

**ANNUAL REPORT**

Of

Company Name: **Chino Meadows II Water Company**

PO Box 350

Mailing Address:

Chino Valley AZ  
86323

Docket No.: **W-02370A**

For the Year Ended: **12/31/23**

**RECEIVED BY EMAIL**

**05/13/2024, 3:02 PM**

**ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION**

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: [Util-Compliance@azcc.gov](mailto: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: **5/13/2024**

ARIZONA CORPORATION COMMISSION  
 WATER UTILITY ANNUAL REPORT  
 Chino Meadows II Water Company  
 A Class  Utility

For the Calendar Year Ended: 12/31/23

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:

**Owner**

Name:   
 Telephone No. :   
 Address:   
 City:  State:  Zip Code:   
 Email:

**On-Site Manager**

Name:   
 Telephone No. :   
 Address:   
 City:  State:  Zip Code:   
 Email:

**NA**

Name:   
 Telephone No. :   
 Address:   
 City:  State:  Zip Code:   
 Email:

**NA**

Name:   
 Telephone No. :   
 Address:   
 City:  State:  Zip Code:   
 Email:

Ownership:

Counties Served:

**Important changes during the year**

1	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

2	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

Chino Meadows II Water Company  
Annual Report  
Utility Plant in Service (Water)  
12/31/23

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	\$6,843	\$0	\$0	\$6,843	\$6,843	\$0
302	Franchises	14,103	0	0	14,103	14,103	0
303	Land and Land Rights	15,204	0	0	15,204	0	15,204
304	Structures and Improvements	44,339	0	0	44,339	44,339	0
305	Collecting & Improving Reservoirs	4,350	0	0	4,350	4,350	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	27,987	0	0	27,987	27,987	0
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	1,009	0	0	1,009	1,009	0
310	Power Generation Equipment	42,378	0	0	42,378	15,202	27,176
311	Pumping Equipment	82,154	0	0	82,154	76,992	5,162
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	6,915	0	0	6,915	6,915	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	36,415	0	0	36,415	36,415	0
330.2	Pressure Tanks	15,269	0	0	15,269	15,269	0
331	Transmission and Distribution Mains	310,892	0	0	310,892	25,781	285,111
333	Services	31,198	0	0	31,198	31,198	0
334	Meters and Meter Installations	103,253	2,572	0	105,825	103,253	2,572
335	Hydrants	12,042	0	0	12,042	12,042	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	16,728	0	0	16,728	16,728	0
340	Office Furniture and Equipment	1,752	3,410	0	5,162	986	4,176
340.1	Computer & Software	26,681	0	0	26,681	26,681	0
341	Transportation Equipment	96,373	0	0	96,373	81,318	15,055
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	6,992	0	0	6,992	3,104	3,888
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	31,621	0	0	31,621	26,616	5,005
346	Communication Equipment	17,200	0	0	17,200	17,200	0
347	Miscellaneous Equipment	3,975	0	0	3,975	3,975	0
348	Other Tangible Plant	0	0	0	0	0	0
	<b>Totals</b>	<b>\$955,673</b>	<b>\$5,982</b>	<b>\$0</b>	<b>\$961,655</b>	<b>\$598,306</b>	<b>\$363,349</b>

