

# ANNUAL REPORT

Of

Company Name:

CIENEGA WATER COMPANY INC

Mailing Address:

7804 RIVERSIDE DR, PARKER, AZ 85344

Docket No.:

For the Year Ended:

12/31/16

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ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

## WATER UTILITY

To

Arizona Corporation Commission

### Due on April 15th

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

2016

4-2-18

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT

0

A Class  Utility

1. For the Calendar Year Ended: 12/31/16

2. Address:

7804 RIVERSIDE DR			
City:	PARKER	State:	AZ
		Zip Code:	85344

3. Telephone Number:

92/661-3346
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4. Date of Original Organization of Utility:

07/01/1965
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5. Person to whom correspondence should be addressed concerning this report:

Name:	DEBRA KILGORE		
Telephone No.:	928/667-3346		
Address:	7804 RIVERSIDE DR		
City:	PARKER	State:	AZ
		Zip Code:	85344
Email:	CIENEGAWATER@YAHOO.COM		

6. On-Site Manager:

Name:	BRANDON KILGORE		
Telephone No.:	928/667-3346		
Address:	7804 RIVERSIDE DR		
City:	PARKER	State:	AZ
		Zip Code:	85344
Email:	BKILGORE23@YAHOO.COM		

7. Ownership:

C - CORPORATION
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8. Counties Served:

LA PAZ
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Annual Report CIENEGA WATER COMPANY INC  
 Utility Plant in Service (Water)  
 12/31/16

Utility Plant in Service (Water)				
Account No.	Description	Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization			\$0
302	Franchises			0
303	Land and Land Rights			0
304	Structures and Improvements			0
305	Collecting & Improving Reservoirs			0
306	Lake, River, Canal Intakes			0
307	Wells and Springs	32600	20287	12313 0
308	Infiltration Galleries			0
309	Supply Mains			0
310	Power Generation Equipment			0
311	Pumping Equipment			0
320	Water Treatment Equipment			
320.1	Water Treatment Plants			0
320.2	Solution Chemical Feeders			0
320.3	Point-of-Use Treatment Devices			0
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks	39204	26914	12290 0
330.2	Pressure Tanks			0
331	Transmission and Distribution Mains	61812	43998	17814 0
333	Services	20637	13039	7598 0
334	Meters and Meter Installations	17880	17880	0 0
335	Hydrants			0
336	Backflow Prevention Devices			0
339	Other Plant and Misc. Equipment	3545	2524	1021 0
340	Office Furniture and Equipment			0
340.1	Computer & Software	1978	1978	0 0
341	Transportation Equipment			0
342	Stores Equipment			0
343	Tools, Shop and Garage Equipment	5825	5825	0 0
344	Laboratory Equipment			0
345	Power Operated Equipment	12155	6564	5591 0
346	Communication Equipment			0
347	Miscellaneous Equipment			0
348	Other Tangible Plant			0
	<b>Totals</b>	<b>195636</b>	<b>\$0</b>	<b>139009 \$0</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 CIENEGA WATER COMPANY INC  
 Depreciation Expense for the Current Year (Water)  
 12/31/16

Depreciation Expense for the Current Year (Water)											
Account No.	Description	Original Cost	Current Year Additions	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense			
301	Organization	\$0		\$0		\$0			\$0		
302	Franchises	0		0		0			0		
303	Land and Land Rights	0		0		0			0		
304	Structures and Improvements	0		0		0			0		
305	Collecting & Improving Reservoirs	0		0		0			0		
306	Lake, River, Canal Intakes	0		0		0			0		
307	Wells and Springs	32600	0	32600	0	32600	0	2.26	738		
308	Infiltration Galleries	0		0		0			0		
309	Supply Mains	0		0		0			0		
310	Power Generation Equipment	0		0		0			0		
311	Pumping Equipment	0		0		0			0		
320	Water Treatment Equipment	0		0		0		-	0		
320.1	Water Treatment Plants	0		0		0			0		
320.2	Solution Chemical Feeders	0		0		0			0		
320.3	Point-of-Use Treatment Devices	0		0		0			0		
330	Distribution Reservoirs and Standpipes	0		0		0		-	0		
330.1	Storage Tanks	39204	0	39204	0	39204	0	4.00	1568		
330.2	Pressure Tanks	0		0		0			0		
331	Transmission and Distribution Mains	61812	0	61812	0	61812	0	4.00	2472		
333	Services	20637	0	20637	0	20637	0		0		
334	Meters and Meter Installations	17880	0	17880	0	17880	0	2.39	427		
335	Hydrants	0		0		0			0		
336	Backflow Prevention Devices	0		0		0			0		
339	Other Plant and Misc. Equipment	3545	0	3545	0	3545	0	4.00	142		
340	Office Furniture and Equipment	0		0		0			0		
340.1	Computer & Software	1978	0	1978	0	1978	0		0		
341	Transportation Equipment	0		0		0			0		
342	Stores Equipment	0		0		0			0		
343	Tools, Shop and Garage Equipment	5825	0	5825	0	5825	0		0		
344	Laboratory Equipment	0		0		0			0		
345	Power Operated Equipment	12155	0	12155	0	12155	0	4.00	486		
346	Communication Equipment	0		0		0			0		
347	Miscellaneous Equipment	0		0		0			0		
348	Other Tangible Plant	0		0		0			0		
	<b>Subtotal</b>	<b>195636</b>	<b>\$0</b>	<b>\$0</b>	<b>195636</b>	<b>\$0</b>	<b>195636</b>	<b>\$0</b>	<b>2.98</b>	<b>5833</b>	<b>\$0</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 relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

