

NEW APPLICATION



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ORIGINAL

1 FENNEMORE CRAIG 2004 APR 14 P 4: 14  
A Professional Corporation  
2 Jay L. Shapiro  
3003 North Central Avenue  
3 Suite 2600  
Phoenix, Arizona 85012  
4 Telephone (602) 916-5000

Arizona Corporation Commission

DOCKETED

APR 14 2004

AZ CORP COMMISSION  
DOCUMENT CONTROL

5 Attorneys for Johnson Utilities Company

DOCKETED BY

6 **BEFORE THE ARIZONA CORPORATION COMMISSION**

7  
8 IN THE MATTER OF THE APPLICATION  
9 OF JOHNSON UTILITIES COMPANY FOR  
10 AN EXTENSION OF ITS EXISTING  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY FOR WATER AND  
WASTEWATER SERVICE.

DOCKET NO. WS-02987A- WS-02987A-04-0288

**APPLICATION FOR EXTENSION OF  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY**

11  
12 Johnson Utilities Company, L.L.C. ("Applicant"), an Arizona public service corporation,  
13 hereby applies for an Order approving an extension of its existing Certificate of Convenience and  
14 Necessity ("CC&N") for water and wastewater service to include an area encompassing the  
15 developments known as Sonoran Village and Merrill Ranch ("Developments"). In support of this  
16 Application, Applicant states as follows:

17 1. Applicant is a public service corporation engaged in providing water and  
18 wastewater utility service, respectively, for public purposes within portions of Pinal County,  
19 Arizona. Applicant was first granted its CC&N in Decision No. 60223 (May 27, 1997), and  
20 currently serves approximately 4883 water utility customers and 4883 wastewater utility  
21 customers. The area served by Applicant contains both residential and commercial properties.

22 2. The area covered by this Application includes approximately 2000 acres, and the  
23 Developments will contain approximately 6400 lots at full build-out.

24 3. General Hunt Properties LLC, and Roadrunner Estates LLC, have requested that  
25 Applicant extend water and wastewater utility service to the Developments. A copy of these  
26 requests for service are attached hereto as Exhibit 1.

1           4.     A legal description for the area covered by this Application is attached hereto as  
2     Exhibit 2.

3           5.     Applicant's management contact is Brian Tompsett of Johnson Utilities Company,  
4     whose business address is 5230 East Shea Boulevard, Suite 200, Scottsdale, Arizona 85254. The  
5     telephone number is (480) 998-3300.

6           6.     Applicant's operator, certified by the Arizona Department of Environmental  
7     Quality, is Jerry Beeler, whose business address is 968 E. Hunt Hwy, Queen Creek, Arizona. The  
8     telephone number is (480) 987-9870.

9           7.     Applicant's attorneys are Fennemore Craig, whose address is 3003 North Central  
10    Avenue, Suite 2600, Phoenix, Arizona 85012-2913. The individual attorney responsible for this  
11    application is Jay L. Shapiro. Mr. Shapiro's telephone number is (602) 916-5366. **All Data**  
12    **Requests or other Requests for Information should be directed to Mr. Brian Tompsett, with**  
13    **a copy to Mr. Shapiro's attention, on behalf of Johnson Utilities Company.**

14          8.     A Certificate of Good Standing for Johnson Utilities Company is attached hereto  
15    as Exhibit 3.

16          9.     The newly acquired customers in the areas covered by the application will receive  
17    water and wastewater service subject to Applicant's current rates and charges for utility service,  
18    which were approved in Decision No. 60223 (May 27, 1997).

19          10.    A detailed map indicating Applicant's present water and wastewater CC&Ns, and  
20    the areas requested by this Application, is attached hereto as Exhibit 4.

21          11.    Applicant's balance sheet and profit and loss information for the 12-month period  
22    ending 2003 is attached hereto as Exhibit 5.

23          12.    Applicant's CAAG §208 Plan, including all subsequent amendments and proposed  
24    amendments for its existing wastewater certificated area and proposed extension is attached  
25    hereto as Exhibit 6.

26

1           13. A copy of Applicant's most recent Annual Report (2002) for its water and  
2 wastewater operations is attached hereto as Exhibit 7.

3           14. The estimated numbers of customers to be served in each of the first five years of  
4 water and wastewater utility service to the area covered by this Application are as follows:

5           Water and Wastewater:

6                   1<sup>st</sup> Year: 50  
7                   2<sup>nd</sup> Year: 200  
8                   3<sup>rd</sup> Year: 450  
9                   4<sup>th</sup> Year: 800  
                    5<sup>th</sup> Year: 1200

10           15. Applicant's estimated annual operating revenue and operating expenses for each of  
11 the first five years of operation in the new area covered by this Application are as follows:

12                                   **Johnson Utilities Company - Water**

13                   Operating Revenue

Operating Expenses

14                   1<sup>st</sup> Year - \$13,250  
15                   2<sup>nd</sup> Year - \$62,813  
16                   3<sup>rd</sup> Year - \$162,250  
                    4<sup>th</sup> Year - \$308,750  
                    5<sup>th</sup> Year - \$490,000

                                  1<sup>st</sup> Year - \$36,917  
                                  2<sup>nd</sup> Year - \$98,573  
                                  3<sup>rd</sup> Year - \$173,957  
                                  4<sup>th</sup> Year - \$288,451  
                                  5<sup>th</sup> Year - \$432,599

17                                   **Johnson Utilities Company - Wastewater**

18                   Operating Revenue

Operating Expenses

19                   1<sup>st</sup> Year - \$10,504  
20                   2<sup>nd</sup> Year - \$52,522  
21                   3<sup>rd</sup> Year - \$136,556  
22                   4<sup>th</sup> Year - \$262,608  
                    5<sup>th</sup> Year - \$420,174

                                  1<sup>st</sup> Year - \$88,095  
                                  2<sup>nd</sup> Year - \$190,329  
                                  3<sup>rd</sup> Year - \$239,622  
                                  4<sup>th</sup> Year - \$315,530  
                                  5<sup>th</sup> Year - \$420,041

23           16. The total plant cost projections, including service meters, by year for the next five  
24 (5) years are as follows:  
25  
26

1 **Plant Cost Projection**

2 Water

3 1<sup>st</sup> Year - \$1,152,309  
4 2<sup>nd</sup> Year -\$1,442,934  
5 3<sup>rd</sup> Year -\$1,927,309  
6 4<sup>th</sup> Year -\$2,605,434  
7 5<sup>th</sup> Year -\$3,380,434

2 Wastewater

3 1<sup>st</sup> Year- \$3,338,879  
4 2<sup>nd</sup> Year -\$3,713,879  
5 3<sup>rd</sup> Year -\$4,338,879  
6 4<sup>th</sup> Year -\$5,213,879  
7 5<sup>th</sup> Year -\$6,213,879

8 17. The water and wastewater facilities needed to serve the area covered by this  
9 Application will be constructed as needed to provide service to customers. The estimated starting  
10 and completion dates for the construction of facilities at the Development is not known at this  
11 time, although the projects are scheduled to commence within the next six (6) months.

12 18. The construction of the additional utility facilities needed to serve the area covered  
13 by this Application will be financed primarily by advances in aid of construction and hook-up  
14 fees in accordance with Commission regulations and Applicant's applicable tariffs, as well as  
15 pursuant to the terms of any main extension agreement between Applicant and each developer.

16 19. Applicant is in the process of extending its franchise with Pinal County to include  
17 the Development. A copy of the application to extend the franchise will be provided to the  
18 Commission once it has been filed with Pinal County.

19 20. The Arizona Department of Environmental Quality ("ADEQ") will issue various  
20 Approvals to Construct additional facilities to serve the requested extension area, and will be  
21 submitted to the Commission once received from ADEQ.

22 21. Notice of this Application will be given by publication in a newspaper of general  
23 circulation as required by the Commission. Proof of publication will be filed with the  
24 Commission.

25 22. Applicant maintains that this Application is in the public interest and should be  
26 granted. There is a present need for water and wastewater service in order to foster orderly  
growth in Pinal County in an area contiguous to Applicant's existing CC&N. Applicant is in the  
best position to extend and provide wastewater service to the Developments, and expansion of

1 service will benefit existing customers by allowing the cost of providing water and wastewater  
2 service to be spread over a larger customer base, as well as achieving greater economies of scale.

3 23. To the best of its knowledge and belief, Applicant is currently in compliance with  
4 all regulatory requirements applicable to its provision of wastewater utility service in Arizona,  
5 including all applicable orders, rules and regulations of the Commission.

6 WHEREFORE, Applicant respectfully requests the following:

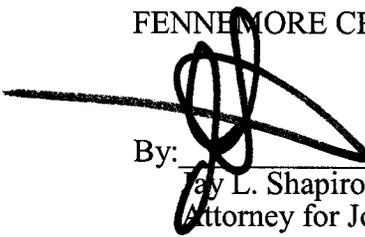
7 A. That the Commission proceed to consider and act upon this Application as timely  
8 as possible and to schedule a hearing, if necessary, on this matter;

9 B. That upon completion of said hearing that the Commission enter an Order  
10 approving the extension of Johnson Utilities Company's current Certificate of Convenience and  
11 Necessities to include the additional geographic areas requested by this Application as shown in  
12 Exhibit 4; and

13 C. That the Commission grant such other and further relief as may be appropriate  
14 under the circumstances herein.

15 DATED this 14<sup>th</sup> day of April, 2004.

16 FENNE MORE CRAIG, P.C.

17  
18 By: 

19 Jay L. Shapiro  
20 Attorney for Johnson Utilities Company

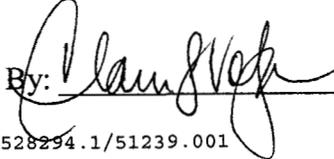
21 ORIGINAL and 13 copies of the  
22 foregoing delivered this 14<sup>th</sup>  
23 day of April, 2004, to:

24 Docket Control  
25 Arizona Corporation Commission  
26 1200 West Washington Street  
Phoenix, Arizona 85007

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A copy hand-delivered to: 4/14/04

Jim Fisher, Executive Consultant  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

By:  \_\_\_\_\_  
1528294.1/51239.001

# **EXHIBIT**

**1**

General Hunt Properties, Inc.  
5230 E. Shea Blvd., Ste 200  
Scottsdale, Arizona 85254  
(480) 998-3300 : (480) 483-7908

Date: April 5, 2004

Brian P. Tompsett  
Johnson Utilities, Inc.  
5230 East Shea Boulevard  
Suite 200  
Scottsdale, Arizona 85254

Re: Sonoran 382

Dear Mr. Tompsett:

We hereby request Johnson Utilities to provide water and sewer service to the property described in the attachment.

We understand this will be supplied subject to the rules and regulations, terms and conditions of all governmental agencies and the approval of the Arizona Corporation Commission and subject to Arizona Corporation Commission Rules, Regulations, Ordinances and Tariffs.

Yours truly,

George H. Johnson  
President

*Vanguard Properties, Inc.*  
*3232 Cobb Parkway*  
*PMB 315*  
*Atlanta, Georgia 30339*  
*(404) 495-9577 : Fax (404) 495-9578*

Date: April 5, 2004

Brian Tompsett  
Johnson Utilities, Inc.  
5230 East Shea Boulevard  
Suite 200  
Scottsdale, Arizona 85254

Re: Roadrunner Resorts/Merrill Ranch

Dear Mr. Tompsett:

We hereby request Johnson Utilities to provide water and sewer service to the property described in the attachment.

We understand this will be supplied subject to the rules and regulations, terms and conditions of all governmental agencies and the approval of the Arizona Corporation Commission and subject to Arizona Corporation Commission Rules, Regulations, Ordinances and Tariffs.

Yours truly,

Harrison Merrill  
President

# **EXHIBIT**

**2**

**Legal Description for Merrill Ranch**

East ½ of Section 18, Township 4 South, Range 9 East

Section 19, Township 4 South, Range 9 East

Section 30, Township 4 South, Range 9 East

**Legal Description for Sonoran Village**

All of Section 19, Township 3 South, Range 9 East.

**B. PROJECT LOCATION AND DESCRIPTION**

The general property boundary description for the Sonoran Villages Plan Amendment Area is as follows (see Exhibit I-2):

All of Section 19, Township 3 South, Range 9 East, Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT any portion lying within the following described property:

BEGINNING at a point in the South boundary of said Section 19 that bears South 89 degrees 24 minutes 28 seconds East 2598.58 feet from the Southwest corner of said 19;  
Thence leaving said POINT OF BEGINNING North 01 degrees 41 minutes 40 seconds West 291.97 feet;  
Thence North 88 degrees 18 minutes 57 seconds East 50.00 feet;  
Thence North 01 degrees 41 minutes 03 seconds West 244.62 feet;  
Thence North 08 degrees 51 minutes 01 West 188.33 feet;  
Thence North 16 degrees 01 minutes 03 seconds West 1306.42 feet to a point in the Southeasterly boundary of that area described in the patent to the Magma-Arizona Railroad Company, an Arizona corporation, recorded January 11, 1933 in Book 51 of Deeds, page 648, records of Pinal County, Arizona, said point bears North 48 degrees 57 minutes 32 seconds East 2974.04 feet from said Southwest corner of said Section 19;  
Thence proceeding along said Southeasterly boundary North 52 degrees 36 minutes 47 seconds East 1217.33 feet;  
Thence leaving said Southeasterly boundary North 52 degrees 36 minutes 47 seconds East 1217.33 feet;  
Thence leaving Southeasterly boundary South 37 degrees 23 minutes 13 seconds East 45.00 feet;  
Thence South 42 degrees 53 minutes 58 seconds West 759.02 feet;  
Thence South 39 degrees 12 minutes 50 seconds East 1417.99 feet to a point in said South Boundary of said Section 19 that bears North 89 degrees 24 minutes 28 seconds West 1321.01 feet from the Southeast corner of said Section 19;  
Thence proceeding along said South boundary North 89 degrees 24 minutes 28 seconds West 1499.92 feet to said POINT OF BEGINNING;  
and

BEGINNING at a point in the South boundary of said Section 19 that bears South 89 degrees 24 minutes 28 seconds East 2598.58 feet from the Southwest corner of said Section 19;  
Thence leaving said POINT OF BEGINNING North 01 degrees 41 minutes 40 seconds West 291.97 feet;  
Thence North 88 degrees 18 minutes 57 seconds East 50.00 feet;  
Thence North 01 degrees 41 minutes 03 seconds West 244.62 feet;  
Thence North 08 degrees 51 minutes 01 second West 188.33 feet;  
Thence North 16 degrees 01 minutes 03 seconds West 1306.42 feet to a point in the Southeasterly boundary of that area described in the patent to the Magma-Arizona Railroad Company, an Arizona corporation, recoded January 11, 1933 in book 51 of Deeds, page 648, records of Pinal County, Arizona, said point bears North 48 degrees 57 minutes 32 seconds East 2974.04 feet from said Southwest corner of said Section 19;  
Thence proceeding along said Southeasterly boundary North 52 degrees 36 minutes 47 seconds East 1217.33 feet;



Thence leaving said Southeasterly boundary South 37 degrees 23 minutes 13 seconds East 45.00 feet;  
Thence South 42 degrees 53 minutes 58 seconds West 759.02 feet;  
Thence South 39 degrees 12 minutes 50 seconds East 1142.16 feet;  
Thence South 27 degrees 31 minutes 05 seconds East 1417.99 to a point in said South boundary of said Section 19 that bears North 89 degrees 24 minutes 28 seconds West 1321.01 feet from the Southeast corner of said Section 19;  
Thence proceeding along said South boundary North 89 degrees 24 minutes 28 seconds West 1499.92 feet to said POINT OF BEGINNING;  
and

BEGINNING at a point in the North boundary of said Section 19 that bears South 89 degrees 42 minutes 37 seconds East 1393.64 feet from the Northwest corner of said Section 19;  
Thence leaving said POINT OF BEGINNING and proceeding along said North boundary South 89 degrees 42 minutes 37 seconds East 4101.11 feet to the Northeast corner of said Section 19;  
Thence leaving said Northeast corner and proceeding along the East boundary of said Section 19 South 00 degrees 19 minutes 58 seconds East 650.81 feet to a point in the Northwesterly boundary of that area described in the patent to the Magma-Arizona Railroad Company, an Arizona corporation, recorded January 11, 1933 in Book 51 of Deeds, page 648, records of Pinal County, Arizona;  
Thence leaving said East boundary and proceeding along said Northwesterly boundary South 52 degrees 36 minutes 47 seconds West 4037.77 feet to a point that bears North 45 degrees 19 minutes 33 seconds East 3071.05 feet from the Southwest corner of said Section 19;  
Thence leaving said Northwesterly boundary North 16 degrees 01 minutes 03 seconds West 794.87 feet;  
Thence South 73 degrees 58 minutes 57 seconds West 74.97 feet;  
Thence North 16 degrees 01 minutes 03 seconds West 199.97 feet;  
Thence North 73 degrees 58 minutes 57 seconds East 74.97 feet;  
Thence North 16 degrees 01 minutes 03 seconds West 2254.57 feet to the POINT OF BEGINNING;  
and

BEGINNING at a point that bears South 37 degrees 32 minutes 44 seconds East 3645.04 feet from the Northwest corner of said Section 19 which point lies in the Westerly right of way boundary of the Central Arizona Project Canal as described in that certain Declaration of Taking recorded in Docket 1112, page 634, records of Pinal County, Arizona;  
Thence from said POINT OF BEGINNING South 16 degrees 01 minutes 03 seconds East along said Westerly right of way boundary 110.00 feet;  
Thence Southwesterly and perpendicular to said Westerly right of way boundary 80.00 feet;  
Thence Northwesterly and parallel to said Westerly right of way boundary 110.00 feet;  
Thence Northeasterly and perpendicular to said westerly right of way boundary 80.00 feet to said POINT OF BEGINNING;

and any portion lying within the property set forth in said instrument recorded in Book 51 of Deeds, pages 648 and 650, records of Pinal County, Arizona.



