

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

SW-02361A

Black Mountain Sewer Corporation
12725 W. Indian School Rd., Ste. D101
Avondale, AZ 85392

RECEIVED

APR 15 2015

AZ CORP COMM
Director - Utilities

Please click here if pre-printed Company name on this form is not your current Company name or dba name is not included.

Please list current Company name including dba here:

ANNUAL REPORT
Sewer

FOR YEAR ENDING

12	31	2014
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FOR COMMISSION USE

ANN05	14
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4-16-15

COMPANY INFORMATION

Company Name (Business Name)	Black Mountain Sewer Corporation
Mailing Address	12725 W Indian School Rd, Suite D101 Avondale, AZ 85392
Telephone	623 935 9367
Fax	623 935 1020
Cellular	
Email	
Local Office Mailing Address	12725 W Indian School Rd, Suite D101 Avondale, AZ 85392
Local Customer Service Phone No. (Include Area Code) (1-800 or other long distance Customer Service Phone No.)	623 935 9367
Email Address	
Website address	

MANAGEMENT INFORMATION

Regulatory Contact

Management Contact

Greg Sorensen, President
12725 W Indian School Rd, Suite D101
Avondale, AZ 85392

Telephone	623 935 9367
Fax	623 935 1020

On Site Manager

Gilbert Grajeda
7202 E Cave Creek Rd
Carefree, AZ 85377

Telephone	480 983 1293
Fax	480 983 1294
Cellular	623 238 5128
Email	gilbert.grajeda@libertyutilities.com

Statutory Agent

CT Corporation System

Mailing Address

3225 N Central Ave
Phoenix, AZ 85012

Telephone

602 277 4792

Fax

Cellular

Email

Attorney

Todd Wiley

Mailing Address

12725 W Indian School Rd, Suite D101
Avondale, AZ 85392

Telephone

623 935 9367

Fax

Cellular

Email

OWNERSHIP INFORMATION

Check the following box that applies to your company:

Sole Proprietor (S)

C Corporation (C) (Other than Association/Co-op)

Partnership (P)

Subchapter S Corporation (Z)

Bankruptcy (B)

Association/Co-op (A)

Receivership (R)

Limited Liability Company

Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

APACHE

COCHISE

COCONINO

GILA

GRAHAM

GREENLEE

LA PAZ

MARICOPA

MOHAVE

NAVAJO

PIMA

PINAL

SANTA CRUZ

YAVAPAI

YUMA

STATEWIDE

BLACK MOUNTAIN SEWER CORPORATION

WASTEWATER UTILITY PLANT IN SERVICE

Acct No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization			
352	Franchises			
353	Land and Land Rights	\$471,186		\$471,186
354	Structures and Improvements	\$3,173,342	-\$1,471,198	\$1,702,143
360	Collection Wastewaters – Force	\$809,944	-\$346,647	\$463,297
361	Collection Wastewaters – Gravity	\$4,642,297	-\$3,386,171	\$1,256,126
363	Services to Customers	\$267,736	-\$172,142	\$95,594
364	Flow Measuring Devices	\$39,878	-\$37,189	\$2,689
365	Flow Measuring Installations	\$186,489	-\$111,615	\$74,875
370	Receiving Wells	\$794,191	-\$705,488	\$88,703
371	Pumping Equipment	\$1,017,397	-\$478,994	\$538,403
380	Treatment and Disposal Equip.	\$301,344	-\$70,935	\$230,409
381	Plant Wastewaters	\$129,262	-\$104,910	\$24,352
382	Outfall Wastewater Lines			
389	Other Plant and Misc. Equipment	\$986,277	-\$887,814	\$98,463
390	Office Furniture and Equipment	\$434,891	-\$234,099	\$200,791
390.1	Computers & Software			
391	Transportation Equipment	\$102,327	-\$28,305	\$74,022
393	Tools, Shop and Garage Equip.	\$36,176	-\$5,597	\$30,580
394	Laboratory Equipment	\$11,176	-\$5,947	\$5,229
396	Communication Equipment	\$43,968	-\$26,632	\$17,336
398	Other Tangible Plant	\$2,718,000		\$2,718,000
	TOTALS	\$16,165,880	-\$8,073,682	\$8,092,198

