

ANNUAL REPORT

Of

Company Name:

Hydro-Resources, Inc.

PO Box 3246
Mailing Address: 549 Camper Village Lane
Grand Canyon AZ
86023

Docket No.: W-20770A
For the Year Ended:

12/31/25

RECEIVED BY EMAIL
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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@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:

4/27/2026

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Hydro-Resources, Inc.
A Class ☒ Utility

For the Calendar Year Ended: 12/31/25

Primary Address:

PO Box 3246
City: Grand Canyon State: Arizona Zip Code: 86023

Telephone Number:

928-522-4405

Date of Original Organization of Utility:

6/16/1994

Person to whom correspondence should be addressed concerning this report:

Name:

John Rueter

Telephone No. :

928-522-4405

Address:

PO Box 3246
City: Grand Canyon State: Arizona Zip Code: 86023

Email:

john@jwrueter.com

NA

Name:

n/a

Telephone No. :

n/a

Address:

n/a
City: n/a State: Arizona Zip Code: n/a

Email:

n/a

NA

Name:

n/a

Telephone No. :

n/a

Address:

n/a
City: n/a State: Arizona Zip Code: n/a

Email:

n/a

NA

Name:

n/a

Telephone No. :

n/a

Address:

n/a
City: n/a State: Arizona Zip Code: n/a

Email:

n/a

NA

Name:

n/a

Telephone No. :

n/a

Address:

n/a
City: n/a State: Arizona Zip Code: n/a

Email:

n/a

Ownership:

"S" Corporation

Counties Served:

Coconino

Important changes during the year
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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.
	n/a

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.
	n/a

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OC LD (OC less AD)
301	Organization	\$258,392	\$0	\$0	\$258,392	\$258,392	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	137,407	0	0	137,407	137,407	0
304	Structures and Improvements	22,696	0	0	22,696	7,560	15,136
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	883,247	0	0	883,247	708,233	175,014
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	146,830	71,622	0	218,452	158,444	60,008
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
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	647,517	0	0	647,517	87,716	559,801
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	455,266	0	0	455,266	59,893	395,373
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	71,289	1,799	0	73,088	36,386	36,702
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	62,923	0	0	62,923	54,276	8,647
340	Office Furniture and Equipment	3,021	0	0	3,021	3,021	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	63,409	0	0	63,409	63,409	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	61,910	0	0	61,910	21,261	40,649
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	58,037	0	0	58,037	45,576	12,461
346	Communication Equipment	2,074	0	0	2,074	2,070	4
347	Miscellaneous Equipment	11,126	0	0	11,126	9,017	2,109
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$2,885,144	\$73,421	\$0	\$2,958,565	\$1,652,661	\$1,305,904

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	\$258,392	\$0	\$0	\$258,392	\$0	\$258,392	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	137,407	0	0	137,407	0	137,407	0.00%	0
304	Structures and Improvements	22,696	0	0	22,696	0	22,696	3.33%	756
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	883,247	0	0	883,247	0	883,247	3.33%	29,412
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	146,830	71,622	0	218,452	0	218,452	12.50%	22,830
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	647,517	0	0	647,517	0	647,517	2.22%	14,375
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	455,266	0	0	455,266	0	455,266	2.00%	9,105
333	Services	0	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	71,289	1,799	0	73,088	0	73,088	8.33%	6,013
335	Hydrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	62,923	0	0	62,923	0	62,923	6.67%	4,197
340	Office Furniture and Equipment	3,021	0	0	3,021	0	3,021	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	63,409	0	0	63,409	0	63,409	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	61,910	0	0	61,910	0	61,910	5.00%	3,096
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	58,037	0	0	58,037	0	58,037	5.00%	2,902
346	Communication Equipment	2,074	0	0	2,074	0	2,074	10.00%	207
347	Miscellaneous Equipment	11,126	0	0	11,126	0	11,126	10.00%	1,113
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$2,885,144	\$73,421	\$0	\$2,958,565	\$0	\$2,958,565		\$94,006

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	3.18%
Amortization of CIAC	\$0

