

# ANNUAL REPORT

Of

Company Name:

Granite Mountain Water Company

PO Box 350

Mailing Address:

Chino Valley AZ  
86323

Docket No.:

W-02467A

For the Year Ended:

12/31/16

RECEIVED

MAY 17 2017

ARIZONA CORP COMMISSION  
UTILITIES DIVISION -- DIRECTOR'S OFFICE

## WATER UTILITY

To

Arizona Corporation Commission

### Due on April 15th

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

05/01/2017

5-17-17

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Granite Mountain Water Company  
A Class  E Utility

1. For the Calendar Year Ended:

2. Address:   
City:  State:  Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

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

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

6. On-Site Manager:

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

7. Ownership:

8. Counties Served:

Revised 8/31/17

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCCLD (OC less AD)
301	Organization	\$110	\$0	\$0	\$110	\$0	\$110
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	15,615	0	0	15,615	0	15,615
304	Structures and Improvements	68,126	0	0	68,126	26,961	41,165
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	60,946	0	0	60,946	31,893	29,053
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	912	0	0	912	251	661
311	Pumping Equipment	121,907	5,555	400	127,061	104,903	22,159
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	2,077	5,669	0	7,745	3,210	4,535
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	102,223	0	0	102,223	0	102,223
330.1	Storage Tanks	70,417	0	0	70,417	15,387	55,030
330.2	Pressure Tanks	55,213	0	0	55,213	51,485	3,728
331	Transmission and Distribution Mains	450,034	0	0	450,034	286,931	163,103
333	Services	55,934	0	0	55,934	44,624	11,310
334	Meters and Meter Installations	6,652	135	0	6,787	5,767	1,020
335	Hydrants	8,774	0	0	8,774	6,076	2,698
336	Backflow Prevention Devices	1,428	0	0	1,428	1,135	294
339	Other Plant and Misc. Equipment	4,850	0	0	4,850	4,850	0
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	4,390	0	0	4,390	4,390	0
341	Transportation Equipment	26,456	0	0	26,456	21,502	4,954
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	5,000	0	0	5,000	4,662	338
346	Communication Equipment	8,003	0	0	8,003	5,784	2,219
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	20	0	0	20	20	0
	<b>Totals</b>	<b>\$1,069,087</b>	<b>\$11,358</b>	<b>\$400</b>	<b>\$1,080,045</b>	<b>\$619,830</b>	<b>\$460,215</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.

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	\$110	\$0	\$0	\$110	\$110	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	21,608	0	0	21,608	20,941	667
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	193,925	0	0	193,925	45,719	148,206
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	10,406	0	0	10,406	4,235	6,171
311	Pumping Equipment	104,245	0	0	104,245	83,948	20,297
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	2,077	0	0	2,077	824	1,253
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	275,975	0	0	275,975	95,736	180,239
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	415,165	0	0	415,165	327,623	87,542
333	Services	55,853	0	0	55,853	52,119	3,734
334	Meters and Meter Installations	7,749	0	0	7,749	3,666	4,083
335	Hydrants	8,774	0	0	8,774	3,772	5,002
336	Backflow Prevention Devices	1,027	0	0	1,027	439	587
339	Other Plant and Misc. Equipment	4,850	0	0	4,850	4,850	0
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	5,243	0	0	5,243	4,753	490
341	Transportation Equipment	26,456	0	0	26,456	18,106	8,350
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	5,000	0	0	5,000	4,729	271
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	20	0	0	20	20	0
	<b>Totals</b>	<b>\$1,138,483</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,138,483</b>	<b>\$671,591</b>	<b>\$466,892</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.

