

**ANNUAL REPORT**

Of

Company Name:

Adaman Mutual Water Company

Mailing Address:

16251 W Glendale Ave Litchfield  
Park, AZ 85340

Docket No.:

W-01997A

For the Year Ended:

12/31/17

**RECEIVED**  
**APR 05 2018**  
ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: [rdefafuente@azcc.gov](mailto:rdefafuente@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:

1/18/2018

4-5-18

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT

0

A Class  Utility

1. For the Calendar Year Ended: 12/31/17

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:

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	\$0.00	\$0
302	Franchises				0	0	0
303	Land and Land Rights				0	0	0
304	Structures and Improvements	10,053			10,053	10,053	0
305	Collecting & Improving Reservoirs	45,548			45,548	45,548	0
306	Lake, River, Canal Intakes					0	0
307	Wells and Springs	496,307			496,307	63,984	432,323
308	Infiltration Galleries					0	0
309	Supply Mains					0	0
310	Power Generation Equipment					0	0
311	Pumping Equipment	87,800			87,800	85,646	2,154
320	Water Treatment Equipment					0	0
320.1	Water Treatment Plants	845,554			845,554	304,437	541,117
320.2	Solution Chemical Feeders				0	0	0
320.3	Point-of-Use Treatment Devices				0	0	0
330	Distribution Reservoirs and Standpipes				0	0	0
330.1	Storage Tanks				0	0	0
330.2	Pressure Tanks				0	0	0
331	Transmission and Distribution Mains	415,760	9,178		424,938	237,396	187,542
333	Services				0	0	0
334	Meters and Meter Installations	82,679	8,531	495	90,715	75,497	7,182
335	Hydrants	2,541			2,541	2,541	0
336	Backflow Prevention Devices	965			965	965	0
339	Other Plant and Misc. Equipment	31,188			31,188	12,683	18,505
340	Office Furniture and Equipment	5,048			5,048	5,048	0
340.1	Computer & Software				0	0	0
341	Transportation Equipment	60,348			60,348	36,434	23,914
342	Stores Equipment				0	0	0
343	Tools, Shop and Garage Equipment	3,746			3,746	3,746	0
344	Laboratory Equipment				0	0	0
345	Power Operated Equipment				0	0	0
346	Communication Equipment				0	0	0
347	Miscellaneous Equipment				0	0	0
348	Other Tangible Plant				0	0	0
	<b>Totals</b>	<b>\$2,087,537</b>	<b>\$9,178</b>	<b>\$0</b>	<b>\$2,096,715</b>	<b>\$883,978</b>	<b>\$1,212,737</b>

**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.

0  
 Annual Report  
 Depreciation Expense for the Current Year (Water)  
 12/31/17

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	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0.00%	0
304	Structures and Improvements	10,053	0	0	10,053	10,053	100.00%	0
305	Collecting & Improving Reservoirs	45,548	0	0	45,548	45,548	100.00%	2,088
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	496,307	0	0	496,307	63,984	13.00%	9,844
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0.00%	0
311	Pumping Equipment	87,800	0	0	87,800	85,646	98.00%	947
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	845,554	0	0	845,554	304,437	36.00%	33,778
320.2	Solution Chemical Feeders	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	0	0	0	0	0	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	415,760	9,178	0	424,938	237,396	5%	6,120
333	Services	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	82,679	8,531	(495)	90,715	75,497	83.00%	4,805
335	Hydrants	2,541	0	0	2,541	2,541	100.00%	0
336	Backflow Prevention Devices	965	0	0	965	965	100.00%	0
339	Other Plant and Misc. Equipment	31,188	0	0	31,188	12,682	41.00%	1,162
340	Office Furniture and Equipment	5,048	0	0	5,048	5,048	100.00%	724
340.1	Computer & Software	0	0	0	0	0	0.00%	0
341	Transportation Equipment	60,348	0	0	60,348	36,434	60.00%	13,663
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	3,746	0	0	3,746	3,746	100.00%	0
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	<b>Subtotal</b>	<b>\$2,087,537</b>	<b>\$17,709</b>	<b>(\$495)</b>	<b>\$2,104,751</b>	<b>2,107,292</b>		<b>\$73,131</b>

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**

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.