# **EXHIBIT**

**3**

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**

**CERTIFICATE OF GOOD STANDING**

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

**\*\*\*JOHNSON UTILITIES, L.L.C.\*\*\***

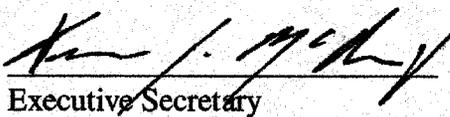
a domestic limited liability company organized under the laws of the State of Arizona, did organize on the 5th day of June 1997.

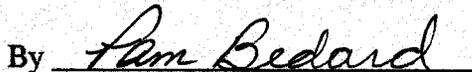
I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company is not administratively dissolved for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed Articles of Termination as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 29th Day of March, 2004, A. D.



  
Executive Secretary

By 

# **EXHIBIT**

**4**



# **EXHIBIT**

**5**

**Johnson Utilities, L.L.C.**  
**Balance Sheet**  
**December 31, 2003**

**ASSETS**

**Utility Plant**

Plant in Service	\$ 40,382,861
Less: Accumulated Depreciation	(2,046,608)
<b><u>Net Utility Plant in Service</u></b>	<b><u>\$ 38,336,253</u></b>

Construction Work in Progress	6,899,861
<b><u>Net Utility Plant</u></b>	<b><u>\$ 45,236,114</u></b>

**Current Assets**

Cash	\$ 684,314
Accounts Receivable	1,476,030
Other Receivables	38,000
<b><u>Total Current Assets</u></b>	<b><u>\$ 2,198,344</u></b>

**Other Assets**

Deferred Legal Fees	\$ 553,533
Land Held For Investment	70,257
Deposit	12,670
<b><u>Total Other Assets</u></b>	<b><u>\$ 636,460</u></b>

<b><u>Total Assets</u></b>	<b><u>\$ 48,070,918</u></b>
----------------------------	-----------------------------

**MEMBER'S CAPITAL & LIABILITIES**

<b><u>Member's Capital</u></b>	<b><u>\$ 5,447,979</u></b>
--------------------------------	----------------------------

<b><u>Contributions in Aid of Construction</u></b>	<b><u>\$ 20,149,882</u></b>
--	-----------------------------

<b><u>Long-Term Debt</u></b>	<b><u>\$ 807,000</u></b>
------------------------------	--------------------------

**Current Liabilities**

Accounts Payable	\$ 423,801
Current Portion of Advances in Aid of Construction	138,000
Due to Member	715,823
Customer Deposits	45,940
Accrued Taxes	175,974
Accrued Interest	7,040
<b><u>Total Current Liabilities</u></b>	<b><u>\$ 1,506,578</u></b>

**Deferred Liabilities**

Advances in Aid of Construction, Less Current Portion	\$ 20,159,479
---	---------------

<b><u>Total Member's Capital &amp; Liabilities</u></b>	<b><u>\$ 48,070,918</u></b>
--	-----------------------------

See Accountants' Compilation Report

**Johnson Utilities, L.L.C.**  
**Statement of Income**  
**December 31, 2003**

<b><u>Operating Revenue</u></b>	
Water Sales	\$ 3,919,316
Sewer Fees	1,237,464
Other Revenue	101,170
<b><u>Total Revenue</u></b>	<b><u>\$ 5,257,950</u></b>
<b><u>Operating Expenses</u></b>	
Purchased Water	\$ 222,808
Purchased Power	291,396
Repairs & Maintenance	12,099
Outside Services	1,203,322
Water Testing	52,163
Rents	117,648
Transportation	557
Insurance	28,964
Sludge Removal	2,685
Miscellaneous Operating Expense	41,641
Depreciation and Amortization	419,049
Taxes Other Than Income	2,089
Property Taxes	71,731
<b><u>Total Operating Expenses</u></b>	<b><u>\$ 2,466,152</u></b>
<b><u>Net Operating Income</u></b>	<b><u>\$ 2,791,798</u></b>
<b><u>Other Income (Expenses)</u></b>	
Interest Income	\$ 18,662
Interest Expense	(79,211)
<b><u>Total Other Income (Expenses)</u></b>	<b><u>\$ (60,549)</u></b>
<b><u>Net Income</u></b>	<b><u>\$ 2,731,249</u></b>

See Accountants' Compilation Report

# **EXHIBIT**

**6**



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**CAAG 208 WATER QUALITY  
PLAN AMENDMENT NO. 4 A  
SERVICE AREA EXPANSION  
CIRCLE CROSS RANCH  
FOR  
JOHNSON UTILITIES COMPANY, L.L.C.**

May 2002

**PREPARED FOR:**

**JOHNSON UTILITIES COMPANY, L.L.C.**

5230 East Shea Boulevard  
Scottsdale, Arizona 85254

Ph: (480) 998-3300

Fax: (480) 483-7908

**PREPARED BY:**

**THE WLB GROUP, INC.**

333 East Osborn, Suite 380  
Phoenix, Arizona 85012

Ph: (602) 279-1016

Fax: (602) 279-7810

WLB No. 195071-A-012

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SECTION 5	WASTEWATER SYSTEM INFRASTRUCTURE REQUIREMENTS .....	18
SECTION 6	PROJECT FINANCING .....	21

PERMITTING REQUIREMENTS AND PROJECT FINANCING DESCRIPTIONS ARE DETAILED IN SECTION 7 (pg 57) AND SECTION 8 (pg 60) OF: CAAG WATER QUALITY PLAN AMENDMENT NO. 4 FOR JOHNSON UTILITIES COMPANY, LLC, APRIL 1, 2001, Approved October 2001.

**LIST OF EXHIBITS:**

EXHIBIT 1	PROJECT LOCATION MAP .....	3
EXHIBIT 2	PROPOSED FRANCHISE AREAS .....	4
EXHIBIT 3	CC&N AREAS .....	5
EXHIBIT 4	LAND USE TABLE .....	6
EXHIBIT 5	CIRCLE CROSS MASTER SITE PHASING PLAN .....	17
EXHIBIT 6	CIRCLE CROSS MASTER SEWER SYSTEM LAYOUT .....	20

**APPENDIX**

208 AMENDMENT CHECKLIST .....	A
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SEWER BASIN FLOWS ARE DETAILED IN CAAG AMENDMENT NO. 4, APPENDIX E.

## SECTION 1 - INTRODUCTION

The main objective of this amendment is to propose the addition of two service areas to the Circle Cross Ranch WWTP, as presented in the CAAG 208 Water Quality Plan Amendment No. 4, for Johnson Utilities Company, L.L.C., April 2001 (CAAG 208 Amendment No. 4). Johnson Utilities Company, L.L.C.'s service area is located within the project areas and will be providing development, maintenance and operation of the wastewater facilities.

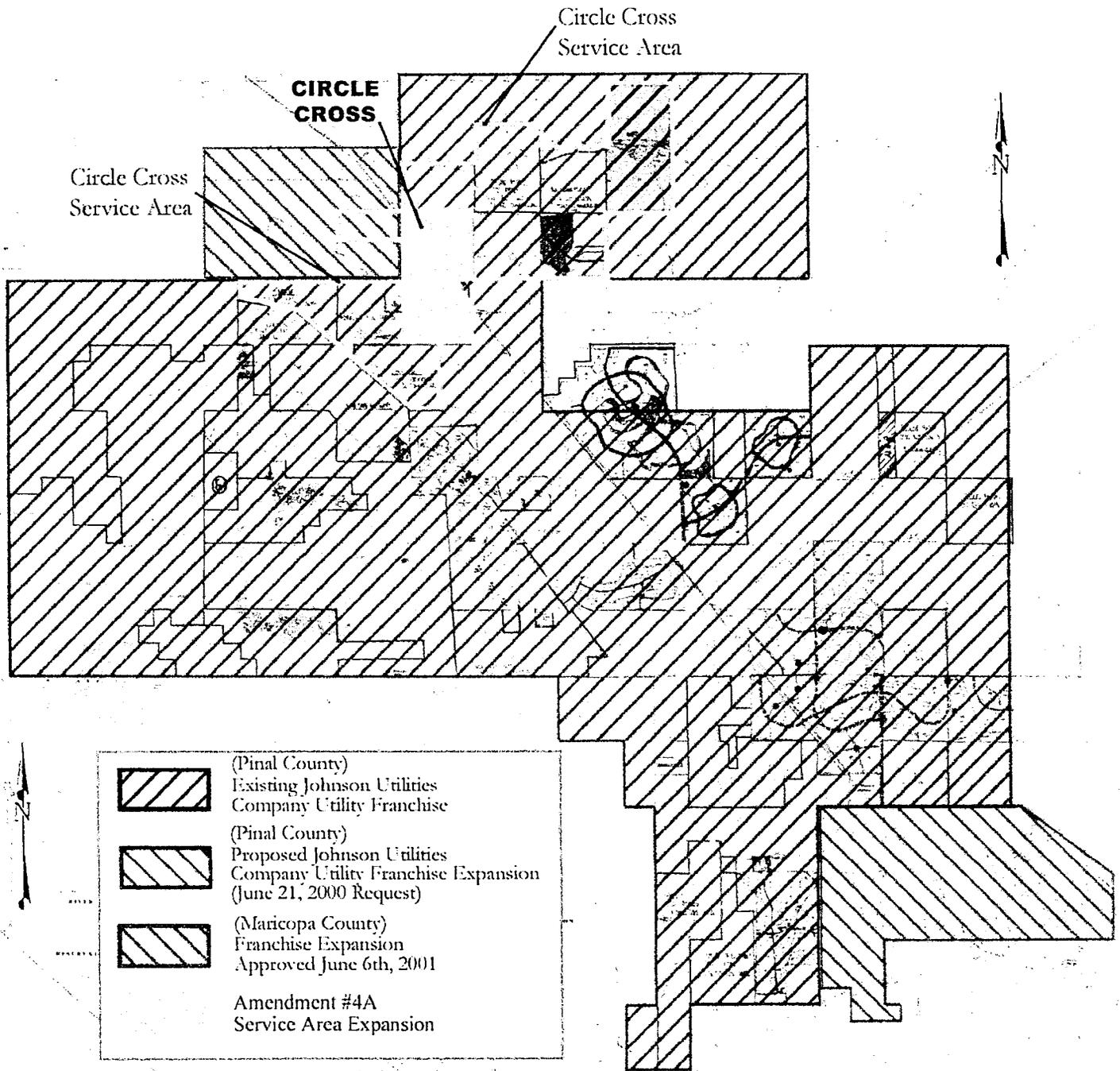
The Circle Cross WWTP is located in Pinal County in an area of relatively flat topography. The site is equally accessible to Phoenix and Tucson metropolitan regions and close to Florence, Apache Junction and Queen Creek. The land within, and surrounding, these projects has historically been used for agricultural purposes. There are currently no sanitary districts or wastewater facilities within the area.

Two sections to the east of the current Circle Cross service area have requested wastewater service from Johnson Utilities. The two sections are Section 22, Castlegate Subdivision and Summer Ridge, and Section 27, a proposed PAD in Township 2 South, Range 8 East, of the Gila & Salt River Base & Meridian (G&SRM), Pinal County, Arizona (*Exhibit 5*).

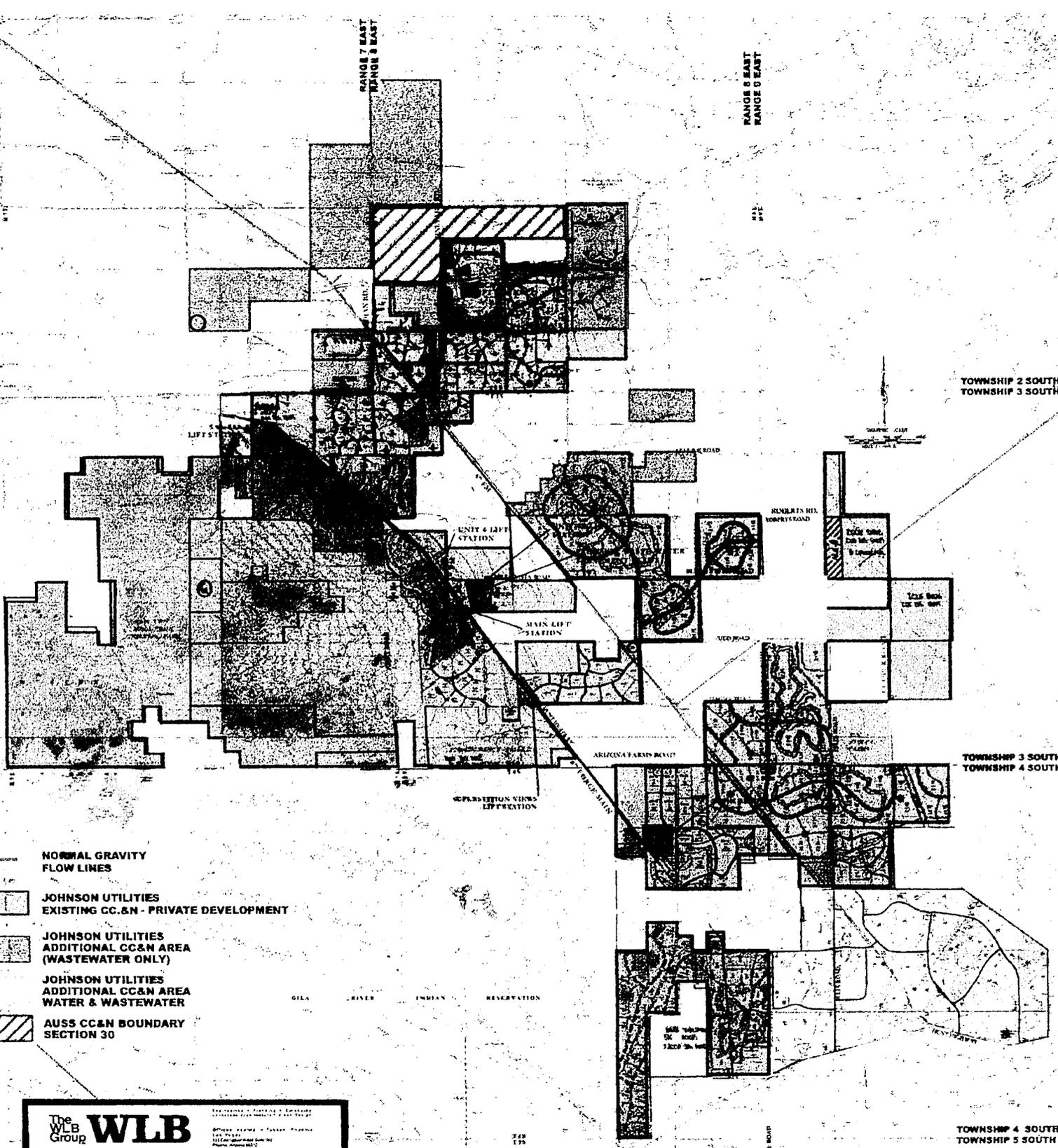
The Circle Cross PAD is located immediately south and west of the intersection of Combs Road and Vineyard Road, in central Pinal County. The 1,409 acres and surrounding land is currently being used for agricultural purposes. A portion of the acreage has been used for cattle rearing. The applicant intends to use a portion of the operation to continue feeding of cattle until development commences. The San Tan Mountain Regional Park is three miles to the southwest of the property. The project is immediately southwest of Rittenhouse Road (Southern Pacific Railroad), with additional portions of the project on the northeast side of the railroad. It is bounded by Vineyard Road on the East, Skyline Drive on the South, Meridian (Gary) Road on the West, and Combs Road on the North.

