

**ANNUAL REPORT**

Of

Company Name: Cerbat Water Company  
250 SW Taylor Street

Mailing Address: Portland OR  
97204

Docket No.: W-02391A  
For the Year Ended: 12/31/23

**RECEIVED BY EMAIL**  
4/11/2024, 12:23 PM  
**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: 4/9/2024

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT

Cerbat Water Company

A Class  Utility

For the Calendar Year Ended: 12/31/23

Primary Address: 

7313 E Concho			
City:	Kingman	State:	Arizona
		Zip Code:	86401

Telephone Number: 

928-757-2205
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Date of Original Organization of Utility: 

8/16/1977
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Person to whom correspondence should be addressed concerning this report:

Name: 

Teresa Neal
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Telephone No. : 

702-256-4006
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Address: 

3001 Westwood Drive			
City:	Las Vegas	State:	Nevada
		Zip Code:	89109

  
Email: 

teresa@blackhawkdevelopers.com
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Name: 

Ed Fortner
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Telephone No. : 

928-342-3344
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Address: 

12486 S. Foothills Blvd			
City:	Yuma	State:	Arizona
		Zip Code:	85367

  
Email: 

efortner@foothillsutilities.com
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Name: 

Tony Leon
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Telephone No. : 

928-264-5185
--------------

  
Address: 

12486 S. Foothills Blvd			
City:	Yuma	State:	Arizona
		Zip Code:	85367

  
Email: 

Tleon@foothillsutilities.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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Address: 

City:		State:	
		Zip Code:	

  
Email: 

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Ownership: 

"C" Corporation
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Counties Served: 

Mohave
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**Important changes during the year**

	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.
	No

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	4,500			4,500		4,500
304	Structures and Improvements	28,375			28,375	9,459	18,916
305	Collecting & Improving Reservoirs	0			0		0
306	Lake, River, Canal Intakes	0			0		0
307	Wells and Springs	94,071			94,071	31,327	62,744
308	Infiltration Galleries	0			0		0
309	Supply Mains	0			0		0
310	Power Generation Equipment	0			0		0
311	Pumping Equipment	68,584			68,584	68,584	0
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	135,220			135,220	135,220	0
330.1	Storage Tanks	0			0		0
330.2	Pressure Tanks	0			0		0
331	Transmission and Distribution Mains	552,551			552,551	552,551	0
333	Services	57,228			57,228	44,893	12,335
334	Meters and Meter Installations	49,206			49,206	30,548	18,658
335	Hydrants	14,400			14,400	9,052	5,348
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	0			0		0
341	Transportation Equipment	3,900			3,900	260	3,640
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	2,300			2,300	2,300	0
348	Other Tangible Plant				0		0
	<b>Totals</b>	<b>\$1,010,335</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,010,335</b>	<b>\$884,194</b>	<b>\$126,141</b>

Cerbat 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	4,500	0	0	4,500	4,500	0		0
304	Structures and Improvements	28,375	0	0	28,375		28,375	3.33%	945
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	94,071	0	0	94,071		94,071	3.33%	3,133
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	68,584	0	0	68,584	68,584	0	12.50%	0
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	135,220	0	0	135,220		135,220	0.82%	1,115
330.1	Storage Tanks	0	0	0	0		0		0
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	552,551	0	0	552,551	552,551	0	2.00%	0
333	Services	57,228	0	0	57,228		57,228	3.33%	1,906
334	Meters and Meter Installations	49,206	0	0	49,206		49,206	8.33%	4,099
335	Hydrants	14,400	0	0	14,400		14,400	2.00%	288
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	0	0	0	0		0		0
341	Transportation Equipment	3,900	0	0	3,900		3,900	3.33%	130
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	2,300	0	0	2,300	2,300	0	10.00%	0
348	Other Tangible Plant	0	0	0	0		0		0
	<b>Subtotal</b>	<b>\$1,010,335</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,010,335</b>	<b>\$627,935</b>	<b>\$382,400</b>		<b>\$11,615</b>

Contribution(s) in Aid of Construction (Gross)  
 Less: Non Amortizable Contribution(s)  
 Fully Amortized Contribution(s)  
 Amortizable Contribution(s)  
 Times: Proposed Amortization Rate  
 Amortization of CIAC

\$0  
 3.04%  
 \$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Cerbat 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.	<b>Current and Accrued Assets</b>			
131	Cash		\$2,860	\$13,657
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		19,022	29,462
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets		25,019	25,019
	<b>Total Current and Accrued Assets</b>		<b>\$46,901</b>	<b>\$68,138</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$1,010,335	\$1,010,335
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(872,577)	(884,194)
121	Non-Utility Property		154,662	154,662
122	Accumulated Depreciation - Non Utility		(126,210)	(131,281)
	<b>Total Fixed Assets</b>		<b>\$166,210</b>	<b>\$149,522</b>
	<b>Total Assets</b>		<b>\$213,111</b>	<b>\$217,660</b>

