ANNUAL REPORT

Of

Company Name: Berneil Water Company

PO Box 219

Mailing Address:
Tempe
AZ

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Docket No.: W-01275A

ARIZONA CORPORATION
COMMISSION UTILITIES DIVISION

For the Year Ended: 12/31/20

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Application Type: Original Filing

Application Date: 4/28/2021

ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT Berneil Water Company

| · · atta | Company | | _ |
|--------------|---------|---|---------|
| | A Class | D | Utility |

| For the Calendar Year E | Ended: <u>12/31/20</u> | | | | | |
|--------------------------|----------------------------|------------|------------------|---|-----------|-------|
| Primary Address: | P.O. Box 219 | | | | | |
| | Tempe | | State: Arizona | | Zip Code: | 85280 |
| · | * | _ | | | _ 1 | |
| Telephone Number: | 480-966-5804 |] | | | | |
| Date of Original Organiz | zation of Utility: | 10/23/1 | 951 | | | |
| Person to whom corresp | ondence should be address | ed concern | ing this report: | | | |
| | Bradley Folkman | | Ī | | | |
| Telephone No.: | | | | | | |
| | P.O. Box 219 | | | | | |
| City: | Tempe | | State: Arizona | | Zip Code: | 85280 |
| Email: | support@arizonawaterworks. | <u>com</u> | | | _ | |
| | | | | | | |
| Name: | | | | | | |
| Telephone No.: | | | | | | |
| Address: | | 1 | | | T | |
| City: | | | State: | | Zip Code: | |
| Email: | | | | | | |
| | | | | | | |
| Name: | | | | | | |
| Telephone No. : | | | | | | |
| Address: | | | | | | |
| City: | | | State: | | Zip Code: | |
| Email: | | | z tate. | | Lip cour. | |
| | | | | | | |
| | | | | | | |
| Name: | | | | | | |
| Telephone No.: | | | | | | |
| Address: | | | | | | |
| City: | | | State: | _ | Zip Code: | |
| Email: | | | | | | |
| | | | | | | |
| Name: | | | | | | |
| Telephone No. : | | | | | | |
| Address: | | | | | | |
| City: | | | State: | | Zip Code: | |
| Email: | | | | | | |
| | | | | | | |
| Ownership: | "C" Corporation | | | | | |
| Counties Served: | Maricopa | | | | | |

ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT Berneil Water Company

| Important changes during the year | |
|--|----|
| | |
| No For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the | ıe |
| year? | |
| 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? | |
| If yes, please provide specific details in the box below. | |
| | |
| | |
| | |
| | |
| | |
| | |

| | Utility Plant in Service (Water) | | | | | | | | | |
|---------|--|----------------|--------------|--------------|-------------------|--------------|---------------|--|--|--|
| Account | Description | Beginning Year | Current Year | Current Year | Adjusted Original | Accumulated | OCLD (OC less | | | |
| No. | | Original Cost | Additions | Retirements | Cost | Depreciation | AD) | | | |
| 301 | Organization | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | |
| 302 | Franchises | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| 303 | Land and Land Rights | 1,332 | 0 | 0 | 1,332 | 0 | 1,332 | | | |
| 304 | Structures and Improvements | 33,960 | 0 | 0 | 33,960 | 28,442 | 5,519 | | | |
| 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 | 293,177 | 0 | 0 | 293,177 | 262,217 | 30,960 | | | |
| 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 | 509,262 | 42,146 | 20,843 | 530,565 | 333,486 | 197,079 | | | |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| 330 | Distribution Reservoirs and Standpipes | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| 330.1 | Storage Tanks | 282,276 | 0 | 0 | 282,276 | 244,742 | 37,534 | | | |
| 330.2 | Pressure Tanks | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| 331 | Transmission and Distribution Mains | 964,553 | 2,054 | 0 | 966,607 | 884,508 | 82,099 | | | |
| 333 | Services | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| 334 | Meters and Meter Installations | 311,087 | 21,151 | 5,000 | 327,237 | 201,218 | 126,020 | | | |
| 335 | Hydrants | 113,668 | 0 | 0 | 113,668 | 99,425 | 14,243 | | | |
| 336 | Backflow Prevention Devices | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| 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 | 5,471 | 324 | 0 | 5,795 | 2,796 | 3,000 | | | |
| 341 | Transportation Equipment | 41,384 | 3,191 | 0 | 44,575 | 4,815 | 39,760 | | | |
| 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 | 36,693 | 0 | 0 | 36,693 | 30,042 | 6,651 | | | |
| 348 | Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| | Totals | \$2,592,863 | \$68,865 | \$25,843 | \$2,635,885 | \$2,091,689 | \$544,195 | | | |