Granite Mountain Water Company  
 Annual Report  
 Depreciation Expense for the Current Year (Water)  
 12/31/16

Revised 8-31-17

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	\$110	\$0	\$0	\$110	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	15,615	0	0	15,615	0	0.00%	0
304	Structures and Improvements	68,126	0	0	68,126	0	3.33%	2,269
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	60,946	0	0	60,946	0	3.33%	2,030
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	912	0	0	912	0	5.00%	46
311	Pumping Equipment	121,907	5,555	400	127,061	99,190	12.40%	3,137
320	Water Treatment Equipment	0	0	0	0	0	-	0
320.1	Water Treatment Plants	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	2,077	5,669	0	7,745	2,077	20.00%	567
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	102,223	0	0	102,223	0	-	0
330.1	Storage Tanks	70,417	0	0	70,417	0	2.22%	1,563
330.2	Pressure Tanks	55,213	0	0	55,213	0	5.00%	2,761
331	Transmission and Distribution Mains	450,034	0	0	450,034	0	2.00%	9,001
333	Services	55,934	0	0	55,934	0	3.33%	1,863
334	Meters and Meter Installations	6,652	135	0	6,787	0	8.33%	560
335	Hydrants	8,774	0	0	8,774	0	2.00%	175
336	Backflow Prevention Devices	1,428	0	0	1,428	0	6.67%	95
339	Other Plant and Misc. Equipment	4,850	0	0	4,850	0	0.06%	3
340	Office Furniture and Equipment	0	0	0	0	0	0.00%	0
340.1	Computer & Software	4,390	0	0	4,390	0	6.22%	273
341	Transportation Equipment	26,456	0	0	26,456	0	20.00%	5,291
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	5,000	0	0	5,000	0	5.00%	250
346	Communication Equipment	8,003	0	0	8,003	0	10.00%	800
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	20	0	0	20	20	0.00%	0
	<b>Subtotal</b>	<b>\$1,069,087</b>	<b>\$11,358</b>	<b>\$400</b>	<b>\$1,080,045</b>	<b>\$101,287</b>		<b>\$30,683</b>

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 3.13%  
**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.

Granite Mountain Water Company  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/16

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	\$110	\$0	\$0	\$110	\$110	0.12%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0.00%	0
304	Structures and Improvements	21,608	0	0	21,608	0	2.31%	500
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	193,925	0	0	193,925	0	4.46%	8,657
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	10,406	0	0	10,406	0	4.85%	505
311	Pumping Equipment	104,245	0	0	104,245	0	4.46%	4,648
320	Water Treatment Equipment	0	0	0	0	0	-	0
320.1	Water Treatment Plants	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	2,077	0	0	2,077	0	5.00%	104
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	-	0
330.1	Storage Tanks	275,975	0	0	275,975	0	4.87%	13,433
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	415,165	0	0	415,165	0	3.25%	13,500
333	Services	55,853	0	0	55,853	0	4.62%	2,579
334	Meters and Meter Installations	7,749	0	0	7,749	0	5.55%	430
335	Hydrants	8,774	0	0	8,774	0	4.97%	436
336	Backflow Prevention Devices	1,027	0	0	1,027	0	5.00%	51
339	Other Plant and Misc. Equipment	4,850	0	0	4,850	4,850	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0.00%	0
340.1	Computer & Software	5,243	0	0	5,243	0	17.51%	918
341	Transportation Equipment	26,456	0	0	26,456	0	19.53%	5,167
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	5,000	0	0	5,000	0	5.00%	250
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	20	0	0	20	20	0.00%	0
	<b>Subtotal</b>	<b>\$1,138,483</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,138,483</b>	<b>\$4,980</b>		<b>\$51,178</b>

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	4.52%
<b>Amortization of CIAC</b>	<b>\$0</b>

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.

Granite Mountain Water Company  
 Annual Report  
 Balance Sheet Assets  
 12/31/16

Revised 8-31-17

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		\$20,679	\$15,252
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		14,415	10,378
146	Notes Receivable from Associated Companies		56,790	31,050
151	Plant Material and Supplies		123	123
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		(0)	(31)
	<b>Total Current and Accrued Assets</b>		<b>\$92,006</b>	<b>\$56,773</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$1,069,087	\$1,080,045
103	Property Held for Future Use		13,555	67,965
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(634,676)	(619,830)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$447,966</b>	<b>\$528,180</b>
	<b>Total Assets</b>		<b>\$539,973</b>	<b>\$584,953</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