\*Note these items feed automatically from AR3 UPIS Page 4

Cerbat Water Company  
Annual Report  
Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		<b>Balance at Beginning of Year (2023)</b>	<b>Balance at End of Year (2023)</b>
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$2,139	\$16,778
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies		37,578	37,578
235	Customer Deposits		2,245	5,492
236	Accrued Taxes		67,812	59,026
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		469,758	469,755
	<b>Total Current Liabilities</b>		<b>\$579,532</b>	<b>\$588,629</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$228,683	\$201,006
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		347,404	347,404
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		196,718	196,718
272	Less: Amortization of Contributions		(196,718)	(196,718)
281	Accumulated Deferred Income Tax			
	<b>Total Deferred Credits</b>		<b>\$347,404</b>	<b>\$347,404</b>
	<b>Total Liabilities</b>		<b>\$1,155,619</b>	<b>\$1,137,039</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$204,341	\$204,341
211	Other Paid-In Capital			
215	Retained Earnings		(1,146,849)	(1,123,720)
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>(\$942,508)</b>	<b>(\$919,379)</b>
	<b>Total Liabilities and Capital</b>		<b>\$213,111</b>	<b>\$217,660</b>

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

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

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$250,394	\$240,854
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		17,745
474	Other Water Revenue		
	<b>Total Revenues</b>	<b>\$250,394</b>	<b>\$258,599</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$64,236	\$85,380
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	37,842	34,260
618	Chemicals		
620	Materials and Supplies	2,172	407
620.1	Repairs and Maintenance	2,283	3,878
620.2	Office Supplies and Expense	6,019	12,387
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	2,450	2,450
633	Contractual Services - Legal	23,805	23,510
634	Contractual Services - Management Fees	38,159	19,494
635	Contractual Services - Water Testing	580	655
636	Contractual Services - Other	460	300
640	Rents		
641	Rental of Building/Real Property	1,650	1,800
642	Rental of Equipment		
650	Transportation Expenses	9,982	6,919
657	Insurance - General Liability	1,283	1,217
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate	1,150	1,088
670	Bad Debt Expense		
675	Miscellaneous Expense	2,872	2,420
403	Depreciation Expense (From Schedule AR4)	11,615	16,330
408	Taxes Other Than Income	132	
408.11	Property Taxes	1,491	6,429
409	Income Taxes	7,145	
427.1	Customer Security Deposit Interest		
	<b>Total Operating Expenses</b>	<b>\$215,326</b>	<b>\$218,924</b>
	<b>Operating Income / (Loss)</b>	<b>\$35,068</b>	<b>\$39,675</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)	(5,071)	(17,990)
427	Interest (Expense)	(10,712)	(13,343)
	<b>Total Other Income / (Expense)</b>	<b>(\$15,783)</b>	<b>(\$31,333)</b>
	<b>Net Income / (Loss)</b>	<b>\$19,285</b>	<b>\$8,342</b>



**Full time equivalent employees**

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager				0.0
Engineering Staff				0.0
System Operator(s)	2.0			2.0
Meter reader	1.0			1.0
Customer Service	1.0			1.0
Accounting				0.0
Business Office	1.0			1.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
<b>Total</b>	5.0	0.0	0.0	5.0

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	4/2/2021			
Source of Loan	WIFA			
ACC Decision No.	72739			
Reason for Loan	New Well			
Dollar Amt. Issued	\$331,875			
Amount Outstanding				
Date of Maturity	4/1/2032			
Interest Rate	4.20%			
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:	\$5,492
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Meter Deposits Refunded During the Test Year:	\$1,000
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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)**

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

<b>TREATMENT EQUIPMENT:</b>	
<b>STRUCTURES:</b>	Booster Pump House
<b>OTHER:</b>	

**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

Method used:

Customer and Other Information	
Name of the System:	0
ADEQ Public Water System Number:	
ADWR PCC Number:	

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	348				
February	350				
March	353				
April	349				
May	353				
June	349				
July	349				
August	353				
September	355				
October	356				
November	355				
December	357				

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.

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

Utility Shutoffs / Disconnects	
Name of the System:	0
ADEQ Public Water System Number:	
ADWR PCC Number:	

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	
February	0	0	
March	0	0	
April	0	0	
May	0	0	
June	0	0	
July	0	0	
August	0	0	
September	0	0	
October	0	0	
November	0	0	
December	0	0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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

\$7,146

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): Mohave  
Name (owner or official) title: Teresa Neal  
Company name: Cerbat 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.

Teresa Neal  
signature of owner/official

702-256-4006  
telephone no.