

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-03782A  
WILLIAM F. LESKO  
dba: HECKETHORN WATER COMPANY  
4400 E. BUTTON LANE  
FLAGSTAFF, ARIZONA 86005

RECEIVED

APR 18 2014

ACC UTILITIES DIRECTOR

**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

12	31	2013
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FOR COMMISSION USE

ANN 04	13
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4-23-14

**COMPANY INFORMATION**

**Company Name (Business Name)** HECKETHORN WATER COMPANY

**Mailing Address** 4400 E. BUTTON LANE  
(Street)

FLAGSTAFF  
(City)

ARIZONA  
(State)

86005  
(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)

86005  
(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)

86005  
(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** —

**On Site Manager:** WILLIAM F. LESKO  
(Name)

5210 E. DAPHNE LANE  
(Street)

FLAGSTAFF  
(City)

ARIZONA  
(State)

86005  
(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** —

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)
- Partnership (P)
- Bankruptcy (B)
- Receivership (R)
- Other (Describe) \_\_\_\_\_
- C Corporation (C) (Other than Association/Co-op)
- Subchapter S Corporation (Z)
- Association/Co-op (A)
- Limited Liability Company

**COUNTIES SERVED**

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

- APACHE
- GILA
- LA PAZ
- NAVAJO
- SANTA CRUZ
- STATEWIDE
- COCHISE
- GRAHAM
- MARICOPA
- PIMA
- YAVAPAI
- COCONINO
- GREENLEE
- MOHAVE
- PINAL
- YUMA

COMPANY NAME

HECKETHORN WATER COMPANY

12-31-13

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	1182	3077
307	Wells and Springs	6976	3260	3716
311	Pumping Equipment	18913	80	18833
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	32298	6683	25615
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	9507	3292	6215
333	Services	1180	557	629
334	Meters and Meter Installations	886	536	350
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
340.1	Computers & Software			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	2443	2443	0
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	84462	18027	66435

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

COMPANY NAME *HECKETHORP WATER COMPANY*

*12-31-13*

**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	<i>8000</i>		
304	Structures and Improvements	<i>4259</i>	<i>2.47</i>	<i>105</i>
307	Wells and Springs	<i>6976</i>	<i>2.97</i>	<i>207</i>
311	Pumping Equipment	<i>OLD EXISTING NEW DEC. 2013 16090 18913</i>	<i>5.05 5.05</i>	<i>745 80</i>
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	<i>32298</i>	<i>1.80</i>	<i>581</i>
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	<i>9507</i>	<i>2.20</i>	<i>209</i>
333	Services	<i>1180</i>	<i>2.96</i>	<i>35</i>
334	Meters and Meter Installations	<i>886</i>	<i>3.82</i>	<i>34</i>
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
340.1	Computers & Software			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	<i>2443</i>	<i>6.50</i>	<i>127</i>
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<i>OLD PUMPING PULLED END YEAR TOTAL -16090 84462</i>		<i>2123</i>

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

COMPANY NAME HECKETHORN WATER COMPANY

12-31-13

**BALANCE SHEET**

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 51214	\$ 36442
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		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 51214	\$ 36442
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 81639	\$ 84462
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	28641	18027
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 53998	\$ 66435
	<b>TOTAL ASSETS</b>	\$ 104212	\$ 102877

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

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
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		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 165	\$ 165
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
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		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$ 165	\$ 165
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	104047	102712
	<b>TOTAL CAPITAL</b>	\$ 104047	\$ 102712
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 104212	\$ 102877

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 32044	\$ 25073
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$ 32044	\$ 25073
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 881	\$ 192
610	Purchased Water		450
615	Purchased Power	3416	4792
618	Chemicals		
620	Repairs and Maintenance	1484	4958
621	Office Supplies and Expense	2070	3103
630	Outside Services	612	1136
635	Water Testing	270	702
641	Rents	41	24
650	Transportation Expenses		
657	Insurance – General Liability	1576	1612
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1303	1463
403	Depreciation Expense	2143	2123
408	Taxes Other Than Income	1893	1817
408.11	Property Taxes	677	683
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 16366	\$ 23055
	<b>OPERATING INCOME/(LOSS)</b>	\$ 15678	\$ 2018
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$	\$
	<b>NET INCOME/(LOSS)</b>	\$ 15678	\$ 2018

**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	\$ <i>—</i>	\$ <i>—</i>	\$ <i>—</i>	\$ <i>—</i>

Meter Deposit Balance at Test Year End \$ *165*

Meter Deposits Refunded During the Test Year \$

COMPANY NAME <i>HECKETHORN WATER COMPANY</i>	<i>12-31-13</i>
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
<i>611228</i>	<i>25</i>	<i>55</i>	<i>200</i>	<i>12"</i>	<i>2</i>	<i>2009</i>

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
<i>NONE</i>		

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

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
<i>6,000</i>	<i>1</i>	<i>500</i>	<i>1</i>
<i>10,000</i>	<i>1</i>		
<i>40,000</i>	<i>1</i>		

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

COMPANY NAME HECKETHORN WATER COMPANY

12-31-13

Name of System:

ADEQ Public Water System Number:

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	330
3	GAL.	1074
4	STEEL	4000 EST.
5		
6		
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	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:

N/A

STRUCTURES:

BOOSTER STATION - CONTAINS 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: <u>HECKETHORN WATER COMPANY</u>	<u>12-31-13</u>
Name of System:	ADEQ Public Water System Number:

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	47	293,000		
FEBRUARY	47	170,100		
MARCH	47	316,100		
APRIL	47	253,000		
MAY	47	273,000		
JUNE	47	396,400		
JULY	47	276,200		
AUGUST	47	248,200		
SEPTEMBER	47	240,700		
OCTOBER	47	310,100		
NOVEMBER	47	232,700		
DECEMBER	47	337,000		
<b>TOTALS →</b>		<b>3,274,900</b>		

What is the level of arsenic for each well on your system? \_\_\_\_\_ 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 (DNA)

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: <i>HECKETHORN WATER COMPANY</i>	<i>12-31-13</i>
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			
JUNE	<i><u>NONE</u></i>	<i><u>NONE</u></i>	
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
<b>TOTALS →</b>			

OTHER (description):

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VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

RECEIVED

APR 18 2014

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE

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

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2013</u>

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.

William Lesko

SIGNATURE OF OWNER OR OFFICIAL

928-779-0543

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



COUNTY NAME	<u>Coconino</u>	
MONTH	<u>April</u>	<u>2014</u>

Andrea Eubanks

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 12/1/2015

COMPANY NAME HECKETHORN WATER COMPANY

YEAR ENDING 12/31/2013

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported \_\_\_\_\_  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

*NOT A TAXABLE  
ENTITY - BY MYSELF*

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

**APR 18 2014**

VERIFICATION

ACC UTILITIES DIRECTOR

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

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

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2013

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 2013 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ _____

(THE AMOUNT IN BOX ABOVE INCLUDES \$ \_\_\_\_\_ 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 Lesko  
SIGNATURE OF OWNER OR OFFICIAL  
928-779-0543  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME	<u>Coconino</u>
MONTH	<u>April</u> , 20 <u>14</u>

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



Andrea Eubanks  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 12/1/2015