4-20-01
cm

# ARIZONA CORPORATION COMMISSION
# UTILITIES DIVISION

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

C

WS-02672A SEWER
CLOUD NINE WATER COMPANY, INC.
90 RAINBOW WAY
SIERRA VISTA AZ 85635-0000

# ANNUAL REPORT

## FOR YEAR ENDING

| 12 | 31 | 2000 |
|---|---|---|

FOR COMMISSION USE

| ANN05 | 00 |
|---|---|

# COMPANY INORMATION

**Company Name (Business Name)** Cloud Nine Water Company, Inc. (Sewer)

Mailing Address 90 Rainbow Way
(Street)

Sierra Vista (City) AZ (State) 85635 (Zip)

520-458-5854 Telephone No. (Include Area Code) 520-458-4532 Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

Local Office Mailing Address 90 Rainbow Way
(Street)

Sierra Vista (City) AZ (State) 85635 (Zip)

520-458-5854 Local Office Telephone No. (Include Area Code) 520-458-4532 Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

# MANAGEMENT INFORMATION

**Management Contact:** Nick Novasic (Name) President (Title)

90 Rainbow Way (Street) Sierra Vista (City) AZ (State) 85635 (Zip)

520-458-5854 Telephone No. (Include Area Code) 520-458-4532 Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

**On Site Manager:** Nick Novasic (Name)

90 Rainbow Way (Street) Sierra Vista (City) AZ (State) 85635 (Zip)

520-458-5854 Telephone No. (Include Area Code) 520-458-4532 Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

**Statutory Agent:** Gary W. Ramaeker
(Name)

25 El Camino Real, Suite One | Sierra Vista | AZ | 85635
(Street) | (City) | (State) | (Zip)

520-459-0164 | 520-459-0183
Telephone No. (Include Area Code) | Fax No. (Include Area Code | Pager/Cell No. (Include Area Code)

**Attorney:** Gary W. Ramaeker
(Name)

25 El Camino Real, Suite One | Sierra vista | AZ | 85635
(Street) | (City) | (State) | (Zip)

520-459-0164 | 520-459-0183
Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code)

## 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 | Cloud Nine Water Company, Inc. (Sewer) |
|---|---|

# UTILITY PLANT IN SERVICE

| Acct. No. | DECRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|---|---|---|---|---|
| 351 | Organization | | | |
| 352 | Franchises | | | |
| 353 | Land and Land Rights | | | |
| 354 | Structures and Improvements | | | |
| 355 | Power Generation Equipment | | | |
| 360 | Collection Sewers – Force | | | |
| 361 | Collection Sewers – Gravity | | | |
| 362 | Special Collecting Structures | | | |
| 363 | Services to Customers | | | |
| 364 | Flow Measuring Devices | | | |
| 365 | Flow Measuring Installations | | | |
| 370 | Receiving Wells | | | |
| 380 | Treatment and Disposal Equip. | | | |
| 381 | Plant Sewers | | | |
| 382 | Outfall Sewer Lines | | | |
| 389 | Other Plant and Misc. Equipment | | | |
| 390 | Office Furniture and Equipment | | | |
| 391 | Transportation Equipment | | | |
| 393 | Tools, Shop and Garage Equip. | | | |
| 394 | Laboratory Equipment | | | |
| 395 | Power Operated Equipment | | | |
| 398 | Other Tangible Plant | | | |
| | **TOTALS** | 0 | 0 | 0 |

