

Rec

ANNUAL REPORT

Of

Company Name: Tacna Water Management Company
4743 E. 30th Place

Mailing Address: Yuma AZ
85365

Docket No.: W-01344A
For the Year Ended: 12/31/19

**RECEIVED
BY EMAIL**

4/02/2020, 02:15 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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: 4/1/2020

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Tacna Water Management Company
A Class Utility

For the Calendar Year Ended: 12/31/19

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
--

	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.

	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.

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
302	Franchises				0		0
303	Land and Land Rights	15,000	0	0	15,000	0	15,000
304	Structures and Improvements				0		0
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	32,190	0	0	32,190	32,018	172
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment	1,470	0	0	1,470	210	1,260
311	Pumping Equipment	30,512	0	0	30,512	22,107	8,405
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	20,440	0	0	20,440	20,029	411
330.2	Pressure Tanks	3,040	0	0	3,040	433	2,607
331	Transmission and Distribution Mains	22,259	0	0	22,259	19,946	2,313
333	Services				0		0
334	Meters and Meter Installations	3,347		0	3,347	689	2,658
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment	960	0	0	960	353	607
340	Office Furniture and Equipment				0		0
340.1	Computer & Software				0		0
341	Transportation Equipment				0		0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment				0		0
344	Laboratory Equipment				0		0
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	Totals	\$129,218	\$0	\$0	\$129,218	\$95,785	\$33,433

Tacna Water Management Company
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/19

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	15,000	0	0	15,000	0	15,000	0.00%	0
304	Structures and Improvements	0	0	0	0		0		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	32,190	0	0	32,190	32,012	178	3.33%	6
308	Infiltration Galleries	0	0	0	0		0		0
309	Supply Mains	0	0	0	0		0		0
310	Power Generation Equipment	1,470	0	0	1,470	144	1,326	5.00%	66
311	Pumping Equipment	30,512	0	0	30,512	20,906	9,606	12.50%	1,201
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	20,440	0	0	20,440	20,020	420	2.22%	9
330.2	Pressure Tanks	3,040	0	0	3,040	296	2,744	5.00%	137
331	Transmission and Distribution Mains	22,259	0	0	22,259	19,899	2,360	2.00%	47
333	Services	0	0	0	0		0		0
334	Meters and Meter Installations	3,347	0	0	3,347	448	2,899	8.33%	241
335	Hydrants	0	0	0	0		0		0
336	Backflow Prevention Devices	0	0	0	0		0		0
339	Other Plant and Misc. Equipment	960	0	0	960	310	650	6.67%	43
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	0	0	0	0		0		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
	Subtotal	\$129,218	\$0	\$0	\$129,218	\$94,035	\$35,183		\$1,752

Contribution(s) in Aid of Construction (Gross)
 Less: Non Amortizable Contribution(s)
 Fully Amortized Contribution(s)
 Amortizable Contribution(s) _____ \$0
 Times: Proposed Amortization Rate 4.98%
Amortization of CIAC \$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Tacna Water Management Company
 Annual Report
 Balance Sheet Assets
 12/31/19

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		\$35,090	\$63,940
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable			
146	Notes Receivable from Associated Companies		7,989	6,041
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$43,079	\$69,981
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$129,218	\$129,218
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(109,035)	(95,785)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$20,183	\$33,433
	Total Assets		\$63,262	\$103,414

*Note these items feed automatically from AR3 UPIS Page 4

Tacna Water Management Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$5,146	\$0
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		1,968	2,823
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities		\$7,114	\$2,823
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)			
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction			
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$7,114	\$2,823
	Capital Accounts			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings		56,148	100,591
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$56,148	\$100,591
	Total Liabilities and Capital		\$63,262	\$103,414

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

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$51,470	\$65,520
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues	2,188	3,441
474	Other Water Revenue		
	Total Revenues	\$53,658	\$68,961
	Operating Expenses		
601	Salaries and Wages		
604	Employee Pensions and Benefits		112
610	Purchased Water	4,041	2,860
615	Purchased Power	4,627	6,081
618	Chemicals		
620	Materials and Supplies	724	2,298
620.1	Repairs and Maintenance	6,741	6,891
620.2	Office Supplies and Expense	1,007	864
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	1,800	1,750
633	Contractual Services - Legal		
634	Contractual Services - Management Fees	4,883	10,150
635	Contractual Services - Water Testing	1,660	2,422
636	Contractual Services - Other	2,550	2,050
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	661	583
657	Insurance - General Liability		
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	2,898	4,330
403	Depreciation Expense (From Schedule AR4)	1,752	1,907
408	Taxes Other Than Income		
408.11	Property Taxes	2,987	7,466
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$36,329	\$49,764
	Operating Income / (Loss)	\$17,329	\$19,197
	Other Income / (Expense)		
419	Interest and Dividend Income	\$1	
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(21)	
	Total Other Income / (Expense)	(\$20)	\$0
	Net Income / (Loss)	\$17,308	\$19,197

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager			2.2	2.2
Engineering Staff				0.0
System Operator(s)			2.2	2.2
Meter reader			2.2	2.2
Customer Service			2.2	2.2
Accounting			2.2	2.2
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	11.0	11.0

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued				
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:

Meter Deposits Refunded During the Test Year:

