

ANNUAL REPORT

Of

Company Name:
28784 Stonehenge Dr.

Mailing Address: Chesterfield MI
48047

Docket No.: W-02351A
For the Year Ended:

**RECEIVED
BY EMAIL**

4/14/2020, 02:21 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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:

Application Date:

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Picacho Peak Water Company
A Class Utility

For the Calendar Year Ended: 12/31/19

Primary Address:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

*****update addresses*****
email is bowlintc.com
with a "c" not an "e"

Person to whom correspondence should be addressed concerning this report:

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

Regulatory Contact

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
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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.
	NA

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.
	NA

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
302	Franchises				0		0
303	Land and Land Rights	500			500		500
304	Structures and Improvements	3,158			3,158	2,578	580
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	8,475			8,475	8,475	0
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	61,077	982		62,059	47,725	14,334
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices	62,172	853		63,025	56,791	6,234
330	Distribution Reservoirs and Standpipes	5,181			5,181	288	4,893
330.1	Storage Tanks	42,311			42,311	34,477	7,834
330.2	Pressure Tanks	38,459			38,459	6,275	32,184
331	Transmission and Distribution Mains	59,401			59,401	47,387	12,014
333	Services	450			450	450	0
334	Meters and Meter Installations	7,354			7,354	4,052	3,302
335	Hydrants				0		0
336	Backflow Prevention Devices	10,576			10,576	7,529	3,047
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment				0		0
340.1	Computer & Software				0		0
341	Transportation Equipment				0		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	\$299,114	\$1,835	\$0	\$300,949	\$216,027	\$84,922

Picacho Peak Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/19

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
302	Franchises	0	0	0	0	0	0		0
303	Land and Land Rights	500	0	0	500	500	0	0.00%	0
304	Structures and Improvements	3,158	0	0	3,158		3,158	3.33%	105
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	8,475	0	0	8,475	8,475	0	3.33%	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	61,077	982	0	62,059	34,736	27,323	12.50%	3,354
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	0	0	0	0		0		0
320.3	Point-of-Use Treatment Devices	62,172	853	0	63,025	48,408	14,617	20.00%	2,838
330	Distribution Reservoirs and Standpipes	5,181	0	0	5,181		5,181	2.22%	115
330.1	Storage Tanks	42,311	0	0	42,311		42,311	2.22%	939
330.2	Pressure Tanks	38,459	0	0	38,459		38,459	5.00%	1,923
331	Transmission and Distribution Mains	59,401	0	0	59,401		59,401	2.00%	1,188
333	Services	450	0	0	450	450	0	3.33%	0
334	Meters and Meter Installations	7,354	0	0	7,354	2,940	4,414	8.33%	368
335	Hydrants	0	0	0	0		0		0
336	Backflow Prevention Devices	10,576	0	0	10,576	6,603	3,973	6.67%	265
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	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
	Subtotal	\$299,114	\$1,835	\$0	\$300,949	\$102,112	\$198,837		\$11,095

Contribution(s) in Aid of Construction (Gross)	\$17,405
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$17,405</u>
Times: Proposed Amortization Rate	3.40%
Amortization of CIAC	\$592

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		\$141,069	\$205,730
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		2,872	6,837
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets		10,886	11,593
	Total Current and Accrued Assets		\$154,827	\$224,160
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$299,114	\$300,949
103	Property Held for Future Use		2,360	2,360
105	Construction Work in Progress			1,806
108	Accumulated Depreciation (enter as negative)*		(204,931)	(216,027)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$96,543	\$89,088
	Total Assets		\$251,370	\$313,248

*Note these items feed automatically from AR3 UPIS Page 4

Picacho Peak Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$0	\$548
232	Notes Payable (Current Portion)		1,780	1,847
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes		1,128	543
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities		\$2,908	\$2,938
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$22,341	\$20,494
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		17,405	17,405
272	Less: Amortization of Contributions		(16,548)	(17,140)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$857	\$265
	Total Liabilites		\$26,106	\$23,697
	Capital Accounts			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings		225,264	289,551
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$225,264	\$289,551
	Total Liabilities and Capital		\$251,370	\$313,248

