

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, AZ 86005

RECEIVED

APR 18 2016

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
Water

FOR YEAR ENDING

12	31	2014
----	----	------

FOR COMMISSION USE

ANN 04	14
--------	----

4-28-16

COMPANY INFORMATION

Company Name (Business Name) HECKETHORN WATER COMPANY

Mailing Address 4400 E. BUTTON LANE
(Street)
FLAGSTAFF ARIZONA 86005
(City) (State) (Zip)

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

Email Address -

Local Office Mailing Address 4400 E. BUTTON LANE
(Street)
FLAGSTAFF ARIZONA 86005
(City) (State) (Zip)

Local Customer Service Phone No. (Include Area Code) (1-800 or other long distance Customer Service Phone No.)

Email Address - Website address -

MANAGEMENT INFORMATION

Regulatory Contact:

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

5210 E. DAPHNE LANE FLAGSTAFF ARIZONA 86005
(Street) (City) (State) (Zip)

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

Email Address -

On Site Manager: WILLIAM F. LESKO
(Name)

5210 E. DAPHNE LANE FLAGSTAFF ARIZONA 86005
(Street) (City) (State) (Zip)

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

12-31-14

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	1287	2972
307	Wells and Springs	6976	3467	3509
311	Pumping Equipment	18913	1035	17878
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	32298	7264	25034
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	9507	3501	6006
333	Services	1180	586	594
334	Meters and Meter Installations	886	570	316
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			
	TOTALS	84462	20153	64309

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

COMPANY NAME HECKETHORN WATER COMPANY12-31-14WATER UTILITY CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
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	18913	5.05	955
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	32298	1.80	581
330.1	Storage Tanks			
330.2	Pressure Tanks			
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			
340.1	Computers & Software			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	2443	-	-
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	SUBTOTAL	84462		2126
	LESS CIAC Amortization			
	TOTALS *	84462		2126

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

WATER UTILITY BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
CURRENT AND ACCRUED ASSETS			
131	Cash	\$ <i>36442</i>	\$ <i>45948</i>
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	\$ <i>36442</i>	\$ <i>45948</i>
FIXED ASSETS			
101	Utility Plant in Service	\$ <i>84462</i>	\$ <i>84462</i>
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	<i>18027</i>	<i>20153</i>
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ <i>66435</i>	\$ <i>64309</i>
	TOTAL ASSETS	\$ <i>102877</i>	\$ <i>110257</i>

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

COMPANY NAME *HECKETHORN WATER COMPANY**12-31-14***WATER UTILITY BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	<i>165</i>	<i>165</i>
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ <i>165</i>	\$ <i>165</i>
	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	\$ <i>165</i>	\$ <i>165</i>
	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)	<i>102712</i>	<i>110092</i>
	TOTAL CAPITAL	\$ <i>102712</i>	\$ <i>110092</i>
	TOTAL LIABILITIES AND CAPITAL	\$ <i>102877</i>	\$ <i>110257</i>

COMPANY NAME HECKETHORN WATER COMPANY12-31-14WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 25073	\$ 28578
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 25073	\$ 28578
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 192	\$ 547
610	Purchased Water	450	
615	Purchased Power	4792	5971
618	Chemicals		
620	Repairs and Maintenance	4958	3017
621	Office Supplies and Expense	3103	2517
630	Outside Services	1136	766
635	Water Testing	702	458
641	Rents	24	
650	Transportation Expenses		
657	Insurance - General Liability	1612	1777
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	1463	1476
403	Depreciation Expense	2123	2126
408	Taxes Other Than Income	1817	1883
408.11	Property Taxes	683	660
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 23055	\$ 21198
	OPERATING INCOME/(LOSS)	\$ 2018	\$ 7380
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ 2018	\$ 7380

COMPANY NAME HECKETHORN WATER COMPANY

12-31-14

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	12-31-14
Name of System:	ADEQ Public Water System Number:

WATER UTILITY 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	2009

* 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.

WATER UTILITY 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 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: HECETHORN WATER COMPANY 12-31-14
 Name of System: _____ ADEQ Public Water System Number: _____

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2014

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	47	297,700		0
FEBRUARY		248,300		0
MARCH		227,100		0
APRIL		244,600		0
MAY		335,400		0
JUNE		508,600		0
JULY		365,200		0
AUGUST		285,500		0
SEPTEMBER		254,300		0
OCTOBER		269,100		0
NOVEMBER		246,200		0
DECEMBER		213,200		0
TOTALS →		3,495,200		0

What is the level of arsenic for each well on your system? .0026 mg/l
 (If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A 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: N/A

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>12-31-14</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			
TOTALS →			

OTHER (description):

COMPANY NAME HECKETHORN WATER COMPANY YEAR ENDING 12/31/2014

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2014 was: \$ 659.90

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 18 2016

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>COCONINO</u>	AZ CORP COMM Director - Utilities
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
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.

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

8th

DAY OF April
2015

COUNTY NAME	<u>Coconino</u>	
MONTH	<u>April 8</u>	<u>2015</u>

(SEAL)

Andrea Eubanks
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 12/1/2015



**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

RECEIVED

APR 18 2016

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>COCONINO</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	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 (\$) <u>\$ 25,957.52</u>
--

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 1,738.06 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

THIS 8th DAY OF

April 2015

COUNTY NAME <u>Coconino</u>
MONTH <u>April 8</u> .20 <u>15</u>

MY COMMISSION EXPIRES 2/1/2015

OFFICIAL SEAL
ANDREA EUBANKS
NOTARY PUBLIC - STATE OF ARIZONA
COCONINO COUNTY
My commission expires Dec. 01, 2015.

Andrea Eubanks
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

APR 18 2016

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

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

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<i>12</i>	<i>31</i>	<i>2014</i>

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 <i>\$ 25,957.52</i>
--

THE AMOUNT IN BOX AT LEFT INCLUDES \$ *1,738.06* IN SALES TAXES BILLED, OR COLLECTED)

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

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

8th

DAY OF

April 2015

NOTARY PUBLIC NAME <i>ANDREA EUBANKS</i>	
COUNTY NAME <i>Coconino</i>	
MONTH <i>April 8</i>	YEAR <i>2015</i>

(SEAL)



12/1/2015

Andrea Eubanks
SIGNATURE OF NOTARY PUBLIC