

**ANNUAL REPORT**

Of

Company Name: Adaman Mutual Water Company  
16251 W Glendale Ave

Mailing Address: Litchfield Park AZ  
85340

Docket No.: W-01997A  
For the Year Ended: 12/31/17

**RECEIVED**

**DEC 06 2018**

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

**REVISED**  
**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: [rdefuente@azcc.gov](mailto: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: 12/6/2018

12-12-18

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Adaman Mutual Water Company  
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:

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	\$0	0	0	0	\$0	0
304	Structures and Improvements	\$10,053	0	0	10,053	\$10,053	0
305	Collecting & Improving Reservoirs	\$45,548	0	0	45,548	\$45,548	0
306	Lake, River, Canal Intakes	\$0	0	0	0	\$0	0
307	Wells and Springs	\$496,307	0	0	496,307	\$63,984	432,323
308	Infiltration Galleries	\$0	0	0	0	\$0	0
309	Supply Mains	\$0	0	0	0	\$0	0
310	Power Generation Equipment	\$0	0	0	0	\$0	0
311	Pumping Equipment	\$87,800	0	0	87,800	\$85,646	2,154
320	Water Treatment Equipment	\$0	0	0	0	\$0	0
320.1	Water Treatment Plants	\$845,554	0	0	845,554	\$304,437	541,117
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	\$0	0	0	0	\$0	0
330.2	Pressure Tanks	\$0	0	0	0	\$0	0
331	Transmission and Distribution Mains	\$415,760	0	0	415,760	\$237,396	178,364
333	Services	\$0	0	0	0	\$0	0
334	Meters and Meter Installations	\$85,257	5,953	495	90,715	\$77,837	12,878
335	Hydrants	\$2,541	0	0	2,541	\$2,541	0
336	Backflow Prevention Devices	\$965	0	0	965	\$965	0
339	Other Plant and Misc. Equipment	\$31,188	0	0	31,188	\$12,683	18,505
340	Office Furniture and Equipment	\$5,048	0	0	5,048	\$5,048	0
340.1	Computer & Software	0	0	0	0	\$0	0
341	Transportation Equipment	60,348	0	0	60,348	\$36,434	23,914
342	Stores Equipment	0	0	0	0	\$0	0
343	Tools, Shop and Garage Equipment	3,746	0	0	3,746	\$3,746	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
	<b>Totals</b>	<b>\$2,090,115</b>	<b>\$5,953</b>	<b>\$495</b>	<b>\$2,095,573</b>	<b>\$886,318</b>	<b>\$1,209,255</b>

**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.

Adaman Mutual Water Company  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/17

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	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0.00%	0
304	Structures and Improvements	10,053	0	0	10,053	10,053	100.00%	0
305	Collecting & Improving Reservoirs	45,548	0	0	45,548	45,548	100.00%	2,088
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	496,307	0	0	496,307	63,984	13.00%	9,844
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0.00%	0
311	Pumping Equipment	87,800	0	0	87,800	85,646	98.00%	947
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	845,554	0	0	845,554	304,437	36.00%	33,778
320.2	Solution Chemical Feeders	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	0	0	0	0	0	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	415,760	0	0	415,760	237,396	5.00%	6,120
333	Services	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	85,257	5,953	495	90,715	75,993	83.00%	4,805
335	Hydrants	2,541	0	0	2,541	2,541	100.00%	0
336	Backflow Prevention Devices	965	0	0	965	965	100.00%	0
339	Other Plant and Misc. Equipment	31,188	0	0	31,188	12,683	41.00%	1,162
340	Office Furniture and Equipment	5,048	0	0	5,048	5,048	100.00%	724
340.1	Computer & Software	0	0	0	0	0	0.00%	0
341	Transportation Equipment	60,348	0	0	60,348	36,434	60.00%	13,663
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	3,746	0	0	3,746	3,746	100.00%	0
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	<b>Subtotal</b>	<b>\$2,090,115</b>	<b>\$5,953</b>	<b>\$495</b>	<b>\$2,095,573</b>	<b>\$884,474</b>		<b>\$73,131</b>

Contribution(s) in Aid of Construction (Gross)	\$110,737
Less: Non Amortizable Contribution(s)	52,724
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$58,013</u>
Times: Proposed Amortization Rate	6.04%
<b>Amortization of CIAC</b>	<b>\$3,503</b>

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.

