

ANNUAL REPORT

Of

Company Name: Gadsden Water Company, Inc.
PO Box 519

Mailing Address: Somerton AZ
85350

Docket No.: W-02205A
For the Year Ended: 12/31/23

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ARIZONA CORPORATION COMMISSION

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: 4/7/2024

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Gadsden Water Company, Inc.
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:

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

Yes	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.
	The company sold the land, property improvements and most equipment to Cactus State Utility Operating Company, LLC effective October 31, 2023. The company wrapped up operations and closed the company effective December 31, 2023.

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	\$1,221	\$0	\$1,221	\$0	\$0	\$0
302	Franchises	0	0	\$0	0	0	0
303	Land and Land Rights	3,500	0	\$3,500	0	0	0
304	Structures and Improvements	1,428	0	\$1,428	0	0	0
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	12,754	0	\$12,754	0	0	0
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	6,380	0	\$6,380	0	0	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	3,749	0	\$3,749	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	11,746	25,000	\$36,746	0	0	0
330.2	Pressure Tanks	768	0	\$768	0	0	0
331	Transmission and Distribution Mains	9,373	0	\$9,373	0	0	0
333	Services	0	0	\$0	0	0	0
334	Meters and Meter Installations	9,350	0	\$9,350	0	0	0
335	Hydrants	1,239	0	\$1,239	0	0	0
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	1,910	0	\$1,910	0	0	0
341	Transportation Equipment	18,833	0	\$18,833	0	0	0
342	Stores Equipment	0	0	\$0	0	0	0
343	Tools, Shop and Garage Equipment	1,556	0	\$1,556	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	5,300	0	\$5,300	0	0	0
348	Other Tangible Plant	0	0	\$0	0	0	0
	Totals	\$89,107	\$25,000	\$114,107	\$0	\$0	\$0

Gadsden Water Company, Inc.
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	\$1,221	\$0	\$1,221	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	3,500	0	3,500	0	0	0	0.00%	0
304	Structures and Improvements	1,428	0	1,428	0	0	0	0.38%	13
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	12,754	0	12,754	0	0	0	0.00%	0
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	6,380	0	6,380	0	0	0	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	3,749	0	3,749	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	11,746	25,000	36,746	0	0	0	6.23%	213
330.2	Pressure Tanks	768	0	768	0	0	0	0.00%	0
331	Transmission and Distribution Mains	9,373	0	9,373	0	0	0	0.00%	0
333	Services	0	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	9,350	0	9,350	0	0	0	5.53%	189
335	Hydrants	1,239	0	1,239	0	0	0	0.61%	21
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	1,910	0	1,910	0	0	0	0.00%	0
341	Transportation Equipment	18,833	0	18,833	0	0	0	78.65%	2,689
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,556	0	1,556	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	5,300	0	5,300	0	0	0	8.60%	294
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$89,107	\$25,000	\$114,107	\$0	\$0	\$0		\$3,419

Contribution(s) in Aid of Construction (Gross) \$0
Less: Non Amortizable Contribution(s) 0
Fully Amortized Contribution(s) 0
Amortizable Contribution(s) \$0
Times: Proposed Amortization Rate 0.00%
Amortization of CIAC \$0

Less: Amortization of CIAC: \$0

DEPRECIATION EXPENSE: \$3,419

Gadsden Water Company, Inc.
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		\$72,977	\$0
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		414	0
146	Notes Receivable from Associated Companies		0	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		\$73,391	\$0
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$89,107	\$0
103	Property Held for Future Use		0	0
105	Construction Work in Progress		1,067	0
108	Accumulated Depreciation (enter as negative)*		(77,428)	0
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$12,746	\$0
	Total Assets		\$86,137	\$0

*Note these items feed automatically from AR3 UPIS Page 4

Gadsden Water Company, Inc.
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		\$3,921	\$0
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		241	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		100,534	0
	Total Current Liabilities		\$104,696	\$0
	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		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$104,696	\$0
	Capital Accounts			
201	Common Stock Issued		\$50,000	\$0
211	Other Paid-In Capital		(42,373)	0
215	Retained Earnings		(26,186)	0
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$18,559)	\$0
	Total Liabilities and Capital		\$86,137	\$0

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

Gadsden Water Company, Inc.
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	\$37,123	\$44,973
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	440	1,395
474	Other Water Revenue	0	0
	Total Revenues	\$37,563	\$46,368
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	5,962	5,491
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	1,826	11,198
620.2	Office Supplies and Expense	3,395	3,539
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	4,400	2,300
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	1,303	1,448
636	Contractual Services - Other	21,712	17,469
640	Rents	3,466	5,592
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	292	301
657	Insurance - General Liability	778	1,090
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	3,419	5,049
408	Taxes Other Than Income	0	0
408.11	Property Taxes	2,040	1,919
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$48,593	\$55,396
	Operating Income / (Loss)	(\$11,030)	(\$9,028)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	116,672	0
426	Miscellaneous Non-Utility (Expense)	0	(75)
427	Interest (Expense)	0	(48)
	Total Other Income / (Expense)	\$116,672	(\$123)
	Net Income / (Loss)	\$105,642	(\$9,151)

Gadsden Water Company, Inc.
Annual Report
Full time equivalent employees
12/31/23

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
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)	0.0	0.0	0.0	0.0
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	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	NA	NA	NA	NA
Source of Loan	NA	NA	NA	NA
ACC Decision No.	NA	NA	NA	NA
Reason for Loan	NA	NA	NA	NA
Dollar Amt. Issued	NA	NA	NA	NA
Amount Outstanding	NA	NA	NA	NA
Date of Maturity	NA	NA	NA	NA
Interest Rate	NA	NA	NA	NA
Current Year Interest	NA	NA	NA	NA
Current Year Principal	NA	NA	NA	NA

Meter Deposit Balance at Test Year End:	NA
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Meter Deposits Refunded During the Test Year:	NA
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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.

TREATMENT EQUIPMENT:	Sentry 1 Chlorinator
STRUCTURES:	8'x12' Storage Shed; 8'x10' Cantra Shed
OTHER:	none

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	358
Method used:	(a)

Customer and Other Information	
Name of the System:	GADSDEN WC
ADEQ Public Water System Number:	AZ0414037
ADWR PCC Number:	91-000719.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	184	0	14	0	0
February	184	0	14	0	0
March	184	0	14	0	0
April	184	0	14	0	0
May	184	0	14	0	0
June	184	0	14	0	0
July	184	0	14	0	0
August	185	0	14	0	0
September	185	0	12	0	0
October	185	0	12	0	0
November	0	0	0	0	0
December	0	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 (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.

None

* an ERC is based on the calculation on the bottom of AR9 page 12.

Gadsden Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	GADSDEN WC
ADEQ Public Water System Number:	AZ0414037
ADWR PCC Number:	91-000719.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	7	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	1	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	8	0

Other (description):

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.

Gadsden Water Company, Inc.
Annual Report
Property Taxes
12/31/23

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2023 was	\$2,040

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): Yuma
Name (owner or official) title: Linda Deere, Secretary
Company name: Gadsden Water Company, Inc.

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 of owner/official

928-344-4222

telephone no.

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COMMISSION