Less: Amortization of CIAC **\$0**

DEPRECIATION EXPENSE **\$94,006**

Hydro-Resources, Inc.
Annual Report
Balance Sheet Assets
12/31/25

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2025)	Balance at End of Year (2025)
Account No.	Current and Accrued Assets			
131	Cash		\$175,753	\$120,916
134	Working Funds		0	0
135	Temporary Cash Investments		7,499	77,962
141	Customer Accounts Receivable		54,889	52,160
146	Notes Receivable from Associated Companies		0	3,558
151	Plant Material and Supplies		0	0
162	Prepayments		3,419	22,525
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$241,560	\$277,121
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$2,885,144	\$2,958,565
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(1,558,655)	(1,652,661)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$1,326,489	\$1,305,904
	Total Assets		\$1,568,049	\$1,583,025

*Note these items feed automatically from AR3 UPIS Page 3

Hydro-Resources, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2025)	Balance at End of Year (2025)
Account No.	Current Liabilities			
231	Accounts Payable		\$9,203	\$21,326
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		4,058	6,270
	Total Current Liabilities		\$13,261	\$27,596
	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		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$13,261	\$27,596
	Capital Accounts			
201	Common Stock Issued		\$50,000	\$50,000
211	Other Paid-In Capital		300,081	300,081
215	Retained Earnings		1,204,707	1,205,348
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$1,554,788	\$1,555,429
	Total Liabilities and Capital		\$1,568,049	\$1,583,025

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

Hydro-Resources, Inc.
Annual Report
Water Comparative Income Statement
12/31/25

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2025 - 12/31/2025	Last Year 01/01/2024 - 12/31/2024
	Operating Revenue		
461	Metered Water Revenue	\$541,605	\$569,347
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	0	0
	Total Revenues	\$541,605	\$569,347
	Operating Expenses		
601	Salaries and Wages	\$147,534	\$111,342
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	86,183	104,900
618	Chemicals	4,064	1,847
620	Materials and Supplies	13,135	0
620.1	Repairs and Maintenance	18,633	10,913
620.2	Office Supplies and Expense	9,268	8,428
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	31,400	31,719
633	Contractual Services - Legal	5,755	23,664
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	1,830	4,683
636	Contractual Services - Other	5,750	4,331
640	Rents	0	0
641	Rental of Building/Real Property	57,375	58,000
642	Rental of Equipment	2,600	5,078
650	Transportation Expenses	11,252	9,741
657	Insurance - General Liability	11,581	19,629
657.1	Insurance - Health and Life	16,824	19,077
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	8,654	4,577
403	Depreciation Expense (From Schedule AR4)	94,006	88,552
408	Taxes Other Than Income	11,526	8,749
408.11	Property Taxes	26,552	21,860
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$563,922	\$537,090
	Operating Income / (Loss)	(\$22,317)	\$32,257
	Other Income / (Expense)		
419	Interest and Dividend Income	\$463	\$84
421	Non-Utility Income	42,364	42,383
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$42,827	\$42,467
	Net Income / (Loss)	\$20,510	\$74,724

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	1.0	0.0	0.0	1.0
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	2.0	0.0	0.0	2.0
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.0	1.0	1.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	3.0	0.0	1.0	4.0

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	none	none	none	none
Source of Loan	none	none	none	none
ACC Decision No.	none	none	none	none
Reason for Loan	none	none	none	none
Dollar Amt. Issued	none	none	none	none
Amount Outstanding	none	none	none	none
Date of Maturity	none	none	none	none
Interest Rate	none	none	none	none
Current Year Interest	none	none	none	none
Current Year Principal	none	none	none	none

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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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.

Well and Water Usage

[illegible]

Name of system water delivered to:	ADOT GRAND CANYON AIRPORT		ANASAZI WATER 04-03-048
ADWR PCC Number:	91-000088.0000		
Source of water delivered to another system	Ground Water		

Name of system water received from:			
ADWR PCC Number:			
Source of water received	NA		
Well registry 55# (55-XXXXXX):	NA		