Berneil Water Company Annual Report Depreciation Expense for the Current Year (Water) 12/31/20

| | | Depi | reciation Expense | e 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 | Depreciation Percentages | Depreciation Expense |
| | | Ü | | | Ü | depreciable Plant | Plant | ū | • |
| 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 | 1,332 | 0 | 0 | 1,332 | 1,332 | 0 | 0.00% | 0 |
| 304 | Structures and Improvements | 33,960 | 0 | 0 | 33,960 | 20,305 | 13,655 | 5.00% | 683 |
| 305 | Collecting & Improving Reservoirs | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | C |
| 306 | Lake, River, Canal Intakes | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | C |
| 307 | Wells and Springs | 293,177 | 0 | 0 | 293,177 | 240,509 | 52,668 | 5.00% | 2,633 |
| 308 | Infiltration Galleries | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | 0 |
| 309 | Supply Mains | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | 0 |
| 310 | Power Generation Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | C |
| 311 | Pumping Equipment | 509,262 | 42,146 | 20,843 | 530,565 | 183,156 | 347,409 | 5.00% | 16,238 |
| 320 | Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | C |
| 320.1 | Water Treatment Plants | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | C |
| 320.2 | Solution Chemical Feeders | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | (|
| 320.3 | Point-of-Use Treatment Devices | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | C |
| 330 | Distribution Reservoirs and Standpipes | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | 0 |
| 330.1 | Storage Tanks | 282,276 | 0 | 0 | 282,276 | 237,504 | 44,772 | 5.00% | 2,239 |
| 330.2 | Pressure Tanks | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | C |
| 331 | Transmission and Distribution Mains | 964,553 | 2,054 | 0 | 966,607 | 646,996 | 319,611 | 5.00% | 15,929 |
| 333 | Services | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | (|
| 334 | Meters and Meter Installations | 311,087 | 21,151 | 5,000 | 327,237 | 98,736 | 228,501 | 5.00% | 10,863 |
| 335 | Hydrants | 113,668 | 0 | 0 | 113,668 | 41,254 | 72,414 | 5.00% | 3,621 |
| 336 | Backflow Prevention Devices | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | C |
| 339 | Other Plant and Misc. Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | 0 |
| 340 | Office Furniture and Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | (|
| 340.1 | Computer & Software | 5,471 | 324 | 0 | 5,795 | 0 | 5,795 | 5.00% | 282 |
| 341 | Transportation Equipment | 41,384 | 3,191 | 0 | 44,575 | 0 | 44,575 | 5.00% | 2,149 |
| 342 | Stores Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | 0 |
| 343 | Tools, Shop and Garage Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | (|
| 344 | Laboratory Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | C |
| 345 | Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | C |
| 346 | Communication Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | (|
| 347 | Miscellaneous Equipment | 36,693 | 0 | 0 | 36,693 | 7,658 | 29,035 | 5.00% | 1,366 |
| 348 | Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | C |
| | Subtotal | \$2,592,863 | \$68,865 | \$25,843 | \$2,635,885 | \$1,477,450 | \$1,158,435 | | \$56,001 |

