

**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: 12/31/21

**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: 6/29/2022

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

For the Calendar Year Ended:

Primary Address:   
City:  State:  Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

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

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

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

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

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

Ownership:

Counties Served:

**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.
	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

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
303	Land and Land Rights	0			0		0
304	Structures and Improvements	1,350	2,738		4,088	910	3,178
305	Collecting & Improving Reservoirs	0			0		0
306	Lake, River, Canal Intakes	0			0		0
307	Wells and Springs	595,887	11,682		607,569	368,405	239,164
308	Infiltration Galleries	0			0		0
309	Supply Mains	0			0		0
310	Power Generation Equipment	49,113			49,113	7,633	41,480
311	Pumping Equipment	111,217	9,522		120,739	62,093	58,646
320	Water Treatment Equipment	0			0		0
320.1	Water Treatment Plants	0			0		0
320.2	Solution Chemical Feeders	0			0		0
320.3	Point-of-Use Treatment Devices	0			0		0
330	Distribution Reservoirs and Standpipes	0			0		0
330.1	Storage Tanks	57,687	17,074		74,761	3,191	71,570
330.2	Pressure Tanks	0			0		0
331	Transmission and Distribution Mains	446,691			446,691	145,102	301,589
333	Services	62,734			62,734	3,134	59,600
334	Meters and Meter Installations	63,112			63,112	16,658	46,454
335	Hydrants	22,074			22,074	662	21,412
336	Backflow Prevention Devices	0			0		0
339	Other Plant and Misc. Equipment	0			0		0
340	Office Furniture and Equipment	356			356	131	225
340.1	Computer & Software	685			685	205	480
341	Transportation Equipment	0			0		0
342	Stores Equipment	0			0		0
343	Tools, Shop and Garage Equipment	1,969			1,969	668	1,301
344	Laboratory Equipment	0			0		0
345	Power Operated Equipment	0			0		0
346	Communication Equipment	9,800	2,210		12,010	8,820	3,190
347	Miscellaneous Equipment	0	3,750		3,750	188	3,562
348	Other Tangible Plant	0			0		0
	<b>Totals</b>	<b>\$1,422,675</b>	<b>\$46,976</b>	<b>\$0</b>	<b>\$1,469,651</b>	<b>\$617,800</b>	<b>\$851,851</b>

Seven Canyons Water Company  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/21

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
303	Land and Land Rights	0	0	0	0	0	0		0
304	Structures and Improvements	1,350	2,738	0	4,088		4,088	4.00%	109
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	11,682	0	607,569		607,569	4.00%/3.33%	24,011
308	Infiltration Galleries	0	0	0	0		0		0
309	Supply Mains	0	0	0	0		0		0
310	Power Generation Equipment	49,113	0	0	49,113		49,113	10.00%	4,911
311	Pumping Equipment	111,217	9,522	0	120,739		120,739	4.00%/12.50%	12,048
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	57,687	17,074	0	74,761		74,761	2.22%	1,470
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	446,691	0	0	446,691		446,691	4.00%/2.00%	13,387
333	Services	62,734	0	0	62,734		62,734	3.33%	2,089
334	Meters and Meter Installations	63,112	0	0	63,112		63,112	4.00%/8.33%	4,603
335	Hydrants	22,074	0	0	22,074		22,074	2.00%	441
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	685	0	0	685		685	20.00%	137
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	2,210	0	12,010	2,535	9,475	10.00%	837
347	Miscellaneous Equipment	0	3,750	0	3,750		3,750	10.00%	188
348	Other Tangible Plant	0	0	0	0		0		0
	<b>Subtotal</b>	<b>\$1,422,675</b>	<b>\$46,976</b>	<b>\$0</b>	<b>\$1,469,651</b>	<b>\$2,535</b>	<b>\$1,467,116</b>		<b>\$64,353</b>

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 0.00%  
**Amortization of CIAC** \$0

Less: Amortization of CIAC \$0

**DEPRECIATION EXPENSE** **\$64,353**

Seven Canyons Water Company  
Annual Report  
Balance Sheet Assets  
12/31/21

<b>Balance Sheet Assets</b>				
	<b>Assets</b>		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$19,058	\$32,360
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		11,697	6,774
146	Notes Receivable from Associated Companies		168,683	0
151	Plant Material and Supplies			
162	Prepayments		2,245	0
174	Miscellaneous Current and Accrued Assets			
	<b>Total Current and Accrued Assets</b>		<b>\$201,683</b>	<b>\$39,134</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$1,422,675	\$1,469,651
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation ( <b>enter as negative</b> )*		(553,447)	(617,800)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$869,228</b>	<b>\$851,851</b>
	<b>Total Assets</b>		<b>\$1,070,911</b>	<b>\$890,985</b>

