

ANNUAL REPORT

Of

Company Name: Lord Arizona Water Systems, Inc.
PO Box 3048

Mailing Address: Show Low AZ
85902

Docket No.: W-02479A
For the Year Ended: 12/31/18

RECEIVED
UTILITIES DIVISION
2019 APR 18 A 9:31
ARIZONA CORPORATION
COMMISSION

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: 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: 1/17/2019

4-23-19

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT

Lord Arizona Water Systems, Inc.
A Class ☐ E Utility

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

2. Address: P.O. Box 3048
City: Show Low State: AZ Zip Code: 85901

3. Telephone Number: 928 5371557

4. Date of Original Organization of Utility:

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

Name: Thomas Lord
Telephone No.: 928 5371557
Address: 2961 E. Cooley
City: Show Low State: AZ Zip Code: 85901
Email: TLORD26592@AOL.COM

6. On-Site Manager:

Name:
Telephone No.:
Address:
City: State: Zip Code:
Email:

7. Ownership: CORPORATION

8. Counties Served: APACHE

Lord Arizona Water Systems, Inc.
Annual Report
Utility Plant in Service (Water)
12/31/18

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				0		0
304	Structures and Improvements				0		0
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs				0		0
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment				0		0
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				0		0
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains				0		0
333	Services				0		0
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				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	Totals	\$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.

Lord Arizona Water Systems, Inc.
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	0	0	0	0			0
304	Structures and Improvements	0	0	0	0			0
305	Collecting & Improving Reservoirs	0	0	0	0			0
306	Lake, River, Canal Intakes	0	0	0	0			0
307	Wells and Springs	0	0	0	0			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	0	0	0	0			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	0	0	0	0			0
330.2	Pressure Tanks	0	0	0	0			0
331	Transmission and Distribution Mains	0	0	0	0			0
333	Services	0	0	0	0			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	0	0	0	0			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	\$0	\$0	\$0	\$0	\$0		\$0

Contribution(s) in Aid of Construction (Gross)

Less: Non Amortizable Contribution(s)

Fully Amortized Contribution(s)

Amortizable Contribution(s)

\$0

Times: Proposed Amortization Rate

Amortization of CIAC

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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.

Lord Arizona Water Systems, Inc.
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			
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		\$0	\$0
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$0	\$0
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation			0
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$0	\$0
	Total Assets		\$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.

*Note these items feed automatically from AR3 UPIS Page 3

Lord Arizona Water Systems, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current Liabilities		0	
231	Accounts Payable			
232	Notes Payable (Current Portion) <i>WAGES unpaid</i>			<i>9558</i>
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes			
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities <i>CONTRACTOR INVOICES</i>			<i>27,894</i>
	Total Current Liabilities		\$0	<i>37,452</i> \$0
	Long Term Debt			
224	Long Term Debt (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		\$0	\$0
	Total Liabilities		\$0	\$0
	Capital Accounts			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings			
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$0	\$0
	Total Liabilities and Capital		\$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.