This amount goes on the Balance Sheet Acct. No. 108



BLACK MOUNTAIN SEWER CORPORATION

WASTEWATER UTILITY CALCULATION OF DEPRECIATION EXPENSE

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
353	Land and Land Rights	\$471,186		
354	Structures and Improvements	\$3,173,342		
355	Power Generation Equipment			
360	Collection Wastewaters – Force	\$809,944		
361	Collection Wastewaters – Gravity	\$4,642,297		
362	Special Collecting Structures			
363	Services to Customers	\$267,736		
364	Flow Measuring Devices	\$39,878		
365	Flow Measuring Installations	\$186,489		
370	Receiving Wells	\$794,191		
371	Pumping Equipment	\$1,017,397		
380	Treatment and Disposal Equip.	\$301,344		
381	Plant Wastewaters	\$129,262		
382	Outfall Wastewater Lines			
389	Other Plant and Misc. Equipment	\$986,277		
390	Office Furniture and Equipment	\$434,891		
390.1	Computers & Software			
391	Transportation Equipment	\$102,327		
393	Tools, Shop and Garage Equip.	\$36,176		
394	Laboratory Equipment	\$11,176		
396	Communication Equipment	\$43,968		
398	Other Tangible Plant	\$2,718,000		
	SUBTOTAL	\$16,165,880		\$232,267
	LESS CIAC Amortization			-\$2,599
	TOTALS *	\$16,165,880		\$229,669

This amount goes on the Comparative Statement of Income and Expense Acct. No. 403.

When the company completed its accounting software conversion in 2014, certain accounts were reclassified to be more properly aligned with NARUC account numbers. For example, in previous years, some accounts in the NARUC categories 371 and 380 were included in reporting for NARUC category 354. All of the values above are now linked to specific NARUC numbers. Depreciation expense is currently only available in the aggregate.

BLACK MOUNTAIN SEWER CORPORATION**WASTEWATER UTILITY BALANCE SHEET**

Acct No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$(24,074)	-\$130,301
132	Special Deposits		
135	Temporary Cash Investments	\$52,928	
141	Customer Accounts Receivable		\$43,669
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	\$9,493	\$9,493
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$38,347	-\$77,138
	FIXED ASSETS		
101	Utility Plant in Service	\$16,051,706	\$16,165,880
103	Property Held for Future Use		
105	Construction Work in Progress	\$940,405	\$1,483,674
108	Accumulated Depreciation – Utility Plant	\$7,886,164	-\$8,073,682
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$9,105,946	\$9,575,872
	TOTAL ASSETS	\$9,144,294	\$9,498,734

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

BLACK MOUNTAIN SEWER CORPORATION

WASTEWATER UTILITY BALANCE SHEET (CONTINUED)

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable		
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	\$816,701	\$385,190
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	\$469,848	\$391,018
	TOTAL CURRENT LIABILITIES	\$1,286,549	\$776,208
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
252	Advances in Aid of Construction	\$2,211,453	\$1,899,656
253	Other Deferred Credits	-\$34,217	\$158,222
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	\$5,258,149	\$5,461,736
272	Less: Amortization of Contributions	\$5,070,648	\$5,073,246
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$2,364,738	\$2,446,368
	TOTAL LIABILITIES	\$3,651,286	\$3,222,576
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$1,009,680	\$1,009,680
211	Other Paid in Capital	\$1,946,007	\$2,563,606
215	Retained Earnings	\$2,537,321	\$2,702,872
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$5,493,008	\$6,276,158
	TOTAL LIABILITIES AND CAPITAL	\$9,144,294	\$9,498,734

