

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-04286A

Kacy Parker dba Arroyo Water, Co.
PO Box 3077
Payson, AZ 85541

RECEIVED

SEP 28 2016

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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	2015
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FOR COMMISSION USE

ANN 04	15
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9-28-16

COMPANY INFORMATION

Company Name (Business Name) Arroyo Water Company

Mailing Address P.O. Box 3077
Payson (Street) Arizona 85541
(City) (State) (Zip)

928-951-4000
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address ympayson@msn.com

Local Office Mailing Address 302 W. Willis Street, Ste 107
Prescott (Street) AZ 86301
(City) (State) (Zip)

928-362-8987
Local Customer Service Phone No. (Include Area Code) (1-800 or other long distance Customer Service Phone No.)

Email Address arroyowateraz@gmail.com Website address _____

MANAGEMENT INFORMATION

Regulatory Contact:

Management Contact: Michael Armstead CEO
(Name) (Title)

211 Saddle Lane Payson AZ 85541
(Street) (City) (State) (Zip)

928-363-0032 928-951-4000
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address ympayson@msn.com

On Site Manager: Michael Armstead
(Name)

211 Saddle Lane Payson AZ 85541
(Street) (City) (State) (Zip)

928-363-0032 928-951-4000
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address arroyowateraz@gmail.com

Statutory Agent: Michael Armstead
 (Name)
211 Saddle Lane Payson AZ 85541
 (Street) (City) (State) (Zip)
928-363-0032 928-951-4000
 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:

- | | |
|---|--|
| <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 checked="" 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 type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Arroyo Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	40,000	22,856	17,144
302	Franchises	0		
303	Land and Land Rights	0		
304	Structures and Improvements	5,000		5,000
305	Collecting & Impounding Reservoirs			
306	Lake, River, Canal Intakes			
307	Wells and Springs	75,000		75,000
308	Infiltration Galleries			
309	Raw Water Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment	10,000		10,000
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
320.3	Point-of-Use Treatment Devices			
320.4	Arsenic Media			
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	32,850		32,850
335	Hydrants			
336	Backflow Prevention Devices	3,000		3,000
339	Other Plant and Misc. Equipment	1,550		1,550
340	Office Furniture and Equipment	1,500		1,500
340.1	Computers & Software			
341	Transportation Equipment	42,000	11,610	30,390
342	Stores Equipment			
343	Tools, Shop and Garage Equipment	8,000		8,000
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	218,900	34,466	184,434

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

COMPANY NAME

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	40,000		40,000
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	5,000		5,000
305	Collecting & Impounding Reservoirs			
306	Lake, River, Canal Intakes			
307	Wells and Springs	7,500		7,500
308	Infiltration Galleries			
309	Raw Water Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment	10,000		10,000
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
320.3	Point-of-Use Treatment Devices			
320.4	Arsenic Media			
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	32,850		32,850
335	Hydrants			
336	Backflow Prevention Devices	3,000		3,000
339	Other Plant and Misc. Equipment	1,550		1,550
340	Office Furniture and Equipment	1,500		1,500
340.1	Computers & Software			
341	Transportation Equipment	3,600		3,600
342	Stores Equipment			
343	Tools, Shop and Garage Equipment	8,000		8,000
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	SUBTOTAL			
	LESS CIAC Amortization			
	TOTALS *	113,000		113,000

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

COMPANY NAME

Arroyo Water Company

WATER UTILITY BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 1898	\$ 250
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	1,167	11,434
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 3,065	\$ 11,672
	FIXED ASSETS		
101	Utility Plant in Service	\$ 184,434	\$ 184,434
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	34,466	34,466
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 218,900	\$ 218,900
	TOTAL ASSETS	\$ 221,965	\$ 230,572

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

COMPANY NAME

WATER UTILITY 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	240	0
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 240	\$ 0
LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds	\$	\$
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		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$ 1,000	\$ 1,000
211	Paid in Capital in Excess of Par Value	227,646	
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 228,646	\$ 229,512
	TOTAL LIABILITIES AND CAPITAL	\$ 221,965	\$ 230,512