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
	Operating Revenue			
461	Metered Water Revenue	138,163		134,339.
460	Unmetered Water Revenue			
462	Fire Protection Revenue			
469	Guaranteed Revenues (Surcharges)			
471	Miscellaneous Service Revenues			
474	Other Water Revenue			
	Total Revenues		\$0	\$0
	Operating Expenses			
601	Salaries and Wages	57,772		73090
604	Employee Pensions and Benefits			
610	Purchased Water	1925		2032
615	Purchased Power	17743		15556
618	Chemicals			
620	Materials and Supplies			
620.1	Repairs and Maintenance	18769		14801
620.2	Office Supplies and Expense	6041		270
630	Contractual Services			
631	Contractual Services -Engineering	338		
632	Contractual Services - Accounting	2460		2047
633	Contractual Services - Legal	160		303
634	Contractual Services - Management Fees			
635	Contractual Services - Water Testing	12,291		10,579
636	Contractual Services - Other			94
640	Rents			
641	Rental of Building/Real Property			
642	Rental of Equipment	159		
650	Transportation Expenses	1573		2183
657	Insurance - General Liability			
657.1	Insurance - Health and Life			
665	Regulatory Commission Expense - Rate	695		
670	Bad Debt Expense			185
675	Miscellaneous Expense			
403	Depreciation Expense (From Schedule AR4)			
408	Taxes Other Than Income Sales	7285		7907
408.11	Property Taxes	2973		2539
409	Income Taxes			
427.1	Customer Security Deposit Interest			
	Total Operating Expenses	130,180	\$0	131,586
	Operating Income / (Loss)	7983	\$0	2753
Unpaid	wages & INVOICES	37,452		
	Other Income / (Expense)			
419	Interest and Dividend Income			
421	Non-Utility Income			
426	Miscellaneous Non-Utility (Expense)			
427	Interest (Expense)			
	Total Other Income / (Expense)		\$0	\$0
	Net Income / (Loss)	-29469	\$0	2753

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.

Lord Arizona Water Systems, Inc.
 Annual Report
 Full time equivalent employees
 12/31/18

Full time equivalent employees

	Direct Company	Outside service	Total
President	1		0.0
Vice-president			0.0
Manager			0.0
Engineeering Staff			0.0
System Operator(s)			0.0
Meter reader	1		0.0
Customer Service			0.0
Accounting			0.0
Business Office			0.0
Rates Department			0.0
Administrative Staff			0.0
Other			0.0
Total	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.

Lord Arizona Water Systems, Inc.
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				
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.

$$9\text{ml} \times 0.0000308 = \text{AC FT}$$

Name of system water delivered to:		
ADWR PCC Number:		
Source of water delivered to another system		
Name of system water received from:	CEDAR GROVE	
ADWR PCC Number:		
Source of water received	well	
Well registry 55# (55-XXXXXXX):		

Month	Water withdrawn (acre ft) ¹	Water sold (acre ft) ²	Water delivered (sold) to other systems (acre ft) ³	Water received (purchased) from other systems (acre ft) ⁴	Estimated authorized use (acre ft) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January		3.08				1166	
February		3.05				1112	
March		3.1				1465	
April		4.75				2119	
May		6.89				2616	
June		7.47				2187	
July		6.16				2272	
August		5.51				2280	
September		4.89				1718	
October		4.61				1942	
November		3.35		0.02		1213	
December		3.08					
Totals	0	55.94 0	0 0	0	0	\$0	0

If applicable, in the space below please provide a description for all un-metered water use along with amounts:	
Flushing Lines Clearing wells	Est. 3.0

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.

- 1 Water withdrawn - Total acre feet of water withdrawn from pumped sources.
- 2 Water sold - Total acre feet from customer meters, and other sales such as construction water.
- 3 Water delivered (sold) to other systems - Total acre feet of water delivered to other systems.
- 4 Water received (purchased) from other systems - Total acre feet of water purchased/received from other systems.
- 5 Estimated authorized use - Total estimated acre feet 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: LORD ARIZONA	0	
ADEQ Public Water System Number: 01047	01373	
ADWR PCC Number:		

MAINS		
Sizes (inches)	Material	Length (feet)
6	PVC	44277
4		12051

CUSTOMER METERS	
Size (inches)	Quantity
56x3/4	415

SERVICE LINES	
Material	Percent of system
PVC	
Poly	

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5		3
2		1

FIRE HYDRANTS	
Type	Quantity
Standard *	
Other	

STORAGE TANKS		
Capacity (gallons)	Material	Quantity
15000	steel	2
20000	" "	1
10000	" "	1

PRESSURE/BLADDER TANKS		
Capacity (gallons)	Material	Quantity
36		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.

