

RECEIVED
UTILITIES DIVISION

2019 APR 17 A 8:34

ANNUAL REPORT

Of

Company Name: Mormon Lake Water Co.
PO Box 29041

Mailing Address: Phoenix AZ
85038

Docket No.: W-01472A
For the Year Ended: 12/31/18

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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: 4/10/2019

4-22-19

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Mormon Lake Water Co.
A Class Utility

1. For the Calendar Year Ended:

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

5. Person to whom correspondence should be addressed concerning this report:

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

6. On-Site Manager:

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

7. Ownership:

8. Counties Served:

Mormon Lake Water Co.
Annual Report
Utility Plant in Service (Water)
12/31/18

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
302	Franchises				0		0
303	Land and Land Rights				0		0
304	Structures and Improvements	15,257			15,257	12,801	2,456
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	39,209			39,209	35,844	3,365
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	19,099			19,099	7,978	11,121
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants	12,356			12,356	11,292	1,064
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes				0		0
330.1	Storage Tanks	21,561			21,561	19,393	2,168
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains				0		0
333	Services				0		0
334	Meters and Meter Installations	25,109			25,109	25,109	0
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment	44,817			44,817	43,984	833
340	Office Furniture and Equipment	1,959			1,959	1,959	0
340.1	Computer & Software				0		0
341	Transportation Equipment	9,987			9,987	9,987	0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment				0		0
344	Laboratory Equipment				0		0
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	Totals	\$189,354	\$0	\$0	\$189,354	\$168,347	\$21,007

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.

Mormon Lake Water Co.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/18

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	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0			\$0
302	Franchises	0	0	0	0			0
303	Land and Land Rights	0	0	0	0			0
304	Structures and Improvements	15,257	0	0	15,257		1.82%	278
305	Collecting & Improving Reservoirs	0	0	0	0			0
306	Lake, River, Canal Intakes	0	0	0	0			0
307	Wells and Springs	39,209	0	0	39,209		1.51%	594
308	Infiltration Galleries	0	0	0	0			0
309	Supply Mains	0	0	0	0			0
310	Power Generation Equipment	0	0	0	0			0
311	Pumping Equipment	19,099	0	0	19,099		3.50%	668
320	Water Treatment Equipment	0	0	0	0			0
320.1	Water Treatment Plants	12,356	0	0	12,356		2.67%	330
320.2	Solution Chemical Feeders	0	0	0	0			0
320.3	Point-of-Use Treatment Devices	0	0	0	0			0
330	Distribution Reservoirs and Standpipes	0	0	0	0			0
330.1	Storage Tanks	21,561	0	0	21,561		2.32%	501
330.2	Pressure Tanks	0	0	0	0			0
331	Transmission and Distribution Mains	0	0	0	0			0
333	Services	0	0	0	0			0
334	Meters and Meter Installations	25,109	0	0	25,109		0.00%	0
335	Hydrants	0	0	0	0			0
336	Backflow Prevention Devices	0	0	0	0			0
339	Other Plant and Misc. Equipment	44,817	0	0	44,817		0.08%	38
340	Office Furniture and Equipment	1,959	0	0	1,959		2.67%	52
340.1	Computer & Software	0	0	0	0			0
341	Transportation Equipment	9,987	0	0	9,987		0.00%	0
342	Stores Equipment	0	0	0	0			0
343	Tools, Shop and Garage Equipment	0	0	0	0			0
344	Laboratory Equipment	0	0	0	0			0
345	Power Operated Equipment	0	0	0	0			0
346	Communication Equipment	0	0	0	0			0
347	Miscellaneous Equipment	0	0	0	0			0
348	Other Tangible Plant	0	0	0	0			0
	Subtotal	\$189,354	\$0	\$0	\$189,354	\$0		\$2,461

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

1.30%

\$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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.

Mormon Lake Water Co.
Annual Report
Balance Sheet Assets
12/31/18

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current and Accrued Assets			
131	Cash		\$186,462	\$203,094
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		875	5,870
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$187,337	\$208,964
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$189,354	\$189,354
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(165,887)	(168,347)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$23,467	\$21,007
	Total Assets		\$210,804	\$229,971

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.

