

**ANNUAL REPORT**

Of

Company Name: Granite Oaks Water Users Association

PO Box 4947

Mailing Address: Chino Valley AZ  
86323

Docket No.: W-02539A

For the Year Ended: 12/31/24

**RECEIVED BY EMAIL**

4/10/2025, 2:29 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: 3/26/2025

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Granite Oaks Water Users Association  
A Class ☒ Utility

For the Calendar Year Ended: 12/31/24

Primary Address: 302 W. WILLIS STREET;STE 203  
City: PRESCOTT State: Arizona Zip Code: 86301

Telephone Number: 928-445-0551

Date of Original Organization of Utility: 7/12/1989

Person to whom correspondence should be addressed concerning this report:

Name: CHERYL IBBOTSON  
Telephone No. : 928-445-5606  
Address: 302 W. WILLIS STREET;STE 203  
City: PRESCOTT State: Arizona Zip Code: 86301  
Email: cherylibbotson@gmail.com

On-Site Manager  
Name: AQuality Water Company, LLC  
Telephone No. : 928-606-0498  
Address: PO BOX 264  
City: WILLIAMS State: Arizona Zip Code: 86046  
Email: pataqualitywater@gmail.com

Statutory Agent  
Name: ROBERT BUSCH  
Telephone No. : 928-713-0548  
Address: 302 W. WILLIS STREET;STE 203  
City: PRESCOTT State: Arizona Zip Code: 86301  
Email: rmbusch1@gmail.com

NA  
Name:  
Telephone No. :  
Address:  
City: State: Arizona Zip Code:  
Email:

NA  
Name:  
Telephone No. :  
Address:  
City: State: Arizona Zip Code:  
Email:

Ownership: Association--Cooperative

Counties Served: Yavapai

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Granite Oaks Water Users Association

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?
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If yes, please provide specific details in the box below.
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No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
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If yes, please provide specific details in the box below.
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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	\$12,478	\$0	\$0	\$12,478	\$6,744	\$5,734
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	68,068	0	0	68,068	0	68,068
304	Structures and Improvements	96,135	0	0	96,135	61,851	34,284
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	182,604	26,509	20,735	188,378	63,843	124,535
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	74,116	29,410	21,125	82,401	8,196	74,205
311	Pumping Equipment	234,898	10,522	0	245,420	92,762	152,658
320	Water Treatment Equipment	8,266	0	0	8,266	5,912	2,354
320.1	Water Treatment Plants	0	0	0	0	0	0
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	0	0	0	0	0	0
330.1	Storage Tanks	27,440	285,901	0	313,341	19,891	293,450
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	729,369	0	0	729,369	357,759	371,610
333	Services	26,370	10,423	0	36,793	20,846	15,947
334	Meters and Meter Installations	121,009	4,790	1,507	124,292	49,232	75,060
335	Hydrants	87,640	0	0	87,640	32,276	55,364
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	167,448	0	0	167,448	89,268	78,180
340	Office Furniture and Equipment	20,008	0	0	20,008	10,229	9,779
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	<b>Totals</b>	<b>\$1,855,849</b>	<b>\$367,555</b>	<b>\$43,367</b>	<b>\$2,180,037</b>	<b>\$818,809</b>	<b>\$1,361,228</b>

Granite Oaks Water Users Association  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/24

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	\$12,478	\$0	\$0	\$12,478	\$0	\$12,478		\$250
302	Franchises	0	0	0	0	0	0		
303	Land and Land Rights	68,068	0	0	68,068	0	68,068		
304	Structures and Improvements	96,135	0	0	96,135	0	96,135	3.33%	5,995
305	Collecting & Improving Reservoirs	0	0	0	0	0	0		
306	Lake, River, Canal Intakes	0	0	0	0	0	0		
307	Wells and Springs	182,604	26,509	20,735	188,378	0	188,378	3.33%	8,072
308	Infiltration Galleries	0	0	0	0	0	0		
309	Supply Mains	0	0	0	0	0	0		
310	Power Generation Equipment	74,116	29,410	21,125	82,401	0	82,401	5.00%	3,824
311	Pumping Equipment	234,898	10,522	0	245,420	0	245,420	12.50%	8,378
320	Water Treatment Equipment	8,266	0	0	8,266	0	8,266	3.33%	509
320.1	Water Treatment Plants	0	0	0	0	0	0		
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	0	0	0	0	0	0		
330.1	Storage Tanks	27,440	285,901	0	313,341	0	313,341	2.22%	5,375
330.2	Pressure Tanks	0	0	0	0	0	0		
331	Transmission and Distribution Mains	729,369	0	0	729,369	0	729,369	2.00%	14,591
333	Services	26,370	10,423	0	36,793	0	36,793	3.33%	2,070
334	Meters and Meter Installations	121,009	4,790	1,507	124,292	0	124,292	8.33%	10,279
335	Hydrants	87,640	0	0	87,640	0	87,640	2.00%	1,753
336	Backflow Prevention Devices	0	0	0	0	0	0		
339	Other Plant and Misc. Equipment	167,448	0	0	167,448	0	167,448	6.67%	11,163
340	Office Furniture and Equipment	20,008	0	0	20,008	0	20,008	6.67%	723
340.1	Computer & Software	0	0	0	0	0	0		0
341	Transportation Equipment	0	0	0	0	0	0		
342	Stores Equipment	0	0	0	0	0	0		
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0		
344	Laboratory Equipment	0	0	0	0	0	0		
345	Power Operated Equipment	0	0	0	0	0	0		
346	Communication Equipment	0	0	0	0	0	0		
347	Miscellaneous Equipment	0	0	0	0	0	0		
348	Other Tangible Plant	0	0	0	0	0	0		
	<b>Subtotal</b>	<b>\$1,855,849</b>	<b>\$367,555</b>	<b>\$43,367</b>	<b>\$2,180,037</b>	<b>\$0</b>	<b>\$2,180,037</b>		<b>\$72,982</b>

