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MAR 20 2018

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

ANNUAL REPORT

Of

Company Name:

Goodman Water Company

Mailing Address:

c/o Southwestern Water Utility Management, Inc  
P.O. Box 85160  
Tucson, AZ 85754

Docket No.:

W-2500A

For the Year Ended:

12/31/17

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@azcc.gov, mail or deliver the completed Annual Report to:

Arizona Corporation Commission  
Compliance Section - Utilities Division  
1200 West Washington Street  
Phoenix, Arizona 85007

Application Type:

Original Filing

Application Date:

1/18/2018

3-20-18

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
0

A Class  Utility

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

2. Address: 

c/o Southwestern Utility Management, Inc. P.O. Box 85160			
City:	Tucson	State:	AZ
		Zip Code:	85754

3. Telephone Number: 520-623-5172

4. Date of Original Organization of Utility: 04/04/1985

5. Person to whom correspondence should be addressed concerning this report:

Name: Lawrence V Robertson Jr.  
Telephone No. : 520-398-0411  
Address: 2247 E Frontage Rd P.O. Box 1448  
City: Tubac State: AZ Zip Code: 85746  
Email:

6. On-Site Manager:

Name: Keith Dojaquez  
Telephone No. : 520-623-5172  
Address: 2016 N Forbes Blvd Suite 107  
City: Tucson State: AZ Zip Code: 85745  
Email:

7. Ownership: Subchapter S Corporation

8. Counties Served: Pinal

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						
302	Franchises	127,103			127,103		127,103
303	Land and Land Rights	494,159			494,159		494,159
304	Structures and Improvements	182,570			182,570	40,471	142,099
305	Collecting & Improving Reservoirs						
306	Lake, River, Canal Intakes						
307	Wells and Springs	428,888			428,888	177,872	251,016
308	Infiltration Galleries						
309	Supply Mains						
310	Power Generation Equipment						
311	Pumping Equipment	1,066,299			1,066,299	479,837	586,462
320	Water Treatment Equipment	16,535			16,535	5,388	11,147
320.1	Water Treatment Plants						
320.2	Solution Chemical Feeders						
320.3	Point-of-Use Treatment Devices						
330	Distribution Reservoirs and Standpipes						
330.1	Storage Tanks	836,889	71,708		908,597	189,594	719,003
330.2	Pressure Tanks						
331	Transmission and Distribution Mains	1,875,890			1,875,890	307,741	1,568,149
333	Services	386,946			386,946	146,797	240,149
334	Meters and Meter Installations	190,456	125,170		315,626	98,560	217,066
335	Hydrants	161,737	2,026		163,763	40,839	122,924
336	Backflow Prevention Devices						
339	Other Plant and Misc. Equipment	196,681	44,404		241,085	103,879	137,206
340	Office Furniture and Equipment						
340.1	Computer & Software						
341	Transportation Equipment						
342	Stores Equipment						
343	Tools, Shop and Garage Equipment						
344	Laboratory Equipment						
345	Power Operated Equipment						
346	Communication Equipment						
347	Miscellaneous Equipment						
348	Other Tangible Plant						
	<b>Totals</b>	<b>5,964,153</b>	<b>243,308</b>		<b>6,207,461</b>	<b>1,590,978</b>	<b>4,616,483</b>

**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.

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

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization							
302	Franchises	127,103			127,103	127,103		
303	Land and Land Rights	494,159			494,159	494,159		
304	Structures and Improvements	182,570			182,570		3.33%	6,087
305	Collecting & Improving Reservoirs							
306	Lake, River, Canal Intakes							
307	Wells and Springs	428,888			428,888		3.26%	14,296
308	Infiltration Galleries							
309	Supply Mains							
310	Power Generation Equipment							
311	Pumping Equipment	1,066,299			1,066,299		1.51%	12,275
320	Water Treatment Equipment	16,535			16,535		3.66%	605
320.1	Water Treatment Plants							
320.2	Solution Chemical Feeders							
320.3	Point-of-Use Treatment Devices							
330	Distribution Reservoirs and Standpipes							
330.1	Storage Tanks	836,889	71,708		908,597		2.22%	19,315
330.2	Pressure Tanks							
331	Transmission and Distribution Mains	1,875,890			1,875,890		2.00%	37,518
333	Services	386,946			386,946		3.33%	12,898
334	Meters and Meter Installations	190,456	125,170		315,626		7.52%	14,016
335	Hydrants	161,737	2,026		163,763		1.99%	3,233
336	Backflow Prevention Devices							
339	Other Plant and Misc. Equipment	196,681	44,404		241,085		6.89%	14,299
340	Office Furniture and Equipment							
340.1	Computer & Software							
341	Transportation Equipment							
342	Stores Equipment							
343	Tools, Shop and Garage Equipment							
344	Laboratory Equipment							
345	Power Operated Equipment							
346	Communication Equipment							
347	Miscellaneous Equipment							
348	Other Tangible Plant							
	<b>Subtotal</b>	5,964,153	243,308		6,207,461	621,262		134,542

