ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-20540A

Vernon Valley Water, Inc.
PO Box 364
Overgaard, AZ 85933

RECEIVED

APR 16 2015

ACC UTILITIES DIRECTOR

☐ Please click here if pre-printed Company name on this form is not your current Company name or dba name is not included.

Please list current Company name including dba here:

_____

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2014

FOR COMMISSION USE

ANN 04	14

4-22-15

COMPANY INFORMATION

Company Name (Business Name) Vernon Valley Water, Inc.

Mailing Address PO Box 364
(Street)

Overgaard	AZ	85933
(City)	(State)	(Zip)

928-537-8739	N/A	N/A
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)

Email Address watercos@gmail.com

Local Office Mailing Address Same as Above
(Street

(City)	(State)	(Zip)

Local Customer Service Phone No. (Include Area Code) (1-800 or other long distance Customer Service Phone No.)

Email Address N/A Website address

MANAGEMENT INFORMATION

☐ Regulatory Contact: Thomas Grapp PO Box 364, Overgaard, AZ 85933

☐ Management Contact: Southwestern Utility Management
(Name) (Title)

PO Box 85160	Tucson	AZ	85754
(Street)	(City)	(State)	(Zip)

520-623-5172	520-792-0377	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)

Email Address info@southwesternutility.com

On Site Manager: Bryan Mullins
(Name)

(Street) Same as Above	(City) Same as Above	(State) Same as above	(Zip) Same as Above

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

Email Address watercos@gmail.com

Statutory Agent: Mark Grapp
(Name)

PO Box 364	Overgaard	AZ	85933
(Street)	(City)	(State)	(Zip)

928-535-8739	N/A	N/A
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)

Attorney: N/A
(Name)

N/A	N/A	N/A	N/A
(Street)	(City)	(State)	(Zip)

N/A	N/A	N/A
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)

Email Address N/A

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- ☐ Sole Proprietor (S)
- ☐ Partnership (P)
- ☐ Bankruptcy (B)
- ☐ Receivership (R)
- ☐ Other (Describe)
- ☐ C Corporation (C) (Other than Association/Co-op)
- ☒ Subchapter S Corporation (Z)
- ☐ Association/Co-op (A)
- ☐ Limited Liability Company

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	Vernon Valley Water, Inc.	

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	4,694	0	4,694
304	Structures and Improvements	608	140	468
307	Wells and Springs	2,227	518	1,709
311	Pumping Equipment	3,953	3,458	495
320	Water Treatment Equipment	0	0	0
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and	698	105	593
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	35,223	4,930	30,293
333	Services	1,367	208	1,159
334	Meters and Meter Installations	4,166	1,002	3,164
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
340.1	Computers & Software			
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	52,936	10,361	42,575

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

COMPANY NAME	Vernon Valley Water, Inc.	

WATER UTILITY CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	4,694	0	0
304	Structures and Improvements	608	3.33	20
307	Wells and Springs	2,227	3.33	74
311	Pumping Equipment	3,953	12.5	494
320	Water Treatment Equipment	0	0	0
320.1	Water Treatment Plants			0
320.2	Solution Chemical Feeders			0
330	Distribution Reservoirs and Standpipes	698	2.22	15
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	35,223	2	705
333	Services	1,367	3.33	46
334	Meters and Meter Installations	4,166	8.33	347
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
340.1	Computers & Software			0
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	SUBTOTAL	52,936	N/A	1,701
	LESS CIAC Amortization			0
	TOTALS *	52,936		1,701

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

COMPANY NAME	Vernon Valley Water, Inc.	

WATER UTILITY BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 600	$ 238
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	(122)	(344)
146	Notes/Receivables from Associated	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	TOTAL CURRENT AND ACCRUED ASSETS	$ 478	$ (106)
	FIXED ASSETS		
101	Utility Plant in Service	$ 52,213	$ 52,936
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	8,660	10,361
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	$ 43,553	$ 42,575
	TOTAL ASSETS	$ 44,031	$ 42,469

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

COMPANY NAME	Vernon Valley Water, Inc.	

WATER UTILITY BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	$ 0	$ 0
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	600	100
236	Accrued Taxes	0	0
237	Accrued Interest	380	78
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	$ 980	$ 178
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	$ 0	$ 0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	$ 0	$ 0
252	Advances in Aid of Construction	0	0
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	$ 0	$ 0
	TOTAL LIABILITIES	$ 980	$ 178
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$ 0	$ 0
211	Paid in Capital in Excess of Par Value	0	0
215	Retained Earnings	43,051	42,291
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	$ 43,051	$ 42,291
	TOTAL LIABILITIES AND CAPITAL	$ 44,031	$ 42,469

COMPANY NAME	Vernon Valley Water, Inc.	

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	$ 11,031	$ 9,038
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	50	50
	TOTAL REVENUES	$ 11,081	$ 9,088
	OPERATING EXPENSES		
601	Salaries and Wages	$ 3,352	$ 4,042
610	Purchased Water	0	0
615	Purchased Power	799	779
618	Chemicals	0	0
620	Repairs and Maintenance	2,652	417
621	Office Supplies and Expense	354	433
630	Outside Services	1,746	1,401
635	Water Testing	241	777
641	Rents	730	579
650	Transportation Expenses	537	436
657	Insurance – General Liability	99	91
659	Insurance - Health and Life	59	53
666	Regulatory Commission Expense – Rate	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense	1,669	1,701
408	Taxes Other Than Income	659	507
408.11	Property Taxes	217	107
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	$ 13,114	$ 11,323
	OPERATING INCOME/(LOSS)	$ (2,033)	$ (2,235)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	$ 0	$ 0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	0	329
	TOTAL OTHER INCOME/(EXPENSE)	$ 0	$ 0
	NET INCOME/(LOSS)	$ (2,033)	$ (2564)

COMPANY NAME	Vernon Valley Water, Inc.	