0

Annual Report  
Balance Sheet Assets  
12/31/17

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		50,006	52,711
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		18,225	17,270
146	Notes Receivable from Associated Companies		11,364	10,780
151	Plant Material and Supplies			
162	Prepayments		20,279	(11,249)
174	Miscellaneous Current and Accrued Assets		2,578	.00
	<b>Total Current and Accrued Assets</b>		\$102,852	\$69,512
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$2,087,537	\$2,023,584
103	Property Held for Future Use			112,985.99
105	Construction Work in Progress		12,732	0
108	Accumulated Depreciation (enter as negative)*		(811,342)	(886,318)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			(8,276)
	<b>Total Fixed Assets</b>		\$1,288,927	\$1,241,976
	<b>Total Assets</b>		\$1,391,779	\$1,311,488

**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

## Annual Report

## Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
Account No.	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
	<b>Current Liabilities</b>			
231	Accounts Payable		43,949	45,767
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		2,885	3,485
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		50,223	26,825
	<b>Total Current Liabilities</b>		<b>\$97,057</b>	<b>\$52,076</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		205,320	148,073
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		784,731	781,564
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		110,737	6,687
272	Less: Amortization of Contributions		(53,344)	(4,320)
281	Accumulated Deferred Income Tax			
	<b>Total Deferred Credits</b>		<b>\$842,124</b>	<b>\$777,243</b>
	<b>Total Liabilities</b>		<b>\$1,144,501</b>	<b>\$925,317</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		2,487	2,487
211	Other Paid-In Capital			
215	Retained Earnings		244,791	193,891
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>\$247,278</b>	<b>\$196,378</b>
	<b>Total Liabilities and Capital</b>		<b>\$1,391,779</b>	<b>\$1,173,771</b>

**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!

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	<b>Operating Revenue</b>		
461	Metered Water Revenue	119,795	307,254
460	Unmetered Water Revenue	146,335	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	2,769	0
474	Other Water Revenue	131,190	143,976
	<b>Total Revenues</b>	<b>\$400,089</b>	<b>\$451,230</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	98,720	130,201
604	Employee Pensions and Benefits	0	0
610	Purchased Water	57	8,328
615	Purchased Power	17,349	18,802
618	Chemicals	2,633	46,452
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	40,873	49,800
620.2	Office Supplies and Expense	18,512	39,057
630	Contractual Services	0	0
631	Contractual Services -Engineering	3,395	10,377
632	Contractual Services - Accounting	11,442	12,300
633	Contractual Services - Legal	20,172	267
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	4,017	1,763
636	Contractual Services - Other	45,018	0
640	Rents	0	0
641	Rental of Building/Real Property	8,400	8,400
642	Rental of Equipment	0	0
650	Transportation Expenses	8,939	10,253
657	Insurance - General Liability	9,652	10,674
657.1	Insurance - Health and Life	4,488	4,450
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	190	0
675	Miscellaneous Expense	8,145	8,305
403	Depreciation Expense (From Schedule AR4)	73,131	69,074
408	Taxes Other Than Income	0	0
408.11	Property Taxes	17,575	18,754
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>\$392,708</b>	<b>\$447,257</b>
	<b>Operating Income / (Loss)</b>	<b>\$7,381</b>	<b>\$3,973</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	1,294	2
421	Non-Utility Income	0	1,415
426	Miscellaneous Non-Utility (Expense)	(12,320)	0
427	Interest (Expense)	(11,026)	(13,983)
	<b>Total Other Income / (Expense)</b>	<b>\$(22,052)</b>	<b>\$(12,565)</b>
	<b>Net Income / (Loss)</b>	<b>\$(14,671)</b>	<b>\$(8,533)</b>

**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.

Annual Report  
 Supplemental Financial Data (Long-Term Debt)  
 12/31/17

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	4/1/2013			
Source of Loan	Midfirst Bank			
ACC Decision No.				
Reason for Loan	Capital Improvements			
Dollar Amt. Issued	250,000			
Amount Outstanding	148,073			
Date of Maturity	4/1/18			
Interest Rate	4.75%			
Current Year Interest	8,433.51			
Current Year Principal	23,801			

