

ANNUAL REPORT

Of

Company Name: Morristown Water Company
PO Box 156

Mailing Address: Morristown AZ
85342

Docket No.: W-02164A
For the Year Ended: 12/31/25

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: 4/15/2026

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Morristown Water Company
A Class ☐ E ☒ Utility

For the Calendar Year Ended: 12/31/25

Primary Address:

PO Box 156

City:

Morristown

 State:

Arizona

 Zip Code:

85342

Telephone Number:

6236936793

Date of Original Organization of Utility:

3/8/1971

Person to whom correspondence should be addressed concerning this report:

Name:

Carol Threewit

Telephone No. :

6236936793

Address:

PO Box 156

City:

Morristown

 State:

Arizona

 Zip Code:

85342

Email:

ctmorristownwc1976@outlook.com

NA

Name:

NA

Telephone No. :

NA

Address:

NA

City:

NA

 State:

Alaska

 Zip Code:

NA

Email:

NA

NA

Name:

NA

Telephone No. :

NA

Address:

NA

City:

NA

 State:

Arizona

 Zip Code:

NA

Email:

NA

NA

Name:

NA

Telephone No. :

NA

Address:

NA

City:

NA

 State:

Arizona

 Zip Code:

NA

Email:

NA

NA

Name:

NA

Telephone No. :

NA

Address:

NA

City:

NA

 State:

Arizona

 Zip Code:

NA

Email:

NA

Ownership:

Association--Cooperative

Counties Served:

Maricopa

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Morristown Water Company

Important changes during the year
--

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.
	NA

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.
	NA

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	\$3,175	\$0	\$0	\$3,175	\$0	\$3,175
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	1,790	0	0	1,790	0	1,790
304	Structures and Improvements	42,931	0	0	42,931	42,931	0
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	41,085	0	0	41,085	30,557	10,528
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	115,381	71,702	0	187,083	100,970	86,113
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	628	241	0	869	564	305
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	285,091	0	0	285,091	79,349	205,742
330.2	Pressure Tanks	2,071	28,300	0	30,371	696	29,675
331	Transmission and Distribution Mains	112,974	0	0	112,974	111,160	1,814
333	Services	83,405	4,900	0	88,305	65,473	22,832
334	Meters and Meter Installations	17,266	25	0	17,291	4,862	12,429
335	Hydrants	19,115	0	0	19,115	14,993	4,122
336	Backflow Prevention Devices	150	0	0	150	42	108
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	0	0	0	0	0	0
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	1,425	0	0	1,425	36	1,389
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
	Totals	\$726,487	\$105,168	\$0	\$831,654	\$451,633	\$380,021

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	\$3,175	\$0	\$0	\$3,175	\$0	\$3,175	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	1,790	0	0	1,790	0	1,790	0.00%	0
304	Structures and Improvements	42,931	0	0	42,931	42,931	0	3.33%	0
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	2.50%	0
307	Wells and Springs	41,085	0	0	41,085	30,557	10,528	3.33%	351
308	Infiltration Galleries	0	0	0	0	0	0	6.67%	0
309	Supply Mains	0	0	0	0	0	0	2.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	5.00%	0
311	Pumping Equipment	115,381	71,702	0	187,083	100,970	86,113	12.50%	6,283
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	3.33%	0
320.2	Solution Chemical Feeders	628	241	0	869	564	305	20.00%	37
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	10.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	285,091	0	0	285,091	79,349	205,742	2.22%	4,567
330.2	Pressure Tanks	2,071	28,300	0	30,371	696	29,675	5.00%	776
331	Transmission and Distribution Mains	112,974	0	0	112,974	111,160	1,814	2.00%	36
333	Services	83,405	4,900	0	88,305	65,473	22,832	3.33%	679
334	Meters and Meter Installations	17,266	25	0	17,291	4,862	12,429	8.33%	1,034
335	Hydrants	19,115	0	0	19,115	14,993	4,122	2.00%	82
336	Backflow Prevention Devices	150	0	0	150	42	108	6.67%	7
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	6.67%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	6.67%	0
340.1	Computer & Software	0	0	0	0	0	0	20.00%	0
341	Transportation Equipment	0	0	0	0	0	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	1,425	0	0	1,425	36	1,389	5.00%	69
344	Laboratory Equipment	0	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	5.00%	0
346	Communication Equipment	0	0	0	0	0	0	10.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	10.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$726,487	\$105,168	\$0	\$831,654	\$451,633	\$380,021		\$13,922

Contribution(s) in Aid of Construction (Gross)	\$408,268
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	403,287
Amortizable Contribution(s)	\$4,981
Times: Proposed Amortization Rate	3.66%
Amortization of CIAC	\$182

Less: Amortization of CIAC **\$182**

DEPRECIATION EXPENSE \$13,740

Morristown Water 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		\$30,257	\$24,549
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		(260)	(804)
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		2,663	2,663
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$32,660	\$26,408
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$726,487	\$831,654
103	Property Held for Future Use		0	0
105	Construction Work in Progress		9,490	1,000
108	Accumulated Depreciation (enter as negative)*		(442,347)	(451,633)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$293,630	\$381,021
	Total Assets		\$326,290	\$407,429

*Note these items feed automatically from AR3 UPIS Page 4

Morristown Water 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		\$6,067	\$23,660
232	Notes Payable (Current Portion)		4,638	4,638
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		160	160
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$10,865	\$28,458
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$170,468	\$233,238
	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		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$181,333	\$261,696
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		45,000	45,000
215	Retained Earnings		99,956	100,733
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$144,956	\$145,733
	Total Liabilities and Capital		\$326,289	\$407,429

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

Morristown Water 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	\$42,581	\$39,666
460	Unmetered Water Revenue	40	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	4,272	4,304
471	Miscellaneous Service Revenues	570	100
474	Other Water Revenue	1,000	0
	Total Revenues	\$48,463	\$44,070
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	10,420	0
615	Purchased Power	8,144	7,394
618	Chemicals	1,755	1,949
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	3,638	7,160
620.2	Office Supplies and Expense	997	860
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	1,800	0
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	2,280	2,355
635	Contractual Services - Water Testing	1,010	2,362
636	Contractual Services - Other	2,550	1,035
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	1,086	1,032
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	2,310	1,242
403	Depreciation Expense (From Schedule AR4)	13,740	8,771
408	Taxes Other Than Income	0	0
408.11	Property Taxes	1,587	1,941
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$51,317	\$36,100
	Operating Income / (Loss)	(\$2,854)	\$7,970
	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)	(\$2,854)	\$7,970

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	0.0	0.0
Meter reader	0.0	0.0	0.0	0.0
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	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0

Morristown Water 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	5/14/2021	NA	NA	NA
Source of Loan	WIFA	NA	NA	NA
ACC Decision No.	77682	NA	NA	NA
Reason for Loan	Upgrades	NA	NA	NA
Dollar Amt. Issued	\$239,500	NA	NA	NA
Amount Outstanding	\$233,237	NA	NA	NA
Date of Maturity	5/14/2041	NA	NA	NA
Interest Rate	2.76%	NA	NA	NA
Current Year Interest	\$0	NA	NA	NA
Current Year Principal	\$1,667	NA	NA	NA

Meter Deposit Balance at Test Year End:	\$0
---	-----

Meter Deposits Refunded During the Test Year:	\$0
---	-----

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:	MORRISTOWN WATER COMPANY	
ADWR PCC Number:	91-000231.0000	
Source of water delivered to another system	NA	

Name of system water received from:	MORRISTOWN WATER COMPANY		
ADWR PCC Number:	91-000231.0000		
Source of water received	Ground Water		
Well registry 55# (55-XXXXXX):	55-632601		

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	1,012,000.00	485,000.00	0.00	0.00	485,000.00	\$615	3,772
February	556,000.00	487,000.00	0.00	0.00	487,000.00	961	3,581
March	636,000.00	503,000.00	0.00	0.00	503,000.00	628	3,553
April	611,000.00	500,000.00	0.00	0.00	500,000.00	599	3,717
May	749,000.00	589,000.00	0.00	0.00	589,000.00	572	4,380
June	757,000.00	646,000.00	0.00	0.00	646,000.00	704	4,681
July	735,000.00	690,000.00	0.00	0.00	690,000.00	589	5,204
August	1,066,000.00	766,000.00	0.00	0.00	766,000.00	607	5,625
September	740,000.00	545,000.00	0.00	0.00	545,000.00	905	4,120
October	707,000.00	550,000.00	0.00	0.00	550,000.00	629	4,034
November	380,000.00	415,000.00	0.00	144,100.00	415,000.00	649	2,730
December	376,000.00	275,000.00	0.00	0.00	275,000.00	692	3,014
Totals	8,325,000.00	6,451,000.00	0.00	144,100.00	6,451,000.00	\$8,149	48,412

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

We have an unknown leak and are working with ADWR to locate.

- | | |
|---|---|
| 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:	MORRISTOWN WATER COMPANY		
ADEQ Public Water System Number:	AZ0407111		
ADWR PCC Number:	91-000231.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	PVC	1,990
6.00	PVC	7,923
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
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	65	33%	46%
1.5	2	100%	100%
2	2	0%	0%
3	1	100%	100%
NA	0	NA	NA
NA	0	NA	NA
NA	0	NA	NA
NA	0	NA	NA
NA	0	NA	NA
NA	0	NA	NA
NA	0	NA	NA
NA	0	NA	NA
NA	0	NA	NA
NA	0	NA	NA
NA	0	NA	NA
NA	0	NA	NA

SERVICE LINES			
Material	Percent of system	Year installed	
Black poly	84%	NA	
PVC	12%	2023	
PVC	4%	2024	
NA	0%	NA	
NA	0%	NA	

BOOSTER PUMPS			
Horsepower	GPM	Quantity	
10	350	1	
7.5	200	1	
50	500	2	
NA	NA	NA	

FIRE HYDRANTS	
Type	Quantity
Standard *	17
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
100,000	Steel	1	1985
20,000	Steel	1	2003
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
2,000	Steel	1	Unknown
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.

Water Utility Plant Description (Continued)
--

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

TREATMENT EQUIPMENT:	Chlorinator
STRUCTURES:	Chlorinator shed
OTHER:	None

Customer and Other Information		
Name of the System:	MORRISTOWN WATER COMPANY	
ADEQ Public Water System Number:	AZ0407111	
ADWR PCC Number:	91-000231.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	60	3	4	0	1
February	60	3	4	0	1
March	60	3	4	0	1
April	60	3	4	0	1
May	60	3	4	0	1
June	60	3	4	0	1
July	60	3	4	0	1
August	60	3	4	0	1
September	60	3	4	0	1
October	60	3	4	0	1
November	60	3	4	0	1
December	60	3	4	0	1

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.

The Pressure tank will be replaced with a new 3000 tank. Est completion Q2

Morristown Water Company
Annual Report
Utility Shutoffs / Disconnects
12/31/25

Utility Shutoffs / Disconnects	
Name of the System:	MORRISTOWN WATER COMPANY
ADEQ Public Water System Number:	AZ0407111
ADWR PCC Number:	91-000231.0000

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.

Property Taxes	
----------------	--

Amount of actual property taxes paid during Calendar Year 2025 was
--

\$1,587

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 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): Maricopa
Name (owner or official) title: Carl Short / Treasurer
Company name: Morristown Water Company

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

FOR THE YEAR ENDING: 12/31/25

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.

Carl Short

signature of owner/official

9283043566

telephone no.