

ANNUAL REPORT

Of

Company Name:
652 N. Myrtle Point Trail

Mailing Address: Payson AZ
85541

**RECEIVED
BY EMAIL
2/26/2023, 6:40 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

Docket No.: W-02195B
For the Year Ended:

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type:
Application Date:

ARIZONA CORPORATION COMMISSION
 WATER UTILITY ANNUAL REPORT
 Bonita Creek Water Company
 A Class Utility

For the Calendar Year Ended: 12/31/22

Primary Address:
 City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

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:

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

Ownership:

Counties Served:

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 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	\$207	\$0	\$0	\$207	\$207	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	38,668	0	0	38,668	14,692	23,976
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	14,979	0	0	14,979	3,452	11,527
307	Wells and Springs	0	0	0	0	0	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	7,186	0	0	7,186	7,114	72
320	Water Treatment Equipment	7,285	0	0	7,285	7,285	0
320.1	Water Treatment Plants	28,031	0	0	28,031	4,004	24,027
320.2	Solution Chemical Feeders	17,206	0	0	17,206	2,458	14,748
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	1,183	0	0	1,183	1,183	0
330.1	Storage Tanks	13,016	0	0	13,016	12,267	750
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	45,509	0	0	45,509	9,984	35,525
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	8,149	0	0	8,149	6,439	1,710
335	Hydrants	0	0	0	0	0	0
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	480	0	0	480	470	10
340.1	Computer & Software	697	0	0	697	697	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	871	0	0	871	871	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	936	0	936	56	880
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$183,466	\$936	\$0	\$184,401	\$71,178	\$113,224

Bonita Creek Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/22

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	\$207	\$0	\$0	\$207	\$207	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0	0.00%	0
304	Structures and Improvements	38,668	0	0	38,668	14,061	24,607	2.56%	631
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	14,979	0	0	14,979	0	14,979	3.33%	499
307	Wells and Springs	0	0	0	0	0	0	0.00%	0
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	7,186	0	0	7,186	0	7,186	2.00%	144
320	Water Treatment Equipment	7,285	0	0	7,285	7,285	(0)	0.00%	0
320.1	Water Treatment Plants	28,031	0	0	28,031	0	28,031	14.29%	4,004
320.2	Solution Chemical Feeders	17,206	0	0	17,206	0	17,206	14.29%	2,458
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	1,183	0	0	1,183	1,183	0	0.00%	0
330.1	Storage Tanks	13,016	0	0	13,016	0	13,016	1.44%	187
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	45,509	0	0	45,509	0	45,509	2.22%	1,011
333	Services	0	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	8,149	0	0	8,149	6,153	1,995	14.29%	285
335	Hydrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	480	0	0	480	0	480	4.38%	21
340.1	Computer & Software	697	0	0	697	697	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	871	0	0	871	871	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	936	0	936	0	936	11.91%	56
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$183,466	\$936	\$0	\$184,401	\$30,457	\$153,944		\$9,297

Contribution(s) in Aid of Construction (Gross) \$0
Less: Non Amortizable Contribution(s) 0
Fully Amortized Contribution(s) 0
Amortizable Contribution(s) \$0
Times: Proposed Amortization Rate 6.04%
Amortization of CIAC \$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE \$9,297

Bonita Creek Water Company
 Annual Report
 Balance Sheet Assets
 12/31/22

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current and Accrued Assets			
131	Cash		\$10,559	\$10,851
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		0	0
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	8,424
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$10,559	\$19,275
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$183,466	\$184,401
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(61,881)	(71,178)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$121,585	\$113,224
	Total Assets		\$132,144	\$132,499

*Note these items feed automatically from AR3 UPIS Page 4

Bonita Creek Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current Liabilities			
231	Accounts Payable		\$0	\$9,631
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		148	106
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$148	\$9,737
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$47,030	\$43,060
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$47,178	\$52,797
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		21,290	21,290
215	Retained Earnings		63,677	58,412
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$84,967	\$79,702
	Total Liabilities and Capital		\$132,145	\$132,499

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

Bonita Creek Water Company
Annual Report
Water Comparative Income Statement
12/31/22

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2022 - 12/31/2022	Last Year 01/01/2021 - 12/31/2021
	Operating Revenue		
461	Metered Water Revenue	\$6,119	\$6,286
460	Unmetered Water Revenue	46,092	33,932
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	1,210	230
474	Other Water Revenue	0	0
	Total Revenues	\$53,421	\$40,448
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	3,055	2,341
618	Chemicals	0	0
620	Materials and Supplies	104	0
620.1	Repairs and Maintenance	18,572	24,519
620.2	Office Supplies and Expense	1,074	836
630	Contractual Services	23,400	17,150
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	5,800	550
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	0	1,255
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	4,126	3,408
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	547	51
403	Depreciation Expense (From Schedule AR4)	9,297	2,288
408	Taxes Other Than Income	361	1,100
408.11	Property Taxes	1,223	622
409	Income Taxes	64	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$67,623	\$54,119
	Operating Income / (Loss)	(\$14,202)	(\$13,671)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	9,079	77,444
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(142)	0
	Total Other Income / (Expense)	\$8,937	\$77,444
	Net Income / (Loss)	(\$5,265)	\$63,773

