

ANNUAL REPORT

Of

Company Name: MWC, Inc.
PO Box 154

Mailing Address: McNeal AZ
85617

Docket No.: W-02658A
For the Year Ended: 12/31/24

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: 7/1/2025

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
MWC, Inc.

A Class Utility

For the Calendar Year Ended: 12/31/24

Primary Address:

PO Box 154

City:

McNeal

 State:

Arizona

 Zip Code:

85617

Telephone Number:

520-405-9368

Date of Original Organization of Utility:

1/1/1998

Person to whom correspondence should be addressed concerning this report:

Name:

Neil Petersen

Telephone No. :

520-405-9368

Address:

PO Box 154

City:

McNeal

 State:

Arizona

 Zip Code:

85617

Email:

mwc@vtc.net

NA

Name:

none

Telephone No. :

none

Address:

none

City:

none

 State:

none

 Zip Code:

none

Email:

none

NA

Name:

none

Telephone No. :

none

Address:

none

City:

none

 State:

none

 Zip Code:

none

Email:

none

NA

Name:

none

Telephone No. :

none

Address:

none

City:

none

 State:

none

 Zip Code:

none

Email:

none

NA

Name:

none

Telephone No. :

none

Address:

none

City:

none

 State:

none

 Zip Code:

none

Email:

none

Ownership:

Proprietorship

Counties Served:

Cochise

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?
	If yes, please provide specific details in the box below.

Yes	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.
	There is an ADEQ consent decree in place to ensure the system will complete the installation of an 8,000 gallon storage tank.

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	1,325	0	0	1,325	0	1,325
304	Structures and Improvements	620	0	0	620	109	511
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	15,137	0	0	15,137	15,137	0
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	1,935	0	0	1,935	390	1,545
311	Pumping Equipment	4,500	0	0	4,500	3,938	563
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	185	0	0	185	92	93
320.2	Solution Chemical Feeders	1,037	0	0	1,037	587	450
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	0	0	0	0	0	0
330.2	Pressure Tanks	6,647	0	0	6,647	6,647	0
331	Transmission and Distribution Mains	13,990	0	0	13,990	12,421	1,569
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	1,277	0	0	1,277	756	521
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	875	0	0	875	409	466
340	Office Furniture and Equipment	1,518	0	0	1,518	1,215	303
340.1	Computer & Software	1,670	941	0	2,611	1,221	1,390
341	Transportation Equipment	1,700	0	0	1,700	1,700	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	2,962	0	0	2,962	724	2,238
344	Laboratory Equipment	107	0	0	107	0	107
345	Power Operated Equipment	19,272	0	0	19,272	3,513	15,759
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	184	0	0	184	184	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$74,941	\$941	\$0	\$75,882	\$49,044	\$26,839

MWC, Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/24

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	1,325	0	0	1,325	0	1,325	0.00%	0
304	Structures and Improvements	620	0	0	620	0	620	3.33%	21
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	15,137	0	0	15,137	15,137	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	1,935	0	0	1,935	0	1,935	5.00%	97
311	Pumping Equipment	4,500	0	0	4,500	0	4,500	12.50%	563
320	Water Treatment Equipment	0	0	0	0	0	0	20.00%	0
320.1	Water Treatment Plants	185	0	0	185	0	185	3.33%	6
320.2	Solution Chemical Feeders	1,037	0	0	1,037	0	1,037	20.00%	207
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	0	0	0	0	0	0	2.22%	0
330.2	Pressure Tanks	6,647	0	0	6,647	6,647	0	0.00%	0
331	Transmission and Distribution Mains	13,990	0	0	13,990	12,086	1,904	0.00%	0
333	Services	0	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	1,277	0	0	1,277	632	645	8.33%	54
335	Hydrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	875	0	0	875	0	875	6.67%	58
340	Office Furniture and Equipment	1,518	0	0	1,518	0	1,518	6.67%	101
340.1	Computer & Software	1,670	941	0	2,611	573	2,038	20.00%	314
341	Transportation Equipment	1,700	0	0	1,700	1,700	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	2,962	0	0	2,962	0	2,962	5.00%	148
344	Laboratory Equipment	107	0	0	107	107	0	10.00%	0
345	Power Operated Equipment	19,272	0	0	19,272	0	19,272	5.00%	964
346	Communication Equipment	0	0	0	0	0	0	10.00%	0
347	Miscellaneous Equipment	184	0	0	184	184	0	10.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$74,941	\$941	\$0	\$75,882	\$37,066	\$38,816		\$2,532