At buildout, the site will consist of an estimated 5,296 single family homes ranging from low to high density housing, the possibility of two 10-acre elementary school sites, an equestrian center, and two mixed use sites. The recreation system will consist of a comprehensive park and open space system, as well as an equestrian center. The equestrian trail system proposed will connect with the regional system.





**Franchise Areas - Pinal County**  
**CAAG 208 Plan Amendment No. 4 A**  
**Service Area Revision**  
**Exhibit 2**



-  NORMAL GRAVITY FLOW LINES
-  JOHNSON UTILITIES EXISTING CC&N - PRIVATE DEVELOPMENT
-  JOHNSON UTILITIES ADDITIONAL CC&N AREA (WASTEWATER ONLY)
-  JOHNSON UTILITIES ADDITIONAL CC&N AREA WATER & WASTEWATER
-  AUSS CC&N BOUNDARY SECTION 30

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**JOHNSON UTILITIES CC&N AREAS  
 PINAL COUNTY**

**EXHIBIT 3**

<b>LAND USE TABLE</b>				
<b>Land Use</b>	<b>Land Use Designation</b>	<b>Proposed Zoning</b>	<b>Res. Per Acre (RAC)</b>	<b>Target Units</b>
LD1	Low Density Residential	CR-1	0.5 - 1.5	1.0
MLD	Medium Low Density Residential	CR-2	1.6 - 4.0	2.8
MD	Medium Density Residential	CR-3	4.1 - 7.0	5.6
MHD	Medium High Density Residential	CR-4	7.1 - 10.0	8.6
HD	High Density Residential	CR-5	10.1 - 20.0	15.1
C/CO	Commercial/Commercial Office	CB-1		
S	School	SR		
P/OS	Park/Open Space	SR		

## LAND USE TABLE

### EXHIBIT 4

## SECTION 2 - DESCRIPTION OF PROJECT

Development regulations serve as the primary mechanism for implementation of the land uses for the project. All construction and development within the PAD area shall comply with applicable provisions of the Pinal County Building Code. For the purpose of these PADs, the table in Exhibit 4 (page 6) lists the types of land uses to be established. All projects will contain varying residential densities with a few commercial sites and schools for the convenience of the residents. The Circle Cross Ranch Planned Area Development (PAD) will be developed in four phases as described below; the other PADS within the proposed service area will be developed in four to five phases, as indicated in Exhibit 5 (page 16).

The Circle Cross Ranch development will consist of a range of low to high density housing, two elementary schools covering 10 acres each, a golf course and clubhouse, and several commercial areas at the intersections of major arterials. Because of the rural character of the project and the land surrounding it, an equestrian center is proposed in the northern portion of the site, adjacent to the WWTP. Open space and parks will account for approximately 15 percent of the total area.

It is anticipated that the Circle Cross Ranch PAD will be developed in four major phases. The phasing will begin at the southern portion of the site and typically continue in a northeasterly manner with phase four of the housing units occurring in the northern portion of the site. The initial phase of Circle Cross will consist of approximately 309 acres and has been approved for approximately 1,000 family units. One of the elementary schools and the wastewater treatment plant will be developed in this initial phase. Phase two consists of approximately 411 acres with approximately 1,250 housing units. The third phase will encompass about 185 acres and 560 housing units. Most of the neighborhood commercial sites will be developed in this phase, as well as the second school site. The fourth phase will total 499 acres which will include the final commercial site and the balance of the residential units

The wastewater treatment plant at Circle Cross Ranch will also service the developments, as discussed in the CAAG 208 Amendment No. 4, on pages 40 - 42. Service agreements will be in

place with the individual developments before service will be provided. The two PADs discussed below are in addition to the area serviced as discussed in Amendment No. 4.

**Section 22, T2S, RANGE 8 EAST**

Castlegate Subdivision consists of approximately 276 acres, located in the northern half of the section. The PAD will consist of approximately 1,600 medium to high residential dwelling units, some commercial sites, and a 12-acre elementary school site, to be developed in ten phases. The open space will be approximately 15% and consist of village greens and pocket parks.

Summer Ridge is a PAD consisting of an estimated 100 acres which will be developed with approximately 350 single family dwelling units.

A gravel mine covers the remaining 237 acres of this section. No runoff occurs; the operation re-uses all the runoff. The chemicals used in the operation are regulated under ADEQ and Pinal County. Dust regulations are in place. There are no problems anticipated with this mine.

**Section 27, T2S, RANGE 8 EAST**

This section is comprised of approximately 640 acres of agricultural land that will be/has been rezoned to support rural residential dwelling units. Based on an estimate of 1.5 houses per acre, the estimated amount of housing units is 960. The PAD may also consist of some commercial sites and open space.

The addition of Sections 22 and 27 will increase the amount of single family homes by an approximate 3,600 dwelling units. The addition of this service area will not increase the total wastewater volume significantly, nor compromise the capacity of the WWTP.

The Circle Cross WWTP will be sized and developed to serve Circle Cross Ranch and the surrounding subdivisions with an initial start-up capacity of 1.5 MGD. A copy of the service area has been attached as Exhibit 2. The location of the WWTP site will allow Circle Cross to service Castlegate, Summer Ridge and the Section 27 PAD as well as other future developments within the approved CC&N area.

The Circle Cross plant will be developed as a Sequence Batch Reactor (SBR) mechanical plant. SBR plants are designed to provide seven potential phases of operation, however, the duration and number of phases is based on process considerations related to the effluent quality requirements of a specific wastewater treatment operation. Construction of all the wastewater treatment facilities (WWTF) and wastewater collection infrastructures will be phased in accordance with the growth and needs of the individual projects. Each future phase of the WWTF will be constructed and operational before the capacity of the existing treatment facility is exceeded. The wastewater facilities will be designed to allow orderly expansion to occur as additional capacity is required. The wastewater effluent will be treated to reuse standards, for 100% reuse on open spaces, golf courses, recreational areas and landscaped areas

The community can be serviced within a short distance and the profile of the mechanical plant will be constructed to be aesthetically inconspicuous. The plant expansion will allow the facility to provide wastewater treatment to adjacent properties, providing the parcel is within the utility's approved CC&N, and desires to be served. The wastewater plant has anticipated growth in the immediate area, and will be sized accordingly. Areas included in this amendment are only areas currently approved by, or those who have applied for service to, the Arizona Corporation Commission (ACC). If Section 22 becomes a CC&N, it will be regulated by the tariff already established by the ACC for Johnson Utilities. If the area does not become a CC&N area, any Homeowners Association will have to adopt either a Johnson Utilities tariff or an agreed upon monthly service cost in order to charge the homeowners for sewer service. Development of this project is anticipated to begin between the years 2002 through 2006.

Johnson Utilities Companies was formed as a utility company and is registered with the Arizona Corporation Commission (ACC) to provide water and sewer service to this area. Due to developer and consumer demand, Johnson Utilities Company will construct, operate and maintain the WWTP facility. The franchise for utility service to this area has been granted by Pinal County. The proposed sites are within the currently approved, or in process of obtaining approval, in the franchise for the utility. Johnson Utilities Company has, or will obtain, a Certificate of Convenience and Necessity (CC&N) from the ACC in order to provide water and wastewater service for the franchised area of Circle Cross Ranch and adjacent sites.

Approval of said application, and pending applications, will grant Johnson Utilities Company the proper rights and authorities to implement this plan. A copy of the CC&N for the original Circle Cross service area is on record with the ACC (*Amendment No. 4, Appendix D*).

### SECTION 3 - WASTEWATER TREATMENT PLANT PHASING

In preparing the phasing plans, certain assumptions have been made. These include: 1) the rate of growth for the project remains constant as calculated; 2) the rate of growth of other regional projects used in assessing cumulative impacts on phased infrastructure and services remains constant as calculated; and 3) the market demand for proposed residential product type and mix remains constant throughout the phasing intervals. If the build-out rate internal to projects accelerates or decreases, key infrastructural components may be re-phased.

Circle Cross WWTP will be developed in four phases. A summary of the proposed phasing sequence by planning areas is provided below.

PHASE	YEAR	INFRASTRUCTURE CAPACITY
A	2002	Start of Project - Start-up of SBR Mechanical Treatment Plant and Effluent Re-use at the adjacent Golf Course (1.5 MGD)
B	2006	Addition of a 1 MGD Mechanical Treatment Effluent Reuse/Excess Discharge
C	2011	Addition of a 1 MGD Mechanical Treatment Effluent Reuse/Excess Discharge
D	2022	Estimated build out and construction of the final 2 MGD which is anticipated to be completed within the remaining 10 years. Total build out to 5.5 MGD is dependent on economic development trends over the next 20 years.

It is anticipated that Circle Cross Ranch will start providing wastewater treatment service in 2002. The first phase will service approximately 1,200 units within the Circle Cross site and adjacent

projects. It is estimated that Summer Ridge and Castlegate will be requiring service within a year. Other surrounding developments may be serviced within the Johnson Utilities CC&N area, if requested.

The homes in the southern portions of Circle Cross will drain to a proposed lift station located within the park in that portion of the development. The remainder of the project will drain to another lift station at the WWTP site. Other lift stations may be added to the plan if needed. The proposed Circle Cross WWTP is located within the Northwest part of Section 31 Township 2 South, Range 8 East, G&SRM, Pinal County, Arizona. The site is located northeast of Hunt Highway and situated southwest of the Southern Pacific Railroad. Access to the WWTP site will be from Vineyard Road on the east and Rittenhouse Road on the north sides of the project. Based on builder projections, the utility has anticipated that this site will be constructed and operating at full capacity within the next 20 years. The property is currently owned by an affiliate of El Dorado Holdings, but will be deeded to Johnson Utilities prior to construction of the WWTP. Johnson Utilities will purchase and construct the WWTP at a total build-out capacity of approximately 5.5 MGD.

Drainage originates from the southeast portion of the development site, and flows to the northwest. The Sanokai Wash runs through the project and will be improved to accommodate storm water runoff through the site. Onsite runoff that does not drain into the comprehensive park and open space system will use designated facilities for detention. The proposed WWTP site is not within a 100 year flood zone.

This wastewater treatment plant proposed for the Circle Cross Ranch will bring several benefits to the area:

- Circle Cross will provide housing, recreational (golf course, public parks and equestrian facility), and employment opportunities for the residents of Pinal County.
- The development will provide a master planned development with a variety of residential opportunities and some limited local commercial uses. The project will allow the County to continue to grow in a manner compatible with the County's Comprehensive Plan.

- Circle Cross is located near Hunt Highway, a major transportation corridor which will allow for efficient use of the existing transportation infrastructure.

The population projection estimates for permanent and seasonal residents within Census Tract Two of Pinal county will increase from 21,747 to 51,620 from 1995 to 2010 (Pinal County Comprehensive Plan, Area 1, 1998). By the year 2010, 6,506 projected new housing units are required to meet future housing needs within the Census Tract Two area of Pinal County. These numbers were estimated using historic rural patterns of growth within Pinal County.

Landscaped open area parks and corridors throughout the developments, irrigated with properly treated effluent, will encourage and enhance outdoor recreational activities. The property contained within the required setbacks will be used for acceptable non-residential uses such as Golf Course corridors which will provide beneficial activities and services to the area residents. Additional uses will include equestrian facilities, RV storage and open activity areas.

**SECTION 4 - WASTEWATER FLOW PROJECTIONS**

The following is an estimate of the wastewater flows projected for the plant site and the subdivisions it will provide service to. A more detailed flow breakdown by subdivision can be found in the CAAG 208 Amendment No. 4, Appendix E, Sewer Flow Projections. If the Flow Projection chart is not available for the specific subdivision, it means the subdivision is still in the development stage and no current PAD has been completed at this writing.

<b>WASTEWATER FLOW PROJECTIONS</b>				
		Year	Dwelling Units (DU)	Est Residential Flow at 234gal/unit/day
<b><i>CIRCLE CROSS SERVICE AREA</i></b>				
		2001-2005	3,485	815,490
		2006-2010	6,200	1,450,800
		2011-2015	6,420	1,502,280
		2016-2021	5,755	1,346,670
<b>TOTAL</b>			<b>21,860</b>	<b>5,115,240</b>

**NOTE:** The populations and residential flows are estimated based on all the subdivisions the WWTP will provide service to. Specific details on the individual sites, such as peaking flows can be found in Appendix E of Amendment No. 4, Sewer Basin Flows. If the Basin Flow for a subdivision is not available, that means it is still in the development phase and the PAD is pending.

Phase A of the sewage flows will be from the first 1,200 residential units, Phase B consists of 1,450 additional residential units, Phase C adds 1,700 residential units and, Phase D will include the final 946 residential units.

**Ware Farms:** Phases A, B, and C will service 400 residential units each; Phase D will service 642 residential units.

**Morning Sun Farms:** Phase A, B, and C will service 300 residential units each; Phase D will service 295 residential units.

**Johnson Farms:** Phase A will service 200 residential units; Phase B will service 800 residential units; Phase C will service 1,120 residential units; Phase D will service 798 residential units.

**Pecan Ranch:** Phase A will service 700 residential units; Phase B will service 1,500 residential units, Phase C will service 1,400 residential units; Phase D will service 1,100 residential units.

