

ANNUAL REPORT

Of

Company Name: **Adaman Mutual Water Company**

16251 W Glendale Ave

Mailing Address: Litchfield Park AZ
85340

Docket No.: W-01997A

For the Year Ended: 12/31/23

RECEIVED BY EMAIL

07/31/2024, 3:18 PM

**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

WATER 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: 7/23/2024

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Adaman Mutual Water Company
A Class ☐ Utility

For the Calendar Year Ended: 12/31/23

Primary Address: 16251 W Glendale Ave
City: Litchfield Park State: Arizona Zip Code: 85340

Telephone Number: (623)935-2837

Date of Original Organization of Utility: 11/1/1945

Person to whom correspondence should be addressed concerning this report:

Name: Mary A Coleman
Telephone No.: (623)935-2837
Address: 16251 W Glendale Ave
City: Litchfield Park State: Arizona Zip Code: 85340
Email: mary@adamanwater.com

Management Contact
Name: Scott Schofield
Telephone No.: (623)935-2837
Address: 16251 W Glendale Ave
City: Litchfield Park State: Arizona Zip Code: 85340
Email: Scott.S@adamanwater.com

Name: [REDACTED]
Telephone No.: [REDACTED]
Address: [REDACTED]
City: [REDACTED] State: [REDACTED] Zip Code: [REDACTED]
Email: [REDACTED]

Name: [REDACTED]
Telephone No.: [REDACTED]
Address: [REDACTED]
City: [REDACTED] State: [REDACTED] Zip Code: [REDACTED]
Email: [REDACTED]

Name: [REDACTED]
Telephone No.: [REDACTED]
Address: [REDACTED]
City: [REDACTED] State: [REDACTED] Zip Code: [REDACTED]
Email: [REDACTED]

Ownership: "C" Corporation

Counties Served: Maricopa

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Adaman Mutual Water 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 (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization				\$0		\$0
302	Franchises				0		0
303	Land and Land Rights				0		0
304	Structures and Improvements	10,053			10,053		10,053
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	496,307	5,769		502,076	10,325	491,752
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	91,728			91,728	1,773	89,955
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants	977,888			977,888	71,972	905,916
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes	45,548			45,548		45,548
330.1	Storage Tanks	0	1,437		1,437	60	1,377
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	436,388			436,388	4,869	431,519
333	Services	0			0		0
334	Meters and Meter Installations	96,096	7,691	5,680	98,107	26,110	71,997
335	Hydrants	1,751	6,673		8,424	743	7,681
336	Backflow Prevention Devices	965			965		965
339	Other Plant and Misc. Equipment	57,030			57,030	1,162	55,868
340	Office Furniture and Equipment	5,048	3,246		8,294		8,294
340.1	Computer & Software	10,828			10,828	2,166	8,662
341	Transportation Equipment	211,503	1,655		213,158	20,150	193,008
342	Stores Equipment		1,437		1,437		1,437
343	Tools, Shop and Garage Equipment	6,643	270		6,912	450	6,462
344	Laboratory Equipment				0		0
345	Power Operated Equipment	0	3,341		3,341	14	3,327
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant	19,703			19,703	2,693	17,010
	Totals	\$2,467,479	\$31,520	\$5,680	\$2,493,318	\$142,487	\$2,350,832

Adaman Mutual Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/23

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non- depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0		\$0		\$0
302	Franchises	0	0	0	0		0		0
303	Land and Land Rights	0	0	0	0		0		0
304	Structures and Improvements	10,053	0	0	10,053	10,053	0		0
305	Collecting & Improving Reservoirs	0	0	0	0	45,548	(45,548)		0
306	Lake, River, Canal Intakes	0	0	0	0		0		0
307	Wells and Springs	496,307	5,769	0	502,076	124,375	377,701	9.00%	33,734
308	Infiltration Galleries	0	0	0	0		0		0
309	Supply Mains	0	0	0	0		0		0
310	Power Generation Equipment	0	0	0	0		0		0
311	Pumping Equipment	91,728	0	0	91,728	7,609	84,119	24.00%	20,189
320	Water Treatment Equipment	0	0	0	0		0		0
320.1	Water Treatment Plants	977,888	0	0	977,888	552,071	425,817	9.00%	38,324
320.2	Solution Chemical Feeders	0	0	0	0		0		0
320.3	Point-of-Use Treatment Devices	0	0	0	0		0		0
330	Distribution Reservoirs and Standpipes	45,548	0	0	45,548		45,548		0
330.1	Storage Tanks	0	1,437	0	1,437	60	1,377	24.00%	158
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	436,388	0	0	436,388	172,468	263,920	12.00%	31,670
333	Services	0	0	0	0		0		0
334	Meters and Meter Installations	96,096	7,691	5,680	98,107	86,135	11,972	67.00%	7,347
335	Hydrants	1,751	6,673	0	8,424	743	7,681	15.00%	652
336	Backflow Prevention Devices	965	0	0	965	965	0		0
339	Other Plant and Misc. Equipment	57,030	0	0	57,030	37,396	19,634	9.00%	1,767
340	Office Furniture and Equipment	5,048	3,246	0	8,294	5,048	3,246	33.00%	536
340.1	Computer & Software	10,828	0	0	10,828	6,678	4,150	12.00%	498
341	Transportation Equipment	211,503	1,655	0	213,158	44,291	168,867	3.00%	5,041
342	Stores Equipment	0	1,437	0	1,437		1,437		0
343	Tools, Shop and Garage Equipment	6,643	270	0	6,912	4,170	2,742	52.00%	1,356
344	Laboratory Equipment	0	0	0	0		0		0
345	Power Operated Equipment	0	3,341	0	3,341	28	3,313	13.00%	214
346	Communication Equipment	0	0	0	0		0		0
347	Miscellaneous Equipment	0	0	0	0		0		0
348	Other Tangible Plant	19,703	0	0	19,703	11,314	8,389	9.00%	755
	Subtotal	\$2,467,479	\$31,520	\$5,680	\$2,493,318	\$1,108,952	\$1,384,366		\$142,239

