ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-03782A
WILLIAM F. LESKO
dba HECKETHORN WATER COMPANY
4400 E. BUTON LANE
FLAGSTAFF, AZ 86001

RECEIVED

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2010

FOR COMMISSION USE

ANN 04	10

4-2511

COMPANY INFORMATION

Company Name (Business Name) HECKETHORN WATER COMPANY

Mailing Address 4400 E. BUTTON LANE
(Street)

FLAGSTAFF (City) ARIZONA (State) 86001 (Zip)

(928) 213-1778 Telephone No. (Include Area Code) (928) 213-1778 Fax No. (Include Area Code) - Cell No. (Include Area Code)

Email Address

Local Office Mailing Address 4400 E. BUTTON LANE
(Street)

FLAGSTAFF (City) ARIZONA (State) 86001 (Zip)

(928) 213-1778 Local Office Telephone No. (Include Area Code) (928) 213-1778 Fax No. (Include Area Code) - Cell No. (Include Area Code)

Email Address

MANAGEMENT INFORMATION

☐ **Regulatory Contact:**

☑ **Management Contact:** WILLIAM F. LESKO (Name) OWNER (Title)

5210 E. DAPHNE LANE (Street) FLAGSTAFF (City) ARIZONA (State) 86001 (Zip)

(928) 779-0543 Telephone No. (Include Area Code) (928) 213-1778 Fax No. (Include Area Code) (928) 380-8745 Cell No. (Include Area Code)

Email Address LETSGO16@JUNO.COM

On Site Manager: WILLIAM F. LESKO
(Name)

5210 E. DAPHNE LANE (Street) FLAGSTAFF (City) ARIZONA (State) 86001 (Zip)

(928) 779-0543 Telephone No. (Include Area Code) (928) 213-1778 Fax No. (Include Area Code) (928) 380-8745 Cell No. (Include Area Code)

Email Address LETSGO16@JUNO.COM

Statutory Agent: N/A
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code Cell No. (Include Area Code)

Attorney: N/A
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address

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**		

COMPANY NAME	HECKETHORN WATER COMPANY	12-31-10

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	8000		8000
304	Structures and Improvements	4259	867	3392
307	Wells and Springs	6976	2639	4337
311	Pumping Equipment	16090	10366	5724
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	32298	4940	27358
331	Transmission and Distribution Mains	9507	2665	6842
333	Services	1180	446	734
334	Meters and Meter Installations	886	434	452
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	2443	1998	445
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	81639	24355	57284

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

COMPANY NAME HECKETHORN WATER COMPANY 12-31-10

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	8000		
304	Structures and Improvements	4259	2.47	105
307	Wells and Springs	6976	2.97	207
311	Pumping Equipment	16090	5.05	813
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	32298	1.80	581
331	Transmission and Distribution Mains	9507	2.20	209
333	Services	1180	2.96	35
334	Meters and Meter Installations	886	3.82	34
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	2443	6.50	159
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	81639		2143

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

COMPANY NAME	HECKETHORN WATER COMPANY	12-31-10

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 17418	$ 25799
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	$ 17418	$ 25799
	FIXED ASSETS		
101	Utility Plant in Service	$ 81639	$ 81639
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	22212	24355
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	$ 59427	$ 57284
	TOTAL ASSETS	$ 76845	$ 83083

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

COMPANY NAME HECKETHORN WATER COMPANY	12-31-10

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	$	$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	165	165
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	$ 165	$ 165
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term 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	$	$
	TOTAL LIABILITIES	$ 165	$ 165
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$	$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	76680	82918
	TOTAL CAPITAL	$ 76680	$ 82918
	TOTAL LIABILITIES AND CAPITAL	$ 76845	$ 83083

COMPANY NAME HECKETHORN WATER COMPANY	12-31-10

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	$ 24595	$ 23713
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	$ 24595	$ 23713
	OPERATING EXPENSES		
601	Salaries and Wages	$ 204	$ 448
610	Purchased Water		
615	Purchased Power	5086	3478
618	Chemicals		
620	Repairs and Maintenance	2277	1463
621	Office Supplies and Expense	2912	3032
630	Outside Services	106	673
635	Water Testing	940	1058
641	Rents	50	48
650	Transportation Expenses		
657	Insurance – General Liability	2041	1513
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	946	1086
403	Depreciation Expense	2143	2143
408	Taxes Other Than Income	1576	1811
408.11	Property Taxes	634	722
409	Income Tax		
	TOTAL OPERATING EXPENSES	$ 18915	$ 17475
	OPERATING INCOME/(LOSS)	$ 5680	$ 6238
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	$	$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	0	0
	TOTAL OTHER INCOME/(EXPENSE)	$	$
	NET INCOME/(LOSS)	$ 5680	$ 6238

COMPANY NAME HECKETHORN WATER COMPANY	12-31-10

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	$	$	$	$

Meter Deposit Balance at Test Year End $ 165

Meter Deposits Refunded During the Test Year $

COMPANY NAME HECKETHORN WATER COMPANY	12-31-10
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
611228	25	55	200	12"	2	≈59