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

Picacho Peak Water Company
Annual Report
Water Comparative Income Statement
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$128,054	\$139,118
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	0	25
	Total Revenues	\$128,054	\$139,143
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits		
610	Purchased Water		8,278
615	Purchased Power	6,539	7,458
618	Chemicals		
620	Materials and Supplies		
620.1	Repairs and Maintenance	3,260	4,216
620.2	Office Supplies and Expense	87	34
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	6,449	10,600
633	Contractual Services - Legal	7,228	3,055
634	Contractual Services - Management Fees	4,255	
635	Contractual Services - Water Testing	1,676	2,019
636	Contractual Services - Other		3,000
640	Rents		60
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability		1,385
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	346	963
403	Depreciation Expense (From Schedule AR4)	10,503	10,117
408	Taxes Other Than Income		
408.11	Property Taxes	4,394	3,560
409	Income Taxes	19,041	3,434
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$63,778	\$58,179
	Operating Income / (Loss)	\$64,276	\$80,964
	Other Income / (Expense)		
419	Interest and Dividend Income	\$869	\$0
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(858)	(1,569)
	Total Other Income / (Expense)	\$11	(\$1,569)
	Net Income / (Loss)	\$64,287	\$79,395

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager				0.0
Engineering Staff				0.0
System Operator(s)				0.0
Meter reader			208.0	208.0
Customer Service				0.0
Accounting			520.0	520.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	728.0	728.0

Picacho Peak Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/19

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	6/23/2010			
Source of Loan	WIFA			
ACC Decision No.	70558			
Reason for Loan	water treatment			
Dollar Amt. Issued	\$76,000			
Amount Outstanding	\$22,341			
Date of Maturity	2/1/2030			
Interest Rate	3.68%			
Current Year Interest	\$856			
Current Year Principal	\$1,780			

Meter Deposit Balance at Test Year End:	\$0
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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)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	11 point of use devices
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STRUCTURES:	NA
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OTHER:	NA
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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 365
- (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

Method used:

Customer and Other Information	
Name of the System:	PICACHO PEAK WATER COMPANY
ADEQ Public Water System Number:	AZ0411038
ADWR PCC Number:	91-000536.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	2	2	8	0	0
February	2	2	8	0	0
March	2	2	8	0	0
April	2	2	8	0	0
May	2	2	8	0	0
June	2	2	8	0	0
July	2	2	8	0	0
August	2	2	8	0	0
September	2	2	8	0	0
October	2	2	8	0	0
November	2	2	8	0	0
December	2	2	8	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.

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

Picacho Peak Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

Utility Shutoffs / Disconnects	
Name of the System:	PICACHO PEAK WATER COMPANY
ADEQ Public Water System Number:	AZ0411038
ADWR PCC Number:	91-000536.0000

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

Other (description):

NA

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 2019 was	\$4,394
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If no property taxes paid, explain why.

na

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 New Mexico I, the undersigned of the
(state name)

County of (county name): Bernalillo
Name (owner or official) title: Bill McCabe, President
Company name: Picacho Peak Water Company

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

FOR THE YEAR ENDING: 12/31/19

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.

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4/14/2020, 02:21 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Bill McCabe, President
signature of owner/official

(5050 266-5985 x222)
telephone no.

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

THIS

14th

DAY OF

Bernalillo
(county name)

April 2020
(month) and (year)

MY COMMISSION EXPIRES

12/15/20
(date)

Nina G. Reate
(signature of notary public)

Verification and Sworn Statement

Verification:

State of New Mexico I, the undersigned of the
(state name)
County of (county name): Bernalillo
Name (owner or official) title: Bill McCabe, President
Company name: Picacho Peak Water Company

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)
\$137,280
(The amount in the box above includes
\$9,266 in sales taxes
billed or collected)

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Bill McCabe, President
signature of owner/official
(5050 266-5985 x222
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Bernalillo
(county name)
THIS 14th DAY OF April, 2020
(month) and (year)
MY COMMISSION EXPIRES 12/15/20
(date)

[Signature]
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

State of New Mexico I, the undersigned of the
(state name)

County of (county name): Bernalillo
Name (owner or official) title: Bill McCabe, President
Company name: Picacho Peak Water Company

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)

\$11,226

(The amount in the box above includes

\$707 in sales taxes
billed or collected)

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Bill McCabe, President
signature of owner/official

(5050 266-5985 x222

telephone no.

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

Bernalillo
(county name)

THIS

14th

DAY OF

April, 2020
(month) and (year)

MY COMMISSION EXPIRES

12/15/20
(date)

Neena Ratz
(signature of notary public)