Month	Water withdrawn (gallons)1	Water sold (gallons)2	Water delivered (sold) to other systems (gallons)3	Water received (purchased) from other systems (gallons)4	Estimated authorized use (gallons)5	Purchased Power Expense ⁶	Purchased Power ⁷ (KWh)
January	2,555,500.00	1,978,389.00	882,655.00	0.00	577,111.00	\$7,798	64,806
February	2,115,200.00	1,808,397.00	817,795.00	0.00	306,803.00	2,268	12,589
March	3,420,300.00	2,252,314.00	1,331,336.00	0.00	1,167,986.00	2,323	12,845
April	3,834,100.00	2,600,261.00	1,747,322.00	0.00	1,233,839.00	7,305	40,583
May	3,589,300.00	2,664,661.00	1,850,168.00	0.00	924,639.00	8,757	48,650
June	3,610,000.00	2,185,265.00	1,241,192.00	0.00	1,424,735.00	9,076	50,422
July	3,641,700.00	2,413,289.00	1,348,031.00	0.00	1,228,411.00	7,959	44,217
August	3,383,800.00	2,322,011.00	1,485,424.00	0.00	1,061,789.00	8,634	47,967
September	3,562,960.00	2,172,282.00	1,245,968.00	0.00	1,390,678.00	8,751	48,617
October	2,232,140.00	2,455,805.00	1,586,052.00	0.00	(223,665.00)	8,966	49,811
November	4,400,000.00	1,491,911.00	746,960.00	0.00	2,908,089.00	6,312	35,067
December	1,738,500.00	1,640,104.00	371,786.00	0.00	98,396.00	6,278	34,878
Totals	38,083,500.00	25,984,689.00	14,654,689.00	0.00	12,098,811.00	\$84,427	490,452

If applicable, in the space below please provide a description for all un-metered water use along with amounts:

0

- | |
|---|
| 1 Water withdrawn - Total gallons of water withdraw from pumped sources. |
| 2 Water sold - Total gallons from customer meters, and other sales such as construction water. |
| 3 Water delivered (sold) to other systems - Total gallons of water delivered to other systems. |
| 4 Water received (purchased) from other systems - Total gallons of water purchased/received from other systems. |
| 5 Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft. |
| 6 Enter the total purchased power costs for the power meters associated with this system. |
| 7 Enter the total purchased kWh used by the power meters associated with this system. |

Water Utility Plant Description			
Name of the System:	HYDRO RESOURCES-TUSAYAN		
ADEQ Public Water System Number:	AZ0403312		
ADWR PCC Number:	91-000109.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC 40	971
4.00	PVC C900	605
6.00	PVC 40	3,363
8.00	PVC/C900	5,916
8.00	PVC 40	4,650
2.00	HDPE	420
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA

SERVICE LINES		
Material	Percent of system	Year installed
NA	0%	0
NA	0%	0
NA	0%	0
NA	0%	0
NA	0%	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
250	2,500	1
NA	NA	NA
NA	NA	NA
NA	NA	NA

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
3,000,000	Steel,welded	1	1991
525,000	Steel, bolted	1	1975
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	73	14%	12%
0.75	0	0%	0%
1	5	40%	40%
1.5	2	61%	61%
2	24	58%	48%
3	5	100%	0%
4	0	0%	0%
6	0	0%	0%
10	0	0%	0%
12	0	0%	0%
Compound 1 1/2	0	0%	0%
Compound 2	0	0%	0%
Compound 3	0	0%	0%
Compound 4	0	0%	0%
Compound 6	0	0%	0%
Turbine 2	0	0%	0%
Turbine 3	0	0%	0%

FIRE HYDRANTS	
Type	Quantity
Standard *	8
Other	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

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

TREATMENT EQUIPMENT:	3 chemical feed pumps 100gpd for liquid hypochlorite 12.5%
STRUCTURES:	fire pump shed
OTHER:	NA

Customer and Other Information	
Name of the System:	HYDRO RESOURCES-TUSAYAN
ADEQ Public Water System Number:	AZ0403312
ADWR PCC Number:	91-000109.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	70	5	28	0	7
February	70	5	28	0	7
March	70	5	28	0	7
April	70	5	28	0	7
May	70	5	28	0	7
June	70	5	28	0	7
July	70	5	28	0	7
August	70	5	28	0	7
September	70	5	28	0	7
October	70	5	28	0	7
November	70	5	28	0	7
December	70	5	28	0	7

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?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

0

Hydro-Resources, Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/25

Utility Shutoffs / Disconnects	
Name of the System:	HYDRO RESOURCES-TUSAYAN
ADEQ Public Water System Number:	AZ0403312
ADWR PCC Number:	91-000109.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):	n/a
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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.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2025 was
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\$26,552

If no property taxes paid, explain why.

n/a

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 Certification (Taxes)

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

County of (county name): Coconino
Name (owner or official) title: John W. Rueter
Company name: Hydro-Resources, Inc.

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

FOR THE YEAR ENDING: 12/31/25

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.

Certification: I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I CERTIFY THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

signature of owner/official

928-522-4405
telephone no.