Annual Report
Water Utility Plant Description (Continued)
12/31/18

Water Utility Plant Description (Continued)

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

TREATMENT EQUIPMENT:	NONE
STRUCTURES:	6x8 pump house wood 15x25 " block
OTHER:	

Lord Arizona Water Systems, Inc.
Annual Report
Customer and Other Information
12/31/18

Customer and Other Information	
Name of the System:	0 LORD ARIZONA WATER SYSTEMS INC
ADEQ Public Water System Number:	01-047 01773
ADWR PCC Number:	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	382				
February	379				
March	382				
April	377				
May	378				
June	380				
July	380				
August	380				
September	382				
October	385				
November	386				
December	384				

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment? NO

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement? NO

If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)? NO

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.

Verification and Sworn Statement (Taxes)

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

County of (county name):

Name (owner or official) title:

Company name:

APACHE

THOMAS V. LORD

Lord Arizona Water Systems, Inc.

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.

Thomas V. Lord
signature of owner/official

928 5371557

telephone no.

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

THIS

15th

DAY OF

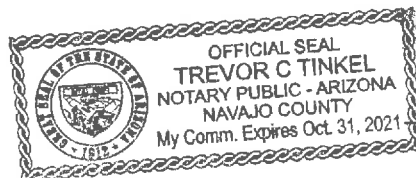
Navajo

(county name)

April 2019
(month) and (year)

MY COMMISSION EXPIRES

10/31/21
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name):

0 Apache

Name (owner or official) title:

Thomas V. Lord

Company name:

Lord Arizona Water Systems, Inc.

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 (\$)

138,163

(The amount in the box above includes

7286

in sales taxes
billed or collected)

Thomas V Lord

signature of owner/official

9285371557

0
telephone no.

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

THIS

15th

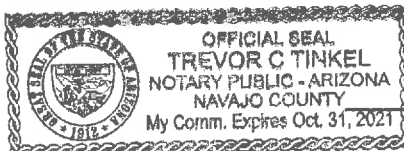
DAY OF

Navajo
(county name)

April 2019
(month) and (year)

MY COMMISSION EXPIRES

10/31/21
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name):

Name (owner or official) title:

Company name:

0 Apache
0 Thomas V Lord
Lord Arizona Water Systems, Inc.

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 (\$)

138,163

(The amount in the box above includes

72.86 in sales taxes
billed or collected)

Thomas V Lord
signature of owner/official

928 53715570
telephone no.

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

Navajo
(county name)

THIS

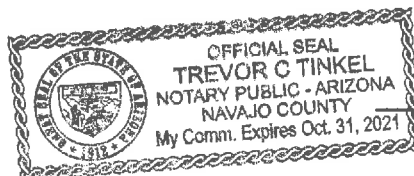
15th

DAY OF

April 2019
(month) and (year)

MY COMMISSION EXPIRES

10/31/2021
(date)



[Signature]
(signature of notary public)



Apache County Arizona



Visa Debit for Tax: Flat fee \$3.95
All Other Credit/Debit Cards: 2.5% or a minimum of \$2.00

Step 1: Select Payments

Step 2: Review and Submit

Step 3: Confirmation and Receipt

Step 3: Confirmation and Receipt

Result: Payment Authorized Confirmation Number: 51362457

Your payment has been authorized successfully and payment will be processed.

The Apache County Treasurer thanks you for your payment. For questions about your account, please call 928-337-7513. Thank you for using our bill payment services.

Please save or print a copy of this receipt for record keeping purposes.

My Bills

Description	Amount Due
Property Tax payment of \$2,900.69 on Property Tax Account Number c3930900	\$2,900.69

Customer Information

First Name: thomas
Last Name: lord
Address Line 1: box 3048
Address Line 2:
City: show low
State: Arizona
Zip Code: 85902
Phone Number: 9285371557
Email Address: sholomom@aol.com

Subtotal:	\$2,900.69
Convenience Fee:	\$72.52
Total Payment:	\$2,973.21

Payment Information

Payment Date: 11/26/2018
Card Type: MasterCard
Card Number: *****9045

Finished