 Contribution(s) in Aid of Construction (Gross)
 \$263,892

 Less: Non Amortizable Contribution(s)
 0

 Fully Amortized Contribution(s)
 106,634

 Amortizable Contribution(s)
 \$157,258

 Times: Proposed Amortization Rate
 5.00%

 Amortization of CIAC
 \$7,863

Less: Amortization of CIAC \$7,863

DEPRECIATION EXPENSE \$48,139

Berneil Water Company Annual Report Balance Sheet Assets 12/31/20

| | Balance Sheet Assets | | |
|-------------|---|---|----------------------------------|
| | Assets | Balance at Beginning of Year (2020) | Balance at End of Year (2020) |
| Account No. | Current and Accrued Assets | | |
| 131 | Cash | \$41,258 | \$89,948 |
| 134 | Working Funds | 0 | 0 |
| 135 | Temporary Cash Investments | 0 | 0 |
| 141 | Customer Accounts Receivable | 0 | 0 |
| 146 | Notes Receivable from Associated Companies | 139,500 | 139,500 |
| 151 | Plant Material and Supplies | 0 | 0 |
| 162 | Prepayments | 0 | 0 |
| 174 | Miscellaneous Current and Accrued Assets | 0 | 0 |
| | Total Current and Accrued Assets | \$180,758 | \$229,448 |
| Account No. | Fixed Assets | | |
| 101 | Utility Plant in Service* | \$2,592,863 | \$2,635,885 |
| 103 | Property Held for Future Use | 0 | 0 |
| 105 | Construction Work in Progress | 0 | 0 |
| 108 | Accumulated Depreciation (enter as negative)* | (2,061,531) | (2,091,689) |
| 121 | Non-Utility Property | 44,099 | 44,099 |
| 122 | Accumulated Depreciation - Non Utility | 0 | 0 |
| | Total Fixed Assets | \$575,430 | \$588,294 |
| _ | Total Assets | \$756,189 | \$817,742 |

*Note these items feed automatically from AR3 UPIS Page 4

Berneil Water Company Annual Report Balance Sheet Liabilities and Owners Equity

| Balance Sheet Liabilities and Owners Equity | | | | | | | | |
|---|---|-------------------------------------|----------------------------------|--|--|--|--|--|
| | Liabilities | Balance at Beginning of Year (2020) | Balance at End of Year (2020) | | | | | |
| Account No. | Current Liabilities | | | | | | | |
| 231 | Accounts Payable | \$4,734 | \$765 | | | | | |
| 232 | Notes Payable (Current Portion) | 0 | 0 | | | | | |
| 234 | Notes Payable to Associated Companies | 0 | 0 | | | | | |
| 235 | Customer Deposits | 4,332 | 2,589 | | | | | |
| 236 | Accrued Taxes | 0 | 0 | | | | | |
| 237 | Accrued Interest | 0 | 0 | | | | | |
| 242 | Miscellaneous Current and Accrued Liabilities | 0 | 0 | | | | | |
| | Total Current Liabilities | \$9,067 | \$3,354 | | | | | |
| | Long Term Debt | | | | | | | |
| 224 | Long Term Debt (Notes and Bonds) | \$8,808 | \$0 | | | | | |
| | 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 | 263,892 | 263,892 | | | | | |
| 272 | Less: Amortization of Contributions | (222,196) | (230,059) | | | | | |
| 281 | Accumulated Deferred Income Tax | 0 | 0 | | | | | |
| | Total Deferred Credits | \$41,696 | \$33,833 | | | | | |
| | Total Liabilites | \$59,571 | \$37,187 | | | | | |
| | Capital Accounts | | | | | | | |
| 201 | Common Stock Issued | \$25,000 | \$25,000 | | | | | |
| 211 | Other Paid-In Capital | 0 | 0 | | | | | |
| 215 | Retained Earnings | 671,618 | 755,555 | | | | | |
| 218 | Proprietary Capital (Sole Props and Partnerships) | 0 | 0 | | | | | |
| | Total Capital | \$696,618 | \$780,555 | | | | | |
| | Total Liabilities and Capital | \$756,189 | \$817,742 | | | | | |