Contribution(s) in Aid of Construction (Gross)

Less: Non Amortizable Contribution(s)

Fully Amortized Contribution(s)

Amortizable Contribution(s)

Times: Proposed Amortization Rate

Amortization of CIAC

\$0

10.27%

\$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE \$142,239

Adaman Mutual Water Company
Annual Report
Balance Sheet Assets
12/31/23

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current and Accrued Assets			
131	Cash		\$23,144	\$98,075
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		28,308	64,280
146	Notes Receivable from Associated Companies		5,258	
151	Plant Material and Supplies			
162	Prepayments		24,267	90,071
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$80,978	\$252,426
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$2,467,479	\$2,493,318
103	Property Held for Future Use			
105	Construction Work in Progress		7,104	7,524
108	Accumulated Depreciation (enter as negative)*		(98,603)	(142,487)
121	Non-Utility Property		112,986	112,986
122	Accumulated Depreciation - Non Utility			(98,499)
	Total Fixed Assets		\$2,488,965	\$2,372,842
	Total Assets		\$2,569,943	\$2,625,268

*Note these items feed automatically from AR3 UPIS Page 4

Adaman Mutual Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current Liabilities			
231	Accounts Payable		\$87,610	\$49,567
232	Notes Payable (Current Portion)			(151)
234	Notes Payable to Associated Companies		100	100
235	Customer Deposits		3,855	3,180
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		46,228	64,666
	Total Current Liabilities		\$137,793	\$117,362
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$150,764	\$54,411
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		1,988,890	2,063,421
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		120,737	120,737
272	Less: Amortization of Contributions		(52,724)	(52,724)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$2,056,903	\$2,131,434
	Total Liabilities		\$2,345,461	\$2,303,207
	Capital Accounts			
201	Common Stock Issued		\$2,487	\$2,487
211	Other Paid-In Capital			
215	Retained Earnings		161,326	221,923
218	Proprietary Capital (Sole Props and Partnerships)		60,669	97,651
	Total Capital		\$224,482	\$322,061
	Total Liabilities and Capital		\$2,569,943	\$2,625,268

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

Adaman Mutual Water Company
Annual Report
Water Comparative Income Statement
12/31/23

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	Operating Revenue		
461	Metered Water Revenue	\$495,053	\$448,714
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues	670	
474	Other Water Revenue	111,333	59,707
	Total Revenues	\$607,057	\$508,421
	Operating Expenses		
601	Salaries and Wages	\$78,270	\$79,240
604	Employee Pensions and Benefits		
610	Purchased Water	27,428	31,016
615	Purchased Power	33,051	23,571
618	Chemicals	35,617	35,300
620	Materials and Supplies	1,750	2,467
620.1	Repairs and Maintenance	43,499	69,065
620.2	Office Supplies and Expense	42,399	8,813
630	Contractual Services		
631	Contractual Services - Engineering	441	19
632	Contractual Services - Accounting	6,709	12,066
633	Contractual Services - Legal	(20,318)	29,311
634	Contractual Services - Management Fees		
635	Contractual Services - Water Testing	2,943	2,206
636	Contractual Services - Other		
640	Rents	8,400	8,400
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	11,995	11,594
657	Insurance - General Liability	15,316	13,558
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	3,881	7,558
403	Depreciation Expense (From Schedule AR4)	142,239	458,688
408	Taxes Other Than Income	32,182	25,606
408.11	Property Taxes	10,788	12,434
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$476,591	\$830,912
	Operating Income / (Loss)	\$130,466	(\$322,491)
	Other Income / (Expense)		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(8,625)	(9,069)
	Total Other Income / (Expense)	(\$8,625)	(\$9,069)
	Net Income / (Loss)	\$121,840	(\$331,560)

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager	1.0			1.0
Engineering Staff				0.0
System Operator(s)	1.0			1.0
Meter reader	2.0			2.0
Customer Service				0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff	1.0			1.0
Other				0.0
Total	5.0	0.0	0.0	5.0

Adaman Mutual Water Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/23

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	1/18/2019			
Source of Loan	MidFirst			
ACC Decision No.				
Reason for Loan	Replace Original Loan			
Dollar Amt. Issued	\$130,438			
Amount Outstanding	\$5,054			
Date of Maturity	2/1/2024			
Interest Rate	6.35%			
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:	\$3,180
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Meter Deposits Refunded During the Test Year:	\$1,175
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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.

