

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-03443A

Appaloosa Water Company
PO Box 3150
Chino Valley, AZ 86323

RECEIVED
DEC 20 2013
ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2012
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FOR COMMISSION USE

ANN 04	12
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12-20-13

COMPANY INFORMATION

Company Name (Business Name) Appaloosa Water Company

Mailing Address PO Box 3150
(Street)
Chino Valley AZ 86323
(City) (State) (Zip)

928 237 6128
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address Joe@Jcranchaz.com

Local Office Mailing Address "Same"
(Street)
(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Regulatory Contact:

Management Contact: JOE CORDOVANA Owner
(Name) (Title)

PO Box 3150 Chino Valley AZ 86323
(Street) (City) (State) (Zip)

928 237 6128
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address Joe@JCRANHAZ.COM

On Site Manager: "Same"
(Name)
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

Statutory Agent:

JOE CORDOBUANA

(Name)

PO Box 3150

(Street)

Chino Valley

(City)

AZ

(State)

86323

(Zip)

928 2376128

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney:

N/A

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address

OWNERSHIP INFORMATION

Check the following box that applies to your company:

Sole Proprietor (S)

C Corporation (C) (Other than Association/Co-op)

Partnership (P)

Subchapter S Corporation (Z)

Bankruptcy (B)

Association/Co-op (A)

Receivership (R)

Limited Liability Company

Other (Describe)

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

APACHE

COCHISE

COCONINO

GILA

GRAHAM

GREENLEE

LA PAZ

MARICOPA

MOHAVE

NAVAJO

PIMA

PINAL

SANTA CRUZ

YAVAPAI

YUMA

STATEWIDE

COMPANY NAME

Appaloosa Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	264		264
302	Franchises	2309		2309
303	Land and Land Rights	3161		3161
304	Structures and Improvements	67051	15631	51420
307	Wells and Springs	238519	55601	182918
311	Pumping Equipment	94131	82362	11769
320	Water Treatment Equipment	182371	50992	131379
330	Distribution Reservoirs and Standpipes	100438	35154	65284
331	Transmission and Distribution Mains	745102	104314	640788
333	Services			
334	Meters and Meter Installations	15055	8778	6277
335	Hydrants	48876	6840	42036
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1850	861	989
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	1500	900	600
348	Other Tangible Plant	12889	1806	11083
	TOTALS	1,513,516	363,239	1,150,277

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Appaloosa Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	264		
302	Franchises	2309		
303	Land and Land Rights	3161		
304	Structures and Improvements	67051	3.33	2233
307	Wells and Springs	238519	3.33	7943
311	Pumping Equipment	94131	12.5	11766
320	Water Treatment Equipment	182371	6.99	12748
330	Distribution Reservoirs and Standpipes	100438	5.00	5022
331	Transmission and Distribution Mains	745102	2.00	14902
333	Services			
334	Meters and Meter Installations	15055	8.33	1254
335	Hydrants	48876	2.00	978
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1850	6.67	123
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	1500	20	300
348	Other Tangible Plant	12889	2.00	258
	TOTALS	1,513,516		57527

This amount goes on the Comparative Statement of Income and Expense Acct. No. 403. 

COMPANY NAME

Appaloosa Water Company

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 11217	\$ 11923
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies	141187	111313
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	77508	6711
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 229,912	\$ 129,947
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1513516	\$ 1513516
103	Property Held for Future Use	60000	60000
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(305718)	(363239)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 1267798	\$ 1210277
	TOTAL ASSETS	\$ 1497710	\$ 1340224

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

Appaloosa Water Company

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 2761	\$ 25836
232	Notes Payable (Current Portion)	23000	
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		3.300
236	Accrued Taxes		1937
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	29796	
	TOTAL CURRENT LIABILITIES	\$ 55557	\$ 31073
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 190801	\$ 183174
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	493112	488769
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	759327	759327
272	Less: Amortization of Contributions	(73506)	(98008)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 1178933	\$ 1150088
	TOTAL LIABILITIES	\$ 1425291	\$ 1364335
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 2000	\$ 2000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	727550	734186
218	Proprietary Capital (Sole Props and Partnerships)	1657131	(760297)
	TOTAL CAPITAL	\$ 72419	\$ (24111)
	TOTAL LIABILITIES AND CAPITAL	\$ 1497710	\$ 1340224

COMPANY NAME

Appaloosa Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 125879	\$ 136973
460	Unmetered Water Revenue		
474	Other Water Revenues	15231	12845
	TOTAL REVENUES	\$ 141110	\$ 149818
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 25437	\$ 26497
610	Purchased Water		
615	Purchased Power	11051	11601
618	Chemicals		
620	Repairs and Maintenance	28083	4450
621	Office Supplies and Expense	1677	2307
630	Outside Services	9788	6450
635	Water Testing	9492	6848
641	Rents	6000	6000
650	Transportation Expenses		
657	Insurance - General Liability	3630	2519
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	3599	8486
403	Depreciation Expense	57527	57527
408	Taxes Other Than Income	17596	19826
408.11	Property Taxes	7051	7547
409	Income Tax		2389
	TOTAL OPERATING EXPENSES	\$ 180931	\$ 162347
	OPERATING INCOME/(LOSS)	\$ (39821)	\$ (12529)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	21771	15451
426	Miscellaneous Non-Utility Expenses	(17265)	(2398)
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 4506	\$ 13053
	NET INCOME/(LOSS)	\$ (35315)	\$ 524

