

ANNUAL REPORT

Of

Company Name: **Seven Canyons Water Treatment Company**
755 Golf Club Way

Mailing Address: Sedona AZ
86336

Docket No.: **SW-03389A**

For the Year Ended: **12/31/24**

WASTEWATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:

Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: **Original Filing**

Application Date: **4/16/2025**

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Seven Canyons Water Treatment Company
A Class

E

 Utility

For the Calendar Year Ended: 12/31/24

Primary Address:

755 Golf Club Way								
City:	<table border="1"><tr><td>Sedona</td></tr></table>	Sedona	State:	<table border="1"><tr><td>Arizona</td></tr></table>	Arizona	Zip Code:	<table border="1"><tr><td>86336</td></tr></table>	86336
Sedona								
Arizona								
86336								

Telephone Number:

928-203-2016

Date of Original Organization of Utility:

6/10/1977

Person to whom correspondence should be addressed concerning this report:

Name:

Cheryl Shipe

Telephone No. :

928-203-2016

Address:

625 Golf Club Way								
City:	<table border="1"><tr><td>Sedona</td></tr></table>	Sedona	State:	<table border="1"><tr><td>Arizona</td></tr></table>	Arizona	Zip Code:	<table border="1"><tr><td>86336</td></tr></table>	86336
Sedona								
Arizona								
86336								

Email:

Cheryl.Shipe@sevencanyons.com

NA

Name:

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Telephone No. :

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Address:

City:	<table border="1"><tr><td></td></tr></table>		State:	<table border="1"><tr><td></td></tr></table>		Zip Code:	<table border="1"><tr><td></td></tr></table>	

Email:

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NA

Name:

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Telephone No. :

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Address:

City:	<table border="1"><tr><td></td></tr></table>		State:	<table border="1"><tr><td></td></tr></table>		Zip Code:	<table border="1"><tr><td></td></tr></table>	

Email:

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NA

Name:

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Telephone No. :

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Address:

City:	<table border="1"><tr><td></td></tr></table>		State:	<table border="1"><tr><td></td></tr></table>		Zip Code:	<table border="1"><tr><td></td></tr></table>	

Email:

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NA

Name:

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Telephone No. :

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Address:

City:	<table border="1"><tr><td></td></tr></table>		State:	<table border="1"><tr><td></td></tr></table>		Zip Code:	<table border="1"><tr><td></td></tr></table>	

Email:

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Ownership:

"C" Corporation

Counties Served:

Yavapai

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Seven Canyons Water Treatment Company

Important changes during the year
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No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	N/A

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	N/A

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
351	Organization	\$0	\$0	\$0	\$0	\$0	\$0
352	Franchises	0	0	0	0	0	0
353	Land and Land Rights	0	0	0	0	0	0
354	Structures and Improvements	7,900	0	0	7,900	1,184	6,716
355	Power Generation Equipment	0	0	0	0	0	0
360	Collections Wastewater - Force	0	0	0	0	0	0
361	Collections Wastewater - Gravity	890,585	0	0	890,585	582,223	308,362
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	95,680	0	0	95,680	8,611	87,069
364	Flow Measuring Devices	0	0	0	0	0	0
365	Flow Measuring Installations	0	0	0	0	0	0
366	Reuse Services	0	0	0	0	0	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0
370	Receiving Wells	153,310	0	0	153,310	22,974	130,337
371	Pumping Equipment	0	0	0	0	0	0
374	Reuse Distribution Reservoirs	0	0	0	0	0	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0
380	Treatment and Disposal Equipment	2,076,081	8,022	0	2,084,103	1,598,743	485,360
381	Plant Sewers	0	0	0	0	0	0
382	Outfall Sewer Lines	0	0	0	0	0	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0
390	Office Furniture and Equipment	2,335	0	0	2,335	2,335	0
390.1	Computer & Software	0	0	0	0	0	0
391	Transportation Equipment	0	0	0	0	0	0
392	Stores Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	3,688	0	0	3,688	3,688	0
394	Laboratory Equipment	4,813	0	0	4,813	4,813	0
395	Power Operated Equipment	0	0	0	0	0	0
396	Communication Equipment	0	0	0	0	0	0
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$3,234,392	\$8,022	\$0	\$3,242,414	\$2,224,570	\$1,017,844

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Seven Canyons Water Treatment Company
Annual Report
Depreciation Expense for the Current Year (Wastewater)
12/31/24