Full time equivalent employees

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

Bonita Creek Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/22

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	2/14/2013	1/0/1900	1/0/1900	1/0/1900
Source of Loan	Patrons	0	0	0
ACC Decision No.	Unknown	0	0	0
Reason for Loan	Expansion	0	0	0
Dollar Amt. Issued	\$45,509	\$0	\$0	\$0
Amount Outstanding	\$43,060	\$0	\$0	\$0
Date of Maturity	2/14/2046	1/0/1900	1/0/1900	1/0/1900
Interest Rate	0.00%	0.00%	0.00%	0.00%
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

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)

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

TREATMENT EQUIPMENT:	1 Chemical metering pump; 1 Alum Sulfate metering pump; 1 Calcium Hypochlorite tank and metering pump; 1 sand filter; 1 LT2 filter; 2 mixed media filter housings; 1 UV disinfecting filter; 1 Hach turbidity meter.
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STRUCTURES:	1 - 10' x 12' storage shed. 1 - 9' x 14' water treatment building with power. 120 ft of security fencing with locked gates.
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OTHER:	NO OTHER EQUIPMENT OR INVENTORY
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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
- (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	36
Method used:	(a)

Customer and Other Information	
Name of the System:	NA
ADEQ Public Water System Number:	NA
ADWR PCC Number:	AZ0404024

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	58	0	0	0	1
February	58	0	0	0	1
March	59	0	0	0	1
April	59	0	0	0	1
May	60	0	0	0	1
June	61	0	0	0	1
July	61	0	0	0	1
August	61	0	0	0	1
September	61	0	0	0	1
October	61	0	0	0	1
November	61	0	0	0	1
December	61	0	0	0	1

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.
 If we can secure an affordable financing solution, we are looking into replacing sections of older lines that have become less reliable, increasing depth of shallow lines to protect from frost, and adding termination valves to help isolate sections of the community should a leak arise (allowing for least amount of homes disturbed during repairs). We are also looking into additional automation of our system, and meter solutions that allow for remote monitoring of the system to reduce cost of daily operations.

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

Bonita Creek Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	NA
ADEQ Public Water System Number:	NA
ADWR PCC Number:	AZ0404024

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): None

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2022 was	
--------------------------------------------------------------------	--

\$1,223

If no property taxes paid, explain why.

2021 second half \$621.99 & 2022 first half \$601.19 were paid in 2022.

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): Gila
Name (owner or official) title: Derek Olson - Treasurer
Company name: Bonita Creek Water Company

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

FOR THE YEAR ENDING: 12/31/22

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.

Derek Olson
signature of owner/official

6026150295
telephone no.

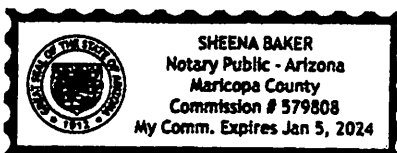
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS 20th DAY OF February 2023
(month) and (year)

MY COMMISSION EXPIRES

Jan 5th 2024
(date)

Sheena Baker
(signature of notary public)



Verification and Sworn Statement

Verification:

State of Arizona, the undersigned of the
(state name)
County of (county name): Gila
Name (owner or official) title: Derek Olson - Treasurer
Company name: Bonita Creek Water Company

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

FOR THE YEAR ENDING: 12/31/22

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 (\$)

\$53,421

(The amount in the box above includes

\$0 in sales taxes
billed or collected)

Derek G. Olson
signature of owner/official

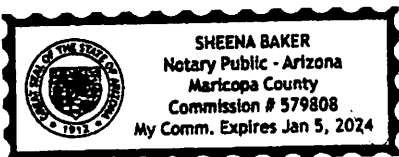
6026150295
telephone no.

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

THIS 20th DAY OF Maricopa February 2023
(county name) (month) and (year)

MY COMMISSION EXPIRES Jan 5th 2024
(date)

Sheena Baker
(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): Gila
Name (owner or official) title: Derek Olson - Treasurer
Company name: Bonita Creek Water Company

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

FOR THE YEAR ENDING: 12/31/22

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 (\$)

\$53,421

(The amount in the box above includes

\$0 in sales taxes
billed or collected)

Derek Olson
signature of owner/official

60261 50295
telephone no.

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

Maricopa
(county name)

THIS 20th DAY OF February 2023
(month) and (year)

MY COMMISSION EXPIRES Jan 5th 2024
(date)

Sheena Baker
(signature of notary public)