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 Last Year | | | | | | | | | |
|---|--|-------------------------|-------------------------|--|--|--|--|--|--|
| Account No. | Calelidal Teal | | | | | | | | |
| | Operating Revenue | 01/01/2020 - 12/31/2020 | 01/01/2019 - 12/31/2019 | | | | | | |
| 461 | Metered Water Revenue | \$703,949 | \$646,676 | | | | | | |
| 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 | 11,535 | 0 | | | | | | |
| 7/7 | Total Revenues | \$715,484 | \$646,676 | | | | | | |
| | Total Revenues | ψ, 25, 10 I | 40.10,070 | | | | | | |
| | Operating Expenses | | | | | | | | |
| 601 | Salaries and Wages | \$52,744 | \$86,429 | | | | | | |
| 604 | Employee Pensions and Benefits | 46,552 | 45,803 | | | | | | |
| 610 | Purchased Water | 98,379 | 71,957 | | | | | | |
| 615 | Purchased Power | 96,355 | 114,137 | | | | | | |
| 618 | Chemicals | 3,184 | 0 | | | | | | |
| 620 | Materials and Supplies | 21,249 | 17,756 | | | | | | |
| 620.1 | Repairs and Maintenance | 0 | 0 | | | | | | |
| 620.2 | Office Supplies and Expense | 0 | 0 | | | | | | |
| 630 | Contractual Services | 219,699 | 178,437 | | | | | | |
| 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 | 2,328 | 7,663 | | | | | | |
| 636 | Contractual Services - Other | 0 | 0 | | | | | | |
| 640 | Rents | 0 | 3,180 | | | | | | |
| 641 | Rental of Building/Real Property | 0 | 0 | | | | | | |
| 642 | Rental of Equipment | 0 | 0 | | | | | | |
| 650 | Transportation Expenses | 11,193 | 10,333 | | | | | | |
| 657 | Insurance - General Liability | 2,945 | 13,720 | | | | | | |
| 657.1 | Insurance - Health and Life | 0 | 0 | | | | | | |
| 665 | Regulatory Commission Expense - Rate | 0 | 0 | | | | | | |
| 670 | Bad Debt Expense | 0 | 0 | | | | | | |
| 675 | Miscellaneous Expense | 5,706 | 3,388 | | | | | | |
| 403 | Depreciation Expense (From Schedule AR4) | 48,139 | 53,465 | | | | | | |
| 408 | Taxes Other Than Income | 15,085 | 29,647 | | | | | | |
| 408.11 | Property Taxes | 17,461 | 17,252 | | | | | | |
| 409 | Income Taxes | 50 | 826 | | | | | | |
| 427.1 | Customer Security Deposit Interest | 0 | 0 | | | | | | |
| | Total Operating Expenses | \$641,070 | \$653,995 | | | | | | |
| | Operating Income / (Loss) | \$74,414 | (\$7,319 | | | | | | |
| | Other Income / Ærme | | | | | | | | |
| 410 | Other Income / (Expense) | \$0 | \$0 | | | | | | |
| 419 | Interest and Dividend Income | 8,808 | \$0 | | | | | | |
| 421 | Non-Utility Income | 8,808 | 0 | | | | | | |
| 426 | Miscellaneous Non-Utility (Expense) | | | | | | | | |
| 427 | Interest (Expense) | 0 | (388 | | | | | | |
| | Total Other Income / (Expense) | \$8,808 | (\$388 | | | | | | |
| | Net Income / (Loss) | \$83,222 | (\$7,707 | | | | | | |

Berneil Water Company Annual Report Full time equivalent employees 12/31/20

Full time equivalent employees

| | Direct Company | Allocated | Outside service | Total |
|----------------------|----------------|-----------|-----------------|-------|
| President | | | | 0.0 |
| Vice-president | | | | 0.0 |
| Manager | 0.5 | | | 0.5 |
| Engineering Staff | | | | 0.0 |
| System Operator(s) | | | 1.0 | 1.0 |
| Meter reader | | | | 0.0 |
| Customer Service | | | 0.5 | 0.5 |
| Accounting | | | | 0.0 |
| Business Office | | | | 0.0 |
| Rates Department | | | | 0.0 |
| Administrative Staff | | | | 0.0 |
| Other | | | | 0.0 |
| Total | 0.5 | 0.0 | 1.5 | 2.0 |

Berneil Water Company Annual Report Supplemental Financial Data (Long-Term Debt) 12/31/20

| Supplemental Financial Data (Long-Term Debt) | | | | | | | | | |
|--|---------|---------|---------|---------|--|--|--|--|--|
| | Loan #1 | Loan #2 | Loan #3 | Loan #4 | | | | | |
| Date Issued | None | | | | | | | | |
| 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: | \$2,589 | | |
|--|---------|---------|---|
| | | | • |
| Meter Deposits Refunded During the Test Year | r: | \$1,743 | |

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.