Chino Meadows II 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	\$6,843	\$0	\$0	\$6,843	\$6,843	\$0	0.00%	\$0
302	Franchises	14,103	0	0	14,103	0	14,103	0.00%	0
303	Land and Land Rights	15,204	0	0	15,204	0	15,204	0.00%	0
304	Structures and Improvements	44,339	0	0	44,339	0	44,339	0.00%	0
305	Collecting & Improving Reservoirs	4,350	0	0	4,350	0	4,350	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	2.50%	0
307	Wells and Springs	27,987	0	0	27,987	27,987	0	3.33%	0
308	Infiltration Galleries	0	0	0	0	0	0	6.67%	0
309	Supply Mains	1,009	0	0	1,009	0	1,009	2.00%	0
310	Power Generation Equipment	42,378	0	0	42,378	0	42,378	5.00%	2,119
311	Pumping Equipment	82,154	0	0	82,154	76,992	5,162	12.50%	645
320	Water Treatment Equipment	0	0	0	0	0	0	3.33%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	3.33%	0
320.2	Solution Chemical Feeders	6,915	0	0	6,915	6,915	0	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	20.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	2.22%	0
330.1	Storage Tanks	36,415	0	0	36,415	36,415	0	2.22%	0
330.2	Pressure Tanks	15,269	0	0	15,269	15,269	0	5.00%	0
331	Transmission and Distribution Mains	310,892	0	0	310,892	285,111	25,781	2.00%	516
333	Services	31,198	0	0	31,198	31,198	0	3.33%	0
334	Meters and Meter Installations	103,253	2,572	0	105,825	103,253	2,572	8.33%	8,447
335	Hydrants	12,042	0	0	12,042	12,042	0	2.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	16,728	0	0	16,728	16,728	0	6.67%	0
340	Office Furniture and Equipment	1,752	3,410	0	5,162	986	4,176	6.67%	165
340.1	Computer & Software	26,681	0	0	26,681	26,681	0	20.00%	3,740
341	Transportation Equipment	96,373	0	0	96,373	81,318	15,055	20.00%	3,011
342	Stores Equipment	0	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	6,992	0	0	6,992	3,104	3,888	5.00%	194
344	Laboratory Equipment	0	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	31,621	0	0	31,621	26,616	5,005	5.00%	250
346	Communication Equipment	17,200	0	0	17,200	17,200	0	10.00%	0
347	Miscellaneous Equipment	3,975	0	0	3,975	3,975	0	10.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	10.00%	0
	Subtotal	\$955,673	\$5,982	\$0	\$961,655	\$778,633	\$183,022		\$19,087

Contribution(s) in Aid of Construction (Gross)	\$34,020
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$34,020
Times: Proposed Amortization Rate	10.43%
Amortization of CIAC	\$3,548

Less: Amortization of CIAC \$3,548

DEPRECIATION EXPENSE \$15,539

Chino Meadows II 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)
<b>Account No.</b>	<b>Current and Accrued Assets</b>			
131	Cash		\$80,081	\$51,538
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		33,757	57,818
146	Notes Receivable from Associated Companies		343	3,303
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		4,361	4,361
	<b>Total Current and Accrued Assets</b>		<b>\$118,542</b>	<b>\$117,020</b>
<b>Account No.</b>	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$955,671	\$961,655
103	Property Held for Future Use		4,414	4,414
105	Construction Work in Progress		31,794	31,794
108	Accumulated Depreciation (enter as negative)*		(762,214)	(598,306)
121	Non-Utility Property		1,847	1,847
122	Accumulated Depreciation - Non Utility		(41,935)	(41,935)
	<b>Total Fixed Assets</b>		<b>\$189,577</b>	<b>\$359,470</b>
	<b>Total Assets</b>		<b>\$308,119</b>	<b>\$476,489</b>

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

Chino Meadows II 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		\$379	\$0
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		237	1,437
235	Customer Deposits		18,996	17,334
236	Accrued Taxes		(11,465)	(15,958)
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		19,866	19,222
	<b>Total Current Liabilities</b>		<b>\$28,013</b>	<b>\$22,035</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$0	\$44,711
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		(4,104)	(4,104)
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		34,020	34,020
272	Less: Amortization of Contributions		(8,440)	(8,440)
281	Accumulated Deferred Income Tax		0	0
	<b>Total Deferred Credits</b>		<b>\$21,476</b>	<b>\$21,476</b>
	<b>Total Liabilities</b>		<b>\$49,489</b>	<b>\$88,222</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$8,597	\$8,597
211	Other Paid-In Capital		106,775	106,775
215	Retained Earnings		208,557	315,997
218	Proprietary Capital (Sole Props and Partnerships)		(65,297)	(43,102)
	<b>Total Capital</b>		<b>\$258,632</b>	<b>\$388,267</b>
	<b>Total Liabilities and Capital</b>		<b>\$308,121</b>	<b>\$476,489</b>

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

Chino Meadows II 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
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$422,832	\$407,281
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	451	453
471	Miscellaneous Service Revenues	0	(336)
474	Other Water Revenue	6,811	7,788
	<b>Total Revenues</b>	<b>\$430,094</b>	<b>\$415,186</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$186,402	\$191,650
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	25,704	24,876
618	Chemicals	2,971	1,493
620	Materials and Supplies	38,662	31,062
620.1	Repairs and Maintenance	450	825
620.2	Office Supplies and Expense	32,554	35,315
630	Contractual Services	5,492	5,154
631	Contractual Services - Engineering	2,200	2,458
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	924	4,923
636	Contractual Services - Other	22,907	30,158
640	Rents	0	0
641	Rental of Building/Real Property	17,127	21,252
642	Rental of Equipment	0	0
650	Transportation Expenses	23,509	21,252
657	Insurance - General Liability	24,363	11,705
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	412	424
670	Bad Debt Expense	2,608	2,278
675	Miscellaneous Expense	11,308	14,921
403	Depreciation Expense (From Schedule AR4)	15,539	20,464
408	Taxes Other Than Income	0	0
408.11	Property Taxes	14,047	15,011
409	Income Taxes	3	2,165
427.1	Customer Security Deposit Interest	353	517
	<b>Total Operating Expenses</b>	<b>\$427,532</b>	<b>\$437,903</b>
	<b>Operating Income / (Loss)</b>	<b>\$2,562</b>	<b>(\$22,717)</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	(179)
	<b>Total Other Income / (Expense)</b>	<b>\$0</b>	<b>(\$179)</b>
	<b>Net Income / (Loss)</b>	<b>\$2,562</b>	<b>(\$22,896)</b>



