

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: 12/31/17

RECEIVED

MAY 04 2018

WATER UTILITY

To

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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: 4/17/2018

5-4-18

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

Granite Mountain Water Company
Annual Report
Utility Plant in Service (Water)
12/31/17

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (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	29,229	38,896
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	33,922	27,024
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	297	616
311	Pumping Equipment	127,061	\$0	\$0	127,061	108,387	18,675
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	7,745	\$0	\$0	7,745	4,344	3,401
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	172,640	\$0	\$0	172,640	16,950	155,689
330.2	Pressure Tanks	55,213	\$0	\$0	55,213	54,246	968
331	Transmission and Distribution Mains	450,034	\$0	\$0	450,034	295,932	154,102
333	Services	55,934	\$0	\$0	55,934	46,486	9,448
334	Meters and Meter Installations	6,787	\$0	\$0	6,787	6,332	455
335	Hydrants	8,774	\$0	\$0	8,774	6,252	2,523
336	Backflow Prevention Devices	1,428	\$0	\$0	1,428	1,230	198
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	5,732	\$0	32,188	27,366	4,821
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	1,634	\$0	6,634	4,953	1,680
346	Communication Equipment	8,003	\$0	\$0	8,003	6,584	1,419
347	Miscellaneous Equipment	0	\$0	\$0	0	0	0
348	Other Tangible Plant	20	\$0	\$0	20	20	0
	Totals	\$1,080,045	\$7,365	\$0	\$1,087,410	\$651,770	\$435,640

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)
12/31/17

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	\$110	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	15,615	0	0	15,615	15,615	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	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	2.50%	0
307	Wells and Springs	60,946	0	0	60,946	0	3.33%	2,030
308	Infiltration Galleries	0	0	0	0	0	6.67%	0
309	Supply Mains	0	0	0	0	0	2.00%	0
310	Power Generation Equipment	912	0	0	912	0	5.00%	46
311	Pumping Equipment	127,061	0	0	127,061	99,190	12.50%	3,484
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	3.33%	0
320.2	Solution Chemical Feeders	7,745	0	0	7,745	2,077	20.00%	1,134
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	0.00%	0
330.1	Storage Tanks	172,640	0	0	172,640	0	2.22%	3,833
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	6,787	0	0	6,787	0	8.33%	565
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	4,850	6.67%	0
340	Office Furniture and Equipment	0	0	0	0	0	6.67%	0
340.1	Computer & Software	4,390	0	0	4,390	4,390	20.00%	0
341	Transportation Equipment	26,456	5,732	0	32,188	0	20.00%	5,864
342	Stores Equipment	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	5.00%	0
344	Laboratory Equipment	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	5,000	1,634	0	6,634	0	5.00%	291
346	Communication Equipment	8,003	0	0	8,003	0	10.00%	800
347	Miscellaneous Equipment	0	0	0	0	0	10.00%	0
348	Other Tangible Plant	20	0	0	20	20	10.00%	0
	Subtotal	\$1,080,045	\$7,365	\$0	\$1,087,410	\$126,252		\$34,210

Contribution(s) in Aid of Construction (Gross)	\$38,728
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$38,728
Times: Proposed Amortization Rate	3.56%
Amortization of CIAC	\$1,378
	Less: Amortization of CIAC <input type="text" value="\$1,378"/>
	DEPRECIATION EXPENSE <input type="text" value="\$32,831"/>

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
 12/31/17

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current and Accrued Assets			
131	Cash		\$15,252	\$49,262
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		10,378	16,762
146	Notes Receivable from Associated Companies		31,050	14,164
151	Plant Material and Supplies		123	123
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$56,804	\$80,311
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,080,045	\$1,087,410
103	Property Held for Future Use		67,965	67,965
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(619,830)	(651,770)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$528,180	\$503,605
	Total Assets		\$584,983	\$583,916

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

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current Liabilities			
231	Accounts Payable		\$1,220	\$110
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		200	200
236	Accrued Taxes		2,900	2,962
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		(736)	(865)
	Total Current Liabilities		\$3,584	\$2,407
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$162,317	\$152,803
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		4,708	4,708
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		36,728	36,728
272	Less: Amortization of Contributions		(2,961)	(4,248)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$38,475	\$37,188
	Total Liabilities		\$204,376	\$192,399
	Capital Accounts			
201	Common Stock Issued		\$177,139	\$177,139
211	Other Paid-In Capital		420,447	420,447
215	Retained Earnings		(216,980)	(206,069)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$380,607	\$391,518
	Total Liabilities and Capital		\$584,983	\$583,916

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!

