

ANNUAL REPORT

Of

Company Name:

Yavapai Water Company

6808 N Dysart Rd Ste 116

Mailing Address:

Glendale AZ 85307

RECEIVED BY EMAIL

04/10/2024, 2:12 PM

**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

Docket No.: W-21142A

For the Year Ended:

12/31/23

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:

4/5/2024

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Yavapai Water Company
A Class ☐ Utility

For the Calendar Year Ended: 12/31/23

Primary Address:

6808 N Dysart Rd Ste 116

City:

Glendale

 State:

Arizona

 Zip Code:

85307

Telephone Number:

623-935-1100

Date of Original Organization of Utility:

11/17/2021

Person to whom correspondence should be addressed concerning this report:

Name:

Bryan Thomas

Telephone No. :

623-935-1100

Address:

6808 N Dysart Rd Ste 116

City:

Glendale

 State:

Arizona

 Zip Code:

85307

Email: Bnthomas@hearthstonecompany.com

On-Site Manager
Name:

John Kennedy

Telephone No. :

928-422-3242

Address:

PO Box 416

City:

Seligman

 State:

Arizona

 Zip Code:

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Email: kennedy@tabletoptelephone.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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Name:

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Telephone No. :

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Address:

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City:

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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

Counties Served:

Yavapai

Important changes during the year
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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

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	0	0	0
303	Land and Land Rights	93,048	0	0	93,048	0	93,048
304	Structures and Improvements	125,577	0	0	125,577	68,675	56,902
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	31,300	0	0	31,300	25,778	5,522
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	116,664	0	0	116,664	78,748	37,916
311	Pumping Equipment	395,603	0	0	395,603	394,661	942
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	4,872	1,677	0	6,549	5,040	1,509
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	304,347	0	0	304,347	55,003	249,344
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	708,350	0	0	708,350	180,742	527,608
333	Services	42,474	23,600	0	66,074	11,437	54,637
334	Meters and Meter Installations	116,438	2,906	0	119,344	78,668	40,676
335	Hydrants	3,162	0	0	3,162	647	2,515
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	123,244	11,517	0	134,761	16,656	118,105
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	2,906	1,692	0	4,598	2,148	2,450
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	3,233	0	0	3,233	485	2,748
347	Miscellaneous Equipment	3,374	9,054	0	12,428	3,827	8,601
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$2,074,592	\$50,446	\$0	\$2,125,038	\$922,515	\$1,202,523

Yavapai Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/23

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	0.00%	0
303	Land and Land Rights	93,048	0	0	93,048	93,048	0	0.00%	0
304	Structures and Improvements	125,577	0	0	125,577	0	125,577	3.33%	4,182
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	31,300	0	0	31,300	0	31,300	3.33%	1,042
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	116,664	0	0	116,664	0	116,664	5.00%	5,833
311	Pumping Equipment	395,603	0	0	395,603	394,231	1,372	12.50%	172
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	4,872	1,677	0	6,549	4,872	1,677	20.00%	168
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	304,347	0	0	304,347	0	304,347	2.22%	6,757
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	708,350	0	0	708,350	0	708,350	2.00%	14,167
333	Services	42,474	23,600	0	66,074	0	66,074	3.33%	1,807
334	Meters and Meter Installations	116,438	2,906	0	119,344	0	119,344	8.33%	9,820
335	Hydrants	3,162	0	0	3,162	0	3,162	2.00%	63
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	123,244	11,517	0	134,761	0	134,761	6.67%	8,604
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	2,906	1,692	0	4,598	0	4,598	5.00%	187
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	3,233	0	0	3,233	0	3,233	10.00%	323
347	Miscellaneous Equipment	3,374	9,054	0	12,428	3,374	9,054	10.00%	453
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$2,074,592	\$50,446	\$0	\$2,125,038	\$495,525	\$1,629,513		\$53,578

Contribution(s) in Aid of Construction (Gross)	\$644,274
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$644,274
Times: Proposed Amortization Rate	3.91%
Amortization of CIAC	\$21,184

Less: Amortization of CIAC **\$21,184**

DEPRECIATION EXPENSE **\$32,394**

Yavapai Water Company
Annual Report
Balance Sheet Assets
12/31/23

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current and Accrued Assets			
131	Cash		\$18,719	\$9,326
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		4,911	23,749
146	Notes Receivable from Associated Companies		(25,234)	(10,278)
151	Plant Material and Supplies		0	0
162	Prepayments		3,632	4,248
174	Miscellaneous Current and Accrued Assets		3,362	8,898
	Total Current and Accrued Assets		\$5,390	\$35,943
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$2,074,592	\$2,125,038
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(868,937)	(922,515)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$1,205,655	\$1,202,523
	Total Assets		\$1,211,045	\$1,238,466

*Note these items feed automatically from AR3 UPIS Page 4

Yavapai Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current Liabilities			
231	Accounts Payable		\$49,654	\$1,932
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		10,000	63,003
235	Customer Deposits		11,850	10,400
236	Accrued Taxes		1,616	6,033
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		158	178
	Total Current Liabilities		\$73,278	\$81,546
	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		3,112	7,609
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		644,274	644,274
272	Less: Amortization of Contributions		(29,183)	(50,367)
281	Accumulated Deferred Income Tax		(7,874)	0
	Total Deferred Credits		\$610,329	\$601,516
	Total Liabilities		\$683,607	\$683,062
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		475,000	475,000
215	Retained Earnings		52,438	80,404
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$527,438	\$555,404
	Total Liabilities and Capital		\$1,211,045	\$1,238,466