**Home Place:** Phases B and C will service 750 residential units each; Phase D will service 647 residential units.

**Skyline Ranch:** Phase A will service 285 residential units; Phases B and C will service 250 residential units.

**Future 560:** Phase B will service 1400 residential units.

**Country Thunder:** Phase A will service the entire 80-acre commercial parcel site

**Ram 400:** Phase B will service 1000 residential units.

**Castlegate:** Phases A and B will service 500 residential units each, Phase C will service 600 residential units;

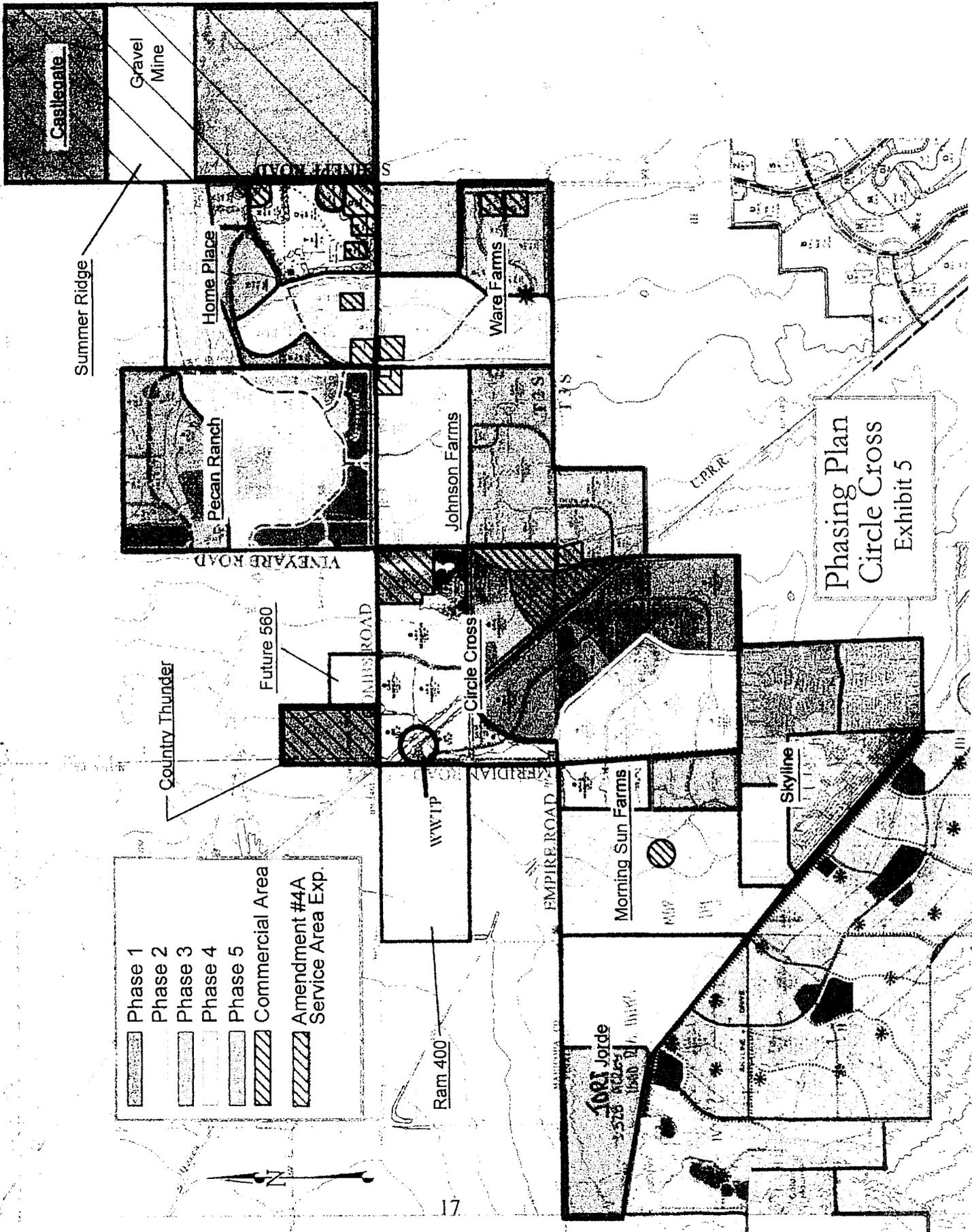
**Summer Ridge:** Phase B will service 350 residential units. Approximately 230 acres

**Section 27 PAD:** Phase C and D will service 480 residential units each.

In order to estimate the projected sewer flows for these areas of the Johnson Utilities service area, the criteria as outlined below was utilized. Flow estimates for family and adult retirement residential, commercial and school facilities were derived based upon historic flows near this area. The flows are based on the population and acreage per phase of each project. These flow projections have recently been accepted by ADEQ for this area of the valley (*Amendment No. 4, Appendix E*). The design criteria for the Johnson Utilities Company is as follows:

## SEWER PLANNING CRITERIA

- 90 Gallons Per Capita per Day (GPCD) for all residential areas requiring sewers
- 1.8 persons/Dwelling Units (DU) for all Adult Community Residences
- 2.6 persons/DU for all Family Community Residences
- 1,000 Gallons Per Area Development (GPAD) for all commercial and school areas [Average Daily Flow (ADF)]
- 3.0 Peaking Factor for all commercial and school areas [Peak Dry Weather Factor (PDWF)]
- 250 GPAD for wet weather flow infiltration



Castlegate

Gravel Mine

Summer Ridge

Home Place

Ware Farms

Pecan Ranch

Johnson Farms

Future 560

Circle Cross

Country Thunder

[Stippled pattern]	Phase 1
[Horizontal lines]	Phase 2
[Vertical lines]	Phase 3
[Diagonal lines (top-left to bottom-right)]	Phase 4
[Diagonal lines (top-right to bottom-left)]	Phase 5
[Cross-hatched pattern]	Commercial Area
[Hatched pattern]	Amendment #4A Service Area Exp.

Ram 400

Morning Sun Farms

Skyline

Phasing Plan  
Circle Cross  
Exhibit 5

VINEYARD ROAD

OMIBS ROAD

WWTP

EMPIRE ROAD

## **SECTION 5 - WASTEWATER SYSTEM INFRASTRUCTURE REQUIREMENTS**

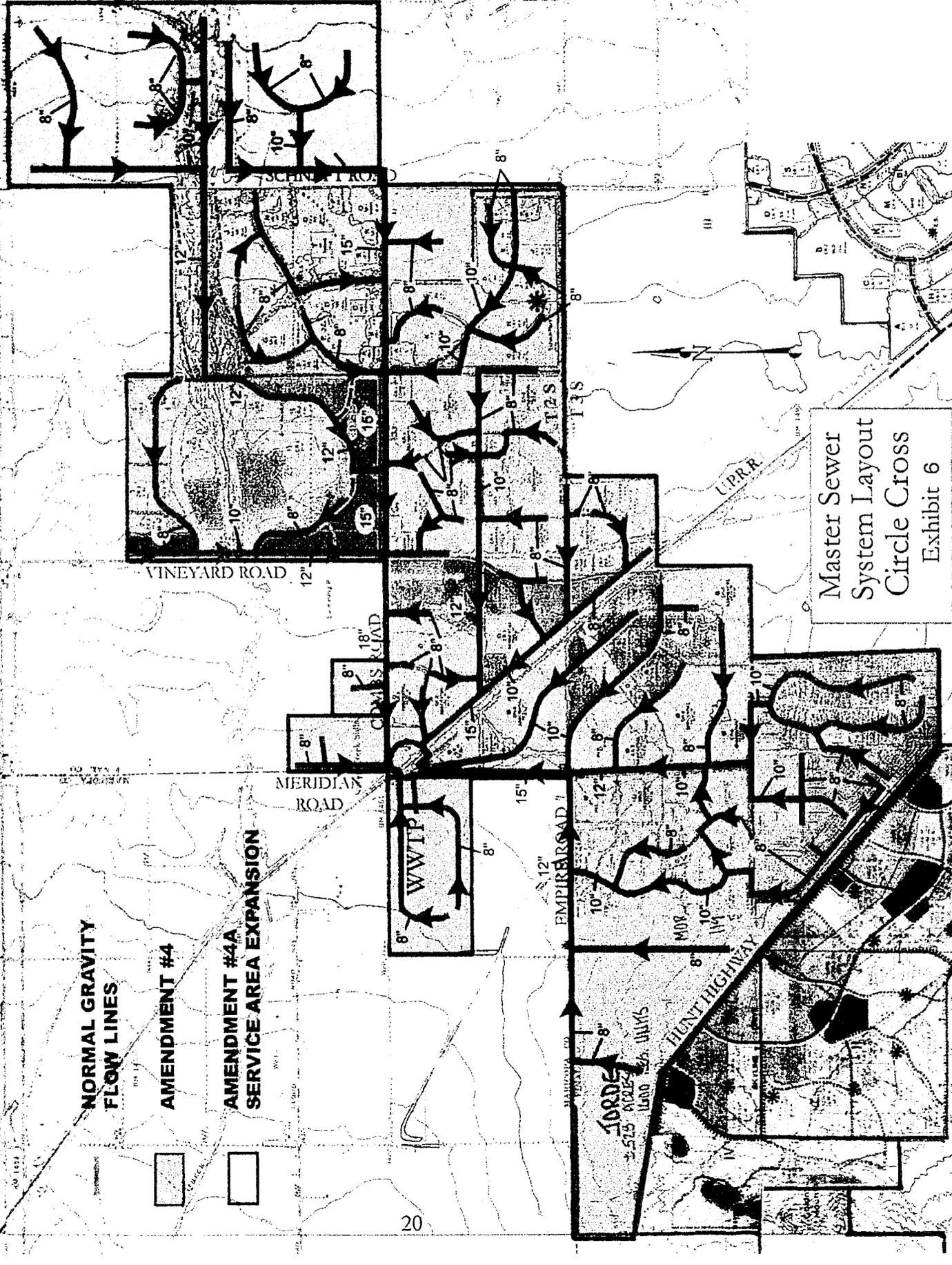
Circle Cross Ranch is located on agricultural land, a portion of which was used for a cattle feeding operation. The site is in the southeast quadrant of the intersection of Empire Boulevard (Hash Knife Draw Road) and Meridian (Gary) Road. Drainage originates from the southeast and flows to the northwest. The San Tan Mountains are three miles southwest of the property. The proposed sewer treatment plant site is located within the northwest part of Section 31 Township 2 South, Range 8 East, along the southwest side of the Southern Pacific Railroad (*Exhibit 6, page 19*).

Sanokai Wash runs through the project and will require improvement to accommodate offsite stormwater flow through the site.

The wastewater treatment facility will be primarily served by gravity sewer mains where possible and a force main where needed. The sewer lift stations will lift all flows from the gravity sewer collection system into the headworks of the treatment plant facility. The influent sewer lift stations will be constructed and upgraded to match the capacity increments of the future wastewater treatment plant as required. The sewer lift stations will be designed using duplex pumps, backup power, and all required facilities to meet the Arizona Administrative Code, Title 18, Chapter 9, Water Pollution Control and Aquifer Protection Permits. The actual timing and sizing of the wastewater collection system will depend on phased construction of the project. The wastewater generation estimates for family and adult residential and commercial uses were derived based on historic flows near these areas.

Historically, the land in these areas has been used for farming or cattle operations and there have been water quality problems in the past. Houses in this area have treated wastewater by using individual septic tanks. To prevent future nitrate problems, Johnson Utilities will not approve septic tanks, except for existing or previously approved septic tank systems for developments within the Johnson Utilities service area. By providing a high level of wastewater treatment and quality control methods, Johnson Utilities will work to improve the quality of the groundwater in this area.

The treatment plant facility will be sized to treat the average daily flow (ADF) and accept peak wet weather flows (PWWF) without disrupting the treatment plant process. The wastewater will be treated to "open access" reuse standards. The treated effluent will be pumped by a reclaimed pump station to the planned reuse areas which will include golf courses, parks, greenbelts and other turf irrigation. The utilities will be requesting a reuse permit approved by ADEQ to irrigate at an average rate of 5.5 MGD, based on the individual projects.



Master Sewer  
System Layout  
Circle Cross  
Exhibit 6

**NORMAL GRAVITY  
FLOW LINES**

**AMENDMENT #4**

**AMENDMENT #4A  
SERVICE AREA EXPANSION**

## SECTION 6 - PROJECT FINANCING

The cost for wastewater treatment plant facilities will be provided in part through line extension agreements between the developers and Johnson Utilities, and connection fees. The Company was formed as an Arizona limited liability company and has been approved by the Arizona Corporation Commission (ACC) to provide Certificates of Convenience and Necessity (CC&N) for water and wastewater service to this development. As a public service corporation, the Company is required to obtain prior approval of all long-term financing pursuant to A.R.S. 40-301 et.seq.

The long-term debt and the managing membership funds will be provided by the Utility, who is serving this project. The associate membership funds will be provided by substantial homebuilders who acquire given subdivisions within the development and who will also pay the costs associated with the utility facilities for that subdivision as part of the acquisition cost. Developer payments will cover all costs for onsite facilities, plus a portion of the common facilities needed to serve that subdivision. These expenses will be funded through the Corporation Commission's tariff, docket # U-2987, approved by decision #60223, on May 30, 1997. This public document is on file with the Corporation Commission.

As a condition of the Certificate of Convenience and Necessity, the Commission has established the rates at which the Company can charge customers for provisions of the utility services. Those rates include all pro forma costs associated with the operation and maintenance of the wastewater facilities. As operating costs change over the years, the Company will apply to the Commission for adjustments in those rates to cover all operation and maintenance expenses as well as a return on the investment the Company has made in the utility facilities.

A CC&N has been applied for in Sections 22 and 27, T2S, R8E, and is pending. With regard to the service area as described for the Castlegate and Summer Ridge PADs in Section 22 If this Section becomes a CC&N, it will be regulated by the tariff already established by the ACC for Johnson Utilities. If the area does not become a CC&N area for Johnson Utilities, any Homeowners Association will have to adopt either a Johnson Utilities tariff or an agreed upon monthly service cost in order to charge the homeowners for sewer service.

**APPENDIX  
208 AMENDMENT CHECKLIST**

May 2002

**AMENDMENT NO. 4  
208 AMENDMENT CHECKLIST  
SECTION 208, CLEAN WATER ACT**

**AUTHORITY**

1. **Requirement:** - Proposed Designated Management Agency (DMA) shall self-certify that it has the authorities required by Section 208(c)(2) of the Clean Water Act to implement the plan for its proposed planning and service areas. Self-certification shall be in the form of a legal opinion by the DMA or entity attorney.

**Summary:** Does not apply; Johnson Utility Company is not a DMA.

**Addressed on Page:** 10 (of Amendment No. 4).

**20-YEAR NEEDS**

2. **Requirement:** - Clearly describe the existing wastewater (WW) treatment facilities:  
- Describe the existing WWTP facilities.

**Summary:** Currently, there are no existing facilities on this site. A SBR treatment plant is proposed for the site. The Circle Cross WWTP will have a total capacity of 5.5MGD.

**Addressed on Page:** 1 (of Amendment No. 4).

3. **Requirement:** - Show WWTP certified and service areas for private utilities and sanitary district boundaries if appropriate.

**Summary:** Johnson Utilities Company has been formed as a utility company registered with the Arizona Corporation Commission to provide water and sewer service for the Johnson Ranch area. The current Franchise Areas are as shown in Exhibit 2. The existing CC&N boundaries and pending CC&N areas are as shown on Exhibit 5.

**Addressed on Page:** 4, 5 & 9

4. **Requirement:** Clearly describe alternatives and the recommended WWTP plan:

- Provide POPTAC population estimates (or COG-approved estimates only where POPTAC not available) over 20-year period.

Summary: The Circle Cross service area will cover approximately 6,327 acres with an estimated 21,860 dwelling units. All projects will be developed in approximately four phases consisting primarily of family and adult residential property.

Addressed on Page: 12.

5. **Requirement::** - Provide wastewater flow estimates over the 20-year planning period.

Summary: Wastewater flow estimates are: 2.6 per/D.U. x 90 GPCD = 234 Gal/D.U. It is anticipated that the wastewater treatment facilities will be at full capacity within the next 15 to 20 years.

Addressed on Page: 13 & 15

6. **Requirement::** - Illustrate the WWT planning and service areas.

Summary: This WWTP will service Circle Cross's service area future developments adjacent to these projects within the CC&N areas.

Addressed on Page: 7-9, and Exhibit 5 & 6.

7. **Requirement::** - Describe the type and capacity of the recommended WWTP Plant.

Summary: The WWTP will be sized for a total capacity of 5.5 MGD. The plant will be a SBR mechanical extended aeration plant with effluent reuse on turf areas.

Addressed on Page: 8, 10 - 11.

8. **Requirement::** - Identify water quality problems, consider alternative control measures, and recommend solution for implementation.

Summary: Johnson Utilities service area. Johnson Utilities will work to improve the quality of the groundwater in this area by meeting effluent reuse standards for open-access golf courses and meeting Class D reclaimed water requirements, which is equivalent to secondary treatment and disinfection. To prevent future nitrate problems, Johnson Utilities will not approve septic tanks, except for existing or previously approved septic tank systems for developments within the the Johnson Utilities service area.