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan	N/A	N/A	N/A	N/A
ACC Decision No.	N/A	N/A	N/A	N/A
Reason for Loan	N/A	N/A	N/A	N/A
Dollar Amount Issued	N/A	N/A	N/A	N/A
Amount Outstanding	N/A	N/A	N/A	N/A
Date of Maturity	N/A	N/A	N/A	N/A
Interest Rate	N/A	N/A	N/A	N/A
Current Year Interest	N/A	N/A	N/A	N/A
Current Year Principle	N/A	N/A	N/A	N/A

Meter Deposit Balance at Test Year End $ 0

Meter Deposits Refunded During the Test Year $ 0

COMPANY NAME	Vernon Valley Water, Inc.		
Name of System:	Same as Above	ADEQ Public Water System Number:	01054

WATER UTILITY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-511289	5	31.5	400	6	1	1985

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	2	N/A	N/A

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	1	120	1

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

COMPANY NAME	Vernon Valley Water, Inc.		
Name of System:	Same as Above	ADEQ Public Water System Number:	01054

WATER UTILITY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	660
3		
4	PVC	2,880
5		
6	PVC	1,495
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ¾	23
3/4	1
1	
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:

N/A

STRUCTURES:

8" x 12" Building

OTHER: N/A

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

COMPANY NAME:	Vernon Valley Water, Inc		
Name of System:	Same as Above	ADEQ Public Water System Number:	01054

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2014

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	19	55	58	0
FEBRUARY	19	58	60	0
MARCH	19	57	60	0
APRIL	19	64	67	0
MAY	19	104	105	0
JUNE	19	124	125	0
JULY	19	121	122	0
AUGUST	20	106	109	0
SEPTEMBER	19	75	80	0
OCTOBER	20	85	90	0
NOVEMBER	20	63	67	0
DECEMBER	20	53	59	0
	TOTALS →	965	1002	0

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

If system has fire hydrants, what is the fire flow requirement? N/A PM for N/A hrs

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

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

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

If yes, provide the GPCPD amount: N/A

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

COMPANY NAME: Vernon Valley Water, Inc.		
Name of System:	Same as Above	ADEQ Public Water System Number: 01054

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	1	0
SEPTEMBER		0	0	0
OCTOBER		0	0	0
NOVEMBER		0	0	0
DECEMBER		0	0	0
TOTALS →		0	1	0

OTHER (description): N/A

COMPANY NAME Vernon Valley Water, Inc. YEAR ENDING 12/31/2014

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2014 was: $ 107

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. N/A

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

APR 16 2015

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY N	Apache
NAME (OWNER	Thomas Grapp Vice President of Operations
COMPANY NAME	Vernon Valley Water, Inc.

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2014

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.

Thomas Grapp

SIGNATURE OF OWNER OR OFFICIAL

928-537-8739

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14 DAY OF

COUNTY NAME Apache	
MONTH April	2015

Marilyn Hjalmarson
NOTARY PUBLIC - ARIZONA
APACHE COUNTY
My Commission Expires
December 05, 2016

MY COMMISSION EXPIRES 12-5-16

Marilyn Hjalmarson

SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

RECEIVED

APR 16 2015

AZ CORP COMMISSION
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Apache
NAME (OWNER OR OFFICIAL)	Thomas Grapp Vice President of Operations
COMPANY NAME	Vernon Valley Water, Inc.

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2014

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 2014 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)
$ 9,087.54

(THE AMOUNT IN BOX ABOVE INCLUDES $ 507.05 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)

Thomas Grapp
SIGNATURE OF OWNER OR OFFICIAL

928-537-8739
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME Apache	
MONTH April	2015

THIS 14 DAY OF

(SEAL)

Marilyn Hjelmarson
NOTARY PUBLIC - ARIZONA
APACHE COUNTY
My Commission Expires
December 05, 2016

MY COMMISSION EXPIRES 12-05-16

SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

RECEIVED
APR 16 2015
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Apache		
NAME (OWNER OR OFFICIAL) Thomas Grapp	TITLE Vice President of Operations	
COMPANY NAME Vernon Valley Water, Inc.		

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2014

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 2014 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

$ 9,087.54

THE AMOUNT IN BOX AT LEFT INCLUDES
$ 507.05
IN SALES TAXES BILLED, OR COLLECTED)

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

Thomas Grapp
SIGNATURE OF OWNER OR OFFICIAL

928-537-8739
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14 DAY OF

NOTARY PUBLIC NAME Marilyn Hjalmarson	
COUNTY NAME Apache	
MONTH April	2015

Marilyn Hjalmarson
NOTARY PUBLIC - ARIZONA
APACHE COUNTY
My Commission Expires
December 05, 2016

MY COMMISSION EXPIRES

Marilyn Hjalmarson
SIGNATURE OF NOTARY PUBLIC