Depreciation Expense for the Current Year (Wastewater)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non- depreciable Plant	Depreciation Percentages	Depreciation Expense
351	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
352	Franchises	0	0	0	0	0	0.00%	0
353	Land and Land Rights	0	0	0	0	0	0.00%	0
354	Structures and Improvements	7,900	0	0	7,900	0	3.33%	263
355	Power Generation Equipment	0	0	0	0	0	0.00%	0
360	Collections Wastewater - Force	0	0	0	0	0	0.00%	0
361	Collections Wastewater - Gravity	890,585	0	0	890,585	0	3.46%	30,796
362	Special Collecting Structures	0	0	0	0	0	0.00%	0
363	Services to Customers	95,680	0	0	95,680	0	2.00%	1,914
364	Flow Measuring Devices	0	0	0	0	0	0.00%	0
365	Flow Measuring Installations	0	0	0	0	0	0.00%	0
366	Reuse Services	0	0	0	0	0	0.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0.00%	0
370	Receiving Wells	153,310	0	0	153,310	0	3.33%	5,105
371	Pumping Equipment	0	0	0	0	0	0.00%	0
374	Reuse Distribution Reservoirs	0	0	0	0	0	0.00%	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0.00%	0
380	Treatment and Disposal Equipment	2,076,081	8,022	0	2,084,103	0	4.00%	83,204
381	Plant Sewers	0	0	0	0	0	0.00%	0
382	Outfall Sewer Lines	0	0	0	0	0	0.00%	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
390	Office Furniture and Equipment	2,335	0	0	2,335	2,335	0.00%	0
390.1	Computer & Software	0	0	0	0	0	0.00%	0
391	Transportation Equipment	0	0	0	0	0	0.00%	0
392	Stores Equipment	0	0	0	0	0	0.00%	0
393	Tools, Shop and Garage Equipment	3,688	0	0	3,688	3,688	0.00%	0
394	Laboratory Equipment	4,813	0	0	4,813	4,813	0.00%	0
395	Power Operated Equipment	0	0	0	0	0	0.00%	0
396	Communication Equipment	0	0	0	0	0	0.00%	0
397	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
398	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$3,234,392	\$8,022	\$0	\$3,242,414	\$10,836		\$121,282

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$0</u>
Times: Proposed Amortization Rate	3.75%
Amortization of CIAC	\$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE **\$121,282**

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Seven Canyons Water Treatment Company
Annual Report
Balance Sheet Assets
12/31/24

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
Account No.	Current and Accrued Assets			
131	Cash		\$3,367	\$5,246
132	Special Deposits		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		6,803	7,899
142	Other Accounts Receivable		0	0
143	Accumulated Provision for Uncollectable Accounts		0	0
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
173	Accrued Utility Revenue		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$10,170	\$13,144
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$0
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$3,234,392	\$3,242,414
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(2,103,289)	(2,224,570)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$1,131,103	\$1,017,844
	Total Assets		\$1,141,274	\$1,030,988

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Note these items feed automatically from the adjusted end of year balance from AR4.

Seven Canyons Water Treatment Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
Account No.	Current Liabilities			
231	Accounts Payable		\$6,566	\$15,735
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		33,155	62,642
235	Customer Deposits		0	0
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		16,884	32,518
253	Other Deferred Credits		0	0
	Total Current Liabilities		\$56,605	\$110,895
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Total Long Term Debt		\$0	\$0
	Deferred Credits			
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		\$56,605	\$110,895
	Capital Accounts			
201	Common Stock Issued		\$1,000	\$1,000
211	Other Paid-In Capital		4,116,443	4,116,443
215	Retained Earnings		(3,032,774)	(3,197,350)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$1,084,669	\$920,093
	Total Liabilities and Capital		\$1,141,274	\$1,030,988

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Seven Canyons Water Treatment Company
Annual Report
Wastewater Comparative Income Statement
12/31/24

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2024 - 12/31/2024	Last Year 01/01/2023 - 12/31/2023
	Operating Revenue		
521	Flat Rate Revenues	\$64,275	\$64,063
522	Measured Revenues	10,867	12,205
534	Rents from Wastewater Property	0	0
536	Other Wastewater Revenues	0	0
	Total Revenues	\$75,142	\$76,267
	Operating Expenses		
701	Salaries and Wages	\$0	\$0
704	Employee Pensions and Benefits	0	0
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	0	0
715	Purchased Power	12,665	12,962
716	Fuel for Power Production	0	0
718	Chemicals	0	0
720	Materials and Supplies	6,945	7,618
720.1	Repairs and Maintenance	20,856	16,803
720.2	Office Supplies and Expense	3,685	3,205
721	Office Expense	0	0
731	Contractual Services -Engineering	0	0
732	Contractual Services - Accounting	3,885	1,890
733	Contractual Services - Legal	0	0
734	Contractual Services - Management Fees	40,055	48,234
735	Contractual Services - Testing	11,815	11,776
736	Contractual Services - Other	0	1,258
740	Rents - Building	3,600	3,600
742	Rents - Equipment	0	0
750	Transportation Expenses	0	0
757	Insurance - General Liability	12,804	12,804
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	0	0
760	Advertising Expense	0	0
766	Regulatory Commission Expense - Rate Case	0	0
767	Regulatory Commission Expense - Other	0	0
770	Bad Debt Expense	0	0
775	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	121,282	121,121
408	Taxes Other Than Income	0	0
408.11	Property Taxes	2,079	2,015
408.12	Payroll Taxes	0	0
409	Income Taxes	50	50
	Total Operating Expenses	\$239,721	\$243,337
	Operating Income / (Loss)	(\$164,578)	(\$167,070)
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	2	2
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$2	\$2
	Net Income / (Loss)	(\$164,576)	(\$167,068)

