

NEW APPLICATION



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ORIGINAL

RECEIVED

1 FENNEMORE CRAIG  
 Jay L. Shapiro  
 2 Norman D. James  
 3003 N. Central Ave.  
 3 Suite 2600  
 Phoenix, Arizona 85012  
 4 Attorneys for Chaparral City Water Company

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 AZ CORP COMMISSION  
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Arizona Corporation Commission

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

W-02113A-05-0178

7  
 8 IN THE MATTER OF THE APPLICATION  
 OF CHAPARRAL CITY WATER  
 9 COMPANY, INC., AN ARIZONA  
 CORPORATION, FOR AN ORDER  
 10 PRELIMINARY TO EXTENSION OF ITS  
 CERTIFICATE OF CONVENIENCE AND  
 11 NECESSITY PURSUANT TO A.R.S. § 40-  
 282.D.

DOCKET NO: W-02113A-05-\_\_\_\_\_

**APPLICATION**

12 Chaparral City Water Company ("Chaparral City" or "Company"), an Arizona  
 13 public service corporation, hereby applies for an order of the Arizona Corporation  
 14 Commission preliminary to the extension of its CC&N pursuant to A.R.S. § 40-282.D.  
 15 The purpose of such order would be to set forth and establish conditions that, if fulfilled,  
 16 would allow Chaparral City to extend its CC&N to include a roughly 1,300 acre parcel of  
 17 State Trust land immediately adjacent to its existing CC&N. This application is brought  
 18 with the support of the Arizona State Land Department ("ASLD") and the Town of  
 19 Fountain Hills ("Town"), which have requested an extension of water utility service by  
 20 the Company to such lands. Granting this Application would further the public interest by  
 21 aiding the ASLD in selling the subject property, thereby raising monies to support public  
 22 education in the State.

In support of this Application, Company states as follows:

23  
 24 1. Chaparral City is a public service corporation engaged in providing water  
 25 utility services in portions of eastern Maricopa County, Arizona, including the Town of  
 26 Fountain Hills, pursuant to a certificate of public convenience and necessity granted by

1 the Arizona Corporation Commission (the "Commission") to the Company. At the  
2 present time, Chaparral City provides water utility service to approximately 12,700  
3 residential, commercial and irrigation customers.

4 2. The area covered by this Application is an approximately 1,313 acre parcel  
5 of land owned by the State of Arizona and administered by ASLD as State Trust land.  
6 This parcel of land is undeveloped, except for the thirty-five (35) acre Fountain Hills  
7 Middle School site, which Chaparral City already serves. Several months ago, the  
8 Company was contacted by representatives of the Town about this State Trust, which the  
9 Town is very interested in annexing this area after it is sold. Letters from the Town and  
10 ASLD supporting this request are attached hereto as Exhibit A. ASLD has begun the  
11 process of preparing this property for sale at public auction.

12 3. As part of the process of preparing this property for sale, the Company is  
13 informed that the ASLD is in the process of soliciting proposals from interested parties to  
14 act as its Planning Permittee pursuant to the Urban Lands Act, A.R.S. § 37-331, *et seq.*  
15 As part of the planning process, the Urban Lands Act calls for the State Land  
16 Commissioner to, among other things, cooperate with the Department of Water Resources  
17 to determine that the subject lands have the quality and quantity of water needed for urban  
18 development. A.R.S. §37-332(E)(6). Prior to adopting any development plan created  
19 under the Urban Lands Act, the plan must contain provisions for the delivery of an  
20 adequate or assured water supply as specified in title 45, chapter 1 or 2 (A.R.S. § 45-101  
21 *et seq.*, A.R.S. § 45-401 *et seq.*), and for public facilities and resources including water  
22 supply delivery systems, water collection and treatment systems. A.R.S. §37-334(D)(4)  
23 and (5).

24 4. A legal description for the area requested in this Application is attached  
25 hereto as Exhibit B.

26

1           5.     A detailed map indicating portions of Chaparral City's present CC&N and  
2 the area requested for extension by this Application is attached hereto as Exhibit C.