Contribution(s) in Aid of Construction (Gross)	\$794,803
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$794,803
Times: Proposed Amortization Rate	3.35%
Amortization of CIAC	\$26,608

Less: Amortization of CIAC **\$26,608**

**DEPRECIATION EXPENSE** **\$46,374**

Granite Oaks Water Users Association  
Annual Report  
Balance Sheet Assets  
12/31/24

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
<b>Account No.</b>	<b>Current and Accrued Assets</b>			
131	Cash		\$163,611	\$213,054
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		16,961	15,036
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	<b>Total Current and Accrued Assets</b>		<b>\$180,572</b>	<b>\$228,090</b>
<b>Account No.</b>	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$1,855,849	\$2,180,037
103	Property Held for Future Use			
105	Construction Work in Progress		213,659	23,144
108	Accumulated Depreciation (enter as negative)*		(789,193)	(818,809)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$1,280,315</b>	<b>\$1,384,372</b>
	<b>Total Assets</b>		<b>\$1,460,887</b>	<b>\$1,612,462</b>

\*Note these items feed automatically from AR3 UPIS Page 4

Granite Oaks Water Users Association  
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)
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$12,363	\$20,972
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes		1,236	1,480
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	<b>Total Current Liabilities</b>		<b>\$13,599</b>	<b>\$22,452</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		2,990	3,312
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		611,068	794,803
272	Less: Amortization of Contributions		(399,599)	(426,207)
281	Accumulated Deferred Income Tax			0
	<b>Total Deferred Credits</b>		<b>\$214,459</b>	<b>\$371,908</b>
	<b>Total Liabilites</b>		<b>\$228,058</b>	<b>\$394,361</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings		1,232,829	1,218,101
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>\$1,232,829</b>	<b>\$1,218,101</b>
	<b>Total Liabilities and Capital</b>		<b>\$1,460,887</b>	<b>\$1,612,462</b>

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

Granite Oaks Water Users Association  
Annual Report  
Water Comparative Income Statement  
12/31/24

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2024 - 12/31/2024	Last Year 01/01/2023 - 12/31/2023
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$259,781	\$257,212
460	Unmetered Water Revenue		
462	Fire Protection Revenue	-	-
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	1,739	1,517
	<b>Total Revenues</b>	<b>\$261,520</b>	<b>\$258,729</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$14,902	\$14,903
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	36,376	33,849
618	Chemicals	1,174	972
620	Materials and Supplies		
620.1	Repairs and Maintenance	18,159	12,382
620.2	Office Supplies and Expense	10,802	9,137
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	35,217	29,375
633	Contractual Services - Legal	25,884	10,491
634	Contractual Services - Management Fees	63,935	62,600
635	Contractual Services - Water Testing	2,923	3,175
636	Contractual Services - Other	4,491	2,654
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability	13,107	11,181
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense		
403	Depreciation Expense (From Schedule AR4)	46,374	44,812
408	Taxes Other Than Income		
408.11	Property Taxes	7,276	7,348
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	<b>Total Operating Expenses</b>	<b>\$280,620</b>	<b>\$242,879</b>
	<b>Operating Income / (Loss)</b>	<b>(\$19,099)</b>	<b>\$15,850</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income		
421	Non-Utility Income	4,372	9,661
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		
	<b>Total Other Income / (Expense)</b>	<b>\$4,372</b>	<b>\$9,661</b>
	<b>Net Income / (Loss)</b>	<b>(\$14,727)</b>	<b>\$25,511</b>