Adaman Mutual Water Company  
 Annual Report  
 Balance Sheet Assets  
 12/31/17

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$50,006	\$52,785
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		\$18,225	\$17,270
146	Notes Receivable from Associated Companies		\$11,364	\$41,373
151	Plant Material and Supplies			
162	Prepayments		20,679	674
174	Miscellaneous Current and Accrued Assets		2,578	2,340
	<b>Total Current and Accrued Assets</b>		<b>\$102,852</b>	<b>\$114,442</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$2,090,115	\$2,095,573
103	Property Held for Future Use			0
105	Construction Work in Progress		12,732	
108	Accumulated Depreciation <b>(enter as negative)*</b>		(811,342)	(886,318)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			0
	<b>Total Fixed Assets</b>		<b>\$1,291,505</b>	<b>\$1,209,255</b>
	<b>Total Assets</b>		<b>\$1,394,357</b>	<b>\$1,323,696</b>

**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

Adaman Mutual 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 (2017)	Balance at End of Year (2017)
Account No.	<b>Current Liabilities</b>			
231	Accounts Payable		\$43,949	\$54,576
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		2,885	3,410
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		50,223	49,091
	<b>Total Current Liabilities</b>		<b>\$97,057</b>	<b>\$107,077</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$205,320	\$156,677
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction		784,731	795,971
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		110,737	110,737
272	Less: Amortization of Contributions		(50,766)	(52,724)
281	Accumulated Deferred Income Tax			
	<b>Total Deferred Credits</b>		<b>\$844,702</b>	<b>\$853,984</b>
	<b>Total Liabilities</b>		<b>\$1,147,079</b>	<b>\$1,117,738</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$2,487	\$2,487
211	Other Paid-In Capital			
215	Retained Earnings		244,791	203,472
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>\$247,278</b>	<b>\$205,959</b>
	<b>Total Liabilities and Capital</b>		<b>\$1,394,357</b>	<b>\$1,323,697</b>

**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!**

Adaman Mutual Water Company  
Annual Report  
Water Comparative Income Statement  
12/31/17

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$267,565	\$307,254
460	Unmetered Water Revenue	\$0	\$0
462	Fire Protection Revenue	\$0	\$0
469	Guaranteed Revenues (Surcharges)	\$0	\$0
471	Miscellaneous Service Revenues	\$0	\$0
474	Other Water Revenue	\$134,801	\$143,976
	<b>Total Revenues</b>	<b>\$402,366</b>	<b>\$451,230</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$111,015	\$130,201
604	Employee Pensions and Benefits	\$0	\$0
610	Purchased Water	\$58	\$8,328
615	Purchased Power	\$17,349	\$18,802
618	Chemicals	\$35,267	\$46,452
620	Materials and Supplies	\$0	\$0
620.1	Repairs and Maintenance	\$41,078	\$49,800
620.2	Office Supplies and Expense	\$19,538	\$39,057
630	Contractual Services	\$0	\$0
631	Contractual Services -Engineering	\$1,895	\$10,377
632	Contractual Services - Accounting	\$11,442	\$12,300
633	Contractual Services - Legal	\$20,172	\$267
634	Contractual Services - Management Fees	\$0	\$0
635	Contractual Services - Water Testing	\$4,017	\$1,763
636	Contractual Services - Other	\$0	\$0
640	Rents	\$0	\$0
641	Rental of Building/Real Property	\$8,400	\$8,400
642	Rental of Equipment	\$0	\$0
650	Transportation Expenses	\$9,134	\$10,253
657	Insurance - General Liability	\$9,652	\$10,614
657.1	Insurance - Health and Life	\$4,488	\$4,450
665	Regulatory Commission Expense - Rate	\$0	\$0
670	Bad Debt Expense	\$190	\$0
675	Miscellaneous Expense	\$8,350	\$8,305
403	Depreciation Expense (From Schedule AR4)	69,628	69,074
408	Taxes Other Than Income	0	0
408.11	Property Taxes	17,575	18,754
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>\$389,246</b>	<b>\$447,197</b>
	<b>Operating Income / (Loss)</b>	<b>\$13,120</b>	<b>\$4,033</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	(\$1)	\$2
421	Non-Utility Income	1,071	1,415
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(12,406)	(13,983)
	<b>Total Other Income / (Expense)</b>	<b>(\$11,335)</b>	<b>(\$12,566)</b>
	<b>Net Income / (Loss)</b>	<b>\$1,785</b>	<b>(\$8,533)</b>

