

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

Berneil Water Company
PO Box 219
Tempe, AZ 85280-0219
W-01275A

RECEIVED

APR 15 2013

AZ CORP COMM
Director - Utilities

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2012
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FOR COMMISSION USE

ANN 04	12
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4-17-13

COMPANY INFORMATION

Company Name (Business Name) Berneil Water Company

Mailing Address PO Box 219
(Street)
Tempe AZ 85280
(City) (State) (Zip)

480-966-5804 480-967-7857 —
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address Support@ArizonaWaterworks.com

Local Office Mailing Address PO Box 219
(Street)
Tempe AZ 85280
(City) (State) (Zip)

480-966-5804 480-967-7857 —
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address Support@ArizonaWaterworks.com

MANAGEMENT INFORMATION

Regulatory Contact:

Management Contact: None
(Name) (Title)

(Street) (City) (State) (Zip)

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

Email Address _____

On Site Manager: Don Ross
(Name)
PO Box 219 Tempe AZ 85280
(Street) (City) (State) (Zip)

928-213-1959 480-967-2857 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Neil Folkman
(Name)

2501 E. Palo Verde Phoenix AZ 85016
(Street) (City) (State) (Zip)

480-966-5804 480-967-2857
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: _____
(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:

<input type="checkbox"/> Sole Proprietor (S)	<input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co-op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

COUNTIES SERVED

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

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input checked="" type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME

Berneil Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	400	∅	
304	Structures and Improvements	35,532	35,532	400 *
307	Wells and Springs	272,978	272,978	∅ *
311	Pumping Equipment	80,326	7735	* *
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	225,447	225,447	∅
331	Transmission and Distribution Mains	953,848	953,848	∅ *
333	Services			
334	Meters and Meter Installations	205,299	102,650	102,649
335	Hydrants	76,147	38,903	37,244
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	43,814	43,814	∅ *
340	Office Furniture and Equipment	6,373	3,529	2844
341	Transportation Equipment	37,599	24,657	12,942
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	7079	774	6305
348	Other Tangible Plant			
	TOTALS			

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

* These accounts have fully depreciated and operating assets included in balance.

COMPANY NAME

Berneil Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	400	0	0
304	Structures and Improvements	35,532	3.33	1183
307	Wells and Springs	272,978	3.33	0
311	Pumping Equipment	408,612	12.50	21,175
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	225,447	2.22	4960
331	Transmission and Distribution Mains	953,848	2.22	2098
333	Services			
334	Meters and Meter Installations	205,299	8.30	17,039
335	Hydrants	76,147	3.33	2,536
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	43,814	6.67	2,922
340	Office Furniture and Equipment	6,373	6.67	426
341	Transportation Equipment	37,599	20.00	7,520
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	7079	6.67	472
348	Other Tangible Plant			
	TOTALS			59,931

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

COMPANY NAME

Berneil Water Company

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$ 86,956
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies	202,700	210,700
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 202,700	\$ 297,656
	FIXED ASSETS		
101	Utility Plant in Service	\$ 2,165,179	\$ 1,944,842
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	1,678,702	1,659,184
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 486,727	\$ 285,658
	TOTAL ASSETS	\$ 689,477	\$ 583,314

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

COMPANY NAME

Bernell Water Company

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	5900	6500
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 5900	\$ 6500
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 42,838	\$ 38,313
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	192,245	192,245
272	Less: Amortization of Contributions	(92,835)	(100,485)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 99,410	\$ 91,760
	TOTAL LIABILITIES	\$ 148,146	\$ 130,073
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 25,000	\$ 25,000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	593,993	428,241
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 618,993	\$ 453,241
	TOTAL LIABILITIES AND CAPITAL	\$ 786,239	\$ 583,314

COMPANY NAME

Barneil Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 721,181	\$ 716,903
460	Unmetered Water Revenue		7,650
474	Other Water Revenues	7,650	
	TOTAL REVENUES	\$ 728,831	\$ 724,583
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 194,159	\$ 192,019
610	Purchased Water	48,291	68,664
615	Purchased Power	108,839	98,055
618	Chemicals		
620	Repairs and Maintenance	53,617	48,664
621	Office Supplies and Expense	14,958	12,918
630	Outside Services	30,959	27,189
635	Water Testing	6,772	
641	Rents	47,906	60,816
650	Transportation Expenses	5,358	5,780
657	Insurance - General Liability	7,940	9,400
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case	1,479	
675	Miscellaneous Expense	13,878	10,620
403	Depreciation Expense	28,070	59,931
408	Taxes Other Than Income	68,587	65,586
408.11	Property Taxes	18,310	19,472
409	Income Tax	45	45
	TOTAL OPERATING EXPENSES	\$ 649,168	\$ 679,159
	OPERATING INCOME/(LOSS)	\$ 79,663	\$ 45,424
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	3,185	
427	Interest Expense		2,340
	TOTAL OTHER INCOME/(EXPENSE)	\$ 3,185	\$
	NET INCOME/(LOSS)	\$ 76,478	\$ 43,084