Granite Oaks Water Users Association  
Annual Report  
Full time equivalent employees  
12/31/24

**Full time equivalent employees**

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

Granite Oaks Water Users Association  
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	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 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:	\$3,313
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Meter Deposits Refunded During the Test Year:	\$407
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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.**

Name of system water received from:	GRANITE OAKS WATER USERS ASSOC	
ADWR PCC Number:	91-000675.0000	
Source of water received	Ground Water	
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 <sup>6</sup>	Purchased Power (kWh) <sup>7</sup>
January	2,198,574.00	2,152,840.00				\$2,134	13,272
February	1,903,465.00	1,968,370.00				1,803	10,251
March	2,325,505.00	2,576,720.00				1,981	11,700
April	3,163,203.00	3,720,850.00				2,364	14,310
May	5,466,521.00	6,232,650.00				3,265	22,228
June	8,171,477.00	8,184,740.00				4,070	29,231
July	7,443,519.00	7,116,400.00				4,494	32,027
August	7,288,926.00	6,970,720.00				3,500	24,205
September	7,219,863.00	6,879,320.00				4,114	29,684
October	6,462,335.00	6,134,610.00				3,588	25,125
November	3,890,775.00	3,555,950.00				2,824	18,266
December	2,858,407.00	2,558,770.00				2,239	13,532
<b>Totals</b>	<b>58,392,570.00</b>	<b>58,051,940.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$36,376</b>	<b>243,831</b>

<p><b>If applicable, in the space below please provide a description for all un-metered water use along with amounts:</b></p>
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- Page 11

Water Utility Plant Description			
Name of the System:	GRANITE OAKS WATER USERS ASSOC		
ADEQ Public Water System Number:	AZ0413155		
ADWR PCC Number:	91-000675.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	PVC/C900	5,850
6.00	PVC/C900	57,997
8.00	PVC/C900	4,532
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	

SERVICE LINES			
Material	Percent of system	Year installed	
NA			
NA			
NA			
NA			
NA			

BOOSTER PUMPS			
Horsepower	GPM	Quantity	
15	230	2	
25	450	2	

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
100,000	METAL	2	
84,000	METAL	1	

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
NA			
5/8 X 3/4	464	0%	10%
1	6	0%	0%
2	2	0%	0%
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

FIRE HYDRANTS	
Type	Quantity
Standard *	55
Other	

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

\* 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.

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

<b>TREATMENT EQUIPMENT:</b>	UTILITY, PLANT, PUMPS & INFRASTRUCTURE
<b>STRUCTURES:</b>	PUMP HOUSES, FENCING AND LANDSCAPING
<b>OTHER:</b>	GENERATORS, OTHER CAPITAL EQUIPMENT

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
- (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	454
Method used:	(b)

Customer and Other Information	
Name of the System:	GRANITE OAKS WATER USERS ASSOC
ADEQ Public Water System Number:	AZ0413155
ADWR PCC Number:	91-000675.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	467				
February	468				
March	469				
April	473				
May	470				
June	476				
July	473				
August	474				
September	470				
October	472				
November	471				
December	471				

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

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?   
If yes, which AMA?

What is the present system connection capacity (in ERCs \*) using existing lines?

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

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

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

Granite Oaks Water Users Association  
Annual Report  
Utility Shutoffs / Disconnects  
12/31/24

Utility Shutoffs / Disconnects	
Name of the System:	GRANITE OAKS WATER USERS ASSOC
ADEQ Public Water System Number:	AZ0413155
ADWR PCC Number:	91-000675.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January			
February			
March			
April			
May			
June		1	
July			
August			
September		1	
October			
November			
December			
<b>Total</b>	<b>0</b>	<b>2</b>	<b>0</b>

Other (description):

--

**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.

**Granite Oaks Water Users Association  
Annual Report  
Property Taxes  
12/31/24**

## Property Taxes

Amount of actual property taxes paid during Calendar Year 2021 was

**\$7,312**

**If no property taxes paid, explain why.**

**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.





Full Gross-up Method for Income Tax Statement of Certification

Verification:

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

County of (county name):

Yavapai

Name (owner or official) title:

KEN NELSON

Company name:

Granite Oaks Water Users Association

FOR THE YEAR ENDING: 12/31/24

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS INCURRED OR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

*Ken Nelson* 3-26-2025  
signature of owner/official

928-925-6480

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY

Yavapai  
(county name)

THIS

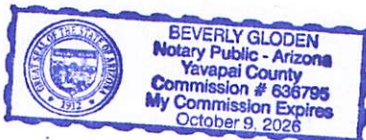
26<sup>th</sup>

DAY OF

March 2025  
(month) and (year)

MY COMMISSION EXPIRES

Oct. 9, 2026  
(date)



*Beverly Gloden*  
(signature of notary public)