

ANNUAL REPORT

Of

Company Name: Morenci Water and Electric Company
PO Box 68

Mailing Address: Morenci AZ
85540

Docket No.: W-01049A
For the Year Ended: 12/31/25

RECEIVED BY EMAIL

4/9/2026, 10:35 AM

**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: 4/8/2026

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Morenci Water and Electric Company
A Class ☐ Utility

For the Calendar Year Ended: 12/31/25

Primary Address:

PO Box 68		
City: Morenci	State: Arizona	Zip Code: 85540

Telephone Number:

(928) 865-2229

Date of Original Organization of Utility:

10/17/1898

Person to whom correspondence should be addressed concerning this report:

Name:

Debra Medina

Telephone No. :

(928) 865-6264

Address:

PO Box 68		
City: Morenci	State: Arizona	Zip Code: 85540

Email:

dmedina@fmi.com

Regulatory and On-Site Manager Contact
Name:

Francis McAllister

Telephone No. :

(602) 366-08014

Address:

4340 E. Cotton Center Blvd.		
City: Phoenix	State: Arizona	Zip Code: 85040

Email:

fmcallis@fmi.com

Regulatory and Management Contact
Name:

Registered Agent Solutions, Inc.

Telephone No. :

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Address:

300 W. Clarendon Ave., Suite 240		
City: Phoenix	State: Arizona	Zip Code: 85013

Email:

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Attorney
Name:

Michael Patten

Telephone No. :

(602) 290-4131

Address:

One East Washington Street Suite 2700		
City: Phoenix	State: Arizona	Zip Code: 85004

Email:

mpatten@swlaw.com

NA
Name:

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Telephone No. :

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Address:

City:	State: Arizona	Zip Code:

Email:

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Ownership:

"C" Corporation

Counties Served:

Greenlee

Important changes during the year
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N/A	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	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.

Morenci Water and Electric Company
Annual Report
Utility Plant in Service (Water)
12/31/25

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	\$0	\$0	\$0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	4,301	0	0	4,301	0	4,301
304	Structures and Improvements	1,405,008	0	0	1,405,008	678,707	726,300
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	0	0	0	0	0	0
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	27,870	0	0	27,870	27,870	0
311	Pumping Equipment	535,308	0	0	535,308	492,912	42,396
320	Water Treatment Equipment	2,650,087	0	0	2,650,087	829,717	1,820,370
320.1	Water Treatment Plants	4,832,206	0	0	4,832,206	1,438,311	3,393,895
320.2	Solution Chemical Feeders	349,674	0	0	349,674	108,788	240,887
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	3,928,769	0	0	3,928,769	1,486,323	2,442,447
330.1	Storage Tanks	591,205	0	0	591,205	226,628	364,576
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	6,753,063	2,711,293	0	9,464,357	1,828,796	7,635,560
333	Services	366,153	0	0	366,153	135,072	231,081
334	Meters and Meter Installations	1,103,877	0	0	1,103,877	614,501	489,376
335	Hydrants	35,789	0	0	35,789	7,913	27,876
336	Backflow Prevention Devices	6,343	0	0	6,343	4,812	1,531
339	Other Plant and Misc. Equipment	12,802	0	0	12,802	12,802	0
340	Office Furniture and Equipment	9,915	0	0	9,915	9,915	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	582,277	0	0	582,277	582,277	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	83,945	0	0	83,945	41,644	42,300
344	Laboratory Equipment	26,070	0	0	26,070	24,237	1,833
345	Power Operated Equipment	339,684	0	0	339,684	131,793	207,891
346	Communication Equipment	23,041	0	0	23,041	21,843	1,197
347	Miscellaneous Equipment	3,100	0	0	3,100	2,869	230
348	Other Tangible Plant	3,877	0	0	3,877	3,877	0
	Totals	\$23,674,362	\$2,711,293	\$0	\$26,385,656	\$8,711,607	\$17,674,048

Morenci Water and Electric Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/25