COMPANY NAME

Arroyo Water Company

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 45,528	\$ 30,235
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 45,528	\$ 30,235
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 1,700	\$
610	Purchased Water		
615	Purchased Power	5,403	2,854
618	Chemicals	100	
620	Repairs and Maintenance	10,268	1,155
621	Office Supplies and Expense	920	2,088
630	Outside Services	4,746	5,251
635	Water Testing	3,600	1,670
641	Rents	15,000	6,525
650	Transportation Expenses	3,728	
657	Insurance - General Liability		182
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	1,489	692
403	Depreciation Expense		
408	Taxes Other Than Income	2,947	2,040
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 49,901	\$ 22,457
	OPERATING INCOME/(LOSS)	\$ <4,373>	\$ 7,778
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 0	\$ 0
	NET INCOME/(LOSS)	\$ <4,373>	\$ 7,778

COMPANY NAME Arroyo Water Company

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

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

Meter Deposit Balance at Test Year End \$ N/A

Meter Deposits Refunded During the Test Year \$ N/A

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

WATER UTILITY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-805-621	5+3	90	61'	19"		1996

* 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
5	1		
5	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
11,000	1	2,500	1

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

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

WATER UTILITY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	2,000
3	PVC	6,200
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	125
3/4	
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:

Chain link fence surrounding well site

OTHER:

Operation Company provides equipment & materials
such as backhoe, trenchers, generators, etc.

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

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

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2015

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	122	385,942		
FEBRUARY	126	539,930		
MARCH	123	372,529		
APRIL	125	786,642		
MAY	124	934,968		
JUNE	124	763,647		
JULY	125	1,361,973		
AUGUST	124	1,152,246		
SEPTEMBER	124	1,031,628		
OCTOBER	124	848,449		
NOVEMBER	124	798,703		
DECEMBER	125	442,640		
TOTALS →		9,419,297		

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

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

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

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:	Arroyo Water Co
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	0	0	
FEBRUARY	}	}	
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
TOTALS →			0

OTHER (description):

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2015 was: \$ 0

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

SEP 28 2016

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>GILA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Michael Armstrod</u>
COMPANY NAME	<u>ARROYO</u>

ARIZONA CORP. COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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>2015</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.

Michael Armstrod
SIGNATURE OF OWNER OR OFFICIAL
928-951-4000
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

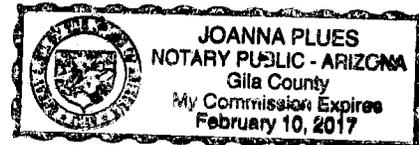
THIS 28 DAY OF

COUNTY NAME	<u>Gila</u>
MONTH	<u>September</u> <u>2016</u>

(SEAL)

MY COMMISSION EXPIRES 2/10/17

Joanna Plues
SIGNATURE OF NOTARY PUBLIC



VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

RECEIVED

SEP 28 2016

VERIFICATION

STATE OF ARIZONA

COUNTY OF (COUNTY NAME) <u>GILA</u>	ARIZONA CORP COMMISSION UTILITIES DIVISION - DIRECTOR'S OFFICE
NAME (OWNER OR OFFICIAL) TITLE <u>MICHAEL ARMSTRONG</u>	
COMPANY NAME <u>ARROYO</u>	

I, THE UNDERSIGNED

OF THE

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2015

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 2015 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ <u>32,275.00</u>
--

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 2,400.00 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)

Michael Armstrong
SIGNATURE OF OWNER OR OFFICIAL
928-951-4000
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28 DAY OF

COUNTY NAME <u>GILA</u>
MONTH <u>September</u> .20 <u>16</u>

(SEAL)

MY COMMISSION EXPIRES 2/10/17

Joanna Plues
SIGNATURE OF NOTARY PUBLIC

JOANNA PLUES
NOTARY PUBLIC - ARIZONA
Gila County
My Commission Expires
February 10, 2017 16



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

RECEIVED

SEP 28 2016

VERIFICATION

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

STATE OF ARIZONA

COUNTY OF (COUNTY NAME) <u>GILA</u>	
NAME (OWNER OR OFFICIAL) <u>Michael Armstrong</u>	TITLE <u>owner</u>
COMPANY NAME <u>Arroyo</u>	

**I, THE UNDERSIGNED
OF THE**

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2015

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 2015 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>32,275.00</u>
--

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 2,400.00
IN SALES TAXES BILLED, OR COLLECTED)

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

Michael Armstrong
SIGNATURE OF OWNER OR OFFICIAL
928-951-4000
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 28 DAY OF**

NOTARY PUBLIC NAME <u>Joanna Plues</u>
COUNTY NAME <u>Gila</u>
MONTH <u>September</u> .20 <u>16</u>

(SEAL)

MY COMMISSION EXPIRES 2/10/17