*Note these items feed automatically from AR3 UPIS Page 3

Mormon Lake Water Co.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current Liabilities			
231	Accounts Payable		\$952	\$918
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes		4,845	4,762
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		1,626	3,141
	Total Current Liabilities		\$7,423	\$8,821
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)			
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction			
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$7,423	\$8,821
	Capital Accounts			
201	Common Stock Issued		\$100	\$100
211	Other Paid-In Capital		353,518	353,518
215	Retained Earnings		(150,237)	(132,468)
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$203,381	\$221,150
	Total Liabilities and Capital		\$210,804	\$229,971

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.

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

Mormon Lake Water Co.
Annual Report
Water Comparative Income Statement
12/31/18

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	Operating Revenue		
461	Metered Water Revenue	\$68,453	\$70,168
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	194	510
	Total Revenues	\$68,647	\$70,678
	Operating Expenses		
601	Salaries and Wages		
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	3,895	3,910
618	Chemicals	478	744
620	Materials and Supplies		
620.1	Repairs and Maintenance	18,311	22,951
620.2	Office Supplies and Expense	1,263	1,572
630	Contractual Services		
631	Contractual Services -Engineering		
632	Contractual Services - Accounting	10,164	10,164
633	Contractual Services - Legal		
634	Contractual Services - Management Fees	9,850	8,965
635	Contractual Services - Water Testing	336	292
636	Contractual Services - Other		
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment	1	1
650	Transportation Expenses		87
657	Insurance - General Liability		293
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense	184	
675	Miscellaneous Expense	1,575	1,645
403	Depreciation Expense (From Schedule AR4)	2,461	3,588
408	Taxes Other Than Income		23
408.11	Property Taxes	1,837	1,904
409	Income Taxes	756	500
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$51,111	\$56,639
	Operating Income / (Loss)	\$17,536	\$14,039
	Other Income / (Expense)		
419	Interest and Dividend Income		
421	Non-Utility Income	232	233
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		
	Total Other Income / (Expense)	\$232	\$233
	Net Income / (Loss)	\$17,768	\$14,272

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.

Mormon Lake Water Co.
 Annual Report
 Full time equivalent employees
 12/31/18

Full time equivalent employees

	Direct Company	Outside service	Total
President	0.3		0.3
Vice-president			0.0
Manager	0.2		0.2
Engineering Staff	0.2	0.1	0.3
System Operator(s)	0.5		0.5
Meter reader	0.3		0.3
Customer Service	0.4		0.4
Accounting	0.3	0.1	0.4
Business Office	0.3		0.3
Rates Department	0.3		0.3
Administrative Staff	0.3		0.3
Other			0.0
Total	2.8	0.2	3.0

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. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Mormon Lake Water Co.
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/18

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

Meter Deposit Balance at Test Year End:	
---	--

Meter Deposits Refunded During the Test Year:	
---	--

<p><i>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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.</i></p>

Mormon Lake Water Co
Annual Report
Well and Water Usage
12/31/18

Well and Water Usage

[illegible]

Name of system water delivered to:	MORMON LAKE WC	
ADWR PCC Number:	91-000091.0000	
Source of water delivered to another system	Ground Water	

Name of system water received from:		
ADWR PCC Number:		
Source of water received	Ground Water	
Well registry 55# (55-XXXXXX).		

Month	Water withdrawn (acre ft) ¹	Water sold (acre ft) ²	Water delivered (sold) to other systems (acre ft) ³	Water received (purchased) from other systems (acre ft) ⁴	Estimated authorized use (acre ft) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	0	0	N/A	N/A	0	\$213	909
February	0	0	N/A	N/A	0	199	856
March	0	0	N/A	N/A	0	183	795
April	0	0	N/A	N/A	0	207	912
May	1	0	N/A	N/A	1	276	1,251
June	1	1	N/A	N/A	1	363	1,798
July	1	1	N/A	N/A	1	413	2,108
August	1	1	N/A	N/A	1	296	1,424
September	1	1	N/A	N/A	1	318	2,135
October	1	1	N/A	N/A	1	412	1,568
November	0	0	N/A	N/A	0	240	1,160
December	0	0	N/A	N/A	0	224	1,095
Totals	6	4	0	0	6	\$3,344	16,011

If applicable, in the space below please provide a description for all un-metered water use along with amounts:

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.

