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UTILITIES DIVISION  
2019 APR 17 A 8:31

**ANNUAL REPORT**

ARIZONA CORPORATION  
COMMISSION

Of

Company Name: **WILLIAM F. LESKO DBA HECKETHORN WATER COMPANY**

Mailing Address: **4400 E. BUTON LANE  
FLAGSTAFF, ARIZONA 86005**

Docket No.: **W-03782A**  
For the Year Ended: **12/31/18**

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: [rdelafuente@azcc.gov](mailto: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: **Original Filing**  
Application Date: **1/22/2019**

4-23-19

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
0

A Class ☒ Utility

1. For the Calendar Year Ended: 12/31/18

2. Address: 4400 E. BUTON LANE  
City: FLAGSTAFF State: ARIZONA Zip Code: 86005

3. Telephone Number: (938) 213-1778

4. Date of Original Organization of Utility: UNKNOWN

5. Person to whom correspondence should be addressed concerning this report:

Name: WILLIAM F. LESKO  
Telephone No.: (938) 779-0543 or 380-8745  
Address: 5210 E. DAPHNE LANE  
City: FLAGSTAFF AZ State: ARIZONA Zip Code: 86005  
Email: -

6. On-Site Manager:

Name: WILLIAM F. LESKO  
Telephone No.: (938) 779-0543 or 380-8745  
Address: 5210 E. DAPHNE LANE  
City: FLAGSTAFF State: ARIZONA Zip Code: 86005  
Email: -

7. Ownership: SOLE PROPRIETOR

8. Counties Served: COCONINO

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
302	Franchises				0		0
303	Land and Land Rights	8000			0		8000
304	Structures and Improvements	4259			0	1707	2552
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	6976			0	4295	2681
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	18913			0	4855	14058
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
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	32298			0	9588	22710
330.2	Pressure Tanks	9507			0	4337	5170
331	Transmission and Distribution Mains	1180			0	726	454
333	Services	886			0	706	180
334	Meters and Meter Installations				0		0
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment				0		0
340.1	Computer & Software				0		0
341	Transportation Equipment				0		0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment				0		0
344	Laboratory Equipment				0		0
345	Power Operated Equipment	2443			0	2443	0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	Totals	84462 \$0	\$0	\$0	\$0	28657 \$0	55805 \$0

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.

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Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/18

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
302	Franchises	0	0	0	0			0
303	Land and Land Rights	8000 0	0	0	0	8000		0
304	Structures and Improvements	4259 0	0	0	0		2.47	105 0
305	Collecting & Improving Reservoirs	0	0	0	0			0
306	Lake, River, Canal Intakes	0	0	0	0			0
307	Wells and Springs	6976 0	0	0	0		2.97	207 0
308	Infiltration Galleries	0	0	0	0			0
309	Supply Mains	0	0	0	0			0
310	Power Generation Equipment	0	0	0	0			0
311	Pumping Equipment	18913 0	0	0	0		5.06	955 0
320	Water Treatment Equipment	0	0	0	0			0
320.1	Water Treatment Plants	0	0	0	0			0
320.2	Solution Chemical Feeders	0	0	0	0			0
320.3	Point-of-Use Treatment Devices	0	0	0	0			0
330	Distribution Reservoirs and Standpipes	0	0	0	0			0
330.1	Storage Tanks	32298 0	0	0	0		1.80	581 0
330.2	Pressure Tanks	9507 0	0	0	0		2.20	209 0
331	Transmission and Distribution Mains	1180 0	0	0	0		2.96	35 0
333	Services	886 0	0	0	0		3.82	34 0
334	Meters and Meter Installations	0	0	0	0			0
335	Hydrants	0	0	0	0			0
336	Backflow Prevention Devices	0	0	0	0			0
339	Other Plant and Misc. Equipment	0	0	0	0			0
340	Office Furniture and Equipment	0	0	0	0			0
340.1	Computer & Software	0	0	0	0			0
341	Transportation Equipment	0	0	0	0			0
342	Stores Equipment	0	0	0	0			0
343	Tools, Shop and Garage Equipment	0	0	0	0			0
344	Laboratory Equipment	0	0	0	0			0
345	Power Operated Equipment	2443 0	0	0	0	2443		0
346	Communication Equipment	0	0	0	0			0
347	Miscellaneous Equipment	0	0	0	0			0
348	Other Tangible Plant	0	0	0	0			0
	Subtotal	84462 \$0	\$0	\$0	\$0	10443 \$0		2126 \$0

Contribution(s) in Aid of Construction (Gross)

Less: Non Amortizable Contribution(s)

Fully Amortized Contribution(s)

Amortizable Contribution(s)

Times: Proposed Amortization Rate

Amortization of CIAC

\$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE 2126

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.