Contribution(s) in Aid of Construction (Gross)  
 Less: Non Amortizable Contribution(s)  
     Fully Amortized Contribution(s)  
     Amortizable Contribution(s)  
 Times: Proposed Amortization Rate  
**Amortization of CIAC**

\$0

Less: Amortization of CIAC

**DEPRECIATION EXPENSE**

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

0  
 Annual Report  
 Balance Sheet Assets  
 12/31/17

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$116,621	\$161,726
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		\$12,182	\$5,063
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments		\$1,285	\$1,405
174	Miscellaneous Current and Accrued Assets		\$100	\$100
	<b>Total Current and Accrued Assets</b>		<b>\$130,188</b>	<b>\$168,294</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$5,964,153	\$6,207,461
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		\$(1,456,436)	\$(1,590,978)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$4,507,717</b>	<b>\$4,616,483</b>
	<b>Total Assets</b>		<b>\$4,637,905</b>	<b>\$4,784,777</b>

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

\*Note these items feed automatically from AR3 UPIS Page 3

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	<b>Current Liabilities</b>			
231	Accounts Payable		\$28,630	\$28,530
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		\$182,898	\$186,500
236	Accrued Taxes		\$5,293	\$5,555
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	<b>Total Current Liabilities</b>		\$216,821	\$220,585
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$395,211	\$373,030
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		\$2,019,287	\$1,954,170
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>		\$2,019,287	\$1,954,170
	<b>Total Liabilities</b>		\$2,631,319	\$2,547,785
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$113	\$113
211	Other Paid-In Capital		\$2,284,174	\$2,284,174
215	Retained Earnings		\$(277,701)	\$(47,295)
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		\$2,006,586	\$2,236,992
	<b>Total Liabilities and Capital</b>		\$4,637,905	\$4,784,777

**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!

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Annual Report  
Water Comparative Income Statement  
12/31/17

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year	Last Year
		01/01/2017 - 12/31/2017	01/01/2016 - 12/31/2016
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$1,007,848	\$931,188
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	\$25	\$233
	<b>Total Revenues</b>	<b>\$1,007,873</b>	<b>\$931,421</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$115,000	\$50,000
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	\$31,657	\$29,426
618	Chemicals		
620	Materials and Supplies		
620.1	Repairs and Maintenance	\$9,068	\$8,063
620.2	Office Supplies and Expense	\$11,813	\$11,381
630	Contractual Services		\$141,226
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	\$10,248	
633	Contractual Services - Legal	\$325	
634	Contractual Services - Management Fees	\$171,395	
635	Contractual Services - Water Testing	\$3,258	\$292
636	Contractual Services - Other		
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability	\$7,424	\$10,365
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	\$5,890	\$6,047
403	Depreciation Expense (From Schedule AR4)	\$134,542	\$136,830
408	Taxes Other Than Income	\$2,550	\$3,825
408.11	Property Taxes	\$37,090	\$29,252
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	<b>Total Operating Expenses</b>	<b>\$540,260</b>	<b>\$426,707</b>
	<b>Operating Income / (Loss)</b>	<b>\$467,613</b>	<b>\$504,714</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$23	\$446
421	Non-Utility Income	\$16,791	\$18,666
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	\$(34,019)	\$(35,426)
	<b>Total Other Income / (Expense)</b>	<b>\$(17,205)</b>	<b>\$(16,314)</b>
	<b>Net Income / (Loss)</b>	<b>\$450,408</b>	<b>\$488,400</b>

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

0

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

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	02/18/2008			
Source of Loan	EC Development			
ACC Decision No.	56118			
Reason for Loan	Expansion			
Dollar Amt. Issued	\$527,400			
Amount Outstanding	\$373,030			
Date of Maturity	02/18/2028			
Interest Rate	8.5%			
Current Year Interest	\$22,181			
Current Year Principal	\$32,742			

Meter Deposit Balance at Test Year End:	\$113,574
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Meter Deposits Refunded During the Test Year:	
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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.**



<b>Water Utility Plant Description</b>
--

Name of the System: Goodman Water

ADEQ Public Water System Number: 11-130

WELLS								
ADWR ID No *	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Pump Motor Type **	Meter Size (inches)	Year Drilled	Arsenic Level (mg/L)
55-610541	75	550	700	12"	Turbine	8"	1982	0.0018
55-595228	100	800	618	16"	Turbine	8"	2004	0.0018

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5.0		2
10.0		1
20.0		3
30.0		2
40.0		2
50.0		2
75.0		1

FIRE HYDRANTS	
Type	Quantity
Standard ***	76
Other	

STORAGE TANKS		
Capacity	Material	Quantity
400,000	Steel	1
530,000	Steel	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
5,000	6

\* Arizona Department of Water Resources ("ADWR") well identification number.

\*\* Pump motor type, turbine or submersible.