Chino Meadows II Water Company  
 Annual Report  
 Full time equivalent employees  
 12/31/23

**Full time equivalent employees**

	Direct Company	Allocated	Outside service	Total
President	0.4	0.0	0.0	0.4
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	2.0	0.0	0.0	2.0
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.0	0.0	0.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	2.0	0.0	0.0	2.0
Other	0.0	0.0	0.0	0.0
<b>Total</b>	4.4	0.0	0.0	4.4

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	None	None	None	None
Source of Loan	None	None	None	None
ACC Decision No.	None	None	None	None
Reason for Loan	None	None	None	None
Dollar Amt. Issued	None	None	None	None
Amount Outstanding	None	None	None	None
Date of Maturity	None	None	None	None
Interest Rate	None	None	None	None
Current Year Interest	None	None	None	None
Current Year Principal	None	None	None	None

Meter Deposit Balance at Test Year End:	\$0
---	-----

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)**

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

<b>TREATMENT EQUIPMENT:</b>	(2) Chlorination Pump System
<b>STRUCTURES:</b>	(1) Shop Building Quonset Metal Building 26x38 (2) Well House structures 8x8 and 6x15 (1) Application shed: wood 8x8 (2) Pump/ Pressure tank Building wood 10x12 and block 16x20 (1) storage building block 20x20
<b>OTHER:</b>	n/a

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 154  
 Method used: (a)

Customer and Other Information	
Name of the System:	CHINO MEADOWS II WATER CO
ADEQ Public Water System Number:	AZ0413079
ADWR PCC Number:	91-000654.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	1,006	0	0	0	0
February	1,021	0	0	0	0
March	1,011	0	0	0	0
April	1,016	0	0	0	0
May	1,017	0	0	0	0
June	1,026	0	0	0	0
July	1,020	0	0	0	0
August	1,023	0	0	0	0
September	1,012	0	0	0	0
October	1,019	0	0	0	0
November	1,025	0	0	0	0
December	1,038	0	0	0	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 (GCPCPD) requirement?   
 If yes, provide the GCPCPD 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.

Chino Meadows II Water Company  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	CHINO MEADOWS II WATER CO
ADEQ Public Water System Number:	AZ0413079
ADWR PCC Number:	91-000654.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	4	0
February	0	6	0
March	0	7	0
April	0	3	0
May	0	10	0
June	0	28	0
July	0	8	0
August	0	40	0
September	0	1	0
October	0	0	0
November	0	0	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>107</b>	<b>0</b>

Other (description):

N/A

**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.

Chino Meadows II Water Company  
Annual Report  
Property Taxes  
12/31/23

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2023 was	\$14,047

If no property taxes paid, explain why.  
N/A

**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): Yavapai  
Name (owner or official) title: Dewey J Levie (Secretary & Treasure)  
Company name: Chino Meadows II Water Company

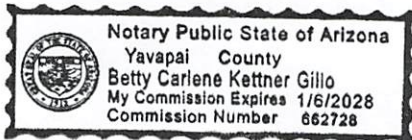
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

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]  
signature of owner/official

928-717-2616  
telephone no.

State of Arizona

Before me Betty Carlene Kettner Gillo in this day personally appeared Dewey J Levie.

County of Yavapai Who is personally know to me Betty Carlene Kettner Gillo

proved to me on the oath of (a credible witness) (only if allowed in your state) or through Description of identity card or another document) to be the person. Whose name is subscribed to the forgoing instrument and who acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand as seal of office this 13 day of

May A.D. 2024.

Betty Carlene Kettner Gillo  
(Signature of Notary)

Betty Carlene Kettner Gillo Name of Notary

Notary Public, State of Arizona