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	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	4,301	0	0	4,301	0	4,301	0.00%	0
304	Structures and Improvements	1,405,008	0	0	1,405,008	643,233	761,774	4.66%	35,474
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	0	0	0	0	0	0	0.00%	0
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	27,870	0	0	27,870	27,870	0	0.00%	0
311	Pumping Equipment	535,308	0	0	535,308	487,862	47,446	10.64%	5,050
320	Water Treatment Equipment	2,650,087	0	0	2,650,087	741,380	1,908,707	4.63%	88,336
320.1	Water Treatment Plants	4,832,206	0	0	4,832,206	1,274,916	3,557,290	4.59%	163,395
320.2	Solution Chemical Feeders	349,674	0	0	349,674	97,132	252,542	4.62%	11,656
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	3,928,769	0	0	3,928,769	1,392,114	2,536,655	3.71%	94,208
330.1	Storage Tanks	591,205	0	0	591,205	206,922	384,283	5.13%	19,707
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	6,753,063	2,711,293	0	9,464,357	1,652,243	7,812,113	2.73%	176,553
333	Services	366,153	0	0	366,153	125,137	241,016	4.12%	9,935
334	Meters and Meter Installations	1,103,877	0	0	1,103,877	559,193	544,684	10.15%	55,309
335	Hydrants	35,789	0	0	35,789	7,202	28,587	2.49%	711
336	Backflow Prevention Devices	6,343	0	0	6,343	4,534	1,809	15.39%	278
339	Other Plant and Misc. Equipment	12,802	0	0	12,802	12,802	0	0.00%	0
340	Office Furniture and Equipment	9,915	0	0	9,915	9,915	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	582,277	0	0	582,277	568,080	14,196	100.00%	14,196
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	83,945	0	0	83,945	38,760	45,185	6.38%	2,885
344	Laboratory Equipment	26,070	0	0	26,070	21,775	4,295	57.33%	2,462
345	Power Operated Equipment	339,684	0	0	339,684	117,446	222,238	6.46%	14,348
346	Communication Equipment	23,041	0	0	23,041	19,963	3,078	61.10%	1,881
347	Miscellaneous Equipment	3,100	0	0	3,100	2,841	259	11.11%	29
348	Other Tangible Plant	3,877	0	0	3,877	3,877	0	0.00%	0
	Subtotal	\$23,674,362	\$2,711,293	\$0	\$26,385,656	\$8,015,196	\$18,370,459		\$696,411

Contribution(s) in Aid of Construction (Gross)	\$1,105,335
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	131,406
Amortizable Contribution(s)	\$973,929
Times: Proposed Amortization Rate	3.79%
Amortization of CIAC	\$36,921

Less: Amortization of CIAC	\$36,921
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DEPRECIATION EXPENSE	\$659,490
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Morenci Water and Electric Company
Annual Report
Balance Sheet Assets
12/31/25

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2025)	Balance at End of Year (2025)
Account No.	Current and Accrued Assets			
131	Cash		\$126,054	\$61,090
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		32,249	104,160
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		18,656	19,761
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$176,959	\$185,011
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$23,674,362	\$26,385,656
103	Property Held for Future Use		0	0
105	Construction Work in Progress		3,155,867	2,411,015
108	Accumulated Depreciation (enter as negative)*		(8,015,196)	(8,711,607)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$18,815,033	\$20,085,063
	Total Assets		\$18,991,992	\$20,270,074

*Note these items feed automatically from AR3 UPIS Page 4

Morenci Water and Electric Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2025)	Balance at End of Year (2025)
Account No.	Current Liabilities			
231	Accounts Payable		\$546,626	\$655,573
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		11,646	19,181
235	Customer Deposits		7,969	4,059
236	Accrued Taxes		10,223	11,596
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		36,411	36,786
	Total Current Liabilities		\$612,876	\$727,195
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		1,105,335	1,105,335
272	Less: Amortization of Contributions		(109,244)	(131,406)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$996,091	\$973,929
	Total Liabilities		\$1,608,967	\$1,701,124
	Capital Accounts			
201	Common Stock Issued		\$1,006,266	\$1,006,266
211	Other Paid-In Capital		6,555,778	6,555,778
215	Retained Earnings		0	0
218	Proprietary Capital (Sole Props and Partnerships)		9,820,982	11,006,908
	Total Capital		\$17,383,025	\$18,568,951
	Total Liabilities and Capital		\$18,991,992	\$20,270,075

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

Morenci Water and Electric Company
Annual Report
Water Comparative Income Statement
12/31/25

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2025 - 12/31/2025	Last Year 01/01/2024 - 12/31/2024
	Operating Revenue		
461	Metered Water Revenue	\$983,958	\$1,016,536
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	40,923	39,770
	Total Revenues	\$1,024,881	\$1,056,307
	Operating Expenses		
601	Salaries and Wages	\$1,251,425	\$1,237,972
604	Employee Pensions and Benefits	274,515	212,586
610	Purchased Water	82,910	80,157
615	Purchased Power	26,525	59,371
618	Chemicals	191,388	109,797
620	Materials and Supplies	65,436	22,634
620.1	Repairs and Maintenance	338,384	258,940
620.2	Office Supplies and Expense	42,758	28,340
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	169,962
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	20,526	53,182
634	Contractual Services - Management Fees	159,611	129,801
635	Contractual Services - Water Testing	10,501	8,293
636	Contractual Services - Other	485,101	1,332,281
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	1,427	7,640
650	Transportation Expenses	44,518	36,934
657	Insurance - General Liability	34,076	28,644
657.1	Insurance - Health and Life	219,061	185,463
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	24,943	23,905
675	Miscellaneous Expense	(27,081)	(26,858)
403	Depreciation Expense (From Schedule AR4)	659,490	661,858
408	Taxes Other Than Income	0	0
408.11	Property Taxes	246	228
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$3,905,760	\$4,621,131
	Operating Income / (Loss)	(\$2,880,878)	(\$3,564,824)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	(\$2,880,878)	(\$3,564,824)