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$0</u>
Times: Proposed Amortization Rate	6.52%
Amortization of CIAC	\$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE **\$2,532**

MWC, Inc.
Annual Report
Balance Sheet Assets
12/31/24

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
Account No.	Current and Accrued Assets			
131	Cash		\$5,062	\$4,350
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		856	1,047
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		6,326	6,457
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$12,244	\$11,853
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$74,941	\$75,882
103	Property Held for Future Use		0	0
105	Construction Work in Progress		15,000	15,000
108	Accumulated Depreciation (enter as negative)*		(46,553)	(49,044)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$43,388	\$41,839
	Total Assets		\$55,633	\$53,692

*Note these items feed automatically from AR3 UPIS Page 4

MWC, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
Account No.	Current Liabilities			
231	Accounts Payable		\$0	\$0
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		1,080	1,150
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$1,080	\$1,150
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$8,973	\$8,973
	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		\$10,053	\$10,123
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		0	0
218	Proprietary Capital (Sole Props and Partnerships)		45,580	43,569
	Total Capital		\$45,580	\$43,569
	Total Liabilities and Capital		\$55,633	\$53,692

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

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2024 - 12/31/2024	Last Year 01/01/2023 - 12/31/2023
	Operating Revenue		
461	Metered Water Revenue	\$10,610	\$11,892
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	40	160
474	Other Water Revenue	0	627
	Total Revenues	\$10,650	\$12,679
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	1,923	2,191
618	Chemicals	0	37
620	Materials and Supplies	131	1,452
620.1	Repairs and Maintenance	547	724
620.2	Office Supplies and Expense	3,088	2,359
630	Contractual Services	2,244	1,064
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	472	369
636	Contractual Services - Other	597	634
640	Rents	0	0
641	Rental of Building/Real Property	0	308
642	Rental of Equipment	0	142
650	Transportation Expenses	2,546	4,863
657	Insurance - General Liability	2,096	2,018
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	332
403	Depreciation Expense (From Schedule AR4)	2,532	2,823
408	Taxes Other Than Income	0	627
408.11	Property Taxes	527	523
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	109	65
	Total Operating Expenses	\$16,812	\$20,529
	Operating Income / (Loss)	(\$6,162)	(\$7,850)
	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)	(\$6,162)	(\$7,850)

MWC, Inc.
Annual Report
Full time equivalent employees
12/31/24

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	0.2	0.0	0.0	0.2
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.2	0.0	0.0	0.2
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	0.4	0.0	0.0	0.4

MWC, Inc.
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/24

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	5/29/2003	none	none	none
Source of Loan	Petersen Trust	none	none	none
ACC Decision No.	TBD	none	none	none
Reason for Loan	Low Bank Balance	none	none	none
Dollar Amt. Issued	\$8,973	none	none	none
Amount Outstanding	\$8,973	none	none	none
Date of Maturity	none	none	none	none
Interest Rate	0.00%	none	none	none
Current Year Interest	\$0	none	none	none
Current Year Principal	\$0	none	none	none

Meter Deposit Balance at Test Year End:	\$1,150
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Meter Deposits Refunded During the Test Year:	\$421
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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:	MCNEAL WC	
ADWR PCC Number:	91-000037.0000	
Source of water delivered to another system	NA	

Name of system water received from:	MCNEAL WC		
ADWR PCC Number:	91-000037.0000		
Source of water received	NA		
Well registry 55# (55-XXXXXX):	none		

