

*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 (2022)	Balance at End of Year (2022)
Account No.	Current Liabilities			
231	Accounts Payable		(\$51,584)	\$1,034
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		1,759	1,611
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		(\$49,825)	\$2,644
	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		(237,922)	(245,785)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$25,970	\$18,107
	Total Liabilites		(\$23,854)	\$20,752
	Capital Accounts			
201	Common Stock Issued		\$25,000	\$25,000
211	Other Paid-In Capital		0	0
215	Retained Earnings		757,861	785,020
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$782,861	\$810,020
	Total Liabilities and Capital		\$759,006	\$830,772

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
12/31/22

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	\$715,306	\$728,346
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	31,653	9,611
	Total Revenues	\$746,959	\$737,957
	Operating Expenses		
601	Salaries and Wages	\$28,760	\$55,800
604	Employee Pensions and Benefits	22,293	48,205
610	Purchased Water	133,013	89,853
615	Purchased Power	115,079	124,483
618	Chemicals	4,938	5,309
620	Materials and Supplies	24,940	24,338
620.1	Repairs and Maintenance	0	0
620.2	Office Supplies and Expense	0	0
630	Contractual Services	276,629	286,866
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	4,009	2,835
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	10,081	7,476
657	Insurance - General Liability	6,569	7,560
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	2,914	4,623
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	51,989	49,392
408	Taxes Other Than Income	38,212	28,861
408.11	Property Taxes	0	0
409	Income Taxes	0	50
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$719,425	\$735,652
	Operating Income / (Loss)	\$27,534	\$2,306
	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)	\$27,534	\$2,306

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:	\$1,611
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Meter Deposits Refunded During the Test Year:	\$149
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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	513	0	3	9	0
February	513	0	3	9	0
March	513	0	3	9	0
April	513	0	3	9	0
May	513	0	3	9	0
June	514	0	3	9	0
July	514	0	3	9	0
August	514	0	3	9	0
September	514	0	3	9	0
October	515	0	3	9	0
November	513	0	3	9	0
December	514	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
 12/31/22

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 2022 was

\$16,388

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 Sworn Statement (Taxes)
12/31/22

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: 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: 12/31/22

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.

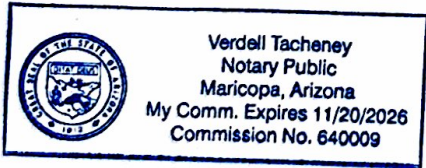
[Signature]
signature of owner/official

480-966-5804
telephone no.

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

THIS 21st DAY OF Maricopa
April, 2023
(county name)
(month) and (year)

MY COMMISSION EXPIRES 11/20/2026
(date)



[Signature]
(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: 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: 12/31/22

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:

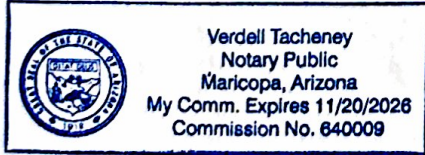
Arizona Intrastate Gross Operating Revenues Only (\$)
\$812,413
(The amount in the box above includes
\$65,454 in sales taxes
billed or collected)

[Signature]
signature of owner/official

480-966-5804
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Maricopa
(county name)
THIS 21st DAY OF April, 2023
(month) and (year)

MY COMMISSION EXPIRES 11/20/2026
(date)



[Signature]
(Signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Maricopa
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: 12/31/22

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 (\$)

\$811,306
(The amount in the box above includes
\$65,352 in sales taxes
billed or collected)


signature of owner official

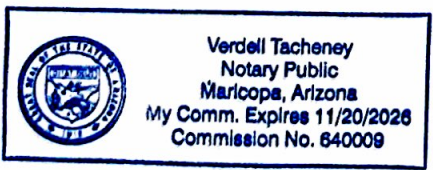
480-966-5804
telephone no.


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

Maricopa
(county name)

THIS 21st DAY OF April, 2023
(month) and (year)

MY COMMISSION EXPIRES 11/20/2026
(date)




(signature of notary public)