

ANNUAL REPORT

Of

Company Name: Caballeros Water Company, Inc.
1551 S. Vulture Mine Rd

Mailing Address: Wickenburg AZ
85390

Docket No.: W-01994A
For the Year Ended: 12/31/23

RECEIVED
UTILITIES DIVISION
2024 AUG 13 P 1:34
ARIZONA CORPORATION
COMMISSION

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: Original Filing
Application Date: 07/30/2024

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Caballeros Water Company, Inc.
A Class Utility

For the Calendar Year Ended: 12/31/23

Primary Address: 1551 South Vulture Mine Road
City: Wickenburg State: Arizona Zip Code: 85390

Telephone Number: 9286845484

Date of Original Organization of Utility: 05/18/1965

Person to whom correspondence should be addressed concerning this report:

Name: George McGann
Telephone No. : 9286844888
Address: 1551 South Vulture Mine Road
City: Wickenburg State: Arizona Zip Code: 85390
Email: gmcgann@ranchodeloscaballeros.com

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: Limited Liability Company ("LLC")

Counties Served: Maricopa

Important changes during the year

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.

--

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.

--

Caballeros Water Company, Inc.
 Annual Report
 Utility Plant in Service (Water)
 12/31/23

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization				\$0		\$0
302	Franchises				0		0
303	Land and Land Rights				0		0
304	Structures and Improvements				0		0
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	43,128			43,128		43,128
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	8,779			8,779		8,779
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				0		0
330	Distribution Reservoirs and Standpipes				0		0
330.1	Storage Tanks				0		0
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains				0		0
333	Services				0		0
334	Meters and Meter Installations				0		0
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment	119,892			119,892		119,892
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	\$171,799	\$0	\$0	\$171,799	\$0	\$171,799

Caballeros Water Company, Inc.
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/23

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
302	Franchises	0	0	0	0		0		0
303	Land and Land Rights	0	0	0	0		0		0
304	Structures and Improvements	0	0	0	0		0		0
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	43,128	0	0	43,128		43,128		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	8,779	0	0	8,779		8,779		0
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	0	0	0	0		0		0
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	0	0	0	0		0		0
333	Services	0	0	0	0		0		0
334	Meters and Meter Installations	0	0	0	0		0		0
335	Hydrants	0	0	0	0		0		0
336	Backflow Prevention Devices	0	0	0	0		0		0
339	Other Plant and Misc. Equipment	119,892	0	0	119,892		119,892		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	\$171,799	\$0	\$0	\$171,799	\$0	\$171,799		\$0

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

Caballeros Water Company, Inc.
 Annual Report
 Balance Sheet Assets
 12/31/23

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current and Accrued Assets			
131	Cash			
134	Working Funds		\$44,734	\$39,050
135	Temporary Cash Investments			
141	Customer Accounts Receivable			
146	Notes Receivable from Associated Companies		(382)	5,684
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$44,352	\$44,734
Account No.	Fixed Assets			
101	Utility Plant in Service*			
103	Property Held for Future Use		\$171,799	\$171,799
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*			
121	Non-Utility Property			0
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		(132,529)	(132,529)
	Total Assets		\$39,270	\$39,270
			\$83,622	\$84,004

*Note these items feed automatically from AR3 UPIS Page 4

Caballeros Water Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current Liabilities			
231	Accounts Payable			
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes			
237	Accrued Interest		56	678
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities		\$56	\$678
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)			
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction			
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$56	\$678
	Capital Accounts			
201	Common Stock Issued		\$300	\$300
211	Other Paid-In Capital		38,675	38,675
215	Retained Earnings		28,119	28,119
218	Proprietary Capital (Sole Props and Partnerships)		16,472	16,232
	Total Capital		\$83,566	\$83,326
	Total Liabilities and Capital		\$83,622	\$84,004

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

Caballeros Water Company, Inc.
Annual Report
Water Comparative Income Statement
12/31/23

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	Operating Revenue		
461	Metered Water Revenue	\$25,319	\$39,240
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue		
	Total Revenues	\$25,319	\$39,240
	Operating Expenses		
601	Salaries and Wages		
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	4,640	4,482
618	Chemicals		
620	Materials and Supplies		
620.1	Repairs and Maintenance		
620.2	Office Supplies and Expense		
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting		
633	Contractual Services - Legal		
634	Contractual Services - Management Fees		
635	Contractual Services - Water Testing	4,579	4,314
636	Contractual Services - Other		
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability		
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense		
403	Depreciation Expense (From Schedule AR4)		2,500
408	Taxes Other Than Income	(132)	
408.11	Property Taxes		
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$9,087	\$11,296
	Operating Income / (Loss)	\$16,232	\$27,944
	Other Income / (Expense)		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)	0	
427	Interest (Expense)		
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	\$16,232	\$27,944