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.1	0.0	0.1
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)	8.0	0.0	0.0	8.0
Meter reader	1.0	0.0	0.0	1.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	2.0	0.0	0.0	2.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	1.5	0.0	0.0	1.5
Other	0.0	0.0	0.0	0.0
Total	12.5	0.1	0.0	12.6

Morenci Water and Electric Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/25

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:	N/A
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Meter Deposits Refunded During the Test Year:	N/A
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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:	MORENCI WATER ELEC CO (CLIFTON)	
ADWR PCC Number:	91-000174.0000	
Source of water delivered to another system	NA	
Name of system water received from	NA	
ADWR PCC Number:	NA	
Source of water received	NA	
Well registry 55# (55-XXXXXX):	NA	

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 Expense6	Purchased Power (kWh)7
January	4,388,358.00	3,002,000.00	0.00	0.00	3,002,000.00	\$587	9,908
February	3,663,197.00	3,392,800.00	0.00	0.00	3,392,800.00	567	9,541
March	3,679,155.00	4,563,100.00	0.00	0.00	4,563,100.00	684	11,646
April	5,500,899.00	4,934,700.00	0.00	0.00	4,934,700.00	643	10,909
May	6,677,528.00	5,534,000.00	0.00	0.00	5,534,000.00	761	13,042
June	8,602,431.00	9,349,700.00	0.00	0.00	9,349,700.00	1,472	23,921
July	6,070,468.00	7,505,500.00	0.00	0.00	7,505,500.00	1,218	19,685
August	3,010,738.00	7,073,300.00	0.00	0.00	7,073,300.00	553	8,598
September	3,782,456.00	13,323,800.00	0.00	0.00	13,323,800.00	648	10,179
October	3,135,272.00	5,775,500.00	0.00	0.00	5,775,500.00	817	13,003
November	2,063,672.00	4,575,900.00	0.00	0.00	4,575,900.00	399	5,981
December	1,046,370.00	4,374,900.00	0.00	0.00	4,374,900.00	558	8,095
Totals	51,620,544.00	73,405,200.00	0.00	0.00	73,405,200.00	\$8,907	144,508

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

N/A

- | | |
|---|--|
| 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. |

Well and Water Usage

[illegible]

Name of system water delivered to:	NA		
ADWR PCC Number:	NA		
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):	N/A		

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 ⁶	Purchased Power (kWh) ⁷
January	9,204,800.00	9,204,800.00	0.00	0.00	9,204,800.00	\$1,285	22,790
February	9,767,600.00	9,767,600.00	0.00	0.00	9,767,600.00	1,396	24,791
March	13,094,200.00	13,094,200.00	0.00	0.00	13,094,200.00	1,600	28,459
April	12,570,800.00	12,570,800.00	0.00	0.00	12,570,800.00	1,247	22,118
May	14,329,100.00	14,329,100.00	0.00	0.00	14,329,100.00	1,172	20,758
June	21,097,400.00	21,097,400.00	0.00	0.00	21,097,400.00	1,457	23,974
July	11,353,633.00	11,353,633.00	0.00	0.00	11,353,633.00	1,102	17,860
August	18,082,700.00	18,082,700.00	0.00	0.00	18,082,700.00	1,191	19,532
September	19,780,300.00	19,780,300.00	0.00	0.00	19,780,300.00	1,471	24,199
October	13,320,700.00	13,320,700.00	0.00	0.00	13,320,700.00	1,243	20,405
November	11,802,600.00	11,802,600.00	0.00	0.00	11,802,600.00	1,245	20,436
December	12,939,800.00	12,939,800.00	0.00	0.00	12,939,800.00	1,742	26,739
Totals	167,343,633.00	167,343,633.00	0.00	0.00	167,343,633.00	\$16,150	272,061

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

	N/A
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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.

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.

#VALUE!