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Annual Report  
Balance Sheet Assets  
12/31/18

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current and Accrued Assets			
131	Cash		61840	68739
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable			
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		61840 \$0	68739 \$0
Account No.	Fixed Assets			
101	Utility Plant in Service*		84462 \$0	84462 \$0
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		-26531	-28657 0
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		57931 \$0	55805 \$0
	Total Assets		119771 \$0	124544 \$0

**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

## Annual Report

## Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
Account No.	Liabilities		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
<b>Current Liabilities</b>				
231	Accounts Payable			
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		165	165
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	<b>Total Current Liabilities</b>		165 \$0	165 \$0
<b>Long Term Debt</b>				
224	Long Term Debt (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>		\$0	\$0
	<b>Total Liabilities</b>		165 \$0	165 \$0
<b>Capital Accounts</b>				
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings			
218	Proprietary Capital (Sole Props and Partnerships)		119606	124379
	<b>Total Capital</b>		\$0	\$0
	<b>Total Liabilities and Capital</b>		119771 \$0	124544 \$0

**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!

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	<b>Operating Revenue</b>		
461	Metered Water Revenue	26486	25244
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue		
	<b>Total Revenues</b>	26486 \$0	25244 \$0
	<b>Operating Expenses</b>		
601	Salaries and Wages	552	537
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	6724	6375
618	Chemicals		
620	Materials and Supplies		
620.1	Repairs and Maintenance	3409	3767
620.2	Office Supplies and Expense	4265	2805
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting		
633	Contractual Services - Legal		
634	Contractual Services - Management Fees		
635	Contractual Services - Water Testing	906	360
636	Contractual Services - Other	306	562
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability	2683	2627
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	798	769
403	Depreciation Expense (From Schedule AR4)		2126
408	Taxes Other Than Income	1427	1679
408.11	Property Taxes	643	665
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	<b>Total Operating Expenses</b>	21713 \$0	22272 \$0
	<b>Operating Income / (Loss)</b>	4773 \$0	2972 \$0
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		
	<b>Total Other Income / (Expense)</b>	\$0	\$0
	<b>Net Income / (Loss)</b>	4773 \$0	2972 \$0

**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.

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Annual Report

Full time equivalent employees

12/31/18

Full time equivalent employees
--------------------------------

	Direct Company	Outside service	Total
President			0.0
Vice-president			0.0
Manager			0.0
Engineering Staff			0.0
System Operator(s)			0.0
Meter reader			0.0
Customer Service			0.0
Accounting			0.0
Business Office			0.0
Rates Department			0.0
Administrative Staff			0.0
Other			0.0
<b>Total</b>	0.0	0.0	0.0

**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. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.



## Annual Report

## Supplemental Financial Data (Long-Term Debt)

12/31/18

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 Amt. Issued		N/A		
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:	
---	--

Meter Deposits Refunded During the Test Year:	
---	--

**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.**

## Well and Water Usage

ADWR PCC Number:		
------------------	--	--

Page 10

## Water Utility Plant Description

Name of the System: HECKETHON WATER COMPANY

Q

ADEQ Public Water System Number:

ADWR PCC Number:

[illegible]

SERVICE LINES	
Material	Percent of system

BOOSTER PUMPS		
Horsepower	GPM	Quantity
10		2

STORAGE TANKS		
Capacity (gallons)	Material	Quantity
10,000		1
10,000		1
40,000		1

[illegible]

FIRE HYDRANTS	
Type	Quantity
Standard *	N/A
Other	

PRESSURE/BLADDER TANKS		
Capacity (gallons)	Material	Quantity
500		1

**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. Copy and paste this sheet as many times as is necessary

\* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)
---

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

TREATMENT EQUIPMENT:	N/A
STRUCTURES:	BOOSTER STATION - CONTAINS 6 KG TANK, 500g PRESSURE TANK WELL HEAD TWO STORAGE TANKS (FENCED IN) 10,000 AND 40,000 TANK
OTHER:	DITCH WITCH TRENCHER VARIOUS HAND TOOLS

**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. Copy and paste this sheet as many times as is necessary

Customer and Other Information	
Name of the System:	0 HECKETHOOD WATER COMPANY
ADEQ Public Water System Number:	
ADWR PCC Number:	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	45		4		
February	/		/		
March					
April		/		/	/
May					
June		/		/	
July					
August					
September					
October					
November					
December	/		/		

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?