0

Annual Report CIENEGA WATER COMPANY INC  
 Balance Sheet Assets  
 12/31/16

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		59189	75401
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable			
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments		129	904
174	Miscellaneous Current and Accrued Assets			
	<b>Total Current and Accrued Assets</b>		59318	\$0 76.305 \$0
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		195636	195636 \$0
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		-133176	-139009 0
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		62460	\$0 56627 \$0
	<b>Total Assets</b>		121778	\$0 132932 \$0

**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 CIENEGA WATER COMPANY INC  
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity					
Account No.	Liabilities	Balance at Beginning of Year (2016)		Balance at End of Year (2016)	
	<b>Current Liabilities</b>				
231	Accounts Payable				
232	Notes Payable (Current Portion)				
234	Notes Payable to Associated Companies				
235	Customer Deposits				
236	Accrued Taxes				
237	Accrued Interest				
242	Miscellaneous Current and Accrued Liabilities	2310		2310	
	<b>Total Current Liabilities</b>	2310	\$0	2310	\$0
	<b>Long Term Debt</b>				
224	Long Term Debt (Notes and Bonds)	170979		170979	
	<b>Deferred Credits</b>				
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				
	<b>Total Deferred Credits</b>	0	\$0	0	\$0
	<b>Total Liabilities</b>	173289	\$0	173289	\$0
	<b>Capital Accounts</b>				
201	Common Stock Issued	5700		5700	
211	Other Paid-In Capital				
215	Retained Earnings	-57211		-46057	
218	Proprietary Capital (Sole Props and Partnerships)				
	<b>Total Capital</b>	-51511	\$0	-40357	\$0
	<b>Total Liabilities and Capital</b>	121788	\$0	132932	\$0

**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!

Annual Report CIENEGA WATER COMPANY INC.  
 Water Comparative Income Statement  
 12/31/16

Water Comparative Income Statement					
Account No.	Calendar Year	Current Year		Last Year	
		01/01/2016 - 12/31/2016		01/01/2015 - 12/31/2015	
	<b>Operating Revenue</b>				
461	Metered Water Revenue	31267		33179	
460	Unmetered Water Revenue				
462	Fire Protection Revenue				
469	Guaranteed Revenues (Surcharges)				
471	Miscellaneous Service Revenues				
474	Other Water Revenue				
	<b>Total Revenues</b>	31267	\$0	33179	\$0
	<b>Operating Expenses</b>				
601	Salaries and Wages				
604	Employee Pensions and Benefits				
610	Purchased Water				
615	Purchased Power	1413		1085	
618	Chemicals				
620	Materials and Supplies				
620.1	Repairs and Maintenance	5067		1110	
620.2	Office Supplies and Expense	192		742	
630	Contractual Services				
631	Contractual Services - Engineering				
632	Contractual Services - Accounting	930		5935	
633	Contractual Services - Legal				
634	Contractual Services - Management Fees				
635	Contractual Services - Water Testing				
636	Contractual Services - Other	315			
635	Water Testing	934		1973	
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				
675	Miscellaneous Expense	180			
403	Depreciation Expense (From Schedule AR4)	5833		6068	
408	Taxes Other Than Income	2329		2428	
408.11	Property Taxes	824		1063	
409	Income Taxes	2096		2307	
	<b>Total Operating Expenses</b>	20113	\$0	22711	\$0
	<b>Operating Income / (Loss)</b>	11154	\$0	10468	\$0
	<b>Other Income / (Expense)</b>				
419	Interest and Dividend Income				
421	Non-Utility Income				
426	Miscellaneous Non-Utility (Expense)				
427	Interest (Expense)				
	<b>Total Other Income / (Expense)</b>	0	\$0	0	\$0
	<b>Net Income / (Loss)</b>	11154	\$0	10468	\$0