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

| COMPANY NAME | Cloud Nine Water Company, Inc. (Sewer) |
|---|---|

# CALCULATION OF DEPRECIATION EXPENSE

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|---|---|---|---|---|
| 351 | Organization | | | |
| 352 | Franchises | | | |
| 353 | Land and Land Rights | | | |
| 354 | Structures and Improvements | | | |
| 355 | Power Generation Equipment | | | |
| 360 | Collection Sewers – Force | | | |
| 361 | Collection Sewers – Gravity | | | |
| 362 | Special Collecting Structures | | | |
| 363 | Services to Customers | | | |
| 364 | Flow Measuring Devices | | | |
| 365 | Flow Measuring Installations | | | |
| 370 | Receiving Wells | | | |
| 380 | Treatment and Disposal Equip. | | | |
| 381 | Plant Sewers | | | |
| 382 | Outfall Sewer Lines | | | |
| 389 | Other Plant and Misc. Equipment | | | |
| 390 | Office Furniture and Equipment | | | |
| 391 | Transportation Equipment | | | |
| 393 | Tools, Shop and Garage Equip. | | | |
| 394 | Laboratory Equipment | | | |
| 395 | Power Operated Equipment | | | |
| 398 | Other Tangible Plant | | | |
| | **TOTALS** | 0 | 0 | 0 |

This amount goes on Comparative Statement of Income and Expense Acct. 403

| COMPANY NAME | Cloud Nine Water Company, Inc. (Sewer) |
|---|---|

# BALANCE SHEET

| Acct. No. | ASSETS | BALANCE AT BEGINNING OF TEST YEAR | BALANCE AT END OF YEAR |
|---|---|---|---|
| | | | |
| | **CURRENT AND ACCRUED ASSETS** | | |
| 131 | Cash | $ | $ |
| 132 | Special Deposits | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | | |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | | |
| | **TOTAL CURRENT AND ACCRUED ASSETS** | $ | $ |
| | | | |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | $ | $ |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation – Utility Plant | | |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation – Non Utility | | |
| | **TOTAL FIXED ASSETS** | $ | $ |
| | | | |
| | **TOTAL ASSETS** | **$** 0 | **$** 0 |

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

| COMPANY NAME | Cloud Nine Water Company, Inc. (Sewer) |
|---|---|

## BALANCE SHEET (CONTINUED)

| Acct. No. | LIABILITIES | BALANCE AT BEGINNING OF TEST YEAR | BALANCE AT END OF YEAR |
|---|---|---|---|
| | | | |
| | **CURRENT LIABILITES** | | |
| 231 | Accounts Payable | $ | $ |
| 232 | Notes Payable (Current Portion) | | |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | | |
| 236 | Accrued Taxes | | |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | | |
| | TOTAL CURRENT LIABILITIES | $ | $ |
| | | | |
| | **LONG-TERM DEBT (Over 12 Months)** | | |
| 224 | Long-Term Notes and Bonds | $ | $ |
| | | | |
| | **DEFERRED CREDITS** | | |
| 252 | Advances in Aid of Construction | $ | $ |
| 253 | Other Deferred Credits | | |
| 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 | $ | $ |
| 211 | Other Paid in Capital | | |
| 215 | Retained Earnings | | |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | **TOTAL CAPITAL** | $ | $ |
| | | | |
| | **TOTAL LIABILITIES AND CAPITAL** | $ 0 | $ 0 |

| COMPANY NAME | Cloud Nine Water Company, Inc. (Sewer) |
|---|---|

# COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| | OPERATING REVENUES | PRIOR YEAR | TEST YEAR |
|---|---|---|---|
| 521 | Flat Rate Revenues | $ | $ |
| 522 | Measured Revenues | | |
| 536 | Other Wastewater Revenues | | |
| | **TOTAL REVENUES** | $ 11,969.39 | $ 12,704.38 |
| | | | |
| | **OPERATING EXPENSES** | | |
| 701 | Salaries and Wages | $ | $ |
| 710 | Purchased Wastewater Treatment | 9,867.00 | 10,764.00 |
| 711 | Sludge Removal Expense | | |
| 715 | Purchased Power | | |
| 716 | Fuel for Power Production | | |
| 718 | Chemicals | | |
| 720 | Materials and Supplies | | |
| 731 | Contractual Services – Professional | | |
| 735 | Contractual Services – Testing | | |
| 736 | Contractual Services – Other | | |
| 740 | Rents | | |
| 750 | Transportation Expense | | |
| 755 | Insurance Expense | | |
| 765 | Regulatory Commission Expense | | |
| 775 | Miscellaneous Expense | | |
| 403 | Depreciation Expense | | |
| 408 | Taxes Other Than Income | | |
| 408.11 | Property Taxes | | |
| 409 | Income Taxes | | |
| | **TOTAL OPERATING EXPENSES** | $ 9,867.00 | $ 10,764.00 |
| | | | |
| | **OTHER INCOME/EXPENSE** | | |
| 419 | Interest and Dividend Income | $ | $ |
| 421 | Non-Utility Income | | |
| 426 | Miscellaneous Non-Utility Expenses | | |
| 427 | Interest Expense | | |
| | **TOTAL OTHER INCOME/EXP** | $ 0 | $ 0 |
| | | | |
| | **NET INCOME/(LOSS)** | **$** 2,102.39 | **$** 1,940.38 |