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

Yavapai Water Company
Annual Report
Water Comparative Income Statement
12/31/23

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	Operating Revenue		
461	Metered Water Revenue	\$361,868	\$370,595
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	1,984	3,954
474	Other Water Revenue	0	0
	Total Revenues	\$363,852	\$374,549
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	36,820	33,198
618	Chemicals	1,791	1,562
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	63,622	61,278
620.2	Office Supplies and Expense	4,314	4,325
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	0	973
633	Contractual Services - Legal	0	4,569
634	Contractual Services - Management Fees	141,492	123,979
635	Contractual Services - Water Testing	1,047	2,482
636	Contractual Services - Other	0	1,490
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	7,670	8,348
657	Insurance - General Liability	6,654	4,034
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	1,312	0
675	Miscellaneous Expense	6,547	4,985
403	Depreciation Expense (From Schedule AR4)	32,394	51,918
408	Taxes Other Than Income	0	0
408.11	Property Taxes	22,508	0
409	Income Taxes	9,256	17,717
427.1	Customer Security Deposit Interest	458	176
	Total Operating Expenses	\$335,885	\$321,034
	Operating Income / (Loss)	\$27,967	\$53,515
	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)	\$27,967	\$53,515

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager			unable to	0.0
Engineering Staff			determine	0.0
System Operator(s)			without	0.0
Meter reader			significant	0.0
Customer Service			analysis	0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	0.0	0.0

Yavapai Water Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/23

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	N/A			
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:	\$7,609
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Meter Deposits Refunded During the Test Year:	\$349
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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:	
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	2,953,400.00	1,743,240.00	0.00	0.00	0.00	\$2,842	17,063
February	3,627,700.00	1,814,010.00	0.00	0.00	0.00	2,174	15,315
March	2,492,100.00	1,700,325.00	0.00	0.00	0.00	2,304	14,261
April	2,613,200.00	3,043,260.00	0.00	0.00	0.00	2,412	15,932
May	3,628,900.00	3,200,517.00	0.00	0.00	0.00	3,460	17,500
June	4,309,900.00	2,784,864.00	0.00	0.00	0.00	3,808	20,770
July	3,605,700.00	2,827,363.00	0.00	0.00	0.00	3,859	21,180
August	4,278,700.00	2,601,965.00	0.00	0.00	0.00	3,639	18,851
September	4,599,500.00	2,783,867.00	0.00	0.00	0.00	3,671	18,976
October	3,911,700.00	2,020,936.00	0.00	0.00	0.00	3,361	16,685
November	3,479,500.00	2,295,701.00	0.00	0.00	0.00	3,143	17,170
December	2,908,400.00	1,480,418.00	0.00	0.00	0.00	2,314	14,441
Totals	42,408,700.00	28,296,466.00	0.00	0.00	0.00	\$36,986	208,144

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.

4 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:		AUBREY WATER CO-SELIGMAN	
ADEQ Public Water System Number:		AZ0413010	
ADWR PCC Number:		91-000607.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC CL150	3,560
4.00	PVC CL150	9,600
6.00	PVC CL150	4,800
2.00	Galvanized	14,580
6.00	Cast Iron	15,600
4.00	PVC CL150	220
6.00	PVC C900	840
8.00	Cast Iron	39,375

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	263	11%	Unknown
0.75	1	0%	Unknown
1	8	63%	Unknown
1.5	6	100%	Unknown
2	16	94%	Unknown
3	2	0%	Unknown

SERVICE LINES		
Material	Percent of system	Year installed
Galvanized steel	95%	Various
PEX	5%	Various

BOOSTER PUMPS		
Horsepower	GPM	Quantity
25	390	2
2	33	1

FIRE HYDRANTS	
Type	Quantity
Standard *	23
Other	

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
281,480	Steel	1	

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed

* 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:	55 gal sodium hypochlorite solution feed system
STRUCTURES:	8' x 20' steel storage container - 8' X 12' pump house
OTHER:	

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	137
Method used:	(a)

Customer and Other Information		
Name of the System:	AUBREY WATER CO-SELIGMAN	
ADEQ Public Water System Number:	AZ0413010	
ADWR PCC Number:	91-000607.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	222	0	72	0	0
February	223	0	72	0	0
March	221	0	73	0	0
April	221	0	73	0	0
May	221	0	75	0	0
June	218	0	76	0	0
July	220	0	74	0	0
August	222	0	70	0	0
September	220	0	71	0	0
October	221	0	74	0	0
November	224	0	69	0	0
December	228	0	68	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?

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.

N/A

* an ERC is based on the calculation on the bottom of AR9 page 12.

Yavapai Water Company
Annual Report
Utility Shutoffs / Disconnects
12/31/23

Utility Shutoffs / Disconnects		
Name of the System:	AUBREY WATER CO-SELIGMAN	
ADEQ Public Water System Number:	AZ0413010	
ADWR PCC Number:	91-000607.0000	

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	5	0
February	0	4	0
March	0	1	0
April	0	0	0
May	0	2	0
June	0	3	0
July	0	3	0
August	0	1	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	19	0

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.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2023 was
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\$18,216

If no property taxes paid, explain why.

N/A

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): Maricopa
Name (owner or official) title: Bryan Thomas, President
Company name: Yavapai Water Company

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

FOR THE YEAR ENDING: 12/31/23

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.

Bryan Thomas
signature of owner/official

623-935-1100
telephone no.