Berneil Water Company Annual Report Well and Water Usage 12/31/20

| | | | | Well and Wate | er Usage | | | | | | |
|------------------------|-----------------|------------------|----------------|-----------------|-------------|---------|-------------|-------------|------------|-----------|--------|
| Name of the System: | | BERNEIL WATER | R COMPANY | | | | | | | | |
| ADEQ Public Water Sys | tem Number: | • | AZ0407008 | | | | • | | | | |
| ADWR PCC Number: | | | 91-000183.0000 | | | | | | | | |
| Well registry 55# (55- | | | Casing Depth | Casing Diameter | Pump Motor | Year | Water level | Water level | Meter Size | How | |
| XXXXXX): | Pump Horsepower | Pump Yield (gpm) | (feet) | (inches) | Type ** | Drilled | 2010 | 2020 | (inches) | measured: | Active |
| 55-554073 | 125 | 600 | 1,215 | 16 | Submersible | 350 | n/a | n/a | 6 | Metered | Yes |
| 55-627600 | 350 | 1,400 | 1,398 | 24 | Line Shaft | 1968 | n/a | n/a | 8 | Metered | Yes |
| 55-609543 | | | 855 | 16 | | 1969 | | | | N/A | No |
| | | | | | | | | | | 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 |
| | | | | | | | | | | N/A | N/A |

| Name of system water delivered to: | | | |
|--|-------------|----------------------------|----------|
| ADWR PCC Number: | | | |
| Source of water delivered to another system | 1 | | _ |
| | | | |
| | | | |
| Name of system water received from: | CITY OF SCO | OTTSDALE | |
| Name of system water received from: ADWR PCC Number: | CITY OF SCO | OTTSDALE 91-000227.0000 | <u> </u> |
| | CITY OF SCO | | I |

| | | | | Water received | | | |
|-----------|-----------------|-------------|--------------------|------------------|----------------|----------------------|-----------|
| | | | Water delivered | (purchased) from | Estimated | Purchased | Purchased |
| | Water withdrawn | Water sold | (sold) to other | other systems | authorized use | Power | Power |
| Month | (gallons)1 | (gallons)2 | systems (gallons)3 | (gallons)4 | (gallons)5 | Expense ⁶ | $(kWh)^7$ |
| January | 22,574,800 | 18,944,739 | 0.00 | 0.00 | 0.00 | \$5,807 | 59,714 |
| February | 21,890,400 | 18,930,810 | 0.00 | 0.00 | 0.00 | 4,736 | 46,773 |
| March | 20,798,200 | 18,162,850 | 0.00 | 0.00 | 0.00 | 4,906 | 49,384 |
| April | 30,401,300 | 29,224,490 | 0.00 | 0.00 | 0.00 | 5,870 | 58,455 |
| May | 39,958,300 | 37,619,840 | 0.00 | 0.00 | 0.00 | 9,236 | 101,148 |
| June | 54,988,200 | 50,038,920 | 0.00 | 0.00 | 0.00 | 7,669 | 106,242 |
| July | 58,805,600 | 54,591,879 | 0.00 | 0.00 | 0.00 | 10,893 | 123,941 |
| August | 56,698,700 | 54,191,565 | 0.00 | 0.00 | 0.00 | 11,085 | 126,290 |
| September | 49,904,700 | 48,286,525 | 0.00 | 0.00 | 0.00 | 10,981 | 124,870 |
| October | 53,932,900 | 45,985,731 | 0.00 | 0.00 | 0.00 | 10,533 | 119,318 |
| November | 46,277,200 | 37,840,128 | 0.00 | 0.00 | 0.00 | 9,177 | 101,254 |
| December | 30,909,800 | 27,649,361 | 0.00 | 0.00 | 0.00 | 8,640 | 94,331 |
| Totals | 487,140,100 | 441,466,838 | 0.00 | 0.00 | 0.00 | \$99,534 | 1,111,720 |

| 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.

1 Water windrawn - Total gallons of water windrawn noin 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.

Berneil Water Company Annual Report Water Utility Plant Description 12/31/20

| Water Utility Plant Description | | | | |
|----------------------------------|-------------------|--|--|--|
| Name of the System: BERN | EIL WATER COMPANY | | | |
| ADEQ Public Water System Number: | AZ0407008 | | | |
| ADWR PCC Number: | 91-000183.0000 | | | |

| MAINS | | | |
|----------------|----------|---------------|--|
| | | | |
| Sizes (inches) | Material | Length (feet) | |
| 4.00 | PVC | 63 | |
| 6.00 | PVC | 53,21 | |
| 8.00 | PVC | 4,15 | |
| 4.00 | ACP | 3,65 | |
| 6.00 | ACP | 28,29 | |
| 6.00 | DIP | 6,28 | |
| | | | |
| | | | |
| | | | |
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| | | | |
| _ | | | |
| | | | |