**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.

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	07/01/2002			
Source of Loan	PRI VATE			
ACC Decision No.	63751			
Reason for Loan	RECONSTRUCT & REPL			
Dollar Amt. Issued	145553			
Amount Outstanding	102849			
Date of Maturity	06/03/2024			
Interest Rate	7.00%			
Current Year Interest	0			
Current Year Principal	0			

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.*





Water Utility Plant Description (Continued)				
MAINS			CUSTOMER METERS	
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity
2	PVC	1370	5/8 X 3/4	60
3	PVC	3190	3/4	
4	PVC	1120	1	
5			1 1/2	
6			Compound 2	
8			Turbine 2	
10			Compound 3	
12			Turbine 3	
			Compound 4	
			Turbine 5	
			Compound 6	
			Turbine 6	
			6+	

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

<b>TREATMENT EQUIPMENT:</b>	STENNER CHEMICAL FEED PUMP FOR CHLORINATION
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<b>STRUCTURES:</b>	EACH WELL HAS A 6 FT METAL SHED AROUND PANEL AND ROD IRON FENCE ENCLOSURE.
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<b>OTHER:</b>	DIGITAL TELEMETY, SOLAR PANELS
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**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. Copy and paste this sheet as many times as is necessary.

Annual Report CIENEGA WATER COMPANY INC.  
 Water Use Data Sheet  
 12/31/16

Water Use Data Sheet					
Name of the System:		0 CIENEGA WATER COMPANY INC			
ADEQ Public Water System Number:		0 AZ 0415-002			
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>
January	52	124	151		
February	54	200	221		
March	53	180	233		
April	54	150	158		
May	54	179	181		
June	52	181	187		
July	52	124	153		
August	54	160	170		
September	54	142	149		
October	54	113	130		
November	54	120	121		
December	54	103	106		
<b>Totals</b>		<b>1776</b>	<b>0</b>	<b>1960</b>	<b>0</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:**

**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.
- 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.

0

Annual Report CIENEGA WATER COMPANY INC  
Utility Shutoffs / Disconnects  
12/31/16

ADEQ System No. : AZ 0415-002 0

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January		3	
February		0	
March		1	
April		2	
May		0	
June		3	
July		3	
August		6	
September		0	
October		0	
November		0	
December		0	
<b>Total</b>	<b>0</b>	<b>18</b>	<b>0</b>

Other (description):

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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.

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Annual Report CIENEGA WATER COMPANY INC  
Property Taxes  
12/31/16

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2015 was	824.22

If no property taxes paid, explain why.

**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 Statement (Taxes)

Verification: State of 0 ARIZONA I, the undersigned of the  
(state name)

County of (county name): 0 LA PAZ  
Name (owner or official) title: 0 DEBRA KILGORE, VICE PRESIDENT  
Company name: 0 CIENEGA WATER COMPANY INC

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

FOR THE YEAR ENDING: 12/31/16

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.

*Debra R. Kilgore*  
signature of owner/official

928/667-3346

0

telephone no.

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ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

THIS

16th

DAY OF

La Paz  
(county name)  
March, 2018  
(month) and (year)

MY COMMISSION EXPIRES

6/16/19

(date)



SANDRA K. HOPWOOD  
Notary Public - State of Arizona  
LA PAZ COUNTY  
My Commission Expires  
June 16, 2019

*Sandra K. Hopwood*  
(signature of notary public)



SANDRA K. HOPWOOD  
Notary Public - State of Arizona  
LA PAZ COUNTY  
My Commission Expires  
June 16, 2019

**Verification and Statement**

**Verification:**

State of ARIZONA 0 I, the undersigned of the  
(state name)  
County of (county name): 0 LA PAZ  
Name (owner or official) title: 0 DEBRA KILGORE, VICE PRESIDENT  
Company name: 0 CIENEGA WATER COMPANY INC

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

FOR THE YEAR ENDING: 12/31/16

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 (\$) 31267.49  
(The amount in the box above includes 2328.60 in sales taxes billed or collected)

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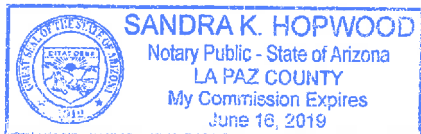
ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

Debra Kilgore  
signature of owner/official

0  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY La Paz  
(county name)  
THIS 16th DAY OF March, 2018  
(month) and (year)

MY COMMISSION EXPIRES 6/16/19  
(date)



Sandra K. Hopwood  
(signature of notary public)

