

ANNUAL REPORT

Of

Company Name:
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-02393A
For the Year Ended:

**RECEIVED
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4/29/2020, 02:50 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:
Application Date:

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Chaparral Water Properties, Inc.
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
--

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.
	NA

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.
	NA

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
302	Franchises				0		0
303	Land and Land Rights	17,000			17,000		17,000
304	Structures and Improvements	73,989	3,744		77,733	71,262	6,471
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	36,106			36,106	36,106	0
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	61,768	8,040		69,808	48,425	21,383
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants	2,249			2,249	824	1,425
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	116,118			116,118	100,908	15,210
330.2	Pressure Tanks	16,753			16,753	2,932	13,821
331	Transmission and Distribution Mains	94,574	4,575		99,149	56,706	42,443
333	Services	97,112	800		97,912	48,645	49,267
334	Meters and Meter Installations	32,110	9,497		41,607	21,366	20,241
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment	467			467	264	203
340.1	Computer & Software	12,079			12,079	12,079	0
341	Transportation Equipment				0		0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment				0		0
344	Laboratory Equipment	6,550			6,550	6,550	0
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant		59,646		59,646	2,982	56,664
	Totals	\$566,875	\$86,302	\$0	\$653,177	\$409,049	\$244,128

Chaparral Water Properties, Inc.
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	17,000	0	0	17,000	17,000	0		0
304	Structures and Improvements	73,989	3,744	0	77,733		77,733	3.33%	2,526
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	36,106	0	0	36,106	36,106	0	3.33%	0
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	61,768	8,040	0	69,808	14,760	55,048	12.50%	6,379
320	Water Treatment Equipment	0	0	0	0		0		0
320.1	Water Treatment Plants	2,249	0	0	2,249	749	1,500	3.33%	50
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	116,118	0	0	116,118		116,118	2.22%	2,578
330.2	Pressure Tanks	16,753	0	0	16,753		16,753	5.00%	838
331	Transmission and Distribution Mains	94,574	4,575	0	99,149		99,149	2.00%	1,937
333	Services	97,112	800	0	97,912	44,646	53,266	3.33%	1,760
334	Meters and Meter Installations	32,110	9,497	0	41,607	16,728	24,879	8.33%	1,677
335	Hydrants	0	0	0	0		0		0
336	Backflow Prevention Devices	0	0	0	0		0		0
339	Other Plant and Misc. Equipment	0	0	0	0		0		0
340	Office Furniture and Equipment	467	0	0	467		467	6.67%	31
340.1	Computer & Software	12,079	0	0	12,079	12,079	0	20.00%	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	6,550	0	0	6,550	6,550	0	10.00%	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	59,646	0	59,646		59,646	10.00%	2,982
	Subtotal	\$566,875	\$86,302	\$0	\$653,177	\$148,618	\$504,559		\$20,758

Contribution(s) in Aid of Construction (Gross)	\$34,800
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$34,800</u>
Times: Proposed Amortization Rate	5.00%
Amortization of CIAC	\$1,740

Less: Amortization of CIAC \$1,740

DEPRECIATION EXPENSE **\$19,018**

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		\$33,551	\$58,212
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		10,767	9,380
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			9,000
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$44,318	\$76,592
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$566,875	\$653,177
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(388,291)	(409,049)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$178,584	\$244,128
	Total Assets		\$222,902	\$320,720

*Note these items feed automatically from AR3 UPIS Page 4

Chaparral Water Properties, Inc.
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		\$5,997	\$5,907
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		13,156	14,009
236	Accrued Taxes		818	743
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities		\$19,971	\$20,659
	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		4,508	5,292
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction			34,800
272	Less: Amortization of Contributions			(1,740)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$4,508	\$38,352
	Total Liabilites		\$24,479	\$59,011
	Capital Accounts			
201	Common Stock Issued		\$54,750	\$54,750
211	Other Paid-In Capital		62,494	62,494
215	Retained Earnings		81,179	144,465
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$198,423	\$261,709
	Total Liabilities and Capital		\$222,902	\$320,720

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

Chaparral Water Properties, Inc.
Annual Report
Water Comparative Income Statement
12/31/19