| SERVICE LINES | | | | |
|---------------|---------|-----------|-------------------|--|
| | | | Year installed | |
| Material | Percent | of system | installed | |
| Copper | | 100% | Varies | |
| | | | | |
| | | | | |
| | | • | | |
| | | | | |

| CUSTOMER METERS | | | | | |
|-----------------|----------|-------------------|--------------|--|--|
| | | Percent over | Percent over | | |
| Size (inches) | Quantity | 1,000,000 gallons | 10 years old | | |
| 1 | 467 | | 65% ** | | |
| 1.5 | 21 | | n/a | | |
| Compound 4 | 3 | | n/a | | |
| Turbine 6 | 2 | | n/a | | |
| 6+ | 1 | | n/a | | |
| | | | | | |
| | | | ** estimated | | |
| | | | | | |
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| BOOSTER PUMPS | | | | |
|---------------|-----|----------|--|--|
| Horsepower | GPM | Quantity | | |
| 40 | 475 | 3 | | |
| 30 | 420 | 1 | | |
| 20 | 350 | 1 | | |
| | | | | |

| STORAGE TANKS | | | | |
|--------------------|----------|----------|-----------|--|
| | | | Year | |
| Capacity (gallons) | Material | Quantity | installed | |
| 100,000 | Steel | 1 | 1986 | |
| 100,000 | Steel | 1 | 1986 | |
| 135,000 | Steel | 1 | 1979 | |
| | | | | |
| | | | | |
| | | | | |

| FIRE HYDRANTS | | | |
|---------------|----|--|--|
| Type Quantity | | | |
| Standard * | 98 | | |
| Other | | | |

| PRESSURE/BLADDER TANKS | | | | |
|------------------------|----------|----------|----------------|--|
| Capacity | | | | |
| (gallons) | Material | Quantity | Year installed | |
| 5,000 | Steel | 1 | 1986 | |
| 5,000 | Steel | 1 | 2017 | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

* 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 1 | Utility | Plant | Descrip | tion (| Continued (|
|---------|---------|-------|---------|--------|-------------|
|---------|---------|-------|---------|--------|-------------|

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

| TREATMENT EQUIPMENT: | Gas Chlorinators |
|-------------------------|--|
| | |
| STRUCTURES: | Block Fences |
| | |
| OTHER: | System interconnection with City of Scottsdale |

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- 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
 If no historical flow data are available, use:
- (b) ERC = (Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day)

| ERC | 2,352 |
|--------------|-------|
| Method used: | (a) |

| Customer and Other Information | | | | | | |
|----------------------------------|--------------|----------------|--|--|--|--|
| Name of the System: | BERNEIL WATE | ER COMPANY | | | | |
| ADEQ Public Water System Number: | | AZ0407008 | | | | |
| ADWR PCC Number: | | 91-000183.0000 | | | | |

Number of Customers

| Month January February March April May | Single-Family 504 504 505 | Multi-Family 0 0 | Commercial 3 | Turf/Irrigation 9 | Other Non- Residential 0 | | | | |
|--|-----------------------------|--|----------------------|-------------------|-----------------------------|--|--|--|--|
| January February March April | 504 504 505 | 0 | 3 | 9 | 0 | | | | |
| February March April | 504 505 | 0 | | | | | | | |
| March April | 505 | | 3 | | | | | | |
| April | | | 2 | | 0 | | | | |
| | | 0 | 3 | 9 | 0 | | | | |
| May | 502 | 0 | 3 | 9 | 0 | | | | |
| | 505 | 0 | 3 | 9 | 0 | | | | |
| June | 504 | 0 | 3 | 9 | 0 | | | | |
| July | 504 | 0 | 3 | 9 | 0 | | | | |
| August | 504 | 0 | 3 | 9 | 0 | | | | |
| September | 504 | 0 | 3 | 9 | 0 | | | | |
| October | 503 | 0 | 3 | 9 | 0 | | | | |
| November | 502 | 0 | 3 | 9 | 0 | | | | |
| December | 504 | 0 | 3 | 9 | 0 | | | | |
| Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement? No If yes, provide the GPCPD amount: | | | | | | | | | |
| Is the Water Utili If yes, which AM | ty located in an ADW [A? | R Active Manager | nent Area (AMA) | ? | Yes Phoenix AMA | | | | |
| What is the presen | nt system connection | capacity (in ERCs | *) using existing li | ines? | | | | | |
| What is the future system connection capacity (in ERCs *) upon service area buildout? | | | | | | | | | |
| | ns and estimated comm | oletion dates for an | y enlargements or | improvements of | this system. | | | | |
| Describe any plar | no ana commacca COME | Describe any plans and estimated completion dates for any enlargements or improvements of this system. | | | | | | | |

