

ANNUAL REPORT

Of

Company Name:

Granite Oaks Water Users Association PO Box 1963

Mailing Address: Prescott AZ
86302

Docket No.: W-02539A
For the Year Ended:

12/31/25

RECEIVED BY EMAIL
4/3/2026, 2:29 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:

4/3/2026

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Granite Oaks Water Users Association
A Class ☒ Utility

For the Calendar Year Ended: 12/31/25

Primary Address:

302 W. WILLIS STREET; SUITE 203			
City:	PRESCOTT	State:	Arizona
Zip Code:	86301		

Telephone Number:

928-445-05551

Date of Original Organization of Utility:

7/12/1989

Person to whom correspondence should be addressed concerning this report:

Name:

CHERYL IBBOTSON

Telephone No. :

928-445-5606

Address:

302 W. WILLIS STREET; SUITE 203			
City:	PRESCOTT	State:	Arizona
Zip Code:	86301		

Email:

graniteoakswateraz@gmail.com

On-Site Manager
Name:

a Quality Water Company, LLC

Telephone No. :

928-606-0498

Address:

PO BOX 264			
City:	WILLIAMS	State:	Arizona
Zip Code:	86046		

Email:

pataqualitywater@gmail.com

Statutory Agent
Name:

ROBERT BUSCH

Telephone No. :

928-713-0548

Address:

302 W. WILLIS STREET; SUITE 203			
City:	PRESCOTT	State:	Arizona
Zip Code:	86301		

Email:

rmbusch1@gmail.cpm

NA
Name:

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Telephone No. :

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Address:

City:		State:	Arizona
Zip Code:			

Email:

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NA
Name:

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Telephone No. :

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Address:

City:		State:	Arizona
Zip Code:			

Email:

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Ownership:

Association--Cooperative

Counties Served:

Yavapai

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Granite Oaks Water Users Association

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?
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	If yes, please provide specific details in the box below.
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No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
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	If yes, please provide specific details in the box below.
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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	\$12,478	\$0	\$0	\$12,478	\$6,994	\$5,484
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	68,068	0	0	68,068	0	68,068
304	Structures and Improvements	96,135	5,020	0	101,155	67,930	33,225
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	188,378	0	0	188,378	72,468	115,910
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	82,401	0	0	82,401	13,368	69,033
311	Pumping Equipment	245,420	0	0	245,420	101,961	143,459
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	8,266	0	0	8,266	6,421	1,845
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	313,341	0	0	313,341	26,854	286,487
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	729,369	0	0	729,369	372,350	357,019
333	Services	36,793	0	0	36,793	21,825	14,968
334	Meters and Meter Installations	124,292	1,138	0	125,430	59,644	65,786
335	Hydrants	87,640	0	0	87,640	34,029	53,611
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	167,448	0	0	167,448	100,431	67,017
340	Office Furniture and Equipment	20,008	0	0	20,008	11,563	8,445
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	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	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$2,180,037	\$6,158	\$0	\$2,186,195	\$895,838	\$1,290,357

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	\$12,478	\$0	\$0	\$12,478	\$0	\$12,478		\$250
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	68,068	0	0	68,068	0	68,068	0.00%	0
304	Structures and Improvements	96,135	5,020	0	101,155	0	101,155	3.33%	6,079
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	188,378	0	0	188,378	0	188,378	3.33%	8,625
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	82,401	0	0	82,401	0	82,401	5.00%	5,171
311	Pumping Equipment	245,420	0	0	245,420	0	245,420	12.50%	9,199
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	8,266	0	0	8,266	0	8,266	3.33%	509
320.2	Solution Chemical Feeders	0	0	0	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	313,341	0	0	313,341	0	313,341	2.22%	6,963
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	729,369	0	0	729,369	0	729,369	2.00%	14,591
333	Services	36,793	0	0	36,793	0	36,793	3.33%	979
334	Meters and Meter Installations	124,292	1,138	0	125,430	0	125,430	8.33%	10,412
335	Hydrants	87,640	0	0	87,640	0	87,640	2.00%	1,753
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	167,448	0	0	167,448	0	167,448	6.67%	11,163
340	Office Furniture and Equipment	20,008	0	0	20,008	0	20,008	6.67%	1,334
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	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	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$2,180,037	\$6,158	\$0	\$2,186,195	\$0	\$2,186,195		\$77,028

Contribution(s) in Aid of Construction (Gross)	\$804,118
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$804,118
Times: Proposed Amortization Rate	3.52%
Amortization of CIAC	\$28,332

Less: Amortization of CIAC **\$28,332**

DEPRECIATION EXPENSE \$48,696

Granite Oaks Water Users Association
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		\$213,054	\$237,381
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		15,036	15,098
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$228,090	\$252,479
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$2,180,037	\$2,186,195
103	Property Held for Future Use			
105	Construction Work in Progress		23,144	
108	Accumulated Depreciation (enter as negative)*		(818,809)	(895,838)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$1,384,372	\$1,290,357
	Total Assets		\$1,612,462	\$1,542,836

*Note these items feed automatically from AR3 UPIS Page 4

Granite Oaks Water Users Association
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		\$20,972	\$12,747
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		1,480	1,483
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$22,452	\$14,231
	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		3,312	3,873
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		794,803	804,118
272	Less: Amortization of Contributions		(426,207)	(454,539)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$371,908	\$353,452
	Total Liabilities		\$394,360	\$367,683
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		1,218,102	1,175,152
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$1,218,102	\$1,175,152
	Total Liabilities and Capital		\$1,612,462	\$1,542,835