Granite Mountain Water Company  
 Annual Report  
 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		\$20,679	\$15,252
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		14,415	10,378
146	Notes Receivable from Associated Companies		56,790	31,050
151	Plant Material and Supplies		123	123
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		(0)	(31)
	<b>Total Current and Accrued Assets</b>		<b>\$92,006</b>	<b>\$56,773</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$1,138,483	\$1,138,483
103	Property Held for Future Use		13,555	13,555
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(639,548)	(671,591)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$512,490</b>	<b>\$480,447</b>
	<b>Total Assets</b>		<b>\$604,496</b>	<b>\$537,220</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



Granite Mountain Water Company  
 Annual Report  
 Balance Sheet Liabilities and Owners Equity

Revised 8-31-17

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		\$0	\$1,220
232	Notes Payable (Current Portion)		54,225	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		400	200
236	Accrued Taxes		3,012	2,900
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		44	(733)
	<b>Total Current Liabilities</b>		<b>\$57,681</b>	<b>\$3,586</b>
<b>Long Term Debt</b>				
224	Long Term Debt (Notes and Bonds)		\$171,572	\$162,317
<b>Deferred Credits</b>				
251	Unamortized Premium on Debt		\$36,728	\$33,767
252	Advances in Aid of Construction		6,258	4,708
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>		<b>\$42,986</b>	<b>\$38,475</b>
	<b>Total Liabilities</b>		<b>\$272,239</b>	<b>\$204,379</b>
<b>Capital Accounts</b>				
201	Common Stock Issued		\$177,139	\$177,139
211	Other Paid-In Capital		405,722	420,447
215	Retained Earnings		(315,128)	(217,012)
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>\$267,733</b>	<b>\$380,574</b>
	<b>Total Liabilities and Capital</b>		<b>\$539,973</b>	<b>\$584,953</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.

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

Granite Mountain Water Company  
Annual Report  
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	<b>Current Liabilities</b>			
231	Accounts Payable		\$411	\$1,220
232	Notes Payable (Current Portion)		54,225	14,725
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		400	200
236	Accrued Taxes		3,012	2,900
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		(367)	(733)
	<b>Total Current Liabilities</b>		<b>\$57,681</b>	<b>\$18,311</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$171,572	\$162,317
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt		\$36,728	\$36,728
252	Advances in Aid of Construction		6,258	4,708
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>		<b>\$42,986</b>	<b>\$41,437</b>
	<b>Total Liabilities</b>		<b>\$272,239</b>	<b>\$222,065</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$177,139	\$177,139
211	Other Paid-In Capital		405,722	405,722
215	Retained Earnings		(250,604)	(267,707)
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>\$332,257</b>	<b>\$315,155</b>
	<b>Total Liabilities and Capital</b>		<b>\$604,496</b>	<b>\$537,220</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.

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

Revised 8-31-17

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2016 - 12/31/2016	Last Year 01/01/2015 - 12/31/2015
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$117,322	\$114,532
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	716	862
	<b>Total Revenues</b>	<b>\$118,038</b>	<b>\$115,393</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$33,168	\$34,320
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	11,761	16,711
618	Chemicals	0	52
620	Materials and Supplies	2,083	6,978
620.1	Repairs and Maintenance	0	0
620.2	Office Supplies and Expense	5,645	6,862
630	Contractual Services	0	967
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	3,925	5,005
636	Contractual Services - Other	4,136	900
640	Rents	1,800	1,800
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	2,985	2,808
657	Insurance - General Liability	5,534	5,573
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	13,944	22,994
675	Miscellaneous Expense	(667)	303
403	Depreciation Expense (From Schedule AR4)	30,683	43,295
408	Taxes Other Than Income	6,110	0
408.11	Property Taxes	0	1,949
409	Income Taxes	0	0
	<b>Total Operating Expenses</b>	<b>\$121,109</b>	<b>\$150,515</b>
	<b>Operating Income / (Loss)</b>	<b>(\$3,071)</b>	<b>(\$35,122)</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	(\$6,458)	(\$1,711)
421	Non-Utility Income	0	
426	Miscellaneous Non-Utility (Expense)	0	
427	Interest (Expense)	0	
	<b>Total Other Income / (Expense)</b>	<b>(\$6,458)</b>	<b>(\$1,711)</b>
	<b>Net Income / (Loss)</b>	<b>(\$9,529)</b>	<b>(\$36,833)</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.