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	2	N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
6,000	1	500	1
10,000	1		
40,000	1		

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

COMPANY NAME HECKETHORN WATER COMPANY	12-31-10
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	320
3	GAL.	1074
4	STEEL	4000 EST.
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ¾	36
3/4	4
1	2
1 1/2	2
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

CL_2 LIQUID INJECTION

STRUCTURES:

BOOSTER STATION - CONTAINES 6KG TANK, 500g PRESSURE TANK
WELL HEAD
TWO STORAGE TANKS FENCED 10,000 AND 40,000

OTHER:

DITCH WITCH TRENCHER
VARIOUS HAND TOOLS

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

COMPANY NAME: HECKETHORN WATER COMPANY	12-31-10
Name of System:	ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	44	234,200	203,630	0
FEBRUARY	44	265,000	233,630	0
MARCH	44	149,900	180,260	0
APRIL	44	169,800	244,500	0
MAY	44	230,400	339,530	0
JUNE	44	473,400	511,020	0
JULY	44	349,300	499,290	0
AUGUST	44	301,400	491,740	0
SEPTEMBER	44	243,100	714,840	0
OCTOBER	44	205,100	824,650	0
NOVEMBER	44	180,800	218490	0
DECEMBER	44	337,100	197,420	0
	TOTALS →	3,139,500	4,659,000	

What is the level of arsenic for each well on your system? <0.005 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? — GPM for ____hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
( ) Yes (✓) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
( ) Yes (✓) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
( ) Yes (✓) No

If yes, provide the GPCPD amount: —

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

COMPANY NAME: HECKETHORN WATER COMPANY	12-31-10
Name of System:	ADEQ Public Water System Number:

UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY				
FEBRUARY				
MARCH				
APRIL				
MAY		NONE	NONE	
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				
TOTALS →				

OTHER (description):

COMPANY NAME HECKETHORN WATER COMPANY YEAR ENDING 12/31/2010

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: $ 722.42

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.

122100024
01/08/2011
008480951662

This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

000000997
IRR
601
023
811

C044000037 01/07/2011
008480951662

5503627

HECKETHORN WATER CO.
4400 E. BUTTON LANE 928-213-1778
FLAGSTAFF, AZ 86001

91-2/1221 106 2739
020632195
DATE 12-29-10

PAY TO THE ORDER OF Bonnie Lynn, Coconino County Treasurer $ 722.42/xx

Seven hundred twenty two & 42/100 DOLLARS

CHASE
JPMorgan Chase Bank, N.A.
Phoenix, Arizona 85073
www.Chase.com

MEMO Parcel #932-20-100 9

⑆122100024⑆ 020632195⑈2739

⑆122100024⑆ 020632195⑈2739 ⑈0000072242⑈

↑ Do not endorse or write below this line. ↑

044000037 01/07/2011
008480951662

PAY TO THE ORDER OF
WELLS FARGO BANK ARIZONA, N.A.
122105278

JAN 06 2011

FOR DEPOSIT ONLY
COCONINO COUNTY TREASURER
4784903889

>044000037< 01/07/2011
008480951662

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	COCONINO COUNTY
NAME (OWNER OR OFFICIAL) TITLE	WILLIAM F. LESKO
COMPANY NAME	HECKETHORN WATER COMPANY

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	2010

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.

OFFICIAL SEAL
JULIA M. BORG
Notary Public – State of Arizona
COCONINO COUNTY
My commission expires June 30, 2011

William F. Lesko
SIGNATURE OF OWNER OR OFFICIAL

(928) 213-1778
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF COCONINO

THIS 25th **DAY OF** March, 2011

(SEAL)

Julia M. Borg
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES June 30, 2011

COMPANY NAME HECKETHORN WATER COMPANY **YEAR ENDING 12/31/2010**

INCOME TAXES

NOT A TAXABLE ENTITY - BY MYSELF

For this reporting period, provide the following:

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

_____ _____
SIGNATURE **DATE**

_____ _____
PRINTED NAME **TITLE**

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

RECEIVED
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	COCONINO COUNTY
NAME (OWNER OR OFFICIAL) TITLE	WILLIAM F. LESKO
COMPANY NAME	HECKETHORN WATER COMPANY

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

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 2010 WAS:

OFFICIAL SEAL
JULIA M. BORG
Notary Public – State of Arizona
COCONINO COUNTY
My commission expires June 30, 2011

Arizona Intrastate Gross Operating Revenues Only ($)

$ 24,542.56

(THE AMOUNT IN BOX ABOVE INCLUDES $ 1,797.93 **IN SALES TAXES BILLED, OR COLLECTED)**

****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)**

William F. Lesko
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF COCONINO

THIS 25th **DAY OF** MONTH March .2011

(SEAL)

Julia M. Borg
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES JB June 30, 2011