COMPANY NAME Appaloosa Water Co

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	11-6-07			
Source of Loan	WFA			
ACC Decision No.	171236			
Reason for Loan	Arsenic Treatment Equip			
Dollar Amount Issued	\$ 200,000	\$	\$	\$
Amount Outstanding	\$ 183,174.03	\$	\$	\$
Date of Maturity	11-1-29			
Interest Rate	3.675 %	%	%	%
Current Year Interest	\$ 1,272.22	\$	\$	\$
Current Year Principle	\$ 76,266.5	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME	Appaloosa Water Company		
Name of System:	Appaloosa Water Co	ADEQ Public Water System Number:	13209

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
SS-607204	7.5	125	166	16	6	1999
SS-607203	10	175	260	12	6	2004

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	2	26	
7.5	1		
10	1		
100 (Fire Pump)	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
65,000	1	5500	

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Appaloosa Water Company	
Name of System:	Appaloosa Water	ADEQ Public Water System Number: 13208

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	3589
3		
4	PVC	1657
5		
6	PVC	22933
8	PVC	5395
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	185
3/4	
1	49
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

New arsenic treatment installed 2009
 Includes 5000 Gal Backwash Tank

STRUCTURES:

60x40 Slump block wall w/ Iron entry Gate
 38'x8' 65,000 Gal Storage Tank
 28x24 Pump House for booster pumps & Hydro Tank
 5,500 Gal Hydro Tank
 74" Slump block wall 6' high
 20x40 Slump block building which houses the arsenic treatment
 5000 gal Backwash Tank

OTHER:

350' Fire Hoses
 Pipe Wrenches and miscellaneous tools
 Ladder
 296 Degraze Blows-off extension
 Chlorination System (Automatic)

* Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Appaloosa Water Co
 Name of System: _____ ADEQ Public Water System Number: 13208

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	230	904890	1226900	N/A
FEBRUARY	231	1222050	1579000	
MARCH	231	1176040	1475300	
APRIL	234	1759140	2230100	
MAY	234	2941370	4003600	
JUNE	234	3366310	4423100	
JULY	234	3045830	3966200	
AUGUST	234	2590630	3193700	
SEPTEMBER	234	2246860	2608800	
OCTOBER	234	2381010	2812500	
NOVEMBER	233	1247180	1512700	
DECEMBER	231	856930	1138000	
TOTALS →		23695030	30169900	

What is the level of arsenic for each well on your system? 8.0 mg/l
 (If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 100 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 Yes No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Appalosa Water Company
 Name of System: _____ ADEQ Public Water System Number: 13208

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER	
JANUARY				
FEBRUARY	N/A		N/A	
MARCH				
APRIL				
MAY				
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER				1
NOVEMBER				
DECEMBER				
TOTALS →				1

OTHER (description):

COMPANY NAME Appalosa Water Company YEAR ENDING 12/31/2012

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2012 was: \$ 7446.56

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED
DEC 20 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>YAVAPAI</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Joseph Cordovana President</u>
COMPANY NAME	<u>Appaloosa Water Company</u>

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2012</u>

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.

Joe Cordovana
SIGNATURE OF OWNER OR OFFICIAL
928-237-6128
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15 DAY OF
SHERRIE AMOUR
Notary Public - Arizona
(SEAL) Yavapai County
My Comm. Expires Feb 17, 2017

COUNTY NAME	<u>Yavapai</u>
MONTH	<u>April</u> 20 <u>13</u>

Sherrie Amour
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 02-17-2017

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
DEC 20 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>YAVAPAI</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Joseph Cordovana President</u>
COMPANY NAME	<u>Appaloosa Water Company</u>

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FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2012

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 REQUIREMENT 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 CALENDAR YEAR 2012 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>165425</u>

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 15607 IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

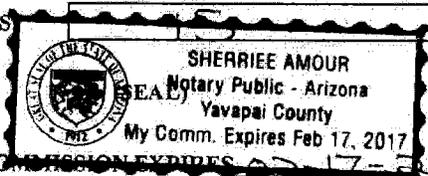
Joseph Cordovana
SIGNATURE OF OWNER OR OFFICIAL
928-237-6128
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS _____ DAY OF

COUNTY NAME	<u>Yavapai</u>
MONTH	<u>April 2013</u>



[Signature]
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 02-17-2017

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED
DEC 20 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>YAVAPAI</u>	
NAME (OWNER OR OFFICIAL) <u>Joseph Cordovana</u>	TITLE <u>President</u>
COMPANY NAME <u>Appaloosa Water Company</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2012</u>

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SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, 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 CALENDAR YEAR 2012 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>165425</u>

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 15607
IN SALES TAXES BILLED, OR COLLECTED)

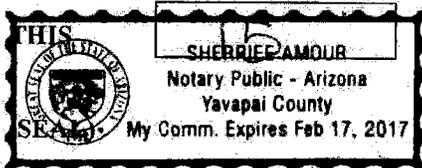
*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Joe Cordovana
SIGNATURE OF OWNER OR OFFICIAL

928-237-6128
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



DAY OF

NOTARY PUBLIC NAME <u>Sherrie Amour</u>	
COUNTY NAME <u>Yavapai</u>	
MONTH <u>April</u>	YEAR <u>2013</u>

MY COMMISSION EXPIRES 02/17/2017

Sherrie Amour
SIGNATURE OF NOTARY PUBLIC