

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

Montezuma Rimrock Water Company LLC
3031 E. Beaver Creek Rd.
Rimrock, AZ 86335

W-04251A

RECEIVED

APR 16 2013

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2012
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4-18-13

COMPANY INFORMATION

Company Name (Business Name) Montezuma Rimrock Water Company LLC

Mailing Address 3031 E. Beaver Creek Rd.
(Street)
Rimrock AZ 86335
(City) (State) (Zip)

928-592-9211 928-300-3291
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email
Address Patsy@MontezumaWater.com

Local Office Mailing Address _____
(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: Patricia D. Olsen Manager
(Name) (Title)

3031 E. Beaver Creek Rd., Rimrock, AZ 86335
(Street) (City) (State) (Zip)

928-592-9211 928-300-3291
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email
Address Patsy@MontezumaWater.com

On Site Manager: Patricia D. Olsen
(Name)

3031 E. Beaver Creek Rd. Rimrock AZ 86335
(Street) (City) (State) (Zip)

928-592-9211 928-300-3291
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email
Address Patsy@MontezumaWater.com

Statutory Agent: Patricia D. Olsen
 (Name)

3031 E. Beaver Creek Rd. Rimrock AZ 86335
 (Street) (City) (State) (Zip)

928-592-9211 928-300-3291
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Fennemore Craig Todd Wiley
 (Name)

2394 E. Camelback Road, Suite 600 Phoenix AZ 85016
 (Street) (City) (State) (Zip)

(602) 916-5337 (602) 916-5537 (602) 329-0006
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address TWiley@FCLaw.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input checked="" type="checkbox"/> Sole Proprietor (S)	<input 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 checked="" 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 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 checked="" type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
305	Collection & Impound	1700	170	1530
309	Supply Mains	1096	143	953
303	Land and Land Rights	37000		
304	Structures and Improvements	38596	17790	20806
307	Wells and Springs	84265	40159	44106
311	Pumping Equipment	40304	34661	5643
320	Water Treatment Equipment	52993	16507	36486
330	Distribution Reservoirs and Standpipes	31028	14365	16663
331	Transmission and Distribution Mains	188664	56935	131729
333	Services	11415	10089	1326
334	Meters and Meter Installations	50730	30734	19996
335	Hydrants	11264	3572	7692
336	Backflow Prevention Devices	72	72	0
339	Other Plant and Misc. Equipment	11061	7065	3996
340	Office Furniture and Equipment 340.0 340.1	3009 1239	1397 1239	1613 0
341	Transportation Equipment	11180	11180	0
343	Tools, Shop and Garage Equipment	14766	12475	2290
310	Power Generating	1054	942	112
345	Power Operated Equipment	1848	1848	0
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	593,284	261,343	300,941

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

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)	
305	Collection & Impound	1700	2.50	43	
309	Supply Mains	1096	2.00	22	
303	Land and Land Rights	37000	0	0	
304	Structures and Improvements	38596	3.33	140	
307	Wells and Springs	84265	3.33	2567	
311	Pumping Equipment	40304	12.50	5039	
320	Water Treatment Equipment	52993	20.00	9966	
330	Distribution Reservoirs and Standpipes	31028	2.22	693	
331	Transmission and Distribution Mains	188664	2.00	64	
333	Services	11415	3.33	40	
334	Meters and Meter Installations	50703	8.33	241	
335	Hydrants	11264	2.00	257	
336	Backflow Prevention Devices	72	6.67	0	
339	Other Plant and Misc. Equipment	11061	6.67	40	
340	Office Furniture and Equipment	340.0 340.1	3009 1239	6.67 20.00	198 0
341	Transportation Equipment	11180	20.00	524	
343	Tools, Shop and Garage Equipment	14766	5.00	736	
310	Power Generating Equipment	1054	5.00	53	
345	Power Operated Equipment	1848	5.00	0	
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	TOTALS	593,284		20,623	

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



BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 1894	\$ 706
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	377	377
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 2,271	\$ 1,083
	FIXED ASSETS		
101	Utility Plant in Service	\$ 547,477	\$ 593,284
103	Property Held for Future Use		
105	Construction Work in Progress	155	155
108	Accumulated Depreciation – Utility Plant	<234,721>	<255,344>
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 312,911	\$ 338,095
	TOTAL ASSETS	\$ 315,182	\$ 339,178

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

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$ 2210
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	32163	31779
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 32,163	\$ 31,779
	LONG-TERM DEBT (Over 12 Months)	17,728	78,110
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	30986	31186
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	257,742	257,743
272	Less: Amortization of Contributions	<36,891>	<45,771>
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 251,837	\$ 243,158
	TOTAL LIABILITIES	\$ 301,726	\$ 355,257
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	11,901	<15,640>
218	Proprietary Capital (Sole Props and Partnerships)	1,555	<439>
	TOTAL CAPITAL	\$ 13,456	\$ <16,079>
	TOTAL LIABILITIES AND CAPITAL	\$ 315,182	\$ 339,178