BLACK MOUNTAIN SEWER CORPORATION

**WASTEWATER UTILITY COMPARATIVE STATEMENT OF INCOME
AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$2,217,617	\$2,218,964
522	Measured Revenues		
536	Other Wastewater Revenues	\$9,126	\$11,098
	TOTAL REVENUES	\$2,226,742	\$2,230,062
	OPERATING EXPENSES		
701	Salaries and Wages		\$228,309
710	Purchased Wastewater Treatment	\$5,684	\$5,647
711	Sludge Removal Expense		
715	Purchased Power	\$62,914	\$65,112
716	Fuel for Power Production		
718	Chemicals	\$17,410	\$19,215
720	Materials and Supplies	\$35,361	\$23,875
731	Contractual Services – Professional	\$11,964	\$316,663
735	Contractual Services – Testing	\$16,833	\$8,117
736	Contractual Services – Other	\$874,476	\$361,855
740	Rents	\$35,596	\$23,807
750	Transportation Expense	\$13,415	\$15,371
755	Insurance Expense	\$16,755	\$11,720
765	Regulatory Commission Expense	\$62,249	
775	Miscellaneous Expense	\$36,897	\$58,742
403	Depreciation Expense	\$448,450	\$229,669
408	Taxes Other Than Income		
408.11	Property Taxes	\$43,908	\$47,904
409	Income Taxes		
	TOTAL OPERATING EXPENSES	\$1,681,910	\$1,416,004
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income		
421	Non-Utility Income		\$8,893
426	Miscellaneous Non-Utility Expenses	\$(64)	
427	Interest Expense	\$50,921	(\$39,801)
	TOTAL OTHER INCOME/EXPENSE	\$(6,913)	(\$30,908)
	NET INCOME/(LOSS)	\$537,919	\$783,150

BLACK MOUNTAIN SEWER CORPORATION

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 Amount Issued				
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principle				

BLACK MOUNTAIN SEWER CORPORATION

Name of System:

Wastewater Inventory Number (if applicable):

WASTEWATER UTILITY PLANT DESCRIPTION
TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Extended Aeration
DESIGN CAPACITY OF PLANT (Gallons Per Day)	160,000 GPD BMSC Treatment Facility 318,000 GPD Scottsdale

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
Commercial	2	23	200	1,130
CIE-No Longer Exists	N/A	N/A	N/A	N/A
Indian Rock	2	6.5	100	470
Sage Brush	2	3	N/A	470
Trade Center	2	10	N/A	200
Sentinel Rock	2	15	370	1,500
Carefree Highway	2	20	350	1,525
Stagecoach Pass	2	5	50	470
Peaceful Place	2	3	15	470
Sunset Trails	2	20	290	2,600
El Pedregal	2	10	185	2,000
Ridgeview	2	7.5	100	470
Canyon Crossings-New River	2	2	85	300
Carefree Village	2	2.7	85	1,760
Indian Basket	2	1	11	150

FORCE MAINS

Size	Material	Length (Feet)
3"	ACP	915
4"	ACP	9,366
6"	ACP	7,460
1.25"	PVC	725
1.5"	PVC	5,384
2"	PVC	5,155
4"	PVC	2,390
6"	PVC	10,353
8"	PVC	10,426
4"	DIP	3,000
6"	DIP	1,135

MANHOLES		CLEANOUTS
Type	Quantity	Quantity
Standard	1,028	30
Drop	14	

Note: If you are filing for more than one system, please provide separate sheets for each system.

BLACK MOUNTAIN SEWER CORPORATION

Name of System:

Wastewater Inventory Number (if applicable):

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January	2056	11,869,000	138,000-WWTP 397,000-COS METER
February	2069	10,988,000	149,000-WWTP 329,000-COS METER
March	2061	13,357,000	171,000-WWTP 369,000-COS METER
April	2072	12,513,000	163,000-WWTP 344,000-COS METER
May	2083	10,774,000	147,000-WWTP 289,000-COS METER
June	2077	10,013,000	158,000-WWTP 253,000-COS METER
July	2084	10,061,000	146,000-WWTP 242,000-COS METER
August	2080	10,331,000	193,000-WWTP 331,000-COS METER
September	2085	11,176,000	217,000-WWTP 349,000-COS METER
October	2094	11,890,000	165,000-WWTP 300,000-COS METER
November	2094	11,421,000	130,000-WWTP 330,000-COS METER
December	2098	11,349,000	124,000-WWTP 326,000-COS METER

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE
PER WASTEWATER SYSTEM**

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Reuse
Groundwater Permit Number	100351
ADEQ Aquifer Protection Permit Number	N/A
ADEQ Reuse Permit Number	APP100351
EPA NPDES Permit Number	N/A

Note: If you are filing for more than one system, please provide separate sheets for each system.