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Seven Canyons Water Treatment Company
Annual Report
Full time equivalent employees
12/31/24

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	0.8	0.8
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.0	0.0	0.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.2	0.2
Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	1.0	1.0

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Seven Canyons Water Treatment Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/24

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	None	None	None	None
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 Amt. 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 Principal	N/A	N/A	N/A	N/A

Meter Deposit Balance at Test Year End:	None
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Meter Deposits Refunded During the Test Year:	None
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Seven Canyons Water Treatment Company
Annual Report
Wastewater Utility Plant Description
12/31/24

Wastewater Utility Plant Description

<u>Name of System:</u>	Seven Canyons Water Treatment
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Wastewater Inventory Number (if applicable):	N/A
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Type of Treatment	Extended Aeration
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<u>Design Capacity of Plant (Gallons per day)</u>	64000
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LIFT STATION FACILITIES

[illegible]

FORCE MAINS

[illegible]

MANHOLES

Type	Quantity
Standard	71
Drop	15

CLEANOUTS

Quantity
2 2-way force main
16

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

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Seven Canyons Water Treatment Company
Annual Report
Wastewater Utility Plant Description (Continued)

Wastewater Utility Plant Description (Continued)						
GRAVITY MAINS				SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)		Size (inches)	Material	Quantity
6	PVC	366		2	PVC	24
6	SDR 35 PVC	251		4	PVC	32
8	SDR 15 PVC	2,532		8	PVC	115
8	PVC	4,865		4	SDR 35 PVC	55
NA	NA	N/A				
NA	NA	N/A				
NA	NA	N/A				
NA	NA	N/A				
NA	NA	N/A				
NA	NA	N/A				
NA	NA	N/A				
NA	NA	N/A				
NA	NA	N/A				
NA	NA	N/A				

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

SOLIDS PROCESSING AND HANDLING FACILITIES	N/A
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Chlorinator
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	N/A
STRUCTURES (Buildings, Fences, Etc.)	Aeration/Blower Building Locked fence on wastewater plant, chlorination shed, and privacy fence around plant
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Sensaphone, telemetry computer, various tools, various lab equipment, turbidimeter, centrifuge, generator, odor control unit

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

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Seven Canyons Water Treatment Company
Annual Report
Wastewater Flows
12/31/24

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	91	231,171	12,025	\$1,072	6,679
February	91	238,487	14,691	962	5,689
March	91	315,585	16,727	956	5,400
April	91	316,573	15,427	1,056	5,938
May	91	280,015	15,731	1,184	6,068
June	91	527,668	14,212	1,044	5,340
July	91	270,092	13,211	1,138	5,826
August	91	252,136	12,125	1,102	5,570
September	91	263,306	13,418	1,019	5,056
October	91	323,885	16,028	1,093	5,448
November	91	343,965	18,311	971	5,348
December	91	259,598	13,983	1,040	5,958
	Totals	3,622,481	175,889	\$12,635	68,320

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Reuse
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit ("APP") Number	103334
ADEQ Reuse Permit Number	R103334
EPA NPDES Permit Number	N/A
APP Effluent Treatment Requirement (Class)?	B+
Permitted Flow Rate	32,000
Permitted Organic Capacity	N/A
Hydraulic Capacity	N/A
Type of Biological Treatment	Upflow Anaerobic Sludge Blanket (UASB)

In the space below, list all violations within the past 12 months:

N/A

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

1 Enter the total purchased power costs for the power meters associated with this system.

2 Enter the total purchased kWh used by the power meters associated with this system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Seven Canyons Water Treatment Company
Annual Report
Utility Shutoffs / Disconnects
12/31/24

Utility Shutoffs / Disconnects	
Name of System:	Seven Canyons Water Treatment
Wastewater Inventory Number (if applicable):	N/A

Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2- 609.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	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

N/A

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Seven Canyons Water Treatment Company
Annual Report
Property Taxes
12/31/24

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2024 was
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\$1,040

If no property taxes paid, explain why.

N/A

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verification and Certification (Taxes)

Verification: State of Arizona I, the undersigned of the
(state name)

County of (county name): Yavapai
Name (owner or official) title: Cheryl Shipe, Chief Operating Officer
Company name: Seven Canyons Water Treatment Company

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

FOR THE YEAR ENDING: 12/31/24

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.

CERTIFICATION I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I CERTIFY THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Cheryl Shipe
signature of owner/official

928-203-2016
telephone no.