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

**Water Utility Plant Description (Continued)**

Name of the System:	Goodman Water Company
ADEQ Public Water System Number:	11-130

MAINS		
Size (inches)	Material	Length (feet)
2		
3	PVC	950
4	PVC	153
5		
6	PVC	4,310
6	DIP	57
8	PVC	22,169
8	DIP	661
10		
12	PVC	17,835

CUSTOMER METERS	
Size (inches)	Quantity
5/8 x 3/4	588
3/4	347
1	6
1 1/2	2
Compound 2	6
Turbine 2	
Compound 3	
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>	Two Chlorinators
-----------------------------	------------------

<b>STRUCTURES:</b>	Shed and enclosures
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<b>OTHER:</b>	Telemetry System, SCADA System
---------------	--------------------------------

Water Use Data Sheet					
Name of the System:		Goodman Water Company			
ADEQ Public Water System Number:		11-130			
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	909	4,041	4,262		
February	907	3,489	4,033		
March	919	3,794	4,228		
April	910	4,925	5,375		
May	917	4,408	4,892		
June	923	7,299	7,910		
July	922	5,889	6,643		
August	927	4,325	4,261		
September	928	4,795	5,088		
October	923	4,443	3,078		
November	930	5,336	3,308		
December	934	4,384	2,885		
<b>Totals</b>		<b>57128</b>	<b>55963</b>	<b>0</b>	

If 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:**

<sup>1</sup> Gallons sold - Total gallons from customer meters.  
<sup>2</sup> Gallons pumped - Total gallons from pumped sources.  
<sup>3</sup> Gallons purchased - Total gallons purchased from other sources.  
<sup>4</sup> Estimated gallons authorized use - Total estimated gallons from authorized meter or un-metered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.

Water Company, Inc. Goodman Water Company  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/2017

Name of the System: Goodman Water Company

ADEQ Public Water System Number: 11-130

<b>Utility Shutoffs / Disconnects</b>			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	2	0
February	0	11	0
March	0	7	0
April	0	7	0
May	0	3	0
June	0	15	0
July	0	4	0
August	0	7	0
September	0	3	0
October	0	3	0
November	0	5	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>67</b>	<b>0</b>

Other (description):

0

Annual Report  
Property Taxes  
12/31/17

**Property Taxes**

Amount of actual property taxes paid during Calendar Year 2017 was

\$35,900.86

If no property taxes paid, explain why.

Grey cell for explanation of no property taxes paid.

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

**Verification and Sworn Statement (Taxes)**

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

County of (county name): Pinal  
Name (owner or official) title: James Shiner, President  
Company name: Goodman Water Company

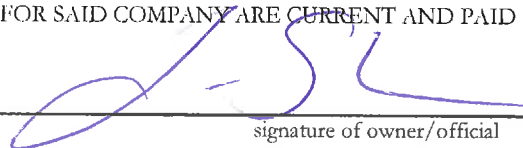
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/17

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**Sworn Statement:** I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



signature of owner/official

\_\_\_\_\_

telephone no.

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MAR 20 2018

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

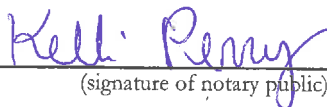
8th

DAY OF

Pima  
(county name)  
March 2018  
(month) and (year)

MY COMMISSION EXPIRES

Aug 8, 2021  
(date)



\_\_\_\_\_

(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the  
(state name)  
County of (county name): Pinal  
Name (owner or official) title: James Shiner, President  
Company name: Goodman Water Company

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

FOR THE YEAR ENDING: 12/31/17

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: 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:

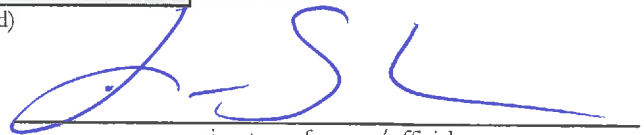
Arizona Intrastate Gross Operating Revenues Only (\$)

\$1,076,036

(The amount in the box above includes

\$68,188 in sales taxes

billed or collected)



signature of owner/official

0

telephone no.

RECEIVED

MAR 20 2018

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

PIMA

(county name)

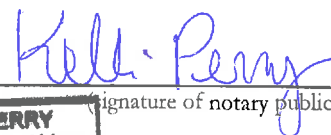
March 2018

(month) and (year)

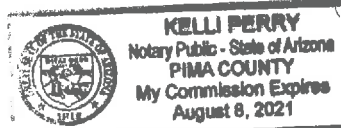
MY COMMISSION EXPIRES

Aug 8, 2021

(date)



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): Pinal  
Name (owner or official) title: James Shiner, President  
Company name: Goodman Water Company

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

FOR THE YEAR ENDING: 12/31/17

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**Sworn Statement:** 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 (\$)

\$1,030,964

(The amount in the box above includes  
\$65,331 in sales taxes  
billed or collected)

RECEIVED

MAR 20 2018

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

*[Handwritten Signature]*  
signature of owner/official

0  
telephone no.

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

PIMA  
(county name)

THIS 16th DAY OF March 2018  
(month) and (year)

MY COMMISSION EXPIRES Aug 8, 2021  
(date)

*[Handwritten Signature]*  
(signature of notary public)