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

Granite Oaks Water Users Association
Annual Report
Water Comparative Income Statement
12/31/25

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	\$266,126	\$259,781
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	1,921	1,739
	Total Revenues	\$268,047	\$261,520
	Operating Expenses		
601	Salaries and Wages	\$14,901	\$14,902
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	37,341	36,376
618	Chemicals	3,487	1,174
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	18,353	18,159
620.2	Office Supplies and Expense	10,628	10,802
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	31,721	35,217
633	Contractual Services - Legal	31,761	25,884
634	Contractual Services - Management Fees	62,010	63,935
635	Contractual Services - Water Testing	2,343	2,923
636	Contractual Services - Other	29,822	4,491
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	14,019	13,107
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	4,000	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	48,696	46,374
408	Taxes Other Than Income	0	0
408.11	Property Taxes	7,366	7,276
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$316,447	\$280,620
	Operating Income / (Loss)	(\$48,400)	(\$19,100)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$5,281	\$0
421	Non-Utility Income	179	4,372
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(8)	0
	Total Other Income / (Expense)	\$5,452	\$4,372
	Net Income / (Loss)	(\$42,948)	(\$14,728)

Full time equivalent employees

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

Granite Oaks Water Users Association
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	N/A	N/A	N/A	N/A
Source of Loan	N/A	N/A	N/A	N/A
ACC Decision No.	N/A	N/A	N/A	N/A
Reason for Loan	N/A	N/A	N/A	N/A
Dollar Amt. Issued	N/A	N/A	N/A	N/A
Amount Outstanding	N/A	N/A	N/A	N/A
Date of Maturity	N/A	N/A	N/A	N/A
Interest Rate	N/A	N/A	N/A	N/A
Current Year Interest	N/A	N/A	N/A	N/A
Current Year Principal	N/A	N/A	N/A	N/A

Meter Deposit Balance at Test Year End:	\$3,873
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Meter Deposits Refunded During the Test Year:	\$480
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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.

[illegible]

Name of system water delivered to:	GRANITE OAKS WATER USERS ASSOC		
ADWR PCC Number:	91-000675.0000		
Source of water delivered to another system	NA		

Name of system water received from:	GRANITE OAKS WATER USERS ASSOC	
ADWR PCC Number:	91-000675.0000	
Source of water received	NA	
Well registry 55# (55-XXXXXX):		

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	2,833,623.00	2,650,148.00				\$2,151	11,571
February	4,608,038.00	4,376,196.00				2,131	11,215
March	4,504,413.00	4,369,335.00				2,874	12,433
April	6,700,361.00	6,501,871.00				3,189	18,965
May	8,454,747.00	8,030,840.00				4,164	23,789
June	8,307,695.00	7,973,829.00				3,855	28,264
July	8,036,577.00	7,649,433.00				3,788	32,224
August	6,245,633.00	5,961,820.00				4,021	29,058
September	5,121,156.00	4,737,070.00				3,299	22,686
October	2,910,665.00	2,667,940.00				3,185	20,259
November	3,129,838.00	2,735,760.00				2,575	16,370
December	3,027,293.00	2,698,000.00				2,149	12,506
Totals	63,880,039.00	60,352,242.00	0.00	0.00	0.00	\$37,383	239,340

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:		GRANITE OAKS WATER USERS ASSOC	
ADEQ Public Water System Number:		AZ0413155	
ADWR PCC Number:		91-000675.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	PVC C900	5,850
6.00	PVC C900	57,997
8.00	PVC C900	4,532
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	

SERVICE LINES		
Material	Percent of system	Year installed
NA		
NA		
NA		
NA		
NA		

BOOSTER PUMPS		
Horsepower	GPM	Quantity
15	230	2
25	450	2

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
100,000	METAL	2	
84,000	METAL	1	

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	471	0%	0%
1	8	0%	0%
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			

FIRE HYDRANTS	
Type	Quantity
Standard *	55
Other	

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

* 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:	UTILITY, PLANT, PUMPS AND INFRASTRUCTURE
STRUCTURES:	PUMP HOUSES, FENCING AND LANDSCAPING
OTHER:	GENERATORS, OTHER CAPITAL EQUIPMENT

Customer and Other Information	
Name of the System:	GRANITE OAKS WATER USERS ASSOC
ADEQ Public Water System Number:	AZ0413155
ADWR PCC Number:	91-000675.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	470	0	0	0	0
February	472	0	0	0	0
March	473	0	0	0	0
April	472	0	0	0	0
May	475	0	0	0	0
June	474	0	0	0	0
July	476	0	0	0	0
August	474	0	0	0	0
September	478	0	0	0	0
October	479	0	0	0	0
November	477	0	0	0	0
December	476	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?

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

Granite Oaks Water Users Association
Annual Report
 Utility Shutoffs / Disconnects
 12/31/25

Utility Shutoffs / Disconnects	
Name of the System:	GRANITE OAKS WATER USERS ASSOC
ADEQ Public Water System Number:	AZ0413155
ADWR PCC Number:	91-000675.0000

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	1	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	1	0
November	0	0	0
December	0	0	0
Total	0	2	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.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2025 was
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\$7,321

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:

KEN NELSON; PRESIDENT

Company name:

Granite Oaks Water Users Association

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

FOR THE YEAR ENDING:

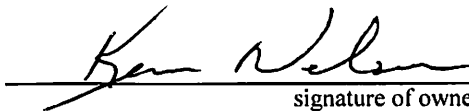
12/31/25

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

928-925-6480

telephone no.