- 1 Water withdrawn - Total acre feet of water withdrawn from pumped sources.
2 Water sold - Total acre feet from customer meters, and other sales such as construction water.
3 Water delivered (sold) to other systems - Total acre feet of water delivered to other systems.
4 Water received (purchased) from other systems - Total acre feet of water purchased/received from other systems.
5 Estimated authorized use - Total estimated acre feet 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:	MORMON LAKE WC		
ADEQ Public Water System Number:	AZ0403014		
ADWR PCC Number:	91-000091.0000		

MAINS

[illegible]

SERVICE LINES

SERVICE LINES	
Material	Percent of system
Galvanized steel	16%
PVC	17%
Black poly	67%

CUSTOMER METERS

[illegible]

BOOSTER PUMPS

BOOSTER PUMPS		
Horsepower	GPM	Quantity
3	40	1
2	32	2
1	15	2

FIRE HYDRANTS

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS

STORAGE TANKS		
Capacity (gallons)	Material	Quantity
15,000	GALVINIZED STEEL	2
12,000	GALVINIZED STEEL	2

PRESSURE/BLADDER TANKS

PRESSURE/BLADDER TANKS		
Capacity (gallons)	Material	Quantity
40	FIBERGLASS	1
15	STEEL	1
32	FIBERGLASS	1

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. Copy and paste this sheet as many times as is necessary.

* 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)
--

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

TREATMENT EQUIPMENT:	(2) 50 GPM GREEN SAND FILTERS; (1) LIQUID CHOLORINATORS; (1) 50 GPM MULTIMEDIA FILTER
---------------------------------	---

STRUCTURES:	(1) PUMP HOUSE 16' x 20'; (1) PUMP HOUSE 4' x 4'
--------------------	--

OTHER:	GENERATOR 30KW
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Customer and Other Information		
Name of the System:	MORMON LAKE WC	
ADEQ Public Water System Number:	AZ0403014	
ADWR PCC Number:	91-000091.0000	

Month	Number of Customers					Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation		
January	132	N/A	1	N/A		N/A
February	132	N/A	1	N/A		N/A
March	132	N/A	1	N/A		N/A
April	132	N/A	1	N/A		N/A
May	132	N/A	1	N/A		N/A
June	135	N/A	1	N/A		N/A
July	136	N/A	1	N/A		N/A
August	138	N/A	1	N/A		N/A
September	136	N/A	1	N/A		N/A
October	136	N/A	1	N/A		N/A
November	134	N/A	1	N/A		N/A
December	132	N/A	1	N/A		N/A

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?

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. Copy and paste this sheet as many times as is necessary.

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2018 was	\$1,837

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 Sworn Statement (Taxes)

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

County of (county name):

Name (owner or official) title:

Company name:

Maricopa

Scott Gold

Mormon Lake Water Co.

2019 APR 17 A 8:34

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

FOR THE YEAR ENDING:

12/31/18

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.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

[Signature]
signature of owner/official

(480) 998-8888

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

9th

DAY OF

Coconino

(county name)

April

(month) and (year)

2019

MY COMMISSION EXPIRES

Nov 11 2022

(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name):

Maricopa

Coconino

Name (owner or official) title:

Scott Gold

Company name:

Mormon Lake Water Co.

RECEIVED
UTILITIES DIVISION

2019 APR 17 A 8:34

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

FOR THE YEAR ENDING: 12/31/18

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.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

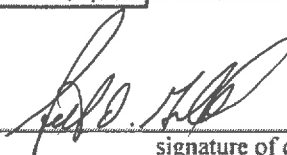
Arizona Intrastate Gross Operating Revenues Only (\$)

\$73,394

(The amount in the box above includes

\$4,747

in sales taxes
billed or collected)



signature of owner/official

(480) 998-8888

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

9th

DAY OF

Coconino

(county name)

April

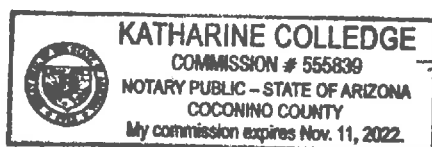
2019

(month) and (year)

MY COMMISSION EXPIRES

Nov 11, 2022

(date)




(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name):

Maricopa Coconino

Name (owner or official) title:

Scott Gold

Company name:

Mormon Lake Water Co.

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

FOR THE YEAR ENDING: 12/31/18

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.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$70,275

(The amount in the box above includes

\$4,747

in sales taxes
billed or collected)

[Signature]
signature of owner/official

(480) 998-8888

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Coconino

(county name)

THIS

9th

DAY OF

April

2019

(month) and (year)

MY COMMISSION EXPIRES

Nov 11 2022

(date)



[Signature]
(signature of notary public)