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	\$184,222	\$184,665
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	3,171	5,873
	Total Revenues	\$187,393	\$190,538
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits		
610	Purchased Water	975	
615	Purchased Power	24,020	29,915
618	Chemicals	1,368	1,356
620	Materials and Supplies		
620.1	Repairs and Maintenance	10,770	14,918
620.2	Office Supplies and Expense	2,700	3,264
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	2,210	1,738
633	Contractual Services - Legal	1,103	1,102
634	Contractual Services - Management Fees	64,173	17,636
635	Contractual Services - Water Testing	1,510	1,903
636	Contractual Services - Other	5,518	39,603
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	266	169
657	Insurance - General Liability	2,680	3,114
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense	1,360	1,270
675	Miscellaneous Expense	2,207	2,195
403	Depreciation Expense (From Schedule AR4)	19,018	16,301
408	Taxes Other Than Income		
408.11	Property Taxes	7,382	7,007
409	Income Taxes	1,678	6,500
427.1	Customer Security Deposit Interest	117	273
	Total Operating Expenses	\$149,055	\$148,264
	Operating Income / (Loss)	\$38,338	\$42,274
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	121	
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		
	Total Other Income / (Expense)	\$121	\$0
	Net Income / (Loss)	\$38,459	\$42,274

Chaparral Water Properties, Inc.
 Annual Report
 Full time equivalent employees
 12/31/19

Full time equivalent employees

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

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	No loans			
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:	\$5,292
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Meter Deposits Refunded During the Test Year:	\$571
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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 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:	Chlorination equipment at all three well sites.
STRUCTURES:	8 x 12 foot metal storage shed.
OTHER:	NA

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	316
Method used:	(a)

Customer and Other Information	
Name of the System:	CHAPARRAL WATER COMPANY
ADEQ Public Water System Number:	AZ0407064
ADWR PCC Number:	91-000204.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	314	0	3	0	0
February	316	0	3	0	0
March	314	0	3	0	0
April	315	0	3	0	0
May	316	0	3	0	0
June	319	0	3	0	0
July	321	0	3	0	0
August	320	0	3	0	0
September	319	0	3	0	0
October	317	0	3	0	0
November	319	0	3	0	0
December	320	0	3	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.

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

Chaparral Water Properties, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

Utility Shutoffs / Disconnects	
Name of the System:	CHAPARRAL WATER COMPANY
ADEQ Public Water System Number:	AZ0407064
ADWR PCC Number:	91-000204.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	2	0
February	0	7	0
March	0	0	0
April	0	5	0
May	0	2	0
June	0	0	0
July	0	12	0
August	0	1	0
September	0	11	0
October	0	10	0
November	0	0	0
December	0	0	0
Total	0	50	0

Other (description):

NA

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 2019 was	
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	\$7,195
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If no property taxes paid, explain why.

NA

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): Pima
Name (owner or official) title: Paul Juhl, Manager
Company name: Chaparral Water Properties, Inc.

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.

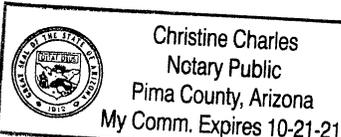
**RECEIVED
BY EMAIL**
4/29/2020, 02:50 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Signature]
signature of owner/official
(520) 623-5172
telephone no.

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

THIS 29 DAY OF Pima County
April, 2020
(month) and (year)

MY COMMISSION EXPIRES 10-21-2021
(date)


Christine Charles
Notary Public
Pima County, Arizona
My Comm. Expires 10-21-21

[Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Pima
Name (owner or official) title: Paul Juhl, Manager
Company name: Chaparral Water Properties, Inc.

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: 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 (\$)
\$199,571
(The amount in the box above includes
\$12,178 in sales taxes
billed or collected)

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4/29/2020, 02:50 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Signature]
signature of owner/official

(520) 623-5172
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pima County
THIS 29 DAY OF April, 2020
(county name) (month) and (year)

MY COMMISSION EXPIRES 10-21-2021
(date)



[Signature]
(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): Pima
Name (owner or official) title: Paul Juhl, Manager
Company name: Chaparral Water Properties, Inc.

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: 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 (\$)

\$192,066

(The amount in the box above includes

\$11,608 in sales taxes
billed or collected)

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4/29/2020, 02:50 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Paul Juhl
signature of owner/official

(520) 623-5172
telephone no.

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

Pima County
(county name)

THIS

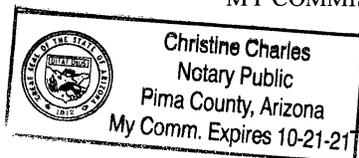
29

DAY OF

April, 2020
(month) and (year)

MY COMMISSION EXPIRES

10-21-2021
(date)



Christine Charles
(signature of notary public)