BLACK MOUNTAIN SEWER CORPORATION

Name of System:

Wastewater Inventory Number (if applicable):

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2- 609.B	Termination with Notice R14-2- 609.C	OTHER
JANUARY		0	
FEBRUARY		0	
MARCH		0	
APRIL		0	
MAY		0	
JUNE		0	
JULY		0	
AUGUST		0	
SEPTEMBER		0	
OCTOBER		0	
NOVEMBER		0	
DECEMBER		0	
TOTALS →		0	

OTHER (description):

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2014 was: \$47,903.68

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

APR 15 2015

AZ CORP COMM
Director - Utilities

VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF MARICOPA
GREG SORENSEN, PRESIDENT
BLACK MOUNTAIN SEWER CORPORATION

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

FOR THE YEAR ENDING

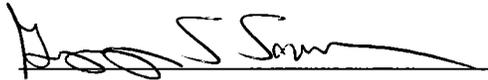
MONTH	DAY	YEAR
12	31	2014

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.



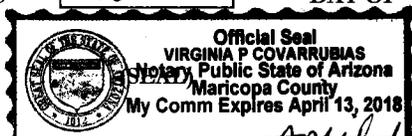
SIGNATURE OF OWNER OR OFFICIAL
(623) 935-9367

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

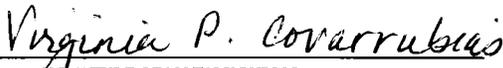
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF



MY COMMISSION EXPIRES April 13, 2018

COUNTY NAME	Maricopa	
MONTH	April	2015



SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
APR 15 2015

VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF MARICOPA	AZ CORP COMM Director - Utilities
GREG SORENSEN, PRESIDENT	
BLACK MOUNTAIN SEWER CORPORATION	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2014

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 REQUIREMENT 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 CALENDAR YEAR 2014 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$2,238,955

(THE AMOUNT IN BOX ABOVE INCLUDES \$0 IN SALES TAXES BILLED, OR COLLECTED)
The company collects sales taxes, but they are accounted for as liabilities and are not included in revenue accounts.

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

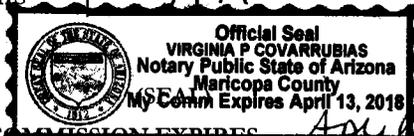
Greg Sorenson

SIGNATURE OF OWNER OR OFFICIAL
(623) 935-9367

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 15th DAY OF

COUNTY NAME	<u>Maricopa</u>
MONTH	<u>April</u> , 20 <u>15</u>


MY COMMISSION EXPIRES April 13, 2018

Virginia P. Covarrubias

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 15 2015

AZ CORP COMM
Director - Utilities

VERIFICATION
STATE OF ARIZONA

COUNTY OF MARICOPA	
GREG SORENSEN	PRESIDENT
BLACK MOUNTAIN SEWER CORPORATION	

I, THE UNDERSIGNED
OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2014

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 40-401.01, 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 CALENDAR YEAR 2014 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$1,580,734

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$0
IN SALES TAXES BILLED, OR COLLECTED

The company collects sales taxes, but they are accounted for as liabilities and are not included in revenue accounts.

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

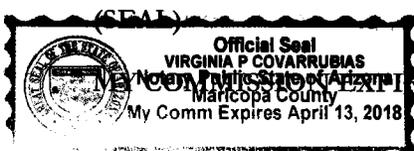
Greg Sorenson
SIGNATURE OF OWNER OR OFFICIAL
(623) 935-9367
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF

NOTARY PUBLIC NAME	Virginia P. Covarrubias
COUNTY NAME	Maricopa
MONTH	April 2015



EXPIRES April 13, 2018

Virginia P. Covarrubias
SIGNATURE OF NOTARY PUBLIC