 $[\]ensuremath{^*}$ an ERC is based on the calculation on the bottom of AR9 page 12.

Berneil Water Company Annual Report Utility Shutoffs / Disconnects 12/31/20

| Utility Shutoffs / Disconnects | | | | | | | |
|--|----------------|--|--|--|--|--|--|
| Name of the System: BERNEIL WATER COMPANY | | | | | | | |
| ADEQ Public Water System Number: AZ0407008 | | | | | | | |
| ADWR PCC Number: | 91-000183.0000 | | | | | | |

| | | Termination with | |
|-----------|---------------------|------------------|-------|
| Month | Termination without | Notice R14-2- | |
| | Notice R14-2-410.B | 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): | |
|----------------------|--|
| | |
| | |
| | |

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.

Berneil Water Company Annual Report Property Taxes 12/31/20

| Property Taxes | | | | | | |
|--|----------|--|--|--|--|--|
| Amount of actual property taxes paid during Calendar Year 2020 was | \$17,461 | | | | | |
| | | | | | | |
| If no property taxes paid, explain why. | | | | | | |
| | | | | | | |
| | | | | | | |
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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.

Berneil Water Company Annual Report Verification and Sworn Statement (Taxes) 12/31/20

| Verification and Sworn Statement (Taxes) | | | | | | | | |
|--|------------------------------------|---|--|-----------------------|------------------------------|-----------------------|--------------------------|---|
| Verification: | State of | Arizona (sta | te name) | I, the unde | ersigned of the | | | |
| | | ounty name): er or official) title ume: | e: Berneil Water Co | | olkman, Preside | ent | | |
| | DO SAY TE COMMISSI | | UAL UTILITY PR | ROPERTY | TAX AND SAL | ES TAX RI | EPORT TO TI | HE ARIZONA CORPORATION |
| | FOR THE Y | 'EAR ENDING: | | | 12/31/20 | | | |
| | UTILITY; T CORRECT REPORT IN | HAT I HAVE C STATEMENT C | AREFULLY EXA OF BUSINESS AN EACH AND EVE | MINED THE D AFFAIR | IE SAME, ANI S OF SAID UT | D DECLAR ILITY FOR | E THE SAME THE PERIOL | AND RECORDS OF SAID E TO BE A COMPLETE AND D COVERED BY THIS BEST OF MY KNOWLEDGE, |
| | | | | | | | | |
| Sworn Statement: | I HEREBY | ATTEST THAT | ALL PROPERTY | TAXES FO | OR SAID COM | PANY ARE | E CURRENT | AND PAID IN FULL. |
| | I HEREBY | ATTEST THAT | ALL SALES TAX | KES FOR S. | AID COMPAN | Y ARE CUI | RRENT AND | PAID IN FULL. |
| | | | | 3 | | | | |
| | | | | | | signatur | e of owner/off | ficial |
| | | | | | | | 80-966-5804 | |
| | | | | | | te | elephone no. | |
| | | | SUBSCRIBED A IN AND FOR TI | | | E ME A NO | OTARY PUBI | ario pa |
| | | | THIS | | 29 | | DAY OF | (county name) County name) (month) and (year) |
| | | | MY COMMISSI | ON EXPIR | ES | | A zer (date) | 201L |
| | | | Jonathan Bedo Notary Public Maricopa County, A | rizona | | | Kitingtura o | frostery public) |
| | | M | ly Comm. Expires 08 Gemmission No. 5 | 49972 | | | signature 0 | fanotary public) |