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 101,276	\$ 110,129
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 0	\$ 0
610	Purchased Water	686	480
615	Purchased Power	6,064	7,167
618	Chemicals	711	572
620	Repairs and Maintenance	8,047	11,560
621	Office Supplies and Expense	13,160	14,917
630	Outside Services	15,890	38,814
635	Water Testing	1,000	2,875
641	Rents	7,983	8,000
650	Transportation Expenses	9,352	10,463
657	Insurance – General Liability	4,948	2,476
659	Insurance - Health and Life	1,597	1,981
666	Regulatory Commission Expense – Rate Case	886	2,200
675	Miscellaneous Expense	2,477	1,044
403	Depreciation Expense	7,367	11,743
408	Taxes Other Than Income	10,271	8,634
408.11	Property Taxes	3,098	
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 93,537	\$ 120,846
	OPERATING INCOME/(LOSS)	\$ 7,739	\$ <12,927>
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		<230>
427	Interest Expense	<2,773>	<9886>
	TOTAL OTHER INCOME/(EXPENSE)	\$ <2,773>	\$
	NET INCOME/(LOSS)	\$ 4,946	\$ <23,043>

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4	LOAN #5
Date Issued					
Source of Loan					
ACC Decision No.					
Reason for Loan	Asset Purchase	Asset Purchase	Asset Purchase	Lease Purchase	Lease Purchase
Dollar Amount Issued	\$ 15,000	\$ 21,377	\$ 11,180	\$ 37,208	7,697
Amount Outstanding	\$ 12791	\$ 26,857	\$ 586	\$ 32,377	5,872
Date of Maturity				June 2017	June 2015
Interest Rate	3.0%	%	%	28%	35%
Current Year Interest	\$ 372.55	\$	\$	\$ 6,529	1,646
Current Year Principle	\$	\$	\$10,594	\$ 4,830	1,825

Meter Deposit Balance at Test Year End \$ 20,145

Meter Deposits Refunded During the Test Year \$0

COMPANY NAME: MONTEZUMA RIMROCK WATER COMPANY LLC

**Name of System: MONTEZUMA RIMROCK WATER COMPANY LLC ADEQ Public Water System
Number: 13-071**

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-202458	3	35	350	4	2	2004
55-621604	0					1976
55-621605	5	55	365	6	2	1994
55-213141	15	150	400	8	3	2006

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	3	4	
5.0	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	2	2,000	2
5,200	2	8,000	1

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

COMPANY NAME: Montezuma Rimrock Water Company LLC

Name of System: MRWC **ADEQ Public Water System Number: 13-071**

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	733
3		
4	PVC	16700
5		
6	PVC	13233
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	202
3/4	12
1	2
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:

 2 hypochlorinators , 150 gpm arsenic treatment system

STRUCTURES:

OTHER:

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

COMPANY NAME: Montezuma Rimrock Water Company LLC	
Name of System: MRWC	ADEQ Public Water System Number: 13071

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	212	934	949	
FEBRUARY	210	834	926	
MARCH	206	893	1212	
APRIL	205	1259	1351	
MAY	207	1113	1395	
JUNE	208	1419	1519	
JULY	208	1076	1358	
AUGUST	210	1023	1322	
SEPTEMBER	210	1114	1154	
OCTOBER	214	1017	1020	
NOVEMBER	212	865	980	
DECEMBER	209	823	980	
TOTALS →		12370	14166	

What is the level of arsenic for each well on your system? 1.0, 35, 26 __mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 500 _GPM for __1__ 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: Montezuma Rimrock Water Company LLC	
Name of System: MRWC	ADEQ Public Water System Number: 13-071

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY			
FEBRUARY		3	
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST		4	
SEPTEMBER			
OCTOBER		12	
NOVEMBER		9	
DECEMBER			
TOTALS →		28	

OTHER (description):

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2012 was: \$ 2,210

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. _____

COMPANY NAME Montezuma Rimrock Water Company LLC YEAR ENDING 12/31/2012

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported <23,043>
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported <23,043>
Estimated or Actual State Tax Liability _____

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 4/15/13 _____
DATE

Patricia D. Olsen _____
PRINTED NAME Manager _____
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 16 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>Patricia D. Olsen, Manager</u>
COMPANY NAME <u>Montezuma Rimrock Water Company LLC</u>

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 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>116,553</u>
--

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 6,424 IN SALES TAXES BILLED, OR COLLECTED)

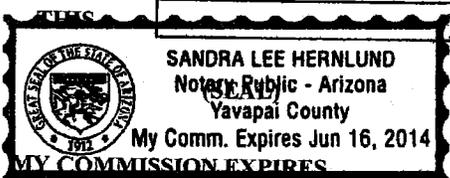
****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Patricia D. Olsen
SIGNATURE OF OWNER OR OFFICIAL
928-592-9211
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

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



12th DAY OF

Sandra Lee Hernelund
SIGNATURE OF NOTARY PUBLIC

6/16/2014

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

RECEIVED
APR 16 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <i>Yavapai</i>	
NAME (OWNER OR OFFICIAL) <i>Patricia D. Olson</i>	TITLE <i>Manager</i>
COMPANY NAME <i>Montezuma Rimrock Water Company LLC</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>116,553</u>
--

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 6,424 IN SALES TAXES BILLED, OR COLLECTED)

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

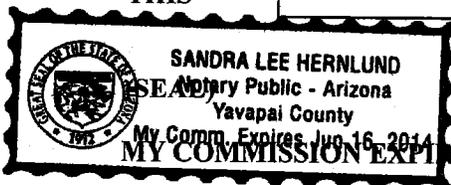
Patricia D. Olson
SIGNATURE OF OWNER OR OFFICIAL
928-592-9211
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12th DAY OF

NOTARY PUBLIC NAME <i>Sandra Lee Herlund</i>	
COUNTY NAME <i>YAVAPAI</i>	
MONTH <i>April</i>	2013



MY COMMISSION EXPIRES 6-16-13

Sandra Lee Herlund
SIGNATURE OF NOTARY PUBLIC