Well and Water Usage

[illegible]

Name of system water delivered to:		
ADWR PCC Number:		91-000180.0000
Source of water delivered to another system		
Name of system water received from:		
ADWR PCC Number:		
Source of water received		
Well registry 55# (55-XXXXXX)		

Month	Water withdrawn (gallons)1	Water sold (gallons)2	Water delivered (sold) to other systems (gallons)3	Water received (purchased) from other systems (gallons)4	Estimated authorized use (gallons)5	Purchased Power Expense ^a	Purchased Power ^b (kWh)7
January	8,728,500.00	6,777,500.00				\$2,207	1,330
February	7,233,500.00	5,709,500.00				1,741	1,379
March	7,758,000.00	6,430,300.00				1,959	1,595
April	12,397,400.00	10,378,900.00				2,554	2,076
May	12,870,100.00	11,661,200.00				2,814	2,334
June	16,514,300.00	14,463,600.00				3,063	2,557
July	17,438,000.00	15,917,500.00				3,707	3,183
August	16,283,200.00	16,550,500.00				3,645	3,088
September	18,364,600.00	16,047,700.00				3,458	2,837
October	14,343,800.00	12,943,400.00				3,094	2,585
November	12,878,200.00	11,518,800.00				2,572	2,058
December	8,772,800.00	7,950,100.00				2,437	1,708
Totals	153,582,400.00	136,340,000.00	0.00	0.00	0.00	\$33,251	26,731

If applicable, in the space below please provide a description for all un-metered water use along with amounts:

- | | |
|---|---|
| 1 | Water withdrawn - Total gallons of water withdrawn from pumped sources. |
| 2 | Water sold - Total gallons from customer meters, and other sales such as construction water. |
| 3 | Water delivered (sold) to other systems - Total gallons of water delivered to other systems. |
| 4 | Water received (purchased) from other systems - Total gallons of water purchased/received from other systems. |
| 5 | Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft. |
| 6 | Enter the total purchased power costs for the power meters associated with this system. |
| 7 | Enter the total purchased kWh used by the power meters associated with this system. |

Water Utility Plant Description

Name of the System:		Adaman Mutual Water Company	
ADEQ Public Water System Number:		AZ0407001	
ADWR PCC Number:		91-000180 0000	

MAINS

[illegible]

CUSTOMER METERS

[illegible]

SERVICE LINES

SERVICE LINES		
Material	Percent of system	Year installed
Copper	55%	unk
HDPE	45%	unk

BOOSTER PUMPS

BOOSTER PUMPS		
Horsepower	GPM	Quantity
15	200	2
0	300	1

FIRE HYDRANTS

FIRE HYDRANTS	
Type	Quantity
Standard *	13
Other	

STORAGE TANKS

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
200,000	Steel	1	1968

PRESSURE/BLADDER TANKS

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,000	Steel	1	1997

* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	2 - 2/GHP chemical metering pumps, 100 gallon chemical metering pumps, chlorine residual test kit, and arsenic treatment plant
STRUCTURES:	Chlorine house, fences and signs
OTHER:	Power generator, meters, computer equipment, software, tools, pumping equipment and wells

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365
- (b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC	
Method used:	

Customer and Other Information	
Name of the System:	0
ADEQ Public Water System Number:	
ADWR PCC Number:	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	222		88		7
February	221		91		6
March	222		100		5
April	226		102		6
May	225		102		7
June	225		100		7
July	223		96		6
August	224		98		6
September	223		105		6
October	220		104		6
November	220		109		5
December	219		108		5

If the system has fire hydrants, what is the fire flow requirements? 450 GPM for 6 hrs.

Does the system have chlorination treatment? yes

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement? no

If yes, provide the GPCPD amount: NA

Is the Water Utility located in an ADWR Active Management Area (AMA)? Yes

If yes, which AMA? Phoenix AMA

What is the present system connection capacity (in ERCs *) using existing lines? 19,965,812

What is the future system connection capacity (in ERCs *) upon service area buildout? unk

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

Continue to work on new water mains for unknown amount of industrial development as well as changing out old meters

* an ERC is based on the calculation on the bottom of AR9 page 12.

Adaman Mutual Water Company
Annual Report
Utility Shutoffs / Disconnects
12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	Adaman Mutual Water Company
ADEQ Public Water System Number:	AZ0407001
ADWR PCC Number:	91-000180.0000

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	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

NA

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.

Adaman Mutual Water Company
Annual Report
Property Taxes
12/31/23

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2023 was	\$17,005

If no property taxes paid, explain why.
NA

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

that account or

Verification and Certification (Taxes)

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

County of (county name): Maricopa
Name (owner or official) title: Scott G. Schofield, General Manager
Company name: Adaman Mutual Water Company

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

FOR THE YEAR ENDING: 12/31/23

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.


signature of owner/official

(623)935-2837
telephone no.