Granite Mountain Water Company  
Annual Report  
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	\$117,322	\$114,532
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	14,271	862
	<b>Total Revenues</b>	<b>\$131,593</b>	<b>\$115,393</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$33,168	\$34,320
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	11,761	16,711
618	Chemicals	0	52
620	Materials and Supplies	2,232	6,978
620.1	Repairs and Maintenance	0	0
620.2	Office Supplies and Expense	4,937	6,862
630	Contractual Services	0	967
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	2,193	0
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	3,925	5,005
636	Contractual Services - Other	1,943	900
640	Rents	1,800	1,800
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	2,985	2,808
657	Insurance - General Liability	5,534	5,573
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	13,944	22,994
675	Miscellaneous Expense	525	303
403	Depreciation Expense (From Schedule AR4)	51,178	43,295
408	Taxes Other Than Income	6,110	0
408.11	Property Taxes	0	1,949
409	Income Taxes	0	0
	<b>Total Operating Expenses</b>	<b>\$142,237</b>	<b>\$150,515</b>
	<b>Operating Income / (Loss)</b>	<b>(\$10,645)</b>	<b>(\$35,122)</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	(\$6,458)	(\$1,711)
421	Non-Utility Income	0	
426	Miscellaneous Non-Utility (Expense)	0	
427	Interest (Expense)	0	
	<b>Total Other Income / (Expense)</b>	<b>(\$6,458)</b>	<b>(\$1,711)</b>
	<b>Net Income / (Loss)</b>	<b>(\$17,102)</b>	<b>(\$36,833)</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.

Granite Mountain Water Company  
 Annual Report  
 Supplemental Financial Data (Long-Term Debt)  
 12/31/16

Supplemental Financial Data (Long-Term Debt)				
	Loan # 1	Loan # 2	Loan # 3	Loan # 4
Date Issued	9/12/2014			
Source of Loan	WIFA			
ACC Decision No.	72377			
Reason for Loan	Install New Well			
Dollar Amt. Issued	\$181,320			
Amount Outstanding	\$167,874			
Date of Maturity	5/1/2034			
Interest Rate	3.94%			
Current Year Interest	\$1,529			
Current Year Principal	\$6,588			

Meter Deposit Balance at Test Year End:	\$6,258
---	---------

Meter Deposits Refunded During the Test Year:	\$2,049
---	---------

*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.*

Granite Mountain Water Company  
 Annual Report  
 Water Utility Plant Description  
 12/31/16

**Water Utility Plant Description**

Name of the System: Granite Mountain Water System  
 ADEQ Public Water System Number: W-02467A

**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)
55-554078	15	125	500	6	Submersible	3	1996	0.0012
55-511771	15	65	362	6	Submersible	2	2004	0.0012
55-210719	15	27	360	5	Submersible	2	2006	0.0012
55-220316	Not in Use	None	TBD	6	None	3	TBD	N/A
55-502453	Not in Use	None	340	7	None	N/A	1982	N/A
55-511301	Not in Use	None	288	6	None	N/A	1985	N/A

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

**BOOSTER PUMPS**

Horsepower	GPM	Quantity
5	160	2

**FIRE HYDRANTS**

Type	Quantity
Standard ***	3
Other	

**STORAGE TANKS**

Capacity	Material	Quantity
11,700	Steel	1
50,000	Steel	2

**PRESSURE/BLADDER TANKS**

Capacity	Quantity
2,000	1

**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. Copy and paste this sheet as many times as is necessary.

\* Arizona Department of Water Resources ("ADWR") well identification number. For example 55-XXXXXX.