**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.

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	4/1/2013	NONE	NONE	NONE
Source of Loan	Midfirst Bank	NONE	NONE	NONE
ACC Decision No.	0	NONE	NONE	NONE
Reason for Loan	Capital Improve	NONE	NONE	NONE
Dollar Amt. Issued	\$250,000	NONE	NONE	NONE
Amount Outstanding	\$148,073	NONE	NONE	NONE
Date of Maturity	4/1/2018	NONE	NONE	NONE
Interest Rate	4.75%	NONE	NONE	NONE
Current Year Interest	\$8,434	NONE	NONE	NONE
Current Year Principal	\$23,801	NONE	NONE	NONE

Meter Deposit Balance at Test Year End:	\$3,410
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Meter Deposits Refunded During the Test Year:	\$1,032
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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.*





Water Use Data Sheet							
Name of the System:		Adaman Mutual Water Company					
ADEO Public Water System Number:		07-0071					
Month	Number of Customers	Gallons Sold (thousands) <sup>1</sup>	Gallons Pumped (thousands) <sup>2</sup>	Gallons Purchased (thousands) <sup>3</sup>	Estimated Gallons Authorized Use (thousands) <sup>4</sup>	Purchased Power Expense <sup>5</sup>	Purchased Power (kWh) <sup>6</sup>
January	268	7,349	7,546	8,960		\$1,108	9,656
February	269	4,854	6,270	7,820		819	6,855
March	266	6,493	8,012	10,687		1,118	9,270
April	266	7,814	9,057	13,392		1,452	12,372
May	271	10,790	10,951	15,086		1,621	14,173
June	270	14,095	15,139	18,899		1,948	17,920
July	269	12,264	13,326	16,683		2,045	19,137
August	272	7,354	8,123	12,252		1,226	10,171
September	271	9,802	11,026	13,750		1,580	13,694
October	270	7,831	8,728	13,262		1,321	11,382
November	271	7,564	8,727	11,763		1,297	11,103
December	270	6,868	8,008	10,459		1,239	10,515
<b>Totals</b>		<b>103,078</b>	<b>114,913</b>	<b>153,013</b>	<b>0</b>	<b>\$16,774</b>	<b>146,248</b>

If the system has fire hydrants, what is the fire flow requirements?  GPM for  hrs.

Does the system have chlorination treatment?

Is the Water Utility located in an ADWR Active Management Area (AMA)?   
 If yes, which AMA?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?   
 If yes, provide the GPCPD amount:

**If applicable, in the space below please provide a description for all un-metered water use along with amounts:**  
 None

**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.

- 1 Gallons sold - Total gallons from customer meters, and other sold gallons such as Construction water.
- 2 Gallons pumped - Total gallons from pumped sources.
- 3 Gallons purchased - Total gallons purchased from other sources.
- 4 Estimated gallons authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.
- 5 Enter the total purchased power costs for the power meters associated with this system.
- 6 Enter the total purchased kWh used by the power meters associated with this system.

Adaman Mutual Water Company  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/17

ADEQ System No. :	07-0071
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Utility Shutoffs / Disconnects			
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):**

None
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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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Adaman Mutual Water Company  
Annual Report  
Property Taxes  
12/31/17

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2017 was	\$18,165

If no property taxes paid, explain why.  
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.

RECEIVED

Verification and Sworn Statement

Verification:

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

County of (county name): Maricopa

Name (owner or official) title: Scott G. Schofield, General Manager

Company name: Adaman Mutual Water Company

DEC 06 2018

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: 12/31/17

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 (\$)

\$402,366

(The amount in the box above includes

\$27,088 in sales taxes

billed or collected)

\_\_\_\_\_  
signature of owner/official

623-935-2837

\_\_\_\_\_  
telephone no.

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

\_\_\_\_\_  
(county name)

THIS \_\_\_\_\_ DAY OF

\_\_\_\_\_  
(month) and (year)

MY COMMISSION EXPIRES

\_\_\_\_\_  
(date)

\_\_\_\_\_  
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

RECEIVED

Verification:

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

DEC 06 2018

County of (county name): Maricopa  
Name (owner or official) title: Scott G. Schofield, General Manager  
Company name: Adaman Mutual Water Company

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: 12/31/17

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 (\$)

\$143,976

(The amount in the box above includes

\$8,492 in sales taxes  
billed or collected)

\_\_\_\_\_  
signature of owner/official

\_\_\_\_\_  
623-935-2837  
telephone no.

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

\_\_\_\_\_  
(county name)

THIS \_\_\_\_\_ DAY OF \_\_\_\_\_  
(month) and (year)

MY COMMISSION EXPIRES \_\_\_\_\_  
(date)

\_\_\_\_\_  
(signature of notary public)