

ANNUAL REPORT

Of

Company Name: Tierra Mesa Estates Water Co.
4743 E. 30th Place

Mailing Address: Yuma AZ
85365

Docket No.: W-02498A
For the Year Ended: 12/31/18

RECEIVED
MAY 07 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdefuente@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: 5/3/2019

5-8-19

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Tierra Mesa Estates Water Co.
A Class Utility

1. For the Calendar Year Ended:

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

5. Person to whom correspondence should be addressed concerning this report:

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

6. On-Site Manager:

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

7. Ownership:

8. Counties Served:

Tierra Mesa Estates Water Co.
 Annual Report
 Utility Plant in Service (Water)
 12/31/18

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	5,785			5,785	5,785	0
304	Structures and Improvements	48,316			48,316	45,559	2,757
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	150,092			150,092	144,067	6,025
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	170,031	7,838		177,869	168,029	9,840
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants	52,044			52,044	52,044	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				0		0
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	69,755	331		70,086	61,120	8,966
333	Services	18,750			18,750	18,750	0
334	Meters and Meter Installations	13,136	2,674		15,810	10,738	5,072
335	Hydrants	13,705			13,705	13,705	0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment	1,636			1,636	1,636	0
340	Office Furniture and Equipment	2,913			2,913	2,913	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	2,786			2,786	2,786	0
348	Other Tangible Plant	176,771			176,771	130,807	45,964
	Totals	\$725,720	\$10,843	\$0	\$736,563	\$657,939	\$78,624

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.

Tierra Mesa Estates Water Co.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/18

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	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0			\$0
302	Franchises	0	0	0	0			0
303	Land and Land Rights	5,785	0	0	5,785	5,785	0.00%	0
304	Structures and Improvements	48,316	0	0	48,316	45,464	3.33%	95
305	Collecting & Improving Reservoirs	0	0	0	0			0
306	Lake, River, Canal Intakes	0	0	0	0			0
307	Wells and Springs	150,092	0	0	150,092	143,859	3.33%	208
308	Infiltration Galleries	0	0	0	0			0
309	Supply Mains	0	0	0	0			0
310	Power Generation Equipment	0	0	0	0			0
311	Pumping Equipment	170,031	7,838	0	177,869	167,183	12.50%	846
320	Water Treatment Equipment	0	0	0	0			0
320.1	Water Treatment Plants	52,044	0	0	52,044	52,044	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0			0
320.3	Point-of-Use Treatment Devices	0	0	0	0			0
330	Distribution Reservoirs and Standpipes	0	0	0	0			0
330.1	Storage Tanks	0	0	0	0			0
330.2	Pressure Tanks	0	0	0	0			0
331	Transmission and Distribution Mains	69,755	331	0	70,086	60,940	2.00%	180
333	Services	18,750	0	0	18,750	18,750	0.00%	0
334	Meters and Meter Installations	13,136	2,674	0	15,810	10,399	8.33%	339
335	Hydrants	13,705	0	0	13,705	13,705	0.00%	0
336	Backflow Prevention Devices	0	0	0	0			0
339	Other Plant and Misc. Equipment	1,636	0	0	1,636	1,636	0.00%	0
340	Office Furniture and Equipment	2,913	0	0	2,913	2,913	0.00%	0
340.1	Computer & Software	0	0	0	0			0
341	Transportation Equipment	0	0	0	0			0
342	Stores Equipment	0	0	0	0			0
343	Tools, Shop and Garage Equipment	0	0	0	0			0
344	Laboratory Equipment	0	0	0	0			0
345	Power Operated Equipment	0	0	0	0			0
346	Communication Equipment	0	0	0	0			0
347	Miscellaneous Equipment	2,786	0	0	2,786	2,786	0.00%	0
348	Other Tangible Plant	176,771	0	0	176,771	128,388	5.00%	2,419
	Subtotal	\$725,720	\$10,843	\$0	\$736,563	\$653,852		\$4,087

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

\$0
4.94%
\$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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.

Tierra Mesa Estates Water Co.
 Annual Report
 Balance Sheet Assets
 12/31/18

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current and Accrued Assets			
131	Cash		\$52,752	\$75,874
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		73	8,017
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$52,825	\$83,891
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$725,720	\$736,563
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(648,067)	(657,939)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$77,653	\$78,624
	Total Assets		\$130,478	\$162,515

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.

*Note these items feed automatically from AR3 UPIS Page 3

Tierra Mesa Estates Water Co.
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current Liabilities			
231	Accounts Payable			
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		3,356	5,091
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities		\$3,356	\$5,091
	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 Liabilites		\$3,356	\$5,091
	Capital Accounts			
201	Common Stock Issued		\$32,157	\$32,157
211	Other Paid-In Capital			
215	Retained Earnings		94,965	125,267
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$127,122	\$157,424
	Total Liabilities and Capital		\$130,478	\$162,515

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.

