

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:

12/31/24

RECEIVED BY EMAIL
04/15/2025, 6:45 PM
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:

4/15/2025

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Lord Arizona Water Systems, Inc.
A Class ☐ E Utility

For the Calendar Year Ended: 12/31/24

Primary Address:

PO Box 85160			
City:	Tucson	State:	Arizona
Zip Code:	85754		

Telephone Number:

520.623.5172

Date of Original Organization of Utility:

4/1/2003

Person to whom correspondence should be addressed concerning this report:

Name:

Gary Wene

Telephone No. :

520.623.5172

Address:

PO Box 85160			
City:	Tucson	State:	Arizona
Zip Code:	85754		

Email:

gwene@southwesternutility.com

NA

Name:

NA

Telephone No. :

NA

Address:

NA			
City:	NA	State:	Arizona
Zip Code:	NA		

Email:

NA

NA

Name:

NA

Telephone No. :

NA

Address:

NA			
City:	NA	State:	Arizona
Zip Code:	NA		

Email:

NA

NA

Name:

NA

Telephone No. :

NA

Address:

NA			
City:	NA	State:	Arizona
Zip Code:	NA		

Email:

NA

NA

Name:

NA

Telephone No. :

NA

Address:

NA			
City:	NA	State:	Arizona
Zip Code:	NA		

Email:

NA

Ownership:

"C" Corporation

Counties Served:

Apache

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Lord Arizona Water Systems, Inc.

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	OCLD (OC less AD)
301	Organization	\$10,500	\$0	\$0	\$10,500	\$0	\$10,500
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	24,300	0	0	24,300	0	24,300
304	Structures and Improvements	374,432	1,200	0	375,632	0	375,632
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	102,993	382,945	0	485,939	0	485,939
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	89,085	4,029	0	93,114	0	93,114
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	27,942	0	0	27,942	0	27,942
330.1	Storage Tanks	560	0	0	560	0	560
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	1,023,304	7,728	0	1,031,032	0	1,031,032
333	Services	10,309	328	0	10,637	0	10,637
334	Meters and Meter Installations	28,050	236,127	0	264,178	0	264,178
335	Hydrants	8,200	0	0	8,200	0	8,200
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	8,000	0	0	8,000	0	8,000
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	130	0	0	130	0	130
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	1,043	1,008	0	2,051	0	2,051
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$1,708,848	\$633,365	\$0	\$2,342,213	\$0	\$2,342,213

Lord Arizona Water Systems, Inc.
Annual Report
Balance Sheet Assets
12/31/24

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
Account No.	Current and Accrued Assets			
131	Cash		\$9,937	\$18,461
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		26,390	18,169
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		4,355	5,630
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$40,682	\$42,260
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,708,848	\$2,342,213
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(183,538)	0
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$1,525,310	\$2,342,213
	Total Assets		\$1,565,992	\$2,384,474

*Note these items feed automatically from AR3 UPIS Page 4

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 (2024)	Balance at End of Year (2024)
Account No.	Current Liabilities			
231	Accounts Payable		\$213,457	\$429,159
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		2,667	2,667
236	Accrued Taxes		79	(2,567)
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$216,203	\$429,259
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$335,951
	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	176,580
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$176,580
	Total Liabilities		\$216,203	\$941,790
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		(128,426)	1,350,909
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$128,426)	\$1,350,909
	Total Liabilities and Capital		\$87,777	\$2,292,699

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

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	\$10,500	\$0	\$0	\$10,500	\$0	\$10,500	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	24,300	0	0	24,300	0	24,300	0.00%	0
304	Structures and Improvements	374,432	1,200	0	375,632	0	375,632	0.00%	0
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	102,993	382,945	0	485,939	0	485,939	0.00%	0
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	89,085	4,029	0	93,114	0	93,114	0.00%	0
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	27,942	0	0	27,942	0	27,942	0.00%	0
330.1	Storage Tanks	560	0	0	560	0	560	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	1,023,304	7,728	0	1,031,032	0	1,031,032	0.00%	0
333	Services	10,309	328	0	10,637	0	10,637	0.00%	0
334	Meters and Meter Installations	28,050	236,127	0	264,178	0	264,178	0.00%	0
335	Hydrants	8,200	0	0	8,200	0	8,200	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	8,000	0	0	8,000	0	8,000	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	130	0	0	130	0	130	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	1,043	1,008	0	2,051	0	2,051	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$1,708,848	\$633,365	\$0	\$2,342,213	\$0	\$2,342,213		\$0

Contribution(s) in Aid of Construction (Gross)	\$176,580
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$176,580
Times: Proposed Amortization Rate	4.35%
Amortization of CIAC	

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Lord Arizona Water Systems, Inc.
Annual Report
Water Comparative Income Statement
12/31/24