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Berneil Water Company Annual Report Verification and Sworn Statement 12/31/20

| | Verification and Sworn Statement |
|------------------|---|
| Verification: | |
| | State of Arizona I, the undersigned of the (state name) |
| | County of (county name): Maricopa |
| | Name (owner or official) title: Bradley Folkman, President |
| | Company name: Berneil Water Company |
| | DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION. |
| | FOR THE YEAR ENDING: 12/31/20 |
| | 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 (\$) |
| | (The amount in the box above includes |
| | \$66,245 in sales taxes |
| | billed or collected) |
| | |
| | 3 |
| | signature of owner/official |
| | 480-966-5804 |
| | telephone no. |
| | SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC |
| | IN AND FOR THE COUNTY |
| | (county name) |
| | THIS DAY OF (month) and (year) |
| | MY COMMISSION EXPIRES Aug 29 201 (date) |
| | Jonathan Bedoe Notary Public Maricopa County, Arizona (signature of notary public) |
| | My Comm. Expires 08-29-2022 Commission No. 549972 |

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Berneil Water Company Annual Report Verification and Sworn Statement (Residential Revenue) 12/31/20

| Verification and Sworn Statement (Residential Revenue) |
|---|
| Verification: |
| State of Arizona I, the undersigned of the (state name) |
| County of (county name): Name (owner or official) title: Company name: Maricopa Bradley Folkman, President Berneil Water Company |
| DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION. |
| FOR THE YEAR ENDING: 12/31/20 |
| 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 (\$) \$780,124 (The amount in the box above includes \$66,088 in sales taxes billed or collected) |
| signature of owner/official |
| 480-966-5804 telephone no. |
| SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY (county name) |
| THIS DAY OF DAY OF |
| MY COMMISSION EXPIRES (date) |
| Jonathan Bedoe Notary Public |
| Maricopa County, Arizona My Comm. Expires 08-29-2022 Commission No. 549972 |

Berneil Water Company Annual Report Full Gross-up Method for Income Tax Statement of Certification 12/31/20

| | Full Cross up A | lethod for Income | Tax Statement of Certi | fication | |
|------------------|---|------------------------------------|------------------------|--------------------|--------------------|
| Verification: | run Gross-up N | remod for income | Tax Statement of Certi | neation | |
| vermenton. | State of Arizo | na I, the | undersigned of the | | |
| | (state n | | | | |
| | Country of (country manual) | [14 | 10000 | | |
| | County of (county name): Name (owner or official) title: | Mari | ley Folkman, President | 9 | |
| | Company name: | Berneil Water Cor | | | |
| | | | | | |
| | FOR THE YEAR ENDING: | 12/31/20 | | | |
| | FOR THE YEAR ENDING: | 12/31/20 | | | |
| | | | | | |
| | | | | | |
| Sworn Statement: | | | 19 | | |
| Sworn Statement: | IN ACCORDANCE WITH TH | HE REQUIREMEN | TS OF DECISION NO. 7 | 77084, BECAUSE | THE UTILITY |
| | REQUIRES THE GROSS UP | | | | 4 |
| | UTILITY HAS INCURRED O | | | | |
| | EXPENSE OR A DECREASE | | | | |
| | GAAP IN AN AMOUNT EQUIPAID BY DEVELOPERS IN | | | | JOINED GROSS OF |
| | THIS BY SEVEROI ERO IIV | THE PERIOD CO | ERED BITTING MANAGE | ALD ICEI OICI. | |
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| | | | ~ | | |
| | | | | signature of own | er/official |
| | | | | signature of own | ci, ciliciai |
| | | | | 480-966-5 | |
| | | | | telephone | no. |
| | | | | | |
| | | SUBSCRIBED A | ND SWORN TO BEFOR | RE ME A NOTAR | Y PUBLIC |
| | | IN AND FOR TH | | | 05:000 |
| | | | | (cd | unty name) |
| | | THIS | 29 | DAY OF | 1011 |
| | | | | _ DATOF | (month) and (year) |
| | | | | Λ | () |
| | | MY COMMISSIO | ON EXPIRES | Voy 29, 202 | 2 |
| | | | | (date) | |
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| | | athan Bedoe otary Public | | 1115 | \mathcal{M} |
| | (Maricop | a County, Arizona | signat | ure of notary publ | ic) |
| | | Expires 08-29-2022 sion No. 549972 | | | |