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

Tierra Mesa Estates Water Co.
Annual Report
Water Comparative Income Statement
12/31/18

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	Operating Revenue		
461	Metered Water Revenue	\$125,315	\$125,615
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues	4,634	3,988
474	Other Water Revenue		
	Total Revenues	\$129,949	\$129,603
	Operating Expenses		
601	Salaries and Wages		
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	13,916	16,085
618	Chemicals		
620	Materials and Supplies	508	1,631
620.1	Repairs and Maintenance	2,543	2,447
620.2	Office Supplies and Expense	2,046	4,196
630	Contractual Services		
631	Contractual Services -Engineering		
632	Contractual Services - Accounting	2,850	3,000
633	Contractual Services - Legal		
634	Contractual Services - Management Fees	19,279	20,101
635	Contractual Services - Water Testing	2,068	1,832
636	Contractual Services - Other	32,200	32,800
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment	1,106	1,275
650	Transportation Expenses	6,330	4,564
657	Insurance - General Liability	1,807	1,930
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	7,997	7,144
403	Depreciation Expense (From Schedule AR4)	4,087	3,695
408	Taxes Other Than Income		
408.11	Property Taxes	5,076	5,472
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$101,813	\$106,172
	Operating Income / (Loss)	\$28,136	\$23,431
	Other Income / (Expense)		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	\$28,136	\$23,431

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.

Tierra Mesa Estates Water Co.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/18

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.

Water Utility Plant Description (Continued)

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

TREATMENT EQUIPMENT:	35 GALLON CL2 TANK AND METERING PUMP (NOT CURRENTLY IN USE)
-----------------------------	---

STRUCTURES:	12' X 6' CMV CHEMICAL BUILDING, 16' X 19' CONCRETE CONTAINMENT STRUCTURE FOR CAUSTIC STORAGE TANK 3 X 8
--------------------	---

OTHER:	210 LF 6' CMP FENCING; 270 LF 6' CHAINLINK FENCING; AREA LIGHTING; STANDARDS ON CONCRETE BLOCK; EYE WASHING STATION
---------------	---

Customer and Other Information	
Name of the System:	TIERRA MESA ESTATES WTR
ADEQ Public Water System Number:	AZ0414080
ADWR PCC Number:	91-000725.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	242				
February	240				
March	241				
April	243				
May	243				
June	243				
July	243				
August	244				
September	242				
October	242				
November	242				
December	243				

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?

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. Copy and paste this sheet as many times as is necessary.

Tierra Mesa Estates Water Co.
Annual Report
Property Taxes
12/31/18

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2018 was	\$5,076

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.

Tierra Mesa Estates Water Co.
Annual Report
Verification and Sworn Statement (Taxes)
12/31/18

Verification and Sworn Statement (Taxes)

RECEIVED

MAY 07 2019

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): YUMA
Name (owner or official) title: NANCY MILLER, OWNER
Company name: Tierra Mesa Estates Water Co.

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

FOR THE YEAR ENDING: 12/31/18

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.

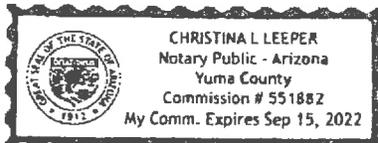
NJM Miller
signature of owner/official

928-341-9685
telephone no.

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

THIS 3 DAY OF Yuma
May 2019
(month) and (year)

MY COMMISSION EXPIRES Sept. 15, 2022
(date)



Christina L. Leeper
(signature of notary public)

Verification and Sworn Statement

RECEIVED

MAY 07 2019

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification:

State of ARIZONA I, the undersigned of the
(state name)
County of (county name): YUMA
Name (owner or official) title: NANCY MILLER, OWNER
Company name: Tierra Mesa Estates Water Co.

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)

\$129,949

(The amount in the box above includes

\$0 in sales taxes

billed or collected)

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

THIS

3

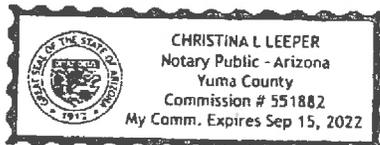
DAY OF

Yuma
(county name)

May 2019
(month) and (year)

MY COMMISSION EXPIRES

Sept. 15, 2022
(date)



Christina L. Leeper
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): YUMA
Name (owner or official) title: NANCY MILLER, OWNER
Company name: Tierra Mesa Estates Water Co.

RECEIVED

MAY 07 2019

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)

\$129,949

(The amount in the box above includes
\$0 in sales taxes
billed or collected)

N Miller
signature of owner/official

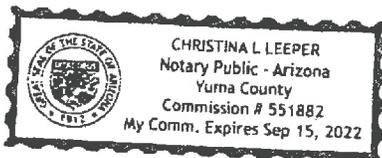
928-341-9685
telephone no.

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

Yuma
(county name)

THIS 3 DAY OF May 2019
(month) and (year)

MY COMMISSION EXPIRES Sept. 15, 2022
(date)



Christina L Leeper
(signature of notary public)