Addressed on Page: 9, 12, 17 - 18.

9. **Requirement:** - If private WWTP utilities with certificated areas are within the proposed regional service area, define who (municipal or private utility) serves what area and when. Identify whose sewer lines can be approved in what areas and when?

Summary: The Circle Cross project is located within the existing sewer and water certificated areas of Johnson Utilities, L.L.C. Sections 22 and 27 are pending CC&N areas to be approved for sewer service.

Addressed on Page: 9, 20, and Exhibits 2 and 3.

10. **Requirement::** - Describe method of effluent disposal and reuse sites (if appropriate).

Summary: The treated effluent will be used for irrigation of the golf courses that have been constructed within the PADs as well as irrigation uses within other open spaces and landscaping within the developments.

Addressed on Page: 12, 17, & 18.

11. **Requirement::** - If Sanitary Districts are within a proposed planning or service area, describe who serves the Sanitary Districts and when.

Summary: There are no existing Sanitary Districts in the proximity of Circle Cross project, other than Johnson Utilities, L.L.C.

Addressed on Page: 1 (of Amendment No. 4).

12. **Requirement::** - Describe the ownership of land proposed for plant sites and reuse areas.

Summary: The property is currently owned by an affiliate of El Dorado Holdings, but will be deeded to Johnson Utilities. The reuse areas (golf course, open space, etc.) is currently owned by the corresponding entity. George H. Johnson, is the owner of Johnson Utilities Co., L.L.C.

Addressed on Page: 9, 11 & 20.

13. **Requirement::** - Address time frames in the development of the treatment works.

Summary: The first phase of the WWTP will initially commence operation in 2002. The project is expected to be completed within the next 5 years.

Addressed on Page: 10 & 13.

14. **Requirement:** - Address financial constraints in the development of the treatment works.

Summary: The project financing for Johnson Utilities is described within Project Financing, Section 6. (And also CAAG Amendment #4, Section 8).

Addressed on Page: 20 (60 and Exhibit 9 of Amendment #4)

15. **Requirement:** - Describe how discharges will comply with EPA municipal and industrial stormwater discharge regulations (Section 405, CWA).

Summary: All runoff will be directed through landscaped retention basins along with sediment removal and bio-filtration. (Described in CAAG Amendment #4, Permitting Requirements).

Addressed on Page: 47 & 59 (of Amendment #4).

16. **Requirement:** - Describe how open areas and recreational opportunities will result from improved water quality and how those will be used.

Summary: Effluent treated to the required standards will be used to irrigate the golf course, neighborhood parks, trails and other open activity areas, thus encouraging recreational opportunities for the area residents.

Addressed on Page: 2, 7, 11, 12 & 18.

17. **Requirement:** - Describe potential use of lands associated with treatment works and increased access to water-based recreation, if applicable.

Summary: The property contained within the required setbacks will be used for acceptable non-residential uses such as Golf Course corridors which will provide beneficial activities and services to the area residents. Additional uses will include equestrian facilities, RV storage and open activity areas.

Addressed on Page: 2, 7, 11, 12 & 18.

## **REGULATIONS**

18. **Requirement:** - Describe types of permits needed, including NPDES, APP and reuse.

Summary: Permits required for the project include an Individual Aquifer Protection Program Permit (APP), and a Reclaimed Water Permit. The APP and Reclaimed Permit will be applied for starting in **2002**. The permit will be applied for as part of the phasing plan for the WWTP. A Stormwater Pollution Permit will be applied for as part of the grading permit application. (*Discussed in CAAG Amendment # 4, Section 7*)

Addressed on Page: *Section 7, 57-59 (of Amendment #4)*

19. Requirement:: - Describe restrictions on NPDES permits, if needed, for discharge and sludge disposal.

Summary: No NPDES Permit for discharge will be required for the Circle Cross WWTP. (*Discussed in CAAG Amendment # 4, Section 7*)

Addressed on Page: *58. (of Amendment #4)*

20. Requirement:: - Provide documentation of communication with ADEQ Permitting Section 30 to 60 days prior to public hearing regarding the need for specific permits. (*Discussed in CAAG Amendment # 4*).

Summary: Meetings have been held with representatives from the ADEQ Permitting Section, and representatives of CAAG throughout the development of this plan. WLB has been in regular contact with ADEQ engineering department, and an ADEQ meeting was attended by WLB staff on 6/5/01 to discuss modifications to the APP permit.

Addressed on Page: *Appendix F (of Amendment #4)*

21. Requirement:: - Describe pre-treatment requirements and method of adherence to requirements (Section 208 (b)(2)(D), CWA).

Summary: A pre-treatment program has been proposed in conformance with the Clean Water Act for Non-Domestic Waste. (*Discussed in CAAG Amendment # 4, Section 7*)

Addressed on Page: *58. (of Amendment #4)*

22. Requirement:: - Identify, if appropriate, specific pollutants that will be produced from excavations and procedures that will protect ground and surface water quality (Section 208 (b)(2)(K) and Section 304, CWA).

Summary: A NPDES Stormwater Pollution Prevention Permit will be obtained by the contractor prior to all construction of facilities within the

proposed construction sites. (Discussed in CAAG Amendment # 4, Section 7)

Addressed on Page: 59. (of Amendment #4)

23. **Requirement:** - Describe alternatives and recommendation in the disposition of sludge generated. (Section 405 CWA)

Summary: Sludge will be disposed of at a landfill which is state certified to accept wastewater sludge. Butterfield Station, located in Mobile, Arizona, will accept sludge from the wastewater treatment plant for disposal. (Discussed in CAAG Amendment # 4, Section 7).

Addressed on Page: 58. (of Amendment #4)

24. **Requirement:** - Define any non-point issues related to the proposed facility and outline procedures to control them.

Summary: The only opportunity for non-point discharges is from the golf courses. The courses have been designed to retain runoff within the fairways and corridors. (Discussed in CAAG Amendment # 4, Section 7).

Addressed on Page: 59. (of Amendment #4)

25. **Requirement:** - Define the process to handle all mining runoff, orphan sites and underground pollutants, if applicable.

Summary: There is an active commercial industrial gravel mine in the southeast corner of Section 22. No runoff occurs; the operation re-uses all the runoff. The chemicals used in the operation are regulated under ADEQ and Pinal County. Dust regulations are in place. There are no problems anticipated with this mine.

Addressed on Page: 8.

26. **Requirement:** - If mining related, define where collection of pollutants has occurred, and what procedures are going to be initiated to contain contaminated areas.

Summary: There is an active commercial industrial gravel mine in the southeast corner of Section 22. No runoff occurs; the operation re-uses all the runoff. The chemicals used in the operation are regulated under ADEQ and Pinal County. Dust regulations are in place. There are no problems anticipated with this mine.

Addressed on Page: 8.

27. **Requirement::** - If mining related, define what specialized procedures will be initiated for orphan sites, if applicable.

Summary: There is an active commercial industrial gravel mine in the southeast corner of Section 22. No runoff occurs; the operation re-uses all the runoff. The chemicals used in the operation are regulated under ADEQ and Pinal County. Dust regulations are in place. There are no problems anticipated with this mine.

Addressed on Page: 8.

### **CONSTRUCTION**

28. **Requirement::** - Define construction priorities and time schedules for initiation and completion.

Summary: The WWTP will be built starting in 2002.

Addressed on Page: 9 - 12

29. **Requirement::** - Identify agencies who will construct, operate and maintain the facilities and otherwise carry out the plan.

Summary: Johnson Utilities will provide sewer service for the Johnson Ranch Project. Johnson Utilities will construct, operate and maintain the sewer facilities.

Addressed on Page: 1, 9, 11 &. 20

30. **Requirement::** - Identify construction activity-related sources of pollution and set forth procedures and methods to control, to the extent feasible, such sources. (*Discussed in CAAG Amendment # 4, Section 7*)

Summary: The contractor shall comply with NPDES and OSHA Permit regulations as they apply to construction activities and materials.

Addressed on Page: 59. (*of Amendment #4*)

## FINANCING AND OTHER MEASURES NECESSARY TO CARRY OUT THE PLAN

31. **Requirement::** - If plan proposes to take over certificated private utility, describe how, when and financing will be managed.

**Summary:** This item is not applicable. Johnson Utilities is the utility company approved by ACC. If the area does not become a CC&N area for Johnson Utilities, any Homeowners Association will have to adopt either a Johnson Utilities tariff or an agreed upon monthly service cost in order to charge the homeowners for sewer service. *(Also discussed in CAAG Amendment # 4, Section 8).*

**Addressed on Page:** 9 & 20 (pg 60 of Amendment #4)

32. **Requirement::** - Describe any significant measure necessary to carry out the plan, e.g., institutional, financial, economic, etc.

**Summary:** The project financing for Johnson Utilities is described within Section 6, Project Financing. The CC&N has been approved by the ACC. If the area does not become a CC&N area for Johnson Utilities, any Homeowners Association will have to adopt either a Johnson Utilities tariff or an agreed upon monthly service cost in order to charge the homeowners for sewer service. *(Also discussed in CAAG Amendment # 4., Section 8)*

**Addressed on Page:** 9 & 20 (pg 60 and Exhibit 9 of Amendment #4)

33. **Requirement::** - Describe proposed method(s) of community financing.

**Summary:** The project financing for Johnson Utilities is described within Section 6, Project Financing. If the area does not become a CC&N area for Johnson Utilities, any Homeowners Association will have to adopt either a Johnson Utilities tariff or an agreed upon monthly service cost in order to charge the homeowners for sewer service. *(Also discussed in CAAG Amendment # 4., Section 8).*

**Addressed on Page:** 20 (60, and Exhibit 9. of Amendment #4)

34. **Requirement::** - Provide financial information to assure DMA has financial capability to operate and maintain wastewater system over its useful life.

**Summary:** Although Johnson Utilities is not a DMA, the project financing for Johnson Utilities is described within Section 6, Project Financing. *(Also discussed in CAAG Amendment # 4., Section 8).*

**Addressed on Page:** 20 (60. of Amendment #4)

35. **Requirement:** - Provide a time line outlining period of time necessary for carrying out plan implementation.

**Summary:** The Builders have estimated 5 years for the project to be built out. At full buildout, the wastewater treatment plant will have a capacity of 5.5 MGD to serve the needs of the service area. Treatment and collection capacity will be built in phases to match the growth of each facility. It is anticipated that these plants will be operating at 100% efficiency within the next 15 to 20 years.

**Addressed on Page:** 8 -11 & 13.

36. **Requirement:** -Provide financial information indicating the method and measures necessary to achieve project financing. (Section 201 CWA or Section 604 may apply.)

**Summary:** The project financing for Johnson Utilities is described within Section 6, Project Financing. (*Also discussed in CAAG Amendment # 4., Section 8*).

**Addressed on Page:** 20 (60, and Exhibit E. of Amendment #4)

## **IMPLEMENTABILITY**

37. **Requirement:** Describe impacts and implementability of Plan:

- Describe impacts on existing wastewater (WW) facilities, e.g., sanitary district, infrastructure/facilities and certificated areas.

**Summary:** There are no sanitary districts within the area, and the proposed wastewater treatment facility will be owned and operated by Johnson Utilities Co., L.L.C. Johnson Utilities is currently serving a portions of its certificated area, and the proposed WWTP will provide service for the PADs proposed for the immediate area. The Homeowners Association will collect dues to receive services from Johnson Utilities

**Addressed on Page:** 1, 9, 11, 12, 20 and Exhibits 2 and 3.

38. **Requirement:** - Describe how and when existing package plants will be connected to a regional system.

**Summary:** There are no existing regional wastewater treatment plants within the area of Circle Cross, and the system will therefore not be connected to one.

Addressed on Page: 1 (of Amendment No. 4)

39. **Requirement:** - Describe the impact on communities and businesses affected by the plan.

Summary: The proposed wastewater treatment plant will have a beneficial affect on the area by providing better treatment of wastewater, eliminating a potential source of groundwater contamination, creating capacity for growth by providing the necessary infrastructure and creating recreational areas by the reuse of treated effluent as an irrigation source. The facilities also make housing available for the work force in the Florence area and creates employment opportunities in the southeast valley area.

Addressed on Page: 11 - 12, & 17.

40. **Requirement:** - If a municipal wastewater (WWT) system is proposed, describe how WWT service will be provided until the municipal system is completed; i.e., will package plants and septic systems be allowed and under what circumstances. (Interim services.)

Summary: During the initial phases, the SBR mechanical treatment facility will be operational before the proposed subdivisions are developed.

Addressed on Page: 8 - 10, 17

### **PUBLIC PARTICIPATION**

41. **Requirement:** - Submit copy of mailing list used to notify the public of the public hearing on the 208 amendment. (40 CFR, Chapter 1, Part 25.5)

Summary: Provided by CAAG.

Addressed on Page: N/A.

42. **Requirement:** - List location where documents are available for review at least 30 days before public hearing.

Summary: Provided by CAAG.

Addressed on Page: N/A.

43. **Requirement:** - Submit copy of the public notice of the public hearing as well as an official affidavit of publication from the area newspaper. Clearly show the announcement appeared in the newspaper at least 45 days before the hearing.

Summary: Provided by CAAG.

Addressed on Page: N/A.

44. **Requirement:** - Submit affidavit of publication for official newspaper publication.

Summary: Provided by CAAG.

Addressed on Page: N/A.

45. **Requirement:** - Submit responsiveness summary for public hearing.

Summary: Provided by CAAG.

Addressed on Page: N/A.

**ADDENDUM**

**CAAG 208 WATER QUALITY  
PLAN AMENDMENT NO. 4A FOR  
JOHNSON UTILITIES COMPANY, L.L.C.  
CIRCLE CROSS RANCH SERVICE AREA EXPANSION**

**PINAL COUNTY, ARIZONA**

**July 10, 2002**

**PREPARED BY:**

**CENTRAL ARIZONA ASSOCIATION  
OF GOVERNMENTS  
Historic Belmont Building  
271 Main Street  
Superior, AZ 85273**

PART 1

PUBLIC COMMENTS

FOR THE

CAAG 208 WATER  
QUALITY PLAN AMENDMENT No. 4 A  
FOR  
JOHNSON UTILITIES COMPANY, L.L.C.

CIRCLE CROSS RANCH SERVICE AREA  
EXPANSION

PINAL COUNTY, ARIZONA



unsure how it would relate to the Public Hearing documents. Mr. Schaner said he understood and that he would send a copy of the Town's General Plan to CAAG and to WLB Group as soon as it had been finalized.

- 2) General discussion followed. Mr. Maurice Lee with Arizona Utility Supply and Service (AUSS) stated he had comments he wished to be formally addressed in the minutes of the public hearing. He stated that Section 22 of Johnson Utilities Amendment No. 4A lies within the Certificate of Convenience and Necessity (CC&N) area of AUSS. He added that a proposed agreement between he, Mr. Johnson, Pinal County and all parties involved is "in the works" to change the service area from AUSS and Johnson. If the agreement is consummated, AUSS would have no objections to Johnson Utilities Amendment No. 4A, however, if the agreement does not become consummated, then AUSS and Mr. Lee will have a problem with the Amendment concerning the CC&N for Section 22.

**Conclusion:**

There being no further discussion, Ms. Leather closed the public hearing at 10:19 AM.