COMPANY NAME

Berneil Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1989			
Source of Loan	PV			
ACC Decision No.				
Reason for Loan	Water Main			
Dollar Amount Issued	\$ 86,137	\$	\$	\$
Amount Outstanding	\$ 42,836	\$	\$	\$
Date of Maturity	8-31-19			
Interest Rate	6 %	%	%	%
Current Year Interest	\$ 2801	\$	\$	\$
Current Year Principle	\$ 4062	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ Ø

Meter Deposits Refunded During the Test Year

\$ 5900

COMPANY NAME	Berneil Water Company	
Name of System:	ADEQ Public Water System Number:	04-07-008

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-609543	100	400	980	12	4	1955
55-627600	350	1400	1285	18	8	1969
55-551370	300	600	1186	14	6	1987

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Purchase Camelback Golf Club	1800	
Purchase City of Scottsdale	550	

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
40	3	94	
30	1		
20	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	2	5000	3
135,000	1		

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

COMPANY NAME	Berneil Water Company
Name of System:	ADEQ Public Water System Number: 04-07-008

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	630
5		
6	PVC	53,210
8	PVC	4,150
10		
12		
4"	AC	3,650
6"	AC	28,290
6"	DI	6,280

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	464
1 1/2	21
2	40
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	3
Comp. 6	
Turbo 6	2
Turbo 8	1

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

TREATMENT EQUIPMENT:

Gas Chlorinators

STRUCTURES:

Block Fences

OTHER:

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

COMPANY NAME: Berneil Water Company
 Name of System: _____ ADEQ Public Water System Number: 04-07-008

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	532	18,765	26,756	
FEBRUARY	534	24,543	19,355	
MARCH	533	23,096	29,045	
APRIL	534	27,911	28,631	
MAY	535	46,644	49,771	
JUNE	535	44,708	45,655	
JULY	534	57,725	58,283	
AUGUST	535	44,639	45,509	
SEPTEMBER	535	41,695	41,306	
OCTOBER	535	45,249	49,103	
NOVEMBER	534	32,719	39,528	
DECEMBER	534	21,655	22,468	
TOTALS →		427,434	455,410	

What is the level of arsenic for each well on your system? <.001 mg/l
 (If more than one well, please list each separately.) <.001

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ 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: 525

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

COMPANY NAME:	
Name of System:	ADEQ Public Water System Number:

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY			
FEBRUARY			
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
TOTALS →	∅	Approx 17	

OTHER (description):

We do not keep these records,

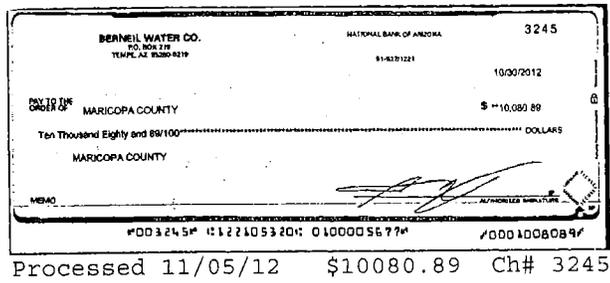
COMPANY NAME Berneil Water Company YEAR ENDING 12/31/2012

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2012 was: \$ 19,472

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. _____



2nd payment - CK# 3159
4-27-12
Unable to retrieve copy at this time

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

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported _____
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4-12-13
DATE

Bradley Folkman
PRINTED NAME

President
TITLE

RECEIVED

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

APR 15 2013 AZ CORP COMM Director - Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

Form with fields for County (Maricopa), Name (Bradley Folkman), Title (President), and Company Name (Berneil Water Company).

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

FOR THE YEAR ENDING

Table with columns for Month (12), Day (31), and Year (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 (\$) \$ 716,803

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 65,585 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)

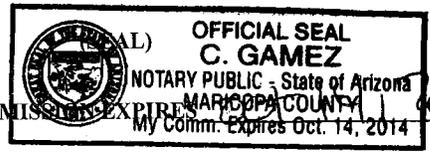
Signature of owner/official and telephone number 480-966-5804.

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28th DAY OF

Form with fields for County Name (Maricopa), Month (March), and Year (2013).



MY COMMISSION EXPIRES

Signature of Notary Public

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

RECEIVED

APR 15 2013

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <i>Maricopa</i>	
NAME (OWNER OR OFFICIAL) <i>Bradley Folkman</i>	TITLE <i>President</i>
COMPANY NAME <i>Berneil Water Company</i>	

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

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 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>716,803</u>
--

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 65,585 IN SALES TAXES BILLED, OR COLLECTED)

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

[Signature]
SIGNATURE OF OWNER OR OFFICIAL
480-966-5804
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28th DAY OF

NOTARY PUBLIC NAME <i>C. Gamez</i>	
COUNTY NAME <i>Maricopa</i>	
MONTH <i>March</i>	YEAR <i>2013</i>

(SEAL)

MY COMMISSION



[Signature]
SIGNATURE OF NOTARY PUBLIC

October 14 2014