\*\* 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 connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)				
MAINS			CUSTOMER METERS	
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity
2	PVC	708	5/8 X 3/4	98
3			3/4	
4	PVC	16,114	1	34
5			1 1/2	
6	PVC	19,098	Compound 2	1
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>	Chlorination Pump Feeder System
-----------------------------	---------------------------------

<b>STRUCTURES:</b>	4 - Well House Structures 10' x 12' 1 - Pressure Tank Facility containing 2,000 Gallons Pressure Tank and Pumping Equipment
--------------------	--

<b>OTHER:</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. Copy and paste this sheet as many times as is necessary.

Water Use Data Sheet					
Name of the System:		Granite Mountain Water System			
ADEQ Public Water System Number:		W-02467A			
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	121	485	601	0	545
February	124	468	545	0	520
March	125	735	881	0	796
April	129	794	853	0	847
May	126	805	878	0	865
June	125	1,521	1,596	0	1,574
July	125	1,154	1,161	0	1,154
August	124	990	1,211	0	1,063
September	126	814	1,080	0	990
October	126	799	917	0	852
November	128	706	862	0	766
December	124	596	864	0	662
<b>Totals</b>		<b>9,867</b>	<b>11,449</b>	<b>0</b>	<b>10,634</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.

<sup>1</sup> Gallons sold - Total gallons from customer meters, and other sold gallons such as Construction water.  
<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 metered or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.



Granite Mountain Water Company  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/16

ADEQ System No. :	W-02467A
-------------------	----------

Utility Shutoffs / Disconnects			
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):**

--

<p><b>Instructions:</b> 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.</p>
--

<b>Property Taxes</b>	
-----------------------	--

Amount of actual property taxes paid during Calendar Year 2016 was	\$6,110
--	---------

If no property taxes paid, explain why.

<b>Instructions:</b> 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.
---

RECEIVED

APR 21 2017

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Statement (Taxes)

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

County of (county name): Yavapai  
Name (owner or official) title: Paul D. Levie  
Company name: Granite Mountain Water Company

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

FOR THE YEAR ENDING: 12/31/16

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.

Paul Levie  
signature of owner/official

928-717-2616  
telephone no.

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

THIS

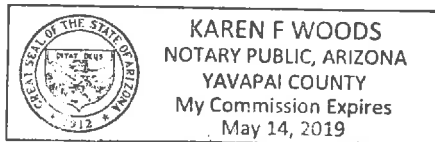
17<sup>th</sup>

DAY OF

Yavapai  
(county name)  
April 2017  
(month) and (year)

MY COMMISSION EXPIRES

5/14/19  
(date)



Karen F Woods  
(signature of notary public)

RECEIVED

APR 21 2017

Verification and Statement

Verification:

State of Arizona I, the undersigned of the  
(state name)  
County of (county name): Yavapai  
Name (owner or official) title: Paul D. Levie  
Company name: Granite Mountain Water Company

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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 (\$)  
\$118,037  
(The amount in the box above includes  
\$7,468 in sales taxes  
billed or collected)


Paul Levie  
signature of owner/official

928-717-2616  
telephone no.

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

THIS 17th DAY OF April 2017  
(month) and (year)

MY COMMISSION EXPIRES 5/14/19  
(date)

 KAREN F WOODS  
NOTARY PUBLIC, ARIZONA  
YAVAPAI COUNTY  
My Commission Expires  
May 14, 2019

Karen F Woods  
(signature of notary public)

RECEIVED

APR 21 2017

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Statement (Residential Revenue)

Verification:

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

County of (county name): Yavapai  
Name (owner or official) title: Paul D. Levie  
Company name: Granite Mountain Water Company

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

FOR THE YEAR ENDING: 12/31/16

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 RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$118,037

(The amount in the box above includes

\$7,468 in sales taxes  
billed or collected)

[Signature]  
signature of owner/official

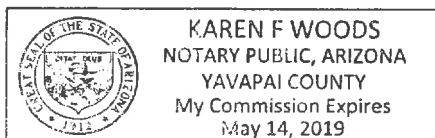
928-717-2616  
telephone no.

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

Yavapai  
(county name)

THIS 17th DAY OF April 2017  
(month) and (year)

MY COMMISSION EXPIRES 5/14/19  
(date)



[Signature]  
(signature of notary public)