**PART II**

**PUBLIC NOTIFICATION**

**FOR THE**

**CAAG 208 WATER  
QUALITY PLAN AMENDMENT NO. 4A  
FOR  
JOHNSON UTILITIES COMPANY, L.L.C.**

**CIRCLE CROSS SERVICE AREA  
EXPANSION**

**PINAL COUNTY, ARIZONA**

**NOTICE OF PUBLIC HEARING ON THE DRAFT CENTRAL ARIZONA ASSOCIATION OF GOVERNMENTS' (CAAG) 208 AREA WIDE WATER QUALITY MANAGEMENT PLAN UPDATE AMENDMENT NO. 4A SERVICE AREA EXPANSION OF CIRCLE CROSS RANCH WASTEWATER TREATMENT PLANT (WWTP), FOR JOHNSON UTILITIES COMPANY, L.L.C. THE NEW PROPOSED SERVICE AREA WILL INCLUDE CASTLEGATE SUBDIVISION AND SUMMER RIDGE A PLANNED DEVELOPMENT LOCATED IN PINAL COUNTY, ARIZONA.**

The Central Arizona Association of Governments (CAAG) will conduct a public hearing on:

**DATE:** June 18, 2002  
**TIME:** 10:00 AM  
**PLACE:** Pinal County Board of Supervisors Hearing Room  
31 N. Pinal Street, Building A  
Florence, Arizona 85232

The purpose of this hearing is to discuss and comment on the Draft CAAG 208 Areawide Water Quality Management Plan Update Amendment No. 4A for Johnson Utilities Company, L.L.C. to expand the service area of Circle Cross Ranch WWTP to include two additional sections: Section 22, Castlegate Subdivision and Summer Ridge, Section 27, a proposed planned community in Township 2 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona; Gila and Salt River Meridian, (G&SRM).

The addition of Sections 22 and 27 will increase the amount of single family homes by approximately 3,600 dwelling units. The addition of this service area will not compromise the capacity of the Circle Cross WWTP. The total volume will not increase significantly nor compromise the service area. The Circle Cross WWTP will be sized and developed to serve Circle Cross and the surrounding subdivisions with an initial start-up capacity of 1.5 MGD. It is planned the WWTP will be constructed in four phases with a build-out capacity of 5.5 MGD.

The proposed plan amendment addresses issues related to wastewater collection and treatment for Johnson Utilities Company, L.L.C. as it prepares for development and anticipated growth. The Draft 208 Plan Amendment consists of a description of the above listed information including flow projections and wastewater system infrastructure requirements.

Written comments may be submitted to CAAG no later than 2:00 PM on June 18, 2002. A summary of the public comments received will be submitted as part of the Amendment package to the Arizona Department of Environmental Quality (ADEQ) for further consideration.

Written and verbal comments are welcome at the public hearing. A copy of the Draft 208 Plan Amendment No. 4A for Johnson Utilities Company, L.L.C., Circle Cross WWTP in Pinal County, Arizona will be available for public review at the CAAG office building, located at 271 Main Street, Superior, Arizona 85273, from 8:00 AM to 5:00 PM, Monday through Friday, beginning Wednesday, May 15, 2002.

For further information, or to submit written comments on the Draft 208 Amendment prior to the hearing, contact Maxine Leather, CAAG, 271 Main Street, Superior, Arizona 85273 or call at 520-689-5004 or toll free at 1-800-782-1445.

Tri-Valley Dispatch: Publish once as a legal ad during the week of April 29, 2002.

## PART III

### **CAAG COMMITTEES:**

- Committee/Council Memberships
- Meeting agendas of Committees/Council

### **ENVIRONMENTAL PLANNING COMMITTEE**

- Amendment Review Date: *June 18, 2002*

### **MANAGEMENT COMMITTEE**

- Amendment Review Date: *June 14, 2002*

### **REGIONAL COUNCIL**

- Amendment Review Date: *July 10, 2002*

**CAAG  
Environmental Planning Committee  
2002-2003**

**Mr. Doug Mason  
San Carlos Irrigation  
P.O. Box 218  
Coolidge, AZ 85228**

**Mr. Donald Gabrielson, Director  
Pinal County Air Quality  
P.O. Box 987  
Florence, AZ 85232**

**Mr. Richard Gibson  
Cooperative Extension Serv.  
820 E. Cottonwood, Bldg. C  
Casa Grande, AZ 85222**

**Mr. Reg Glos, Director  
Dept. Of Environmental Health  
P.O. Box 2517  
Florence, AZ 85232**

**Mr. Kevin Stein  
USDA NRCS  
115 E. First Street, Ste. D  
Casa Grande, AZ 85222**

**Mr. Clint Arndt  
Town of Florence  
P.O. Box 2670  
Florence, AZ 85232**

**Mr. John Breninger  
P.O. Box 2096  
Pine, AZ 85544-2096**

**Ms. Edwina Vogan  
Regional WQP Coordinator  
U.S. Dept. of Environmental Quality  
Phoenix, AZ 85012-2806**

George Hoffman  
City of Apache Junction  
1001 N. Idaho Rd.  
Apache Junction, AZ 85219

Ken Buchanan  
City of Casa Grande  
510 E Florence Boulevard  
Casa Grande, AZ 85222

Robert F. Flatley  
City of Coolidge  
130 W. Central Ave.  
Coolidge, AZ 85228

Stan Griffis  
Gila County  
P.O. Box 827  
Florence, AZ 85232

Delbert Self  
Town of Miami  
500 Sullivan St.  
Miami, AZ 85539

Steve Besich  
Gila County  
1400 E Ash St.  
Globe, AZ 85501

Terry Doolittle  
Gila County  
P.O. Box 827  
Florence, AZ 85232

Gary Eide  
Town of Kearny  
912-C Tilbury Rd., Box 639  
Kearny, AZ 85237

Himanshu Patel  
Town of Florence  
PO Box 2670  
Florence, AZ 85232

Sylvia Kerlock  
Town of Winkelman  
66 Giffin Ave., Box 386  
Winkelman, AZ 85292

Patsy Large  
Town of Mammoth  
125 N. Clark St., Box 30  
Mammoth, AZ 85618

John C. Geib  
Town of Florence  
PO Box 2670  
Florence, AZ 85232

Kelly Udall  
Town of Payson  
133 N. Beeline Hwy  
Payson, AZ 85541

Cynthia Seelhammer  
Town of Queen Creek  
22350 S. Ellsworth Rd.  
Queen Creek, AZ 85242

Roy Chavez  
Town of Superior  
734 Main St.  
Superior, AZ 85273

Tom McFellin  
City of Eloy  
528 N. Main St.  
Eloy, AZ 85231

Manoj Vyas  
City of Globe  
150 N. Pine St.  
Globe, AZ 85501

Gina Garcia  
Town of Hayden  
520 Velasco Ave., Box B  
Hayden, AZ 85235

MANAGEMENT COMMITTEE MEMBERSHIP

**X. RECOGNITIONS - Maxine Leather**

**XI. LEGISLATIVE UPDATE**

**XII. DATE - TIME - LOCATION** of the Next Meeting  
September 25, 2002 - Hosted by the City of Eloy

**XIII. CALL TO THE PUBLIC**

**XIV. ADJOURNMENT**

  
Approved by

*THIS FACILITY DOES FULLY ACCOMMODATE PERSONS WITH DISABILITIES, HOWEVER, PERSONS WITH DISABILITIES REQUIRING ACCOMMODATION MAY CONTACT LARRY VILLALOBOS, CENTRAL ARIZONA ASSOCIATION OF GOVERNMENTS, (520)689-5004, (800)782-1445 V/TDD, (520) 689-5009 TDD. IF POSSIBLE, SUCH REQUESTS SHOULD BE MADE 72 HOURS IN ADVANCE.*

# CENTRAL ARIZONA ASSOCIATION OF GOVERNMENTS

HISTORIC BELMONT BUILDING • 271 MAIN STREET • SUPERIOR, AZ 85273

Regional Council Meeting  
Wednesday July 10, 2002  
Apache Gold Casino  
Highway 70  
San Carlos, Arizona

LOCAL:  
(520) 689-5004

TOLL-FREE & V/TTY:  
1-800-782-1445

TDD:  
(520) 689-5009

FAX:  
(520) 689-5020

## REVISED AGENDA

- I. **CALL TO ORDER** - *Chair Joe Sanchez*
- II. **PLEDGE OF ALLEGIANCE**
- III. **ROLL CALL & INTRODUCTION OF GUESTS**
- IV. **CONSENT ITEMS:** P-F-T  
All items indicated by an asterisk (\*) will be handled by a single vote as part of the consent agenda, unless a Councilmember or the Executive Director objects at the time of this vote. (Reports & updates on the consent agenda may be accepted as written without verbal presentation.)
- V. **APPROVAL OF MINUTES** - *May 1, 2002* P-F-T
- VI. **FINANCIAL REPORT** - *Yvonne Kube* P-F-T
- VII. **DIRECTOR'S REPORT** - *Maxine Leather*
- VIII. **NEW BUSINESS** - *Regional Council*
  - A. FY 2001-02 Budget Amendment Resolution # 2002-1 - *Maxine Leather* P-F-T
  - B. FY 2002-03 Assessment - *Maxine Leather* P-F-T
  - C. FY 2002-2003 Special Assessment for RSVP - *Maxine Leather* P-F-T
  - D. FY 2002-03 Budget Adoption - *Maxine Leather* P-F-T
  - E. 208 Areawide Water Quality Management Plan Update Amendment No. 4A for Johnson Utility - *Maxine Leather* P-F-T
  - F. City of Globe 2002 CDBG Application Approval — *Larry Villalobos* Info.
  - G. Approval of FY 2002 Applications due to CAAG, and FY 02 Applications due to the Arizona Department of Commerce P-F-T
  - \*H. Confirmation of the EPC (Environmental Planning Committee) membership — *Maxine Leather* P-F-T
  - I. Approval of CAAG Resolution 2002-3 Opposing the Draft 2002 FHWA Proposal — *Brent Billingsley* P-F-T
  - J. CAAG FY 2001-02 Annual Report - *Maxine Leather* Info.
  - \*K. Transportation Planning Update — *Bill Leister* Info.
  - \*L. CDBG Update — *Larry Villalobos* Info.

GILA-PINAL  
COUNTIES



REGION V

GILA COUNTY

GLOBE

HAYDEN

MIAMI

PAYSON

WINKELMAN

PINAL COUNTY

APACHE JUNCTION

CASA GRANDE

COOLIDGE

ELOY

FLORENCE

KEARNY

MAMMOTH

QUEEN CREEK

SUPERIOR

Posted  
7/2/02  
9:55 am  
mbl

**CENTRAL ARIZONA ASSOCIATION OF GOVERNMENTS**

**Request for Regional Council Action**

<p><u>Date Submitted:</u></p> <p>May 31, 2002 June 18, 2002 (Updated)</p> <p><u>Date Action Requested:</u></p> <p>June 28, 2002</p>	<p><u>Type of Action(s) Requested:</u></p> <p><input checked="" type="checkbox"/> Formal Action/Motion  <input type="checkbox"/> Information Only  <input type="checkbox"/> Resolution  <input type="checkbox"/> Other _____</p>	<p><u>Subject:</u></p> <p>208 Areawide Water Quality Management Plan Update Amendment for Johnson Utilities Amendment No. 4A</p>
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**TO: CHAIRMAN AND REGIONAL COUNCIL MEMBERS**

**FROM:** Maxine L. Leather

**RECOMMENDATION:**

Request to Review and Approve: CAAG 208 Areawide Water Quality Management Plan Amendment No. 4A for Johnson Utilities Company, L.L.C. to expand the Circle Cross Ranch service area (Please see actual EPC and Management Committee motion under Discussion, Second Paragraph.)

**DISCUSSION:**

In 1978 CAAG was designated the 208 Areawide Water Quality Management Planning Agency (under Section 208 of the Clean Water Act) for Gila and Pinal Counties. CAAG's 208 Areawide Water Quality Management Plan was passed by Regional Council in 1978 and updated in September 1994. The Plan lists local wastewater treatment facilities and problems which might affect water quality in the CAAG region. The Plan also allows for amendments to be made through a regional process which includes public notice, distribution of the proposed amendments, a public hearing and committee process. The proposed amendment for Johnson Utilities went through the public hearing process on June 18, 2002; before members of CAAG's Environmental Planning Committee on June 10, 2002; and Management Committee on June 14, 2002.

The Environmental Planning Committee (three in favor and one opposed) and the Management Committee (unanimously) voted: "To recommend approval of the amendment to the CAAG Regional Council subject to Johnson Utilities Company, L.L.C. receiving a Certificate of Convenience and Necessity (CC&N) on Section 27 and receiving a CC&N, if necessary, and/or complying with any other requirements of the Arizona Corporation Commission on Section 22.

Management Committee also unanimously recommended: That the Executive Director head a committee that would include members of the EPC and other entities including municipal managers, planning and zoning members, and other appropriate members, to create the time lines for CAAG' review of the 208 Plan Amendments.

**FISCAL IMPACT:**

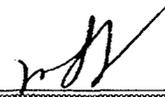
CAAG: None

The proposal includes expansion of the Circle Cross Ranch Wastewater Treatment Plant (WWTP) Service Area; to serve two additional sections which are Section 22, Castlegate Subdivision and Summer Ridge, and Section 27, a proposed PAD in Township 2 South, Range 8 East, of the Gila & Salt River Base & Meridian (G&SRM), Pinal County, Arizona.

**ALTERNATIVES:**

- 1) Modify the recommendation
- 2) Deny request
- 3) Send the proposal back to committee

**PREPARED BY:** Maxine L. Leather

**REVIEWED BY:** 

**CONCURRENCE:** \_\_\_\_\_

Action Taken: P - F - T - None

PINAL COUNTY  
BOARD OF SUPERVISORS

LIONEL D. RUIZ, District 1  
Mammoth

SANDIE SMITH, District 2  
Apache Junction

JIMMIE B. KERR, District 3  
Casa Grande



STANLEY D. GRIFFIS, Ph.D.  
County Manager

Ms. Maxine Leathers  
Director  
Central Arizona Association of Governments  
271 Main Street  
Superior, Az. 85273

14 Mar 02

Dear Ms. Leathers

The Approval of Johnson Utilities Company, LLC, 208 Plan Amendment No. 4A-Service Area Expansion is vitally important to both Pinal County and the new school being built in the Combs School District. Additionally, this will allow for the continuation of the Castlegate subdivision which is in the service area included in the requested expansion.

On behalf of the Pinal County Board of Supervisors, I am requesting that CAAG approve the Johnson Utilities Company, L.L.C. 208 Plan Amendment No.4A-Service Area Expansion.

If you have any questions, I plan to have either myself or a member of staff present at the Regional Council meeting.

