

ANNUAL REPORT

Of

Company Name:

Pinecrest Water Company, Inc.

PO Box 97

Mailing Address:

Nutriosos

AZ

85932

RECEIVED BY EMAIL

4/13/2026, 11:13 AM

**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

Docket No.: W-02091A

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:

4/13/2026

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Pinecrest Water Company, Inc.
A Class ☐ Utility

For the Calendar Year Ended: 12/31/25

Primary Address:

PO Box 97

City:

Nutrioso

 State:

Arizona

 Zip Code:

85932

Telephone Number:

602-717-7668

Date of Original Organization of Utility:

7/31/1978

Person to whom correspondence should be addressed concerning this report:

Name:

Hal Korff

Telephone No. :

602-717-7668

Address:

PO Box 97

City:

Nutrioso

 State:

Arizona

 Zip Code:

85932

Email:

pinecrestwatercompany@gmail.com

Management Contact

Name:

Lane More

Telephone No. :

928-751-8571

Address:

PO Box 97

City:

Nutrioso

 State:

Arizona

 Zip Code:

85932

Email:

pinecrestwatercompany@gmail.com

Statutory Agent

Name:

Hal Korff

Telephone No. :

602-717-7668

Address:

PO Box 97

City:

Nutrioso

 State:

Arizona

 Zip Code:

85932

Email:

pinecrestwatercompany@gmail.com

NA

Name:

NA

Telephone No. :

NA

Address:

NA

City:

NA

 State:

Arizona

 Zip Code:

85932

Email:

NA

NA

Name:

NA

Telephone No. :

NA

Address:

NA

City:

NA

 State:

Arizona

 Zip Code:

85932

Email:

NA

Ownership:

"C" Corporation

Counties Served:

Apache

Important changes during the year
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	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.
--	---

	Change in Board Members.
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	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.
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	N/A
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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	\$750	\$0	\$0	\$750	\$750	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	6,000	0	0	6,000	0	6,000
304	Structures and Improvements	21,771	0	0	21,771	14,954	6,817
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	4,800	0	0	4,800	4,800	0
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	5,909	0	0	5,909	5,909	0
320	Water Treatment Equipment	505	0	0	505	505	0
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	25,644	0	0	25,644	12,836	12,808
330.1	Storage Tanks	0	0	0	0	0	0
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	17,743	0	0	17,743	17,743	0
333	Services	3,200	0	0	3,200	3,200	0
334	Meters and Meter Installations	1,600	0	0	1,600	1,600	0
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
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	100	0	0	100	100	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
	Totals	\$88,022	\$0	\$0	\$88,022	\$62,397	\$25,625

Pinecrest Water Company, Inc.
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	\$750	\$0	\$0	\$750	\$750	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	6,000	0	0	6,000	6,000	0	0.00%	0
304	Structures and Improvements	21,771	0	0	21,771	14,954	6,817	3.33%	227
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	4,800	0	0	4,800	4,800	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	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	5,909	0	0	5,909	5,909	0	0.00%	0
320	Water Treatment Equipment	505	0	0	505	505	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	25,644	0	0	25,644	0	25,644	2.22%	570
330.1	Storage Tanks	0	0	0	0	0	0	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	17,743	0	0	17,743	17,743	0	0.00%	0
333	Services	3,200	0	0	3,200	3,200	0	0.00%	0
334	Meters and Meter Installations	1,600	0	0	1,600	1,600	0	0.00%	0
335	Hydrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	100	0	0	100	100	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$88,022	\$0	\$0	\$88,022	\$55,561	\$32,461		\$797

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	2.46%
Amortization of CIAC	\$0

Less: Amortization of CIAC **\$0**

DEPRECIATION EXPENSE **\$797**

Pinecrest Water Company, Inc.
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		\$31,539	\$43,010
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		0	0
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$31,539	\$43,010
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$88,022	\$88,022
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(62,281)	(62,397)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$25,741	\$25,625
	Total Assets		\$57,280	\$68,635

*Note these items feed automatically from AR3 UPIS Page 4

Pinecrest Water Company, Inc.
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		\$0	\$0
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$0	\$0
	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		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilites		\$0	\$0
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		57,280	68,635
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$57,280	\$68,635
	Total Liabilities and Capital		\$57,280	\$68,635

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

Pinecrest Water Company, Inc.
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	\$25,764	\$27,497
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	0	0
	Total Revenues	\$25,764	\$27,497
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	1,453	1,537
618	Chemicals	0	0
620	Materials and Supplies	0	151
620.1	Repairs and Maintenance	5,633	4,685
620.2	Office Supplies and Expense	744	1,960
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	895	900
633	Contractual Services - Legal	0	6,187
634	Contractual Services - Management Fees	0	450
635	Contractual Services - Water Testing	595	635
636	Contractual Services - Other	1,095	550
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	2,029	1,847
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	797	797
408	Taxes Other Than Income	1,697	2,209
408.11	Property Taxes	581	610
409	Income Taxes	642	262
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$16,161	\$22,780
	Operating Income / (Loss)	\$9,603	\$4,717
	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)	\$9,603	\$4,717

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
Vice-president	1.0	0.0	0.0	1.0
Manager	0.0	0.0	0.0	0.0
Engineering Staff	1.0	0.0	0.0	1.0
System Operator(s)	1.0	0.0	0.0	1.0
Meter reader	0.0	0.0	1.0	1.0
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	1.0	0.0	0.0	1.0
Other	0.0	0.0	0.0	0.0
Total	4.0	0.0	1.0	5.0

Pinecrest Water Company, Inc.
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	NONE	NONE	NONE	NONE
Source of Loan	NONE	NONE	NONE	NONE
ACC Decision No.	NONE	NONE	NONE	NONE
Reason for Loan	NONE	NONE	NONE	NONE
Dollar Amt. Issued	NONE	NONE	NONE	NONE
Amount Outstanding	NONE	NONE	NONE	NONE
Date of Maturity	NONE	NONE	NONE	NONE
Interest Rate	NONE	NONE	NONE	NONE
Current Year Interest	NONE	NONE	NONE	NONE
Current Year Principal	NONE	NONE	NONE	NONE

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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<i>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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.</i>

[illegible]

Name of system water delivered to:	PINECREST WATER CO INC	
ADWR PCC Number:	91-000005.0000	
Source of water delivered to another system	NA	

Name of system water received from:	PINECREST WATER CO INC	
ADWR PCC Number:	91-000005.0000	
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 Expense ⁶	Purchased Power (kWh) ⁷
January	105,800.00	98,240.00	0.00	0.00	0.00	\$129	401
February	42,800.00	33,380.00	0.00	0.00	0.00	146	533
March	49,600.00	38,730.00	0.00	0.00	0.00	121	422
April	70,400.00	61,190.00	0.00	0.00	0.00	127	428
May	104,800.00	93,800.00	0.00	0.00	0.00	126	383
June	121,900.00	113,890.00	0.00	0.00	0.00	122	334
July	111,300.00	98,990.00	0.00	0.00	0.00	113	186
August	108,700.00	94,310.00	0.00	0.00	0.00	113	191
September	85,800.00	64,100.00	0.00	0.00	0.00	113	178
October	79,000.00	66,080.00	0.00	0.00	0.00	107	192
November	55,900.00	46,320.00	0.00	0.00	0.00	119	296
December	61,600.00	49,190.00	0.00	0.00	0.00	119	390
Totals	997,600.00	858,220.00	0.00	0.00	0.00	\$1,453	3,934

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

139,380 gallon difference due to water leaks, meter inaccuracies/rounding.

- | | |
|---|---|
| 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:	PINECREST WATER CO INC		
ADEQ Public Water System Number:	AZ0401010		
ADWR PCC Number:	91-000005.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
1.00	PVC 40	2,800
2.00	PVC 40	2,762
3.00	PVC 40	1,630
4.00	PVC 40	4,435
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

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	48	0%	22%
1	1	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	HA	NA
NA	NA	NA	NA

SERVICE LINES			
Material	Percent of system	Year installed	
PVC	90%	UNK	
Other	10%	UNK	
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

BOOSTER PUMPS			
Horsepower	GPM	Quantity	
3	60	1	
1.5	50	1	
NA	NA	NA	
NA	NA	NA	

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
15,000	Galvanized Steel	1	2013
NA	NA	NA	NA
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
80	Fiberglass	3	2010
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)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	Hand chlorination when needed.
STRUCTURES:	8 x 12 pumphouse.
OTHER:	8 x 20 metal storage container ; Chainlink fence at distribution center and wellhead.

Customer and Other Information		
Name of the System:	PINECREST WATER CO INC	
ADEQ Public Water System Number:	AZ0401010	
ADWR PCC Number:	91-000005.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	49	0	0	0	0
February	49	0	0	0	0
March	49	0	0	0	0
April	49	0	0	0	0
May	49	0	0	0	0
June	49	0	0	0	0
July	49	0	0	0	0
August	49	0	0	0	0
September	49	0	0	0	0
October	49	0	0	0	0
November	49	0	0	0	0
December	49	0	0	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.

No plans for enlargement. Improvements to existing pumphouse and replacing older meters as needed.

Pinecrest Water Company, Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/25

Utility Shutoffs / Disconnects		
Name of the System:	PINECREST WATER CO INC	
ADEQ Public Water System Number:		AZ0401010
ADWR PCC Number:		91-000005.0000

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	
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Amount of actual property taxes paid during Calendar Year 2025 was
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\$581

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.

Pinecrest Water Company, Inc.
Annual Report
Verification and Certification (Taxes)
12/31/25

Verification and Certification (Taxes)

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

County of (county name):

Apache

Name (owner or official) title:

Hal Korff, Secretary

Company name:

Pinecrest Water Company, Inc.

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.

Hal Korff
signature of owner/official

602-717-7668

telephone no.