Meter Deposit Balance at Test Year End:	\$3,485
---	---------

Meter Deposits Refunded During the Test Year:	\$1,032
---	---------

**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)			CUSTOMER METERS	
MAINS			Size (inches)	Quantity
Sizes (inches)	Material	Length (feet)		
2			5/8 x 3/4	23
3			3/4	46
4	ACP & PVC	34,920	1	149
5			1-1/2	30
6	PVC	10,365	Compound 2	
8	PVC	4,950	Turbine 2	20
10			Compound 3	
12	PVC	160	Turbine 3	2
			Compound 4	1
			Turbine 5	
			Compound 6	
			Turbine 6	1
			6+	

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

<b>TREATMENT EQUIPMENT:</b>	2-5/GPH chemical metering pumps, 100 gal. chemical metering pumps, Chlorine Residual Test kit, Sand filters, arsenic treatment plant.
<b>STRUCTURES:</b>	Chlorine house, fences and signs.
<b>OTHER:</b>	Power generator, meters, computer equipment, software, tools, pumping equipment, and wells.

**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.

Water Use Data Sheet							
Name of the System:		Adaman Mutual Water Company					
ADEQ Public Water System Number:		AZ0407001					
Month	Number of Customers	Gallons Sold (thousands) <sup>1</sup>	Gallons Pumped (thousands) <sup>2</sup>	Gallons Purchased (thousands) <sup>3</sup>	Estimated Gallons Authorized Use (thousands) <sup>4</sup>	Purchased Power Expenses	Purchased Power (kWh) <sup>5</sup>
January	269	7349	7546	23480	N/A	1245	10272
February	269	4854	6270	13797	N/A	1148	9742
March	266	6493	8012	7319	N/A	858	6917
April	266	7814	9057	9140	N/A	1159	9367
May	271	10790	10951	12105	N/A	1496	12537
June	270	14095	15139	14122	N/A	1668	14407
July	269	12264	13326	16514	N/A	2001	18280
August	272	7354	8123	21392	N/A	2110	19698
September	271	9802	11026	11525	N/A	1279	10550
October	270	7831	8728	14103	N/A	1637	14142
November	271	7564	8727	12855	N/A	1372	11615
December	270	6868	8008	11665	N/A	1341	11267
<b>Totals</b>		<b>103,078</b>	<b>114,913</b>	<b>168,017</b>	<b>N/A</b>	<b>\$17314</b>	<b>148794</b>

If the system has fire hydrants, what is the fire flow requirements?  GPM for  hrs.

Does the system have chlorination treatment?

Is the Water Utility located in an ADWR Active Management Area (AMA)?   
 If yes, which AMA?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?   
 If yes, provide the GPCPD amount:

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

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.

- 1 Gallons sold - Total gallons from customer meters, and other sold gallons such as Construction water.
- 2 Gallons pumped - Total gallons from pumped sources.
- 3 Gallons purchased - Total gallons purchased from other sources.
- 4 Estimated gallons authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.
- 5 Enter the total purchased power costs for the power meters associated with this system.
- 6 Enter the total purchased kWh used by the power meters associated with this system.

0

Annual Report  
Utility Shutoffs / Disconnects  
12/31/17

ADEQ System No. : AZ0407001

Utility Shutoffs / Disconnects			
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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

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.

0

Annual Report  
Property Taxes  
12/31/17

<b>Property Taxes</b>	
-----------------------	--

Amount of actual property taxes paid during Calendar Year 2017 was	\$17,574.94
--	-------------

If no property taxes paid, explain why.

**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.

Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa  
Name (owner or official) title: Scott G. Schofield, General Manager  
Company name: Adaman Mutual Water Company

RECEIVED

APR 05 2018

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/17

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.

*Scott G. Schofield*

signature of owner/official

623-935-2837

telephone no.

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

THIS

*2nd*

DAY OF

*Maricopa*

(county name)

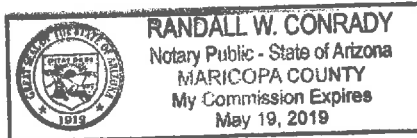
*April 2018*

(month) and (year)

MY COMMISSION EXPIRES

*May 19, 2019*

(date)



*Randall W. Conrady*  
(signature of notary public)