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2024 - 12/31/2024	Last Year 01/01/2023 - 12/31/2023
	Operating Revenue		
461	Metered Water Revenue	\$133,163	\$177,918
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	\$133,163	\$177,918
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	400
615	Purchased Power	18,672	25,965
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	1,876	1,234
620.2	Office Supplies and Expense	6,579	1,171
630	Contractual Services	178,875	168,303
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	12,500	10,075
633	Contractual Services - Legal	10,311	14,493
634	Contractual Services - Management Fees	148,729	117,290
635	Contractual Services - Water Testing	5,392	2,821
636	Contractual Services - Other	1,944	23,625
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	5,735	5,735
657	Insurance - General Liability	824	1,623
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	2,371	58
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	630	59
403	Depreciation Expense (From Schedule AR4)		0
408	Taxes Other Than Income	0	0
408.11	Property Taxes	6,015	7,348
409	Income Taxes	55	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$400,507	\$380,200
	Operating Income / (Loss)	(\$267,343)	(\$202,281)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	(\$267,343)	(\$202,281)

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)	0.0	0.0	0.5	0.5
Meter reader	0.0	0.0	0.5	0.5
Customer Service	0.0	0.0	0.3	0.3
Accounting	0.0	0.0	0.2	0.2
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	1.0	0.0	1.5	2.5

Lord Arizona Water Systems, Inc.
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/24

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	NA	NA	NA	NA
Source of Loan	NA	NA	NA	NA
ACC Decision No.	NA	NA	NA	NA
Reason for Loan	NA	NA	NA	NA
Dollar Amt. Issued	NA	NA	NA	NA
Amount Outstanding	NA	NA	NA	NA
Date of Maturity	NA	NA	NA	NA
Interest Rate	NA	NA	NA	NA
Current Year Interest	NA	NA	NA	NA
Current Year Principal	NA	NA	NA	NA

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.

[illegible]

Name of system water delivered to:	NA	
ADWR PCC Number:		
Source of water delivered to another system	NA	

Name of system water received from:	CEDAR GROVE WATER CO		
ADWR PCC Number:	91-000018.0000		
Source of water received	Ground Water		
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 (kWh)7
January	879,901.00	2,403,832.00	0.00	1,524,450.00	0.00	\$799	5,369
February	254,937.00	812,351.00	0.00	557,826.00	0.00	968	6,982
March	718,616.00	1,326,590.00	0.00	608,203.00	0.00	544	5,456
April	386,616.00	1,229,760.00	0.00	844,000.00	0.00	845	5,807
May	1,026,616.00	1,355,325.00	0.00	329,352.00	0.00	1,083	8,087
June	1,316,616.00	1,727,837.00	0.00	411,360.00	0.00	2,151	18,308
July	1,194,619.00	1,370,365.00	0.00	177,318.00	0.00	2,155	18,064
August	1,720,751.00	1,820,949.00	0.00	104,201.00	0.00	2,134	18,145
September	1,251,752.00	1,414,733.00	0.00	163,793.00	0.00	2,098	17,801
October	1,329,426.00	1,328,965.00	0.00		0.00	2,089	17,715
November	1,003,650.00	1,003,563.00	0.00		0.00	1,914	17,838
December	1,112,555.00	1,112,209.00	0.00		0.00	1,730	15,892
Totals	12,196,055.00	16,906,479.00	0.00	4,720,503.00	0.00	\$18,510	155,464

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

1 Water withdrawn - Total gallons of water withdrawn 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:	LORD AZ WATER		
ADEQ Public Water System Number:	AZ0401373		
ADWR PCC Number:	91-000023.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	PVC	12,051
6.00	PVC	44,277
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
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	
PVC	95%	0	
Blue poly	5%	0	
NA	NA	NA	
NA	NA	NA	
NA	NA	NA	

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5	70	3
2	50	1
NA	NA	NA
NA	NA	NA

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
15,000	METAL	2	0
20,000	METAL	1	0
10,000	METAL	1	0
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	463	0%	0%
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
80	METAL	1	0
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)

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

TREATMENT EQUIPMENT:	NONE
STRUCTURES:	8X8 PUMP HOUSE, 15X25 BUILDING
OTHER:	NONE

Customer and Other Information		
Name of the System:	LORD AZ WATER	
ADEQ Public Water System Number:	AZ0401373	
ADWR PCC Number:	91-000023.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	435	0	0	0	1
February	432	0	0	0	1
March	429	0	0	0	1
April	429	0	0	0	1
May	404	0	0	0	1
June	431	0	0	0	1
July	434	0	0	0	1
August	431	0	0	0	1
September	432	0	0	0	1
October	431	0	0	0	1
November	432	0	0	0	1
December	432	0	0	0	1

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.

na

Lord Arizona Water Systems, Inc.
Annual Report
Utility Shutoffs / Disconnects
12/31/24

Utility Shutoffs / Disconnects		
Name of the System:	LORD AZ WATER	
ADEQ Public Water System Number:	AZ0401373	
ADWR PCC Number:	91-000023.0000	

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	22	0
Total	0	22	0

Other (description):

NA

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 2024 was
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\$6,015

If no property taxes paid, explain why.

NA

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):

Apache

Name (owner or official) title:

Lacey Merritt

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:

12/31/24

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:

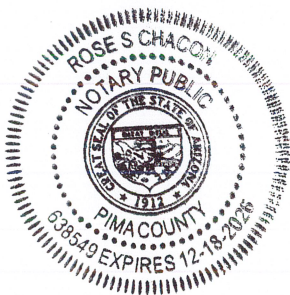
I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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

Lacey Merritt
signature of owner/official

520-624-1460

telephone no.



Rose S. Chacon
Pima County
12/18/26