Sincerely

  
Stanley D. Griffis, Ph.D.  
County Manager



# **EXHIBIT**

**7**

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY**

<input type="checkbox"/>
WS-02987A Johnson Utilities Company 5320 E. Shea Blvd. Scottsdale AZ 85254-0000

**WATER**

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2002
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**FOR COMMISSION USE**

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**COMPANY INFORMATION**

<b>Company Name (Business Name)</b> <u>JOHNSON UTILITIES, LLC</u>		
<b>Mailing Address</b> <u>5320 E. SHEA BLVD #200</u>		
<u>SCOTTSDALE</u> (City)	<u>AZ</u> (State)	<u>85254</u> (Zip)
<u>480-998-3300</u> Telephone No. (Include Area Code)	<u>480-483-7908</u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		
<b>Local Office Mailing Address</b> <u>SAME</u>		
<u></u> (City)	<u></u> (State)	<u></u> (Zip)
<u></u> Local Office Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		

**MANAGEMENT INFORMATION**

<b>Management Contact:</b> <u>GEORGE JOHNSON</u>		
<u></u> (Name)	<u></u> (Title)	
<u>5320 E. SHEA BLVD #200</u> (Street)	<u>SCOTTSDALE</u> (City)	<u>AZ</u> (State)
<u>85254</u> (Zip)		
<u>480-998-3300</u> Telephone No. (Include Area Code)	<u>480-483-7908</u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		
<b>On Site Manager:</b> <u>BRIAN P. TOMPSETT</u>		
<u></u> (Name)	<u></u> (Title)	
<u>SAME</u> (Street)	<u></u> (City)	<u></u> (State)
<u></u> (Zip)		
<u>SAME</u> Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		

**Statutory Agent:** RICHARD SALLQUIST  
 (Name)

2525 E. AZ BILTMORE CIR #117 PHOENIX AZ 85016  
 (Street) (City) (State) (Zip)

(602)224-9222  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** SAME  
 (Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co op (A)
<input type="checkbox"/> Receivership (R)	<input checked="" type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe)	

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input checked="" type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

<b>COMPANY NAME</b>	<b>YEAR ENDING</b>
<b>JOHNSON UTILITIES, LLC</b>	<b>DECEMBER 31, 2002</b>

**UTILITY PLANT IN SERVICE (AS RESTATED)**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	271,537		271,537
304	Structures and Improvements	171,191	12,872	158,319
307	Wells and Springs	473,508	25,876	447,632
311	Pumping Equipment	424,973	32,447	392,526
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	248,272	21,108	227,164
331	Transmission and Distribution Mains	10,221,937	422,174	9,799,763
333	Services	473,000	33,440	439,560
334	Meters and Meter Installations	248,086	6,900	241,186
335	Hydrants	438,969	21,077	417,892
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>12,971,473</b>	<b>575,894</b>	<b>12,395,579</b>

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

<b>COMPANY NAME</b> JOHNSON UTILITIES, LLC	<b>YEAR ENDING</b> <u>DECEMBER 31, 2002</u>
---	---

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR (AS RESTATED)**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	271,537		
304	Structures and Improvements	171,191	2.5%	4,280
307	Wells and Springs	473,508	2.5%	11,838
311	Pumping Equipment	424,973	2.5%	10,348
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	248,272	2.5%	6,207
331	Transmission and Distribution Mains	10,221,937	2.5%	183,487
333	Services	473,000	2.5%	11,825
334	Meters and Meter Installations	248,086	2.5%	3,976
335	Hydrants	438,969	2.5%	9,008
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>SUBTOTAL</b>	<b>12,971,473</b>		<b>240,969</b>
	<b>CIAC AMORTIZATION</b>			<b>(89,722)</b>
	<b>TOTALS</b>	<b>12,971,473</b>		<b>151,247</b>

Note: Depreciation is calculated using the Half-Year convention.

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

**ULLMANN**  
**& COMPANY P.C.**  
Certified Public Accountants

To the Board of Directors of  
The Water Division of Johnson Utilities, L.L.C.  
Scottsdale, Arizona

We have compiled the balance sheet of The Water Division of Johnson Utilities, L.L.C. as of December 31, 2002 and 2001, and the comparative statement of income and expenses for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

*Ullmann & Company*

ULLMANN & COMPANY, P.C.  
Certified Public Accountants

March 31, 2003

<b>COMPANY NAME</b> JOHNSON UTILITIES, LLC	<b>YEAR ENDING</b> <u>DECEMBER 31, 2002</u>
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**BALANCE SHEET (AS RESTATED)**

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 28,287	\$ 1,276,132
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	91,289	425,037
146	Notes/Receivables from Associated Companies	161,984	154,626
151	Plant Material and Supplies		
162	Prepayments	1,000	0
174	Miscellaneous Current and Accrued Assets	347,788	366,308
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ 630,348</b>	<b>\$ 2,222,103</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 6,849,119	\$ 12,971,473
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	334,925	575,894
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	<b>\$ 6,514,194</b>	<b>\$ 12,395,579</b>
	<b>TOTAL ASSETS</b>	<b>\$ 7,144,542</b>	<b>\$ 14,617,682</b>

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

<b>COMPANY NAME</b> JOHNSON UTILITIES, LLC	<b>YEAR ENDING</b> DECEMBER 31, 2002
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**BALANCE SHEET (AS RESTATED) - (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 1,185,255	\$ 1,813,500
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	1,003,128	88,008
235	Customer Deposits	9,848	16,245
236	Accrued Taxes	299,782	344,052
237	Accrued Interest	94,233	156,407
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 2,592,246	\$ 2,418,212
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 710,240	\$ 735,415
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	4,014,325	5,423,496
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	2,368,201	4,809,581
272	Less: Amortization of Contributions	100,320	190,042
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 6,282,206	\$ 10,043,035
	<b>TOTAL LIABILITIES</b>	\$ 9,584,692	\$ 13,196,662
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ -	\$ -
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	(2,440,150)	1,421,020
	<b>TOTAL CAPITAL</b>	\$ (2,440,150)	\$ 1,421,020
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 7,144,542	\$ 14,617,682

<b>COMPANY NAME</b> <b>JOHNSON UTILITIES, LLC</b>	<b>YEAR ENDING</b> <u>DECEMBER 31, 2002</u>
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**COMPARATIVE STATEMENT OF INCOME AND EXPENSE (AS RESTATED)**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 907,502	\$ 1,792,132
460	Unmetered Water Revenue		
474	Other Water Revenues	38,434	92,967
	<b>TOTAL REVENUES</b>	<b>\$ 945,936</b>	<b>\$ 1,885,099</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ -	\$ -
610	Purchased Water	209,835	328,613
615	Purchased Power	156,720	208,378
618	Chemicals		
620	Repairs and Maintenance	26,471	26,113
621	Office Supplies and Expense		
630	Outside Services	361,528	552,979
635	Water Testing	38,692	48,427
641	Rents		
650	Transportation Expenses	15,147	0
657	Insurance - General Liability	18,113	0
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	38,346	12,159
403	Depreciation Expense	110,993	151,247
408	Taxes Other Than Income		
408.11	Property Taxes	150,332	95,403
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,126,177</b>	<b>\$ 1,423,319</b>
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ 3,055	\$ 10,853
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	47,848	91,707
	<b>TOTAL OTHER INCOME/EXP</b>	<b>\$ (44,793)</b>	<b>\$ (80,854)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ (225,034)</b>	<b>\$ 380,926</b>

**COMPANY NAME** JOHNSON UTILITIES, LLC

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	Various			
Source of Loan	Member			
ACC Decision No.				
Reason for Loan	Capital Impr.			
Dollar Amount Issued	\$735,415	\$	\$	\$
Amount Outstanding	\$735,415	\$	\$	\$
Date of Maturity	Demand			
Interest Rate	8%			
Current Year Interest	\$58,833	\$	\$	\$
Current Year Principle	\$0	\$	\$	\$

Meter Deposit Balance at Test Year End	<u>\$714,924</u>
Meter Deposits Refunded During the Test Year	<u>\$55,978</u>

**COMPANY NAME** JOHNSON UTILITIES, LLC

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

See Attached Statements for Additional Information

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10 HP	6	402	
15 HP	1		
30 HP	4		
40 HP	4		
75 HP	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
500,000	2	5,000	5
50,000	3		
100,000	1		
10,000	1		

**COMPANY NAME** JOHNSON UTILITIES, LLC

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

See Attached Statements for Additional Information

**MAINS**

**CUSTOMER METERS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	233
5		
6	PVC	106,010
8	PVC	170,475
10	PVC	520
12	C900 PVC	23,243

Size (in inches)	Quantity
5/8 X 3/4	
3/4	312
1 -Double	2294
1 1/2	33
2	25
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

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

**TREATMENT EQUIPMENT:**

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**STRUCTURES:**

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**OTHER:**

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COMPANY NAME:

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY			
FEBRUARY			
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
TOTAL		N/A	

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: \_\_\_\_\_

What is the level of arsenic for each well on your system. \_\_\_\_\_mg/l

*(If more than one well, please list each separately)*

**Note: If you are filing for more than one system, please provide separate data sheets for each system.**

JOHNSON UTILITIES COMPANY  
PLANT INVENTORY

WATER

Item	Name	ADWR #	In-Service	Lot Size	Tax Parcel	Well Depth	Casing Size	Casing Depth	Pump HP	Pump GPM	Decided to JUCT
<b>WELLS</b>											
1	Johnson Ranch 1	55-827100		100x160							
2	Johnson Ranch 2	55-815284		2.07 Ac	210-28-001B						San Tan
3	Johnson Ranch 3	55-827105	Yes	4.5 Ac	210-21-004B1						Joh. Trust
4	Johnson Ranch 4	55-558445	Yes								
5	Johnson Ranch 5	55-559843	Yes								
6	Johnson Ranch 6	55-815286	Yes	1.02 Ac	210-19-058D						San Tan
7	Johnson Ranch 7	55-582085	Yes	1.0 Ac	210-20-001H						San Tan
8	Oasis 1	55-585886	Yes								
9	Oasis 2	55-582087	Yes								
10	Oasis 3										
11	Oasis & Monitor										
12	Sun Valley Farms 1			.23 Ac	210-43-001						
13	Sun Valley Farms 2			.23 Ac	210-43-001						
14	Sun Valley Farms 3		Yes	.36 Ac	210-43-029A						
15	Sun Valley Farms 4			.36 Ac	210-47-015						
16	Sun Valley Farms 5			.38 Ac	210-47-016						
17	Edwards Road 1	55-585189	Yes								
18	Ricke 1	55-570372	Yes								
19	Ricke 2	55-574376									
20	Mystic Lake 1	55-583151									
21	Mystic Lake 2	55-583151									
22	Wind Rocks 1	55-571198									
23	Skyline 1	55-621462	Yes								
24	Circle Cross 1										
25	Circle Cross 2										
Total											0

OPTION TO BUY WELLS

1	Ellsworth	55-827098		40x80							
2	Ellsworth	55-827097	Yes	40x81							
3	Ellsworth	55-827098	Yes	40x82							
4	Spike H Enterprises	66-827111		40x80		871	20	73.8		1,300	
5	Spike H Enterprises	66-827112		40x80		934	18	914		1,100	
6	Spike H Enterprises	66-827113		40x80		660	16	673		980	
7	Spike H Enterprises	66-827134		40x80		600	20	630		600	
8	Spike H Enterprises	66-827115		40x80		800	16	860		600	

OPTION TO BUY WELL SITES

1	Spike H Enterprises	Sec 27		80x100	??						Spike H
2	Spike H Enterprises	Sec 27		80x100	??						Spike H
3	Spike H Enterprises	Sec 27		80x100	??						Spike H

JOHNSON UTILITIES COMPANY  
PLANT INVENTORY

WATER

WATER PLANT

Item	Plant	Alt Well Site #	Lot Size	Tax Parcel	Tank	Hydro Tank	Reverse Osmosis	Boosters Number	Horse Power	Dedicated to JUC?
1	Johnson Ranch Water Plant	No	2.13 AC	210-20-0001J	50,000	5,000	240,000	2	40	San Tan
					100,000			1	75	
2	Class Water Plant	No			50,000	9,000		2	40	
					50,000			1	75	
3	Wild Horse Water Plant	WH # 1			50,000	5,000		2	30	
4	Edward Road Water Plant	ER # 1			50,000	5,000		2	30	
5	Sun Valley Farms Water Plant	SVF # 3			10,000		Yes	1	15	
6	Ricks Water Plant	Rick # 1			50,000	5,000		2	30	
7	CAP Pump Station							1	30	
Total					1,380,000	25,000		17	395	

PLANT HELD FOR FUTURE USE

1	Tract A		23 AC	210-18-001A						San Tan
2	Tract B		23 AC	210-18-001B						San Tan
3	Tract C		92 AC	210-19-001P						San Tan
4	Elsworth 1		90X120	210-17-001B						JUC
5	Elsworth 2		40X120	210-17-003C						JUC
6	Elsworth 3		40X121	210-17-003C						JUC
7	Elsworth 4		40X122	210-21-002B						JUC

MAINS BACKBONE

Project	16" DIP	12" DIP	8" DIP	6" DIP	18" PVC	12" PVC	10" PVC	8" PVC	Total Mains
1 JR Water Plant No 1	110	675	65						
2 CAP to Champion GC					1,850	1,130			
3 Precision GC					5,700	3,050			
4 JR Water Sys Phase 1								1,475	
5 Wild Horse			15					217	
6 Edwards Road			65					217	
7 Class Water Plant	140	675						236	
8 San Tan Highways Water	105				11,124			25,441	
9 San Tan Highways Water					4,667			1,580	
10 8 & 12 Water Jr to Class								14,800	
11 Grand Water System								12,380	
12 CAP to Class								217	
13 Edwards Road Plant Line								50	
14 Ricks Well								100	
15 Vineyard Road								11,237	
16 JR Water 2 & 7								67,860	
17 Mystic Lake Wells								4,190	
18 Cooper Road Water Line	325	1,350	145					67,860	
Total									112,512
									21,311

Water Plant

JUC Plant Inventory.xls

3/25/2003



COMPANY NAME JOHNSON UTILITIES, LLC YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002: \$ 14,297

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 reasons below:

COMPANY NAME JOHNSON UTILITIES, LLC YEAR ENDING 12/31/2002

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>N/A (LLC)</u>
Estimated or Actual Federal Tax Liability	<u>N/A (LLC)</u>
State Taxable Income Reported	<u>N/A (LLC)</u>
Estimated or Actual State Tax Liability	<u>N/A (LLC)</u>
Amount of Grossed-Up Contributions/Advances:	
Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION  
STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE**

COUNTY OF (COUNTY NAME) <b>MARICOPA</b>
NAME (OWNER OR OFFICIAL) TITLE <b>GEORGE H. JOHNSON</b>
COMPANY NAME <b>JOHNSON UTILITIES - WATER DIVISION</b>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2002

**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 2002 WAS:**

Arizona IntraState Gross Operating Revenues Only (\$)
\$ <u>2,003,380</u>

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 118,281  
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)**

SIGNATURE OF OWNER OR OFFICIAL \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS \_\_\_\_\_ DAY OF**

COUNTY NAME	
MONTH	20__

(SEAL)

**MY COMMISSION EXPIRES \_\_\_\_\_**

SIGNATURE OF NOTARY PUBLIC \_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**VERIFICATION**

**STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE**

(COUNTY NAME)	MARICOPA	
NAME (OWNER OR OFFICIAL)	GEORGE H. JOHNSON	TITLE PRESIDENT
COMPANY NAME	JOHNSON UTILITIES - WATER DIVISION	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2002

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 2002 WAS:**

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>872,674</u>

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 51,523 IN SALES TAXES BILLED, OR COLLECTED)

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

X \_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL

**SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS \_\_\_\_\_ DAY OF**

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH	, 20

(SEAL)

**MY COMMISSION EXPIRES**

X \_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC



**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY**

<p>WS-02987A Johnson Utilities Company 5320 E. Shea Blvd. Scottsdale AZ 85254-0000</p>	<input type="checkbox"/>
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**WASTE WATER**

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2002
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**FOR COMMISSION USE**

ANN05	02
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PROCESSED BY:

SCANNED

### COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>JOHNSON UTILITIES, LLC</u>		
<b>Mailing Address</b> <u>5320 E. SHEA BLVD #200</u>		
<u>SCOTTSDALE</u> (City)	<u>AZ</u> (State)	<u>85254</u> (Zip)
<u>480-998-3300</u> Telephone No. (Include Area Code)	<u>480-483-7908</u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		
<b>Local Office Mailing Address</b> <u>SAME</u>		
<u></u> (City)	<u></u> (State)	<u></u> (Zip)
<u></u> Local Office Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		

### MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>GEORGE JOHNSON</u>			
<u></u> (Name)	<u></u> (Title)		
<u>5320 E. SHEA BLVD #200</u> (Street)	<u>SCOTTSDALE</u> (City)	<u>AZ</u> (State)	<u>85254</u> (Zip)
<u>480-998-3300</u> Telephone No. (Include Area Code)	<u>480-483-7908</u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			
<b>On Site Manager:</b> <u>BRIAN P TOMPSETT</u>			
<u></u> (Name)	<u></u>		
<u>SAME</u> (Street)	<u></u> (City)	<u></u> (State)	<u></u> (Zip)
<u>SAME</u> Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			

**Statutory Agent:** RICHARD SALLQUIST  
 (Name)

2525 E. AZ BILTMORE CIR #117 PHOENIX AZ 85016  
 (Street) (City) (State) (Zip)

(602)224-9222  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** SAME  
 (Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

Sole Proprietor (S)  C Corporation (C) (Other than Association/Co-op)

Partnership (P)  Subchapter S Corporation (Z)

Bankruptcy (B)  Association/Co op (A)

Receivership (R)  Limited Liability Company

Other (Describe) \_\_\_\_\_

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

APACHE  COCHISE  COCONINO

GILA  GRAHAM  GREENLEE

LA PAZ  MARICOPA  MOHAVE

NAVAJO  PIMA  PINAL

SANTA CRUZ  YAVAPAI  YUMA

STATEWIDE

<b>COMPANY NAME</b>	<b>YEAR ENDING</b>
<b>JOHNSON UTILITIES, LLC</b>	<b>DECEMBER 31 2002</b>

**UTILITY PLANT IN SERVICE (AS RESTATED)**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
351	Organization			
352	Franchises			
353	Land and Land Rights	910,000		910,000
354	Structures and Improvements	453,663	26,840	426,823
355	Power Generation Equipment			
360	Collection Sewers - Force			
361	Collection Sewers - Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers	12,080,671	638,429	11,442,242
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	<b>TOTALS</b>	<b>13,444,334</b>	<b>665,269</b>	<b>12,779,065</b>

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

<b>COMPANY NAME</b>	<b>YEAR ENDING</b>
<b>JOHNSON UTILITIES, LLC</b>	<b>DECEMBER 31, 2002</b>

**CALCULATION OF DEPRECIATION EXPENSE (AS RESTATED)**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization			
352	Franchises			
353	Land and Land Rights	910,000		
354	Structures and Improvements	453,663	2.5%	11,342
355	Power Generation Equipment			
360	Collection Sewers - Force			
361	Collection Sewers - Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers	12,080,671	2.5%	274,802
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	<b>SUBTOTAL</b>	<b>13,444,334</b>		<b>286,144</b>
	<b>CIAC Amortization</b>			<b>(93,844)</b>
	<b>TOTALS</b>	<b>13,444,334</b>		<b>192,300</b>

Note: Depreciation is calculated using the Half-Year convention.