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)
January	81,529.00	74,960.00	0.00	0.00	15.00	\$125	456
February	151,926.00	144,420.00	0.00	0.00	25.00	147	563
March	113,447.00	108,150.00	0.00	0.00	40.00	154	677
April	200,214.00	199,600.00	0.00	0.00	19.00	144	590
May	202,181.00	198,850.00	0.00	0.00	27.00	150	591
June	169,466.00	157,980.00	0.00	0.00	15.00	186	773
July	148,790.00	144,850.00	0.00	0.00	50.00	185	894
August	180,561.00	167,240.00	0.00	0.00	20.00	164	761
September	121,378.00	113,230.00	0.00	0.00	37.00	176	843
October	102,765.00	100,160.00	0.00	0.00	17.00	189	956
November	79,245.00	72,408.00	0.00	0.00	10.00	166	732
December	63,174.00	58,652.00	0.00	0.00	13.00	137	416
Totals	1,614,676.00	1,540,500.00	0.00	0.00	288.00	\$1,923	8,252

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:	MCNEAL WC		
ADEQ Public Water System Number:	AZ0402016		
ADWR PCC Number:	91-000037.0000		

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MAINS		
Sizes (inches)	Material	Length (feet)
1.00	PVC	187
2.00	PVC	2,500
3.00	PVC, Steel	10,500
4.00	Ductile Iron	2,000
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	33	0%	87%
NA	none	none	none
NA	none	none	none
NA	none	none	none
NA	none	none	none
NA	none	none	none
NA	none	none	none
NA	none	none	none
NA	none	none	none
NA	none	none	none
NA	none	none	none
NA	none	none	none
NA	none	none	none
NA	none	none	none
NA	none	none	none

SERVICE LINES			
Material	Percent of system	Year installed	
PVC	100%	1980	
NA	none	none	
NA	none	none	
NA	none	none	
NA	none	none	

BOOSTER PUMPS		
Horsepower	GPM	Quantity
NA	0	0
NA	0	0
NA	0	0
NA	0	0

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	4

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
none	none	none	none
none	none	none	none
none	none	none	none
none	none	none	none
none	none	none	none
none	none	none	none

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
1,120	Steel	1	1956
none	none	none	none
none	none	none	none
none	none	none	none
none	none	none	none
none	none	none	none

* 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:	Stenner peristaltic chlorination pump (not currently in service)
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STRUCTURES:	4'x8' shed
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OTHER:	Chain link fence & gates
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Customer and Other Information		
Name of the System:	MCNEAL WC	
ADEQ Public Water System Number:	AZ0402016	
ADWR PCC Number:	91-000037.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	26	0	1	0	0
February	26	0	1	0	0
March	26	0	1	0	0
April	25	0	1	0	0
May	25	0	1	0	0
June	24	0	1	0	0
July	23	0	1	0	0
August	23	0	1	0	0
September	23	0	1	0	0
October	23	0	1	0	0
November	23	0	1	0	0
December	23	0	1	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.

Installation of an 8,000 gallon storage tank including pump house, pipes, cutoff valves, check valves, booster pumps, chlorinator, eye wash station, electrical service panel upgrades, drain field, master meter, eletrical control systems, expanded perimeter fencing; estimated project completion date: subject to completion of ACC Emergency Rate Case and receipt of project loan from WIFA or other funding source. Estimated completion date is December, 2025.

MWC, Inc.
Annual Report
Utility Shutoffs / Disconnects
12/31/24

Utility Shutoffs / Disconnects	
Name of the System:	MCNEAL WC
ADEQ Public Water System Number:	AZ0402016
ADWR PCC Number:	91-000037.0000

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	1	0
July	0	0	0
August	0	1	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	2	0

Other (description):

none

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	
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Amount of actual property taxes paid during Calendar Year 2024 was
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\$527

If no property taxes paid, explain why.

none

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.

[illegible]

MWC, Inc.									
Annual Report									
Verification and Certification (Taxes)									
12/31/24									

Verification and Certification (Taxes)

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

County of (county name): Cochise
Name (owner or official) title: Neil Petersen, Trustee, Petersen Trust
Company name: MWC, Inc.

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

FOR THE YEAR ENDING: 12/31/24

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

520-405-9368

telephone no.