Caballeros Water Company, Inc.
 Annual Report
 Full time equivalent employees
 12/31/23

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President		0.1		0.1
Vice-president				0.0
Manager		0.1		0.1
Engineering Staff		0.2		0.2
System Operator(s)				0.0
Meter reader		0.2		0.2
Customer Service				0.0
Accounting		0.2		0.2
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.8	0.0	0.8

Caballeros Water Company, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/23

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

Meter Deposit Balance at Test Year End:

Meter Deposits Refunded During the Test Year:

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.

Well and Water Usage

Well and Water Usage													
Name of the System:		CABALLEROS WATER CO											
ADEQ Public Water System Number:		AZ0407012											
ADWR PCC Number:		91-000184.0000											
Well registry 55# (55-XXXXXX):		Pump Horsepower		Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2013	Water level 2023	Meter Size (inches)	How measured:	Active
55-086682		25		175		10							

Name of system water delivered to: CABALLEROS WATER CO
 ADWR PCC Number: 91-000184.0000
 Source of water delivered to another system: _____

Name of system water received from: CABALLEROS WATER CO
 ADWR PCC Number: 91-000184.0000
 Source of water received: _____
 Well registry 55# (55-XXXXXX): _____

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	1,915,300.00	1,915,300.00			1,915,300.00		
February	2,584,500.00	2,584,500.00			2,584,500.00		
March	1,785,800.00	1,785,800.00			1,785,800.00		
April	2,676,000.00	2,676,000.00			2,676,000.00		
May	3,635,400.00	3,635,400.00			3,635,400.00		
June	3,227,400.00	3,227,400.00			3,227,400.00		
July	3,772,400.00	3,772,400.00			3,772,400.00		
August	2,072,300.00	2,072,300.00			2,072,300.00		
September	1,748,300.00	1,748,300.00			1,748,300.00		
October	3,078,333.00	3,078,333.00			3,078,333.00		
November	2,789,996.00	2,789,996.00			2,789,996.00		
December	1,741,870.00	1,741,870.00			1,741,870.00		
Totals	31,027,599.00	31,027,599.00	0.00	0.00	31,027,599.00	\$0	0

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.
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.

Water Utility Plant Description		
Name of the System:	CABALLEROS WATER CO	
ADEQ Public Water System Number:	AZ0407012	
ADWR PCC Number:	91-000184.0000	

MAINS		
Sizes (inches)	Material	Length (feet)

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old

SERVICE LINES		
Material	Percent of system	Year installed

BOOSTER PUMPS		
Horsepower	GPM	Quantity

FIRE HYDRANTS	
Type	Quantity
Standard *	
Other	

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed

* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)
--

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

TREATMENT EQUIPMENT:	
-----------------------------	--

STRUCTURES:	
--------------------	--

OTHER:	
---------------	--

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

Method used:

Customer and Other Information	
Name of the System:	CABALLEROS WATER CO
ADEQ Public Water System Number:	AZ0407012
ADWR PCC Number:	91-000184.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	60		1	1	
February	60		1	1	
March	60		1	1	
April	60		1	1	
May	60		1	1	
June	60		1	1	
July	60		1	1	
August	60		1	1	
September	60		1	1	
October	60		1	1	
November	60		1	1	
December	60		1	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? No
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)? No
 If yes, which AMA? NA

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.

Caballeros Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	CABALLEROS WATER CO
ADEQ Public Water System Number:	AZ0407012
ADWR PCC Number:	91-000184.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
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.

Caballeros Water Company, Inc.
Annual Report
Property Taxes
12/31/23

Property Taxes

Amount of actual property taxes paid during Calendar Year 2023 was

If no property taxes paid, explain why.

It was paid for under the umbrella of Rancho de los Caballeros Ranch and Golf Club LLC

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 Certification (Taxes)

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

County of (county name): Maricopa
Name (owner or official) title: George McGann
Company name: Caballeros Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/23

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.

Certification:



signature of owner/official

928-684-4888

telephone no.