This amount goes on Comparative Statement of Income and Expense Acct. 403

**ULLMANN**  
**& COMPANY P.C.**  
Certified Public Accountants

To the Board of Directors of  
The Sewer Division of Johnson Utilities, L.L.C.  
Scottsdale, Arizona

We have compiled the balance sheets (as restated) of The Sewer Division of Johnson Utilities, L.L.C. as of December 31, 2002 and 2001, and the comparative statements of income and expenses (as restated) for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

Certain errors resulting in an overstatement of previously reported depreciation as of December 31, 2002 and 2001, were discovered by management of Johnson Utilities, L.L.C. subsequent to the issuance of our report on those financial statements dated March 31, 2003. Accordingly, the accompanying 2002 and 2001 financial statements have been restated to correct the error.

*Ullmann & Company*

ULLMANN & COMPANY, P.C.  
Certified Public Accountants

June 13, 2003

<b>COMPANY NAME</b> JOHNSON UTILITIES, LLC	<b>YEAR ENDING</b> DECEMBER 31, 2002
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**BALANCE SHEET (AS RESTATED)**

Acct. No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 10,425	\$ 410,535
132	Special Deposits		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	33,644	136,735
146	Notes/Receivables from Associated Companies	59,699	49,743
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	128,177	117,842
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 231,945	\$ 714,855
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	11,267,156	13,444,334
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	379,125	665,269
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 10,888,031	\$ 12,779,065
	<b>TOTAL ASSETS</b>	\$ 11,119,976	\$ 13,493,920

NOTE: Total Assets on this page should equal Total Liabilities and Capital on the following page.

<b>COMPANY NAME</b>	<b>YEAR ENDING</b>
<b>JOHNSON UTILITIES, LLC</b>	<b>DECEMBER 31, 2002</b>

**BALANCE SHEET (AS RESTATED) - (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
<b>CURRENT LIABILITES</b>			
231	Accounts Payable	\$ 436,827	\$ 583,407
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	369,703	28,312
235	Customer Deposits		
236	Accrued Taxes	110,485	110,682
237	Accrued Interest	34,730	50,316
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 951,745</b>	<b>\$ 772,717</b>
<b>LONG-TERM DEBT (Over 12 Months)</b>			
224	Long-Term Notes and Bonds	\$ 261,760	\$ 236,585
<b>DEFERRED CREDITS</b>			
252	Advances in Aid of Construction	\$ 3,013,517	\$ 5,433,041
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	2,299,152	5,208,322
272	Less: Amortization of Contributions	73,636	167,479
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$ 5,239,033</b>	<b>\$ 10,473,884</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 6,452,538</b>	<b>\$ 11,483,186</b>
<b>CAPITAL ACCOUNTS</b>			
201	Common Stock Issued	\$ -	\$ -
211	Other Paid in Capital		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	4,667,438	2,010,734
	<b>TOTAL CAPITAL</b>	<b>\$ 4,667,438</b>	<b>\$ 2,010,734</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 11,119,976</b>	<b>\$ 13,493,920</b>

<b>COMPANY NAME</b>	<b>YEAR ENDING DECEMBER 31, 2002</b>
<b>JOHNSON UTILITIES, LLC</b>	

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE (AS RESTATED)**

	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>TEST YEAR</b>
521	Flat Rate Revenues	\$ 334,505	\$ 576,672
522	Measured Revenues		
536	Other Wastewater Revenues	13,775	39,700
	<b>TOTAL REVENUES</b>	<b>\$ 348,280</b>	<b>\$ 616,372</b>
	<b>OPERATING EXPENSES</b>		
701	Salaries and Wages		
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	22,228	851
715	Purchased Power	57,759	67,036
716	Fuel for Power Production		
718	Chemicals	858	661
720	Materials and Supplies	9,756	8,400
731	Contractual Services - Professional	133,242	177,894
735	Contractual Services - Testing		
736	Contractual Services - Other		
10	Rents		
750	Transportation Expense	5,583	0
755	Insurance Expense	6,676	0
765	Regulatory Commission Expense		
775	Miscellaneous Expense	14,132	3,911
403	Depreciation Expense	160,207	192,300
408	Taxes Other Than Income		
408.11	Property Taxes	55,405	30,692
409	Income Taxes		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 465,846</b>	<b>\$ 481,745</b>
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ 1,126	\$ 3,492
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	17,634	29,502
	<b>TOTAL OTHER INCOME/EXP</b>	<b>\$ (16,508)</b>	<b>\$ (26,010)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ (134,074)</b>	<b>\$ 108,617</b>

**COMPANY NAME** JOHNSON UTILITIES, LLC

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	Various			
Source of Loan	Member			
ACC Decision No.				
Reason for Loan	Capital Impr.			
Dollar Amount Issued	\$261,760	\$	\$	\$
Amount Outstanding	\$236,585	\$	\$	\$
Date of Maturity	Demand			
Interest Rate	8%	%	%	%
Current Year Interest	\$18,927	\$	\$	\$
Current Year Principle	\$0	\$	\$	\$

**COMPANY NAME** JOHNSON UTILITIES, LLC

**WASTEWATER COMPANY PLANT DESCRIPTION**

**TREATMENT FACILITY**

<b>TYPE OF TREATMENT</b> (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	EXTENDED AERATION, AEROBIC LAGOONS
<b>DESIGN CAPACITY OF PLANT</b> (Gallons Per Day)	1.6 MGD

**LIFT STATION FACILITIES**

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
MAIN PUMP STATION	2	30	325	7500
REUSE PUMP STATION	2	30	420	1879
UNIT 4A PUMP	2	5	400	380
UNIT 4D/4F PUMP STATION	2	18	656	1184
UNIT 6 PUMP STATION	2	3	100	440
OASIS @ MAGIC RANCH PUMP STATION	2	7.5	593	887
SUPERSTITION VIEWS	2	7.5	90	440
OASIS SUNRISE	2	15	500	2162
SAN TAN PUMP STATION	2	75	500	7500
COPPER BASIN PUMP STATION	2	30	380	7780
CIRCLE CROSS PUMP STATION	2	50	500	2256
PECAN RANCH PUMP STATION	2	75	500	2162

**FORCE MAINS**

Size	Material	Length (Feet)
4-inch	PVC	2,704
6-inch	PVC	6,610
8-inch	PVC	71,635

**MANHOLES**

Type	Quantity
Standard	771
Drop	3

**CLEANOUTS**

Quantity
185

**COMPANY NAME** JOHNSON UTILITIES, LLC

**WASTEWATER COMPANY PLANT DESCRIPTION CONTINUED**

**COLLECTION MAINS**

**SERVICES**

Size (in inches)	Material	Length (in feet)
4		
6		7798
8		153408
10		16033
12		13212
15		167
18		1580
21		
24		
30		

Size (in inches)	Material	Quantity
4		4900
6		2
8		
12		
15		

**FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY**

<b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>	NONE
<b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)	6 CHLORINATORS
<b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	NONE
<b>STRUCTURES</b> (Buildings, Fences, Etc.)	FENCES - 12 WELL SITES, 6 WATER PLANTS, 11 LIFT STATIONS. 1 WWTP.
<b>OTHER</b> (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	3 GENERATORS, 1 BACKHOE, 1 BULL DOZER



**STATISTICAL INFORMATION**

Total number of customers	_____
Total number of gallons treated	_____ gallons

**JOHNSON UTILITIES COMPANY  
PLANT INVENTORY  
WASTEWATER**

**TREATMENT PLANTS**

Name	GPD	Lot Size	Horsepower	GPM each	Wet Well Capacity	Decided to JUC?	Tax Parcel
Johnson Ranch Main WWTP	1.6M	87 Acres				Gen Hunt	200-24-603D5 (?? 287 Ac ??)
Precision	.3M	37 AC				? Lease to CAC	210-20-001K
Marwood	Retired	N/A					

**LIFT STATIONS**

Name	Location	Number Pumps	Horsepower	GPM each	Wet Well Capacity	Decided to JUC?	Tax Parcel
Main Station	Water Plant #1	2	30	325	7500		
Station 4A	JR Unit 4	2	7.5	156	380		
Station 6	JR Unit 6	2	3	100	440		
San Tan Station	San Tan Unit XX	2	25	500	7500		
Pecan Station	Pecan Ranch Unit XX	2	75	500	1879		
Reuse Station	Main WWTP	2	30	420			
Superstation Views 4D/4F	Superstation Views	2	7.5	80	440		
Copper Basin	JR Unit 4D/4F	2	30	380	1868		
Copper Basin	Copper Basin Devel	2	40	380	3750		
Circle Cross	Circle Cross Devel	2	50	500	1879		
Magic Ranch Phase 1	Magic Ranch Phase 1	2	7.5	583			
Oasis Sunrise	Oasis Sunrise Devel	2	15	500	1879		

**JOHNSON UTILITIES COMPANY  
PLANT INVENTORY  
WASTEWATER**

Subdivision	18" Mains	15" Mains	12" Mains	10" Mains	8" DIP	8" Mains	6" Mains	4" Main	Tot. Mns	4' M.H. 5' M.H.	C.O.	30" Siv
JR Unit 1			1,200			5,135				26	6	
JR Unit 2			465			4,120				18		
JR Unit 3A			2,484			4,035				20		
JR Unit 3B			710			1,996				8	1	
JR Unit 4A						9,283				35	9	
JR Unit 4B						5,839	639			19	6	
JR Unit 6						3,559	551			11	3	
JR Unit 7			1,035			8,447	1,041			56	10	
JR Unit 8			1,034			4,800	765			22	6	
JR Unit 12			1,212			6,370	1,092			35	10	
JR Unit 13						8,887	706			33	6	
Lakeview Gardens						2,273				14		
JR Units 4D & F						14,416	1,708			47	18	13
JR Unit 15						8,954				56	3	5
San Tan OS Mn Parcels 8 & 9			1,460	1,860	484	2,340				15	15	
San Tan Parcel 8					177	3,139				14	19	
San Tan Parcel 9						3,892				2	11	8
San Tan OS Mn Parcels 5, 6, & 7	1,580				133	4,386				11	5	16
San Tan Parcel 5					105	3,400				10	1	11
San Tan Parcel 6					242	4,207				17	17	
San Tan Parcel 7						634				3		
Johnson Holdings/Tosco						2,344				10	1	
Circle Cross Parcel 2			159	1,412		3,708				26	1	
Circle Cross Parcel 3			361	2,554		2,769				14	1	
Circle Cross Parcel 5			155			3,500				18		
Circle Cross Parcel 6				2,615		2,914				11	5	1
Circle Cross Parcel 1			1,471	915		1,656				17	1	3
Circle Cross Parcel 2			202	3,007		4,489				19	8	3
Circle Cross Parcel 4			361	2,211		3,802				15	1	
Circle Cross Parcel 5			208			3,775				19		
Copper Basin Unit 2				1,459	326	7,704				22	5	
Oasis at Magic Ranch				362		5,495	689			28		6
Oasis Sunrise												
Total	1,580		12,515	16,033	1,467	153,408	6,502		191,505	670	79	174
								Miles	36.27			
								Total Miles	64.00			

**JOHNSON UTILITIES COMPANY**  
**PLANT INVENTORY**  
**WASTEWATER**

Project	18" Mains	15" Mains	12" Mains	10" Mains	8" Mains	6" Main	8" F/M	6" F/M	4" F/M	Total Mains	4" M.H.	15" M.H.	C.O.	10" SIV
Main Pump Station							25,600				4		2	
Main WWTP	980	1,120			806	1,879	3,300				13			
JR Trunk Sewer	136	3,650				4,860							9	
4A Station							18,477				3			
San Ten Force Lift Sta & Force Mn							6,750							
Section 11 Reuse					510	60	29,200				2			285
Sec 11 WWTP									288					
Pecan Ranch Pump Sta & Force Mn					22		5,104							
Supersition Views Pump Sta & F. M.							3,071							
Circle Cross Pump Sta and force Mn							5,733							
Copper Basin Pump Sta and force Mn							2,907		1,349					
Chavis at Ingle Pump Sta & Force Mn														
Oasis Sunrise Pump Sta & Force Mn														
4014F Pump Station & Force Main														
<b>Total</b>	1,126	4,770			1,197	6,610	71,635		Miles	85,278	22		11	285

3/25/2003

Wastewater Mains

JUC Plant Inventory.xls

COMPANY NAME JOHNSON UTILITIES, LLC YEAR ENDING 12/31/2002

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>N/A (LLC)</u>
Estimated or Actual Federal Tax Liability	<u>N/A (LLC)</u>

State Taxable Income Reported	<u>N/A (LLC)</u>
Estimated or Actual State Tax Liability	<u>N/A (LLC)</u>

**Amount of Grossed-Up Contributions/Advances:**

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
TITLE

COMPANY NAME JOHNSON UTILITIES, LLC YEAR ENDING 12/31/2002

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 6,121

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  
Intrastate Revenues Only**

**VERIFICATION**

**STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE**

COUNTY OF (COUNTY NAME) <b>MARICOPA</b>
NAME (OWNER OR OFFICIAL) TITLE <b>GEORGE H. JOHNSON</b>
COMPANY NAME <b>JOHNSON UTILITIES L.L.C. - SEWER DIVISION</b>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2002

**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 2002 WAS:**

Arizona IntraState Gross Operating Revenues Only (\$)
\$ <u>654,432</u>

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 38,060  
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)**

SIGNATURE OF OWNER OR OFFICIAL \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS \_\_\_\_\_ DAY OF**

COUNTY NAME	
MONTH	20__

**(SEAL)**

**MY COMMISSION EXPIRES \_\_\_\_\_**

SIGNATURE OF NOTARY PUBLIC \_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)	MARICOPA	
NAME (OWNER OR OFFICIAL)	GEORGE H. JOHNSON	TITLE PRESIDENT
COMPANY NAME	JOHNSON UTILITIES L.L.C. - SEWER DIVISION	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

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 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>629,518</u>

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 36,611 IN SALES TAXES BILLED, OR COLLECTED)

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

X

\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

[ ]

DAY OF

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH	. 20

(SEAL)

MY COMMISSION EXPIRES

X

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC