

**ANNUAL REPORT**

Of

Company Name: Seven Canyons Water Company  
755 Golf Club Way

Mailing Address: Sedona AZ  
86336

Docket No.: W-03388A  
For the Year Ended: 12/31/20

**RECEIVED  
BY EMAIL  
01/14/2022, 8:20 AM  
ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION  
(REVISED)**

**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: Corrected Filing  
Application Date: 12/12/2021

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Seven Canyons Water Company  
A Class ☐ E Utility

For the Calendar Year Ended: 12/31/20

Primary Address: 

755 Golf Club Way
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City: 

Sedona
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 State: 

Arizona
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 Zip Code: 

86366
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Telephone Number: 

(928) 203-2054
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Date of Original Organization of Utility: 

6/10/1977
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Person to whom correspondence should be addressed concerning this report:

Name: 

Heather Pugsley
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Telephone No. : 

(928) 203-2054
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Address: 

755 Golf Club Way
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City: 

Sedona
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 State: 

Arizona
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 Zip Code: 

86366
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Email: 

heather.pugsley@sevencanyons.com
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Name: 

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Telephone No. : 

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Address: 

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City: 

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 State: 

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 Zip Code: 

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Email: 

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Name: 

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Telephone No. : 

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Name: 

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Telephone No. : 

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Address: 

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City: 

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 State: 

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 Zip Code: 

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Email: 

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Ownership: 

"C" Corporation
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Counties Served: 

Yavapai
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ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Seven Canyons Water Company

<b>Important changes during the year</b>
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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

Seven Canyons Water Company  
Annual Report  
Utility Plant in Service (Water)  
12/31/20

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
302	Franchises				0		0
303	Land and Land Rights				0		0
304	Structures and Improvements	1,350			1,350	801	549
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	595,887			595,887	344,394	251,493
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment	2,661	46,452		49,113	2,722	46,391
311	Pumping Equipment	92,797	18,420		111,217	50,046	61,171
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes				0		0
330.1	Storage Tanks	8,797	48,890		57,687	1,721	55,966
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	226,818	219,873		446,691	131,715	314,976
333	Services		62,734		62,734	1,045	61,689
334	Meters and Meter Installations	19,799	43,313		63,112	12,055	51,057
335	Hydrants		22,074		22,074	221	21,853
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment	356			356	107	249
340.1	Computer & Software		685		685	68	617
341	Transportation Equipment				0		0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment	1,969			1,969	569	1,400
344	Laboratory Equipment				0		0
345	Power Operated Equipment				0		0
346	Communication Equipment	9,800			9,800	7,983	1,817
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	<b>Totals</b>	<b>\$960,234</b>	<b>\$462,441</b>	<b>\$0</b>	<b>\$1,422,675</b>	<b>\$553,447</b>	<b>\$869,228</b>

Seven Canyons Water Company  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/20

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	1,350	0	0	1,350		1,350	4.00%	54
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	595,887	0	0	595,887		595,887	4.0% / 3.33%	23,816
308	Infiltration Galleries	0	0	0	0		0		0
309	Supply Mains	0	0	0	0		0		0
310	Power Generation Equipment	2,661	46,452	0	49,113		49,113	10.00%	2,589
311	Pumping Equipment	92,797	18,420	0	111,217		111,217	4.0% / 12.5%	10,302
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	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	8,797	48,890	0	57,687		57,687	2.22%	738
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	226,818	219,873	0	446,691		446,691	4.0% / 2.0%	11,188
333	Services	0	62,734	0	62,734		62,734	3.33%	1,045
334	Meters and Meter Installations	19,799	43,313	0	63,112		63,112	4.0% / 8.33%	2,799
335	Hydrants	0	22,074	0	22,074		22,074	2.00%	221
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	356	0	0	356		356	6.67%	24
340.1	Computer & Software	0	685	0	685		685	20.00%	69
341	Transportation Equipment	0	0	0	0		0		0
342	Stores Equipment	0	0	0	0		0		0
343	Tools, Shop and Garage Equipment	1,969	0	0	1,969		1,969	5.00%	98
344	Laboratory Equipment	0	0	0	0		0		0
345	Power Operated Equipment	0	0	0	0		0		0
346	Communication Equipment	9,800	0	0	9,800	2,535	7,265	10.00%	727
347	Miscellaneous Equipment	0	0	0	0		0		0
348	Other Tangible Plant	0	0	0	0		0		0
	<b>Subtotal</b>	\$960,234	\$462,441	\$0	\$1,422,675	\$2,535	\$1,420,140		\$53,668

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<b>\$0</b>
Times: Proposed Amortization Rate	3.78%
<b>Amortization of CIAC</b>	\$0

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

**DEPRECIATION EXPENSE** **\$53,668**

Seven Canyons Water Company  
Annual Report  
Balance Sheet Assets  
12/31/20

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$9,869	\$19,058
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		8,189	11,697
146	Notes Receivable from Associated Companies		161,387	168,683
151	Plant Material and Supplies			
162	Prepayments		3,759	2,245
174	Miscellaneous Current and Accrued Assets			
	<b>Total Current and Accrued Assets</b>		<b>\$183,204</b>	<b>\$201,683</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$960,234	\$1,422,675
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(499,779)	(553,447)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$460,455</b>	<b>\$869,228</b>
	<b>Total Assets</b>		<b>\$643,659</b>	<b>\$1,070,911</b>

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

Seven Canyons Water Company  
Annual Report  
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current Liabilities			
231	Accounts Payable		\$7,159	(\$320)
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes			626
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		775	52,348
	<b>Total Current Liabilities</b>		<b>\$7,934</b>	<b>\$52,654</b>
	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		11,675	17,506
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction			
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	<b>Total Deferred Credits</b>		<b>\$11,675</b>	<b>\$17,506</b>
	<b>Total Liabilities</b>		<b>\$19,609</b>	<b>\$70,160</b>
	Capital Accounts			
201	Common Stock Issued		\$1,000	\$1,000
211	Other Paid-In Capital		978,760	1,372,898
215	Retained Earnings		(355,710)	(373,147)
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>\$624,050</b>	<b>\$1,000,751</b>
	<b>Total Liabilities and Capital</b>		<b>\$643,659</b>	<b>\$1,070,911</b>

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

Seven Canyons Water Company  
Annual Report  
Water Comparative Income Statement  
12/31/20

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2020 - 12/31/2020	Last Year 01/01/2019 - 12/31/2019
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$134,374	\$113,887
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	400	375
	<b>Total Revenues</b>	<b>\$134,774</b>	<b>\$114,262</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	10,928	10,636
618	Chemicals	1,756	3,113
620	Materials and Supplies		
620.1	Repairs and Maintenance	2,778	7,744
620.2	Office Supplies and Expense	1,378	1,040
630	Contractual Services	3,208	
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	3,500	4,113
633	Contractual Services - Legal	1,431	
634	Contractual Services - Management Fees	15,984	15,564
635	Contractual Services - Water Testing	7,672	8,429
636	Contractual Services - Other	1,825	
640	Rents	1,901	
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability	11,819	12,706
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	250	1,013
403	Depreciation Expense (From Schedule AR4)	53,668	43,877
408	Taxes Other Than Income	50	20
408.11	Property Taxes	3,734	3,636
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest		
	<b>Total Operating Expenses</b>	<b>\$121,932</b>	<b>\$111,941</b>
	<b>Operating Income / (Loss)</b>	<b>\$12,842</b>	<b>\$2,321</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(38)	
	<b>Total Other Income / (Expense)</b>	<b>(\$38)</b>	<b>\$0</b>
	<b>Net Income / (Loss)</b>	<b>\$12,804</b>	<b>\$2,321</b>



**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)			0.6	0.6
Meter reader			0.3	0.3
Customer Service			0.4	0.4
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff			0.3	0.3
Other				0.0
<b>Total</b>	0.0	0.0	1.6	1.6

Seven Canyons Water Company  
Annual Report  
Supplemental Financial Data (Long-Term Debt)  
12/31/20

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	No Loans			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amt. Issued				
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:	\$17,506
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Meter Deposits Refunded During the Test Year:	\$740
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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:	N/A
Source of water delivered to another system	

Name of system water received from:	
<u>ADWR PCC Number:</u>	
Source of water received	N/A
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	519,800.00	439,023.00	0.00	0.00		\$798	4,480
February	615,200.00	549,732.00	0.00	0.00		752	4,364
March	846,600.00	792,431.00	0.00	0.00		828	5,118
April	919,300.00	846,058.00	0.00	0.00		756	4,521
May	1,263,100.00	1,231,476.00	0.00	0.00		1,031	5,919
June	1,513,800.00	1,572,733.00	0.00	0.00		1,034	7,548
July	1,585,200.00	1,854,013.00	0.00	0.00		1,232	8,335
August	1,484,400.00	1,492,332.00	0.00	0.00		1,136	6,830
September	1,653,800.00	1,711,475.00	0.00	0.00		1,256	8,417
October	1,350,300.00	1,307,629.00	0.00	0.00		1,498	5,882
November	1,058,900.00	1,503,200.00	0.00	0.00		607	3,106
December	1,042,400.00	842,033.00	0.00	0.00			
<b>Totals</b>	<b>13,852,800.00</b>	<b>14,142,135.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$10,928</b>	<b>64,518</b>

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

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- |   |   |
|---|---|
| 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:	Seven Canyons Water Company		
ADEQ Public Water System Number:	AZ0413248		
ADWR PCC Number:	NA		

## MAINS

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	67
4.00	PVC	278
6.00	PVC	197
6.00	PVC C900	359
6.00	PVC	524
8.00	PVC	2,104
8.00	PVC	3,710
8.00	PVC C900	2,165
10.00	PVC	2,957

## CUSTOMER METERS

[illegible]

## SERVICE LINES

SERVICE LINES		
Material	Percent of system	Year installed
Copper	5%	2003
		to
		now

## BOOSTER PUMPS

BOOSTER PUMPS		
Horsepower	GPM	Quantity
15	150	2
30 - 60 (VFD)	175	2

## FIRE HYDRANTS

FIRE HYDRANTS	
Type	Quantity
Standard *	28
Other	0

## STORAGE TANKS

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
6,700	Welded Steel	1	refurb 03
200,000	Welded Steel	1	refurb 03

## PRESSURE/BLADDER TANKS

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
24	Metal	1	2008

\* 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>	Solenoid dosing pump (chemical metering pump)
<b>STRUCTURES:</b>	Sound wall, booster pump room (main), office/laboratory, booster pump room (Secret Ridge)
<b>OTHER:</b>	Level controller, level sensor, control switch, Gould's water feature pump, SCADA system

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	577
Method used:	(a)

Customer and Other Information	
Name of the System:	Seven Canyons Water Company
ADEQ Public Water System Number:	AZ0413248
ADWR PCC Number:	NA

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	19	1	5	3	7
February	20	1	5	3	8
March	21	1	5	3	9
April	22	1	5	3	9
May	22	1	5	3	9
June	24	1	5	3	8
July	25	1	5	3	9
August	26	1	5	3	8
September	27	1	5	3	8
October	29	1	5	3	8
November	29	1	5	3	7
December	32	1	5	4	8

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.

Seven Canyons Water Company  
Annual Report  
Utility Shutoffs / Disconnects  
12/31/20

Utility Shutoffs / Disconnects		
Name of the System:	Seven Canyons Water Company	
ADEQ Public Water System Number:	AZ0413248	
ADWR PCC Number:	NA	

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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Other (description):**

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.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2020 was
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\$1,869
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If no property taxes paid, explain why.
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N/A
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<b>Instructions:</b> 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.
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