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

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

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		(\$320)	\$10,107
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes		626	2,514
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		52,348	610
	<b>Total Current Liabilities</b>		<b>\$52,654</b>	<b>\$13,231</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		17,506	18,001
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>\$17,506</b>	<b>\$18,001</b>
	<b>Total Liabilites</b>		<b>\$70,160</b>	<b>\$31,232</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$1,000	\$1,000
211	Other Paid-In Capital		1,372,898	1,295,407
215	Retained Earnings		(373,147)	(436,654)
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>\$1,000,751</b>	<b>\$859,753</b>
	<b>Total Liabilities and Capital</b>		<b>\$1,070,911</b>	<b>\$890,985</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  
12/31/21

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2021 - 12/31/2021	Last Year 01/01/2020 - 12/31/2020
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$138,728	\$134,374
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	220	400
	<b>Total Revenues</b>	<b>\$138,948</b>	<b>\$134,774</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	13,149	10,928
618	Chemicals	126	1,756
620	Materials and Supplies		
620.1	Repairs and Maintenance	24,383	2,778
620.2	Office Supplies and Expense	1,891	1,378
630	Contractual Services	7,349	3,208
631	Contractual Services - Engineering	2,530	
632	Contractual Services - Accounting	5,096	3,500
633	Contractual Services - Legal	49,386	1,431
634	Contractual Services - Management Fees	6,600	15,984
635	Contractual Services - Water Testing	9,491	7,672
636	Contractual Services - Other	4,215	1,825
640	Rents	2,232	1,901
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability	7,184	11,819
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense		250
403	Depreciation Expense (From Schedule AR4)	64,353	53,668
408	Taxes Other Than Income	10	50
408.11	Property Taxes	7,708	3,734
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest		
	<b>Total Operating Expenses</b>	<b>\$205,753</b>	<b>\$121,932</b>
	<b>Operating Income / (Loss)</b>	<b>(\$66,805)</b>	<b>\$12,842</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)	(4,355)	(38)
	<b>Total Other Income / (Expense)</b>	<b>(\$4,355)</b>	<b>(\$38)</b>
	<b>Net Income / (Loss)</b>	<b>(\$71,160)</b>	<b>\$12,804</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)  
 12/31/21

<b>Supplemental Financial Data (Long-Term Debt)</b>				
	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:	\$18,001
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Meter Deposits Refunded During the Test Year:	\$2,180
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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.***





<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	399
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	43	26	8	8	1
February	43	26	8	8	1
March	43	26	8	8	0
April	43	26	8	8	0
May	43	26	8	8	0
June	48	26	8	8	0
July	48	26	8	8	0
August	50	26	8	8	0
September	48	26	8	8	0
October	49	26	8	8	0
November	52	26	8	8	0
December	48	26	8	8	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?

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  
 12/31/21

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

**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.

<b>Property Taxes</b>	
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Amount of actual property taxes paid during Calendar Year 2021 was	
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\$3,742
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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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04/30/2022, 5:06 PM

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

Seven Canyons Water Company  
Annual Report  
Verification and Sworn Statement (Taxes)  
12/31/21

Verification and Sworn Statement (Taxes)

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

County of (county name):	Other
Name (owner or official) title:	Tim Reimink
Company name:	Seven Canyons Water Company

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

FOR THE YEAR ENDING: 12/31/21

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.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

signature of owner/official

305-468-6022

telephone no.

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

THIS

28th

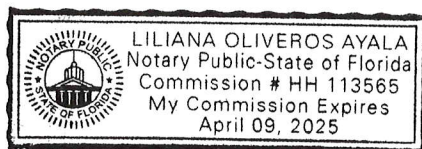
DAY OF

Miami-Dade  
(county name)

April, 2022  
(month) and (year)

MY COMMISSION EXPIRES

04/09/2025  
(date)



(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name): Other

Name (owner or official) title: Tim Reimink

Company name: Seven Canyons Water Company

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

FOR THE YEAR ENDING: 12/31/21

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.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

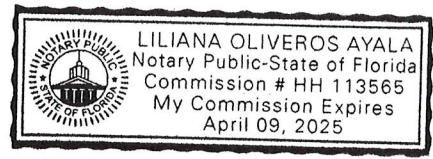
Arizona Intrastate Gross Operating Revenues Only (\$)  
\$147,730  
(The amount in the box above includes  
\$8,798 in sales taxes  
billed or collected)

[Signature]  
signature of owner/official

305-468-6022  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY Miami-Dade  
(county name)  
THIS 20th DAY OF April, 2022  
(month) and (year)

MY COMMISSION EXPIRES 04/09/2025  
(date)



[Signature]  
(signature of notary public)

**Verification and Sworn Statement (Residential Revenue)**

**Verification:**

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

County of (county name): Other  
Name (owner or official) title: Tim Reimink  
Company name: Seven Canyons Water Company

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

FOR THE YEAR ENDING: 12/31/21

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.

**Sworn Statement:** IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$105,873

(The amount in the box above includes

\$6,603 in sales taxes  
billed or collected)



signature of owner/official

305-468-6022

telephone no.

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

Miami-Dade  
(county name)

THIS

20th


DAY OF

April, 2022  
(month) and (year)

MY COMMISSION EXPIRES

01/09/2025  
(date)



  
(signature of notary public)