Granite Mountain Water Company
Annual Report
Water Comparative Income Statement
12/31/17

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	Operating Revenue		
461	Metered Water Revenue	\$141,126	\$117,322
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	822	716
	Total Revenues	\$141,948	\$118,038
	Operating Expenses		
601	Salaries and Wages	\$37,322	\$33,168
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	11,423	11,761
618	Chemicals	0	0
620	Materials and Supplies	1,706	2,083
620.1	Repairs and Maintenance	0	0
620.2	Office Supplies and Expense	9,722	5,645
630	Contractual Services	7,821	0
631	Contractual Services -Engineering	6,333	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	1,204	3,925
636	Contractual Services - Other	0	4,136
640	Rents	1,825	1,800
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	3,522	2,985
657	Insurance - General Liability	5,681	5,534
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	2,747	13,944
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	637	(667)
403	Depreciation Expense (From Schedule AR4)	30,653	30,683
408	Taxes Other Than Income	0	6,110
408.11	Property Taxes	3,952	0
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$124,549	\$121,109
	Operating Income / (Loss)	\$17,399	(\$3,071)
	Other Income / (Expense)		
419	Interest and Dividend Income	50	50
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(6,489)	(6,458)
	Total Other Income / (Expense)	(\$6,489)	(\$6,458)
	Net Income / (Loss)	\$10,911	(\$9,529)

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	9/12/2004			
Source of Loan	WIFA			
ACC Decision No.	72377			
Reason for Loan	Install New Well			
Dollar Amt. Issued	\$181,320			
Amount Outstanding	\$161,027			
Date of Maturity	5/1/2034			
Interest Rate	3.94%			
Current Year Interest	\$1,546			
Current Year Principal	\$6,847			

Meter Deposit Balance at Test Year End:	\$200
---	-------

Meter Deposits Refunded During the Test Year:	\$0
---	-----

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 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) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴	Purchased Power Expense ⁵	Purchased Power (kWh) ⁶
January	135	418	495	0	459	\$1,366	4,489
February	135	444	564	0	485	633	3,958
March	135	492	588	0	533	547	3,293
April	135	668	721	0	709	606	3,783
May	137	1,063	1,244	0	1,152	893	5,012
June	138	1,174	1,270	0	1,264	1,269	7,220
July	140	876	1,097	0	969	1,418	8,256
August	137	881	1,232	0	1,141	1,008	5,615
September	139	853	994	0	895	1,090	5,967
October	141	853	928	0	895	1,019	5,651
November	140	787	836	0	828	821	4,989
December	140	672	775	0	714	754	4,417
Totals		9,181	10,744	0	10,044	\$11,423	62,650

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, and other sold gallons such as Construction water.
- 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.
- 5 Enter the total purchased power costs for the power meters associated with this system.
- 6 Enter the total purchased kWh used by the power meters associated with this system.

Granite Mountain Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

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>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.</p>
--

Property Taxes

Amount of actual property taxes paid during Calendar Year 2017 was	\$3,952
--	---------

If no property taxes paid, explain why.

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): 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: 12/31/17

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.

Paul D. Levie
signature of owner/official

928-717-2619
telephone no.

RECEIVED

MAY 04 2018

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

ARIZONA CORPORATION UTILITIES DIVISION - DIRECTOR'S OFFICE

THIS


5th

DAY OF

Yavapai
(county name)
April 2018
(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)

Verification and Sworn 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

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 (\$)
\$141,948
(The amount in the box above includes
\$8,949 in sales taxes
billed or collected)

RECEIVED

MAY 04 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE


Paul D. Levie
signature of owner/official

0
telephone no.

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

THIS 5th DAY OF Yavapai
April 2018
(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)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Paul D. Levie
Name (owner or official) title: 0
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: 12/31/17

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 (\$)

\$141,948

(The amount in the box above includes
\$8,949 in sales taxes
billed or collected)

RECEIVED

MAY 04 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Paul D. Levie
signature of owner/official

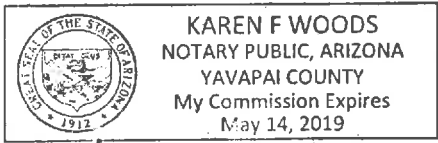
0
telephone no.

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

Yavapai
(county name)

THIS 5th DAY OF April 2018
(month) and (year)

MY COMMISSION EXPIRES 5-14-19
(date)



Karen F Woods
(signature of notary public)