3           6.     Chaparral City's business office is located at 12021 N. Panorama Dr.,  
4 Fountain Hills, AZ 85268, and its telephone number is (480) 837-3411. Its District  
5 Manager and primary management contact is Robert N. Hanford. Mr. Hanford is  
6 responsible for overseeing and directing the conduct of this application. Mr. Hanford's  
7 pre-filed Direct Testimony is attached hereto as Exhibit D and supports the Company's  
8 application.

9           7.     Chaparral City's Permit to Operate, number 078017, issued by Maricopa  
10 County Environmental Services Department whose business address is 1001 N. Central  
11 Ave., Suite 100, Phoenix, Arizona 85004. Their telephone number is (602) 506-6616.

12           8.     Chaparral City's attorneys are Fennemore Craig, whose address is 3003  
13 North Central Avenue, Suite 2600, Phoenix, Arizona 85012-2913. The individual  
14 attorney responsible for this application is Jay L. Shapiro. Mr. Shapiro's telephone  
15 number is (602) 916-5366. **All discovery, data requests and other requests for**  
16 **information concerning this Application should be directed to Mr. Hanford, with a**  
17 **copy to Jay L. Shapiro, for Chaparral City.**

18           9.     A Certificate of Good Standing for Chaparral City is attached hereto as  
19 Exhibit E.

20           10.    Chaparral City's balance sheet and profit and loss information for the 12-  
21 month period ending 2003 is attached hereto as Exhibit F.

22           11.    A copy of Chaparral City's most recent Annual Report (2003) is attached  
23 hereto as Exhibit G.

24           12.    At this time, Chaparral City is unable to estimate the (1) number of  
25 customers to be served in each of the first five years of water utility service to the area  
26 covered by this Application; (2) annual operating revenue and operating expenses for each

1 of the first five years of operation in the area covered by this Application; (3) or the plant  
2 costs for the first five years service would be provided to this area. This is because, as  
3 noted above and in Mr. Hanford's testimony, the State Trust land subject to this  
4 application has not yet been sold. Therefore, the specific configuration of any  
5 development on the property is not yet known. Consequently, this information would be  
6 provided at a later date as one of the conditions preliminary to extension of Chaparral  
7 City's CC&N.

8 13. The manner in which construction of the additional utility facilities needed  
9 to serve the area covered by this Application will be financed is also not presently known.  
10 However, Chaparral City anticipates entering into one or more agreements with the  
11 landowners, developers and/or homebuilders developing the property concerning the  
12 extension of service and construction of necessary facilities. Obtaining such agreements  
13 shall be a condition preliminary to the extension of Chaparral City's CC&N.

14 14. Chaparral City will also be required to obtain license, franchise or consent  
15 from either the Town or Maricopa County to include the area to be served. Obtaining an  
16 agreement or other documents evidencing such license, franchise or consent shall a  
17 condition preliminary to the extension of Chaparral City's CC&N.

18 15. Approval for the construction of necessary water utility infrastructure from  
19 either the Arizona Department of Environmental Quality and/or the Maricopa County  
20 Environmental Services Department shall also be a condition preliminary to the extension  
21 of Chaparral City's CC&N.

22 16. Chaparral City has recently been issued a Designation of Assured Water  
23 Supply by the Arizona Department of Resources and such designation should be  
24 applicable to the State Trust property. A copy of the Designation is attached hereto as  
25 Exhibit H.

26

1           17. Notice of this Application will be given by publication in a newspaper of  
2 general circulation as required by the Commission. Proof of publication will be filed with  
3 the Commission.

4           18. To the best of its knowledge and belief, Chaparral City is currently in  
5 compliance with all regulatory requirements applicable to its provision of water utility  
6 service in Arizona, including all applicable orders, rules and regulations of the  
7 Commission, Arizona Department of Environmental Quality and/or the Maricopa County  
8 Environmental Services Department

9           19. Chaparral City maintains that this Application for an order preliminary to  
10 extension of its CC&N is in the public interest and should be granted. The ASLD is in the  
11 process of planning the property in order to offer a large tract of State Trust land for sale  
12 at public auction and Chaparral City, the nearest water utility