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:	MORENCI WATER ELEC CO (CLIFTON)		
ADEQ Public Water System Number:	AZ0406002		
ADWR PCC Number:	91-000174.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC/AC/Steel	3,981
3.00	PVC/AC/Steel	9,671
4.00	PVC/AC/Steel	7,026
6.00	PVC/AC/Steel	17,066
8.00	PVC/AC/Steel	12,891
10.00	PVC/AC/Steel	11,476
12.00	PVC/AC/Steel	2,250
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0

SERVICE LINES		
Material	Percent of system	Year installed
Polyethylene Pipe	100%	1968
NA	0%	0
NA	0%	0
NA	0%	0
NA	0%	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
1.4	50	2
7.5	40	1
15	252	2

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
750,000	Steel	1	1995
150,000	Steel	1	2023
5,000	Steel	1	1995

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8X3/4	630	90%	90%
0.75	5	90%	90%
1	19	90%	90%
1.5	1	90%	90%
2	11	90%	90%
3	3	90%	90%
4	2	90%	90%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%

FIRE HYDRANTS	
Type	Quantity
Standard *	60
Other	0

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

* 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 submersible wells, calcium ypochlorite chlorinator, chlorine/ph analyzer SCADA system
STRUCTURES:	Chlorination Building and 3 pump houses
OTHER:	None

Water Utility Plant Description			
Name of the System:		Morenci Water & Electric (Main)	
ADEQ Public Water System Number:		AZ0406002	
ADWR PCC Number:		91-000174.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
2"	Steel, AC, PVC	3,720
3"	Steel, AC, PVC	1,672
4"	Steel, AC, PVC	21,363
6"	Steel, AC, PVC	11,230
8"	Steel, AC, PVC	48,752
10"	Steel, AC, PVC	10,012
12"	Steel, AC, PVC	27,790
14.00	AC, PVC	7,810
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0

SERVICE LINES		
Material	Percent of system	Year installed
Polyethylene Pipe	100%	1968
NA	0%	0
NA	0%	0
NA	0%	0
NA	0%	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
20	90	2

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
500,000	Steel	1	1995
355,000	Steel	1	2008
228,000	Steel	1	1966
101,000	Steel	1	1966
500,000	Steel	1	2012
500,000	Steel	1	2014

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
0.625	1,578	90%	90%
0.75	3	90%	90%
1	16	90%	90%
1.5	1	100%	100%
2	54	90%	60%
3	6	90%	50%
4	3	90%	90%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%

FIRE HYDRANTS	
Type	Quantity
Standard *	20
Other	0

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

* 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)
--

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

TREATMENT EQUIPMENT:	Calcium hypochlorite chlorinator, Polymer blender, Polymer Scale, Alum Tank, Alum Pumps, Chlorine Analyzer's, Turbidity Analyzer's, Ph Analyzer's, SCADA
STRUCTURES:	Water Treaatment Plant Building, Storage Building, 3 clarifier tanks, 6 sand filters
OTHER:	None

Customer and Other Information		
Name of the System:	MORENCI WATER ELEC CO (CLIFTON)	
ADEQ Public Water System Number:	AZ0406002	
ADWR PCC Number:	91-000174.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	565	0	107	0	0
February	565	0	107	0	0
March	563	0	107	0	0
April	563	0	107	0	0
May	561	0	106	0	0
June	562	0	107	0	0
July	563	0	106	0	0
August	565	0	106	0	0
September	567	0	107	0	0
October	568	0	108	0	0
November	564	0	110	0	0
December	561	0	111	0	0

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?

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

Customer and Other Information		
Name of the System:	MORENCI WATER & ELEC (MAIN)	
ADEQ Public Water System Number:	AZ0406003	
ADWR PCC Number:	91-000175.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	1,525	0	121	0	0
February	1,529	0	121	0	0
March	1,537	0	121	0	0
April	1,411	0	119	0	0
May	1,425	0	119	0	0
June	1,449	0	121	0	0
July	1,468	0	120	0	0
August	1,495	0	120	0	0
September	1,529	0	120	0	0
October	1,497	0	120	0	0
November	1,517	0	121	0	0
December	1,510	0	121	0	0

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?

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

Morenci Water and Electric Company
Annual Report
 Utility Shutoffs / Disconnects
 12/31/25

Utility Shutoffs / Disconnects	
Name of the System:	MORENCI WATER ELEC CO (CLIFTON)
ADEQ Public Water System Number:	AZ0406002
ADWR PCC Number:	91-000174.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	1	0
February	0	2	0
March	0	6	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	5	0
December	0	1	0
Total	0	15	0

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.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2025 was
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\$242

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.

Verification and Certification (Taxes)

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

County of (county name):

Greenlee

Name (owner or official) title:

Francis R. McAllister, Jr.

Company name:

Morenci Water and Electric Company

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

FOR THE YEAR ENDING:

12/31/25

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.

Francis McAllister

signature of owner/official

602-366-8014

telephone no.