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

Name of the System:		TACNA WATER CO									
ADEQ Public Water System Number:		AZ0414018									
ADWR PCC Number:		91-000714.0000									
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type**	Year Drilled	Water level 2010	Water level 2019	Meter Size (inches)	How measured:	Active
55-200077			80	4	MONITOR	2003					
55-538504	25	2,000	2,000	8	SUB	1993					

Name of system water delivered to: _____
 ADWR PCC Number: _____
 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): _____

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		518,004.00					
February		514,927.00					
March		602,403.00					
April		524,361.00					
May		1,043,640.00					
June		1,272,988.00					
July		940,275.00					
August		919,476.00					
September		973,584.00					
October		697,500.00					
November		673,797.00					
December		480,487.00					
Totals	0.00	9,161,442.00	0.00	0.00	0.00	\$0	0

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

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

TREATMENT EQUIPMENT:	
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STRUCTURES:	TWO WOOD SHADE STRUCTURES
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OTHER:	FENCED
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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 365
- (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

Method used:

Customer and Other Information	
Name of the System:	TACNA WATER COMPANY
ADEQ Public Water System Number:	AZ0414018
ADWR PCC Number:	91-000714.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	133				
February	128				
March	129				
April	132				
May	133				
June	133				
July	132				
August	131				
September	133				
October	135				
November	138				
December	139				

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 (GCPCPD) requirement?
 If yes, provide the GCPCPD 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.

Property Taxes

Amount of actual property taxes paid during Calendar Year 2019 was

\$2,887

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 Sworn Statement (Taxes)

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

County of (county name): YUMA
Name (owner or official) title: _____
Company name: Tacna Water Management Company

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

FOR THE YEAR ENDING: 12/31/19

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.

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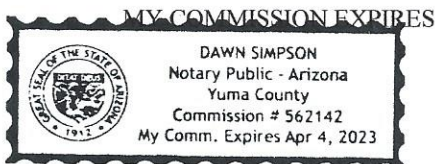
4/02/2020, 02:15 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Agmuller
signature of owner/official

telephone no.

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

THIS 01 DAY OF Yuma
April 2020
(month) and (year)



04-04-2023
(date)

Dawn Simpson
(signature of notary public)

Full Gross-up Method for Income Tax Statement of Certification

Verification:

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

County of (county name): YUMA
Name (owner or official) title: NANCY MILLER, SYSTEM MANAGER
Company name: Tacna Water Management Company

FOR THE YEAR ENDING: 12/31/19

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

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4/02/2020, 02:15 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

N. Miller

signature of owner/official

928-341-9685

telephone no.

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

Yuma

(county name)

THIS

01

DAY OF

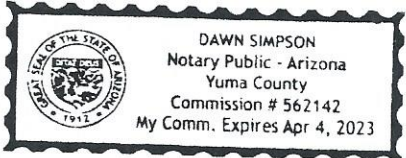
April, 2020

(month) and (year)

MY COMMISSION EXPIRES

04-04-2023

(date)



Dawn Simpson

(signature of notary public)

TACNA WATER MANAGEMENT COMPANY, INC

Profit & Loss

January through December 2019

	<u>Jan - Dec 19</u>
Ordinary Income/Expense	
Income	
CUSTOMER PAYMENTS	
ESTABLISHMENT FEES	280.00
LATE FEES	1,907.73
MONTHLY SERVICE FEES	51,470.06
Total CUSTOMER PAYMENTS	53,657.79 ✓
INTEREST INCOME	0.79 ✓
Total Income	53,658.58
Expense	
AUTOMOTIVE	
MILEAGE	661.00
Total AUTOMOTIVE	661.00 ✓
BANK CHARGES	255.50 ✗
COMPUTER & INTERNET EXPENSE	170.50 ✗
CREDIT CARD MERCHANT FEES	542.06 ✗
DUES & SUBSCRIPTIONS	135.00 ✗
MATERIALS	723.79 ✓
OFFICE SUPPLIES	1,007.00 ✓
PENALTIES & INTEREST	21.28 ✓
POSTAGE	640.00 ✗
PROFESSIONAL FEES	
ACCOUNTING	1,800.00 ✓
MANAGEMENT	4,882.50 ✓
METER READS	2,550.00 ✓
Total PROFESSIONAL FEES	9,232.50
REPAIRS AND MAINTANENCE	
EQUIPMENT	170.00
REPAIRS AND MAINTANENCE - Other	6,570.50
Total REPAIRS AND MAINTANENCE	6,740.50 ✓
TAXES	
PROPERTY TAXES	2,986.68 ✓
Total TAXES	2,986.68 ✓
TESTING	1,659.80 ✓
UTILITIES	
ELECTRIC	4,626.59 ✓
TRASH DISPOSAL	1,155.19 ✓
WATER	4,040.62 ✓
Total UTILITIES	9,822.40
Total Expense	34,598.01
Net Ordinary Income	19,060.57
Net Income	<u>19,060.57</u>

Cash 63,971.40

cust dep 2822.91

AR 6040.59

Report Criteria

Sorted by Account # (From: 1001 , To: 4083)

Accounts: From 1001 to 4083

TACNA WATER COMPANY

3/20/2020

A/R Summary Report as at 12/31/2019

Acct#	Name	WATER	01	02	LF1	LF2	Tax Due	Total
		7,216.84						
		15.00	30.00	-1,965.13	300.66	0.00	443.22	6,040.59
Repot Totals:								