| COMPANY NAME | Cloud Nine Water Company, Inc. (Sewer) |
|---|---|

# SUPPLEMENTAL FINANCIAL DATA

## Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|---|---|---|---|---|
| Date Issued | N/A | | | |
| 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 | $ | $ | $ | $ |

| COMPANY NAME | Cloud Nine Water Company, Inc. (Sewer) |
|---|---|

# WASTEWATER COMPANY PLANT DESCRIPTION

## TREATMENT FACILITY

| | |
|---|---|
| **TYPE OF TREATMENT** (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.) | N/A |
| **DESIGN CAPACITY OF PLANT** (Gallons Per Day) | N/A |

### LIFT STATION FACILITIES

| Location | Quantity of Pumps | Horsepower Per Pump | Capacity Per Pump (GPM) | Wet Well Capacity (gals) |
|---|---|---|---|---|
| N/A | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

## FORCE MAINS

| Size | Material | Length (Feet) |
|---|---|---|
| 4-inch | N/A | |
| 6-inch | N/A | |
| | | |
| | | |

## MANHOLES

| Type | Quantity |
|---|---|
| Standard | N/A |
| Drop | N/A |
| | |

## CLEANOUTS

| Quantity |
|---|
| N/A |
| |
| |

| COMPANY NAME | Cloud Nine Water Company, Inc. (Sewer) |
|---|---|

# WASTEWATER COMPANY PLANT DESCRIPTION CONTINUED

## COLLECTION MAINS

| Size (in inches) | Material | Length (in feet) |
|---|---|---|
| 4 | N/A | |
| 6 | N/A | |
| 8 | N/A | |
| 10 | N/A | |
| 12 | N/A | |
| 15 | N/A | |
| 18 | N/A | |
| 21 | N/A | |
| 24 | N/A | |
| 30 | N/A | |
| | | |

## SERVICES

| Size (in inches) | Material | Quantity |
|---|---|---|
| 4 | N/A | |
| 6 | N/A | |
| 8 | N/A | |
| 12 | N/A | |
| 15 | N/A | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

## FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY

| | |
|---|---|
| **SOLIDS PROCESSING AND HANDLING FACILITIES** | N/A |
| **DISINFECTION EQUIPMENT** (Chlorinator, Ultra-Violet, Etc.) | N/A |
| **FILTRATION EQUIPMENT** (Rapid Sand, Slow Sand, Activated Carbon, Etc.) | N/A |
| **STRUCTURES** (Buildings, Fences, Etc.) | N/A |
| **OTHER** (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc. | N/A |

| COMPANY NAME | Cloud Nine Water Company, Inc. (Sewer) |
|---|---|

## WASTEWATER FLOWS

| MONTH/YEAR (Most Recent 12 Months) | NUMBER OF SERVICES | TOTAL MONTHLY SEWAGE FLOW | SEWAGE FLOW ON PEAK DAY |
|---|---|---|---|
| N/A | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

## PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

| | |
|---|---|
| **Method Of Effluent Disposal** (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.) | |
| **Wastewater Inventory Number** (all wastewater systems are assigned an inventory number) | N/A |
| **Groundwater Permit Number** | N/A |
| **ADEQ Aquifer Protection Permit Number** | N/A |
| **ADEQ Reuse Permit Number** | N/A |
| **EPA NPDES Permit Number** | N/A |

# STATISTICAL INFORMATION

Total number of customers 250

Total number of gallons treated _____ gallons

**COMPANY NAME** Cloud Nine Water Company, Inc. (Sewer) **YEAR ENDING 12/31/2000**

## INCOME TAXES

**For this reporting period, provide the following:**

| | |
|---|---|
| **Federal Taxable Income Reported** | N/A |
| **Estimated or Actual Federal Tax Liability** | N/A |
| **State Taxable Income Reported** | N/A |
| **Estimated or Actual State Tax Liability** | N/A |

**Amount of Grossed-Up Contributions/Advances:**

| | |
|---|---|
| **Amount of Contributions/Advances** | N/A |
| **Amount of Gross-Up Tax Collected** | N/A |
| **Total Grossed-Up Contributions/Advances** | N/A |

**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.**

| | |
|---|---|
| Nick Novasic | 4-17-01 |
| **SIGNATURE** | **DATE** |
| Nick Novasic | President |
| **PRINTED NAME** | **TITLE** |

**COMPANY NAME** Cloud Nine Water Company, Inc. (Sewer) **YEAR ENDING 12/31/2000**

## PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2000 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.

Collect sewer fees and remit to City of Sierra Vista only.

# VERIFICATION
# AND
# SWORN STATEMENT
## Intrastate Revenues Only

**VERIFICATION**

**STATE OF** Arizona

**I, THE UNDERSIGNED**

**OF THE**

| | |
|---|---|
| COUNTY OF (COUNTY NAME) | Cochise |
| NAME (OWNER OR OFFICIAL) TITLE | Nick Novasic, President |
| COMPANY NAME | Cloud Nine Water Company, Inc. |

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPRORATION COMMISSION**

**FOR THE YEAR ENDING**

| MONTH | DAY | YEAR |
|---|---|---|
| 12 | 31 | 2000 |

**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 2000 WAS:**

| Arizona IntraState Gross Operating Revenues Only ($) |
|---|
| $ 12,704.38 |

**(THE AMOUNT IN BOX ABOVE INCLUDES $** 0 **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)**

Nick Novasic
SIGNATURE OF OWNER OR OFFICIAL

520-458-5854
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF** COCHISE

**THIS** 17 **DAY OF** MONTH April 2001

Virginia Erickson
SIGNATURE OF NOTARY PUBLIC

(SEAL)

**MY COMMISSION EXPIRES** 5/14/03

OFFICIAL SEAL
VIRGINIA ERICKSON
Notary Public - State of Arizona
COCHISE COUNTY
My Comm. Expires May 14, 2003

# VERIFICATION
# AND
# SWORN STATEMENT
# RESIDENTIAL REVENUE

**VERIFICATION** — **INTRASTATE REVENUES ONLY**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

| | | | |
|---|---|---|---|
| (COUNTY NAME) | Cochise | | |
| NAME (OWNER OR OFFICIAL) | Nick Novasic | TITLE | President |
| COMPANY NAME | Cloud Nine Water Company, Inc. | | |

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

**FOR THE YEAR ENDING**

| MONTH | DAY | YEAR |
|---|---|---|
| 12 | 31 | 2000 |

**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 2000 WAS:**

ARIZONA INTRASTATE GROSS OPERATING REVENUES

$ 12,704.38

**(THE AMOUNT IN BOX AT LEFT INCLUDES $ 0 IN SALES TAXES BILLED, OR COLLECTED**

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

X Nick Novasic

SIGNATURE OF OWNER OR OFFICIAL

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 17 **DAY OF**

| | |
|---|---|
| NOTARY PUBLIC NAME | VIRGINIA ERICKSON |
| COUNTY NAME | COCHISE |
| MONTH April | 2001 |

**(SEAL)**

**MY COMMISSION EXPIRES** 5/14/03

X Virginia Erickson

SIGNATURE OF NOTARY PUBLIC

17

OFFICIAL SEAL
VIRGINIA ERICKSON
Notary Public - State of Arizona
COCHISE COUNTY
My Comm. Expires May 14, 2003