**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. Copy and paste this sheet as many times as is necessary

Annual Report  
Property Taxes  
12/31/18

### Property Taxes

Amount of actual property taxes paid during Calendar Year 2018 was

**#643.08**

### CHECKS PAID

CHECK NO.	DESCRIPTION	DATE PAID	AMOUNT
4028 ^		11/02	\$64.74 ✓
4029 ^		11/26	<b>643.08</b> ✓
4032 * ^		11/02	45.70 ✓
4033 ^		11/13	146.17 ✓
4036 * ^		11/29	471.45 ✓
4038 * ^		11/28	45.70 ✓
<b>Total Checks Paid</b>			<b>\$1,416.84</b>



## Coconino County Treasurer

Account	Parcel Number	Receipt Date	Effective Date	Receipt Number
C0021526	99955322	Nov 26, 2018	Oct 31, 2018	11-21-2018-CR-028357

HECKETHORN WATER COMPANY  
4400 E BUTTON LN  
FLAGSTAFF, AZ 86001

#### Situs Address

#### Payor

HECKETHORN WATER COMPANY  
4400 E BUTTON LN  
FLAGSTAFF, AZ 86001

#### Legal Description

TOTAL VALUE OF OPERATING PROPERTY

#### Payments Received

Check

**\$643.08**

**Reference CK 4029**

#### Payments Applied

Year	Charges	Billed	Prior Payments	New Payments	Balance
2018	Tax Charge	\$643.08	\$0.00	\$643.08	\$0.00
				\$643.08	\$0.00
<b>Balance Due as of Oct 31, 2018</b>					<b>\$0.00</b>

Verification and Sworn Statement (Taxes)

RECEIVED  
UTILITIES DIVISION

2019 APR 17 A 8:31

Verification: State of ARIZONA I, the undersigned of the  
(state name)

County of (county name):

Name (owner or official) title:

Company name:

COCONINO

WILLIAM F. LESKO, OWNER

HECKETHORN WATER COMPANY

ARIZONA CORPORATION  
COMMISSION

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

FOR THE YEAR ENDING:

12/31/18

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/official

928-213-1778 OR 928-380-8745

telephone no.

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

THIS

11<sup>th</sup>

DAY OF

Coconino

(county name)

April 2019

(month) and (year)

MY COMMISSION EXPIRES

05/28/2020  
(date)



Wendy Pettay

(signature of notary public)



Verification and Sworn Statement

Verification:

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

County of (county name):

0 COCONINO

Name (owner or official) title:

0 WILLIAM F. LESKO, OWNER

Company name:

0 HECKETHORN WATER COMPANY

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)

35,287.59

(The amount in the box above includes

1,724.85 in sales taxes  
billed or collected)

William Lesko

signature of owner/official

0

telephone no.

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

THIS

11th

DAY OF

Coconino

(county name)

April 2019

(month) and (year)

MY COMMISSION EXPIRES

05/28/2020  
(date)



Wendy Pettay  
(signature of notary public)

## Annual Report

## Verification and Sworn Statement (Residential Revenue)

12/31/18

## Verification and Sworn Statement (Residential Revenue)

## Verification:

State of ARIZONA 0 I, the undersigned of the  
(state name)

County of (county name):

0 COCONINO

Name (owner or official) title:

0 WILLIAM F. LESKO OWNER

Company name:

0 HECKETHORN WATER COMPANY

RECEIVED  
UTILITIES DIVISION  
APR 17 A 8:31  
ARIZONA CORPORATION  
COMMISSION

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)

25,287.59

(The amount in the box above includes

1,724.85

in sales taxes  
billed or collected)

*William Lesko*  
signature of owner/official

0  
telephone no.

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

Coconino

(county name)

THIS

11th

DAY OF

April 2019

(month) and (year)

MY COMMISSION EXPIRES

05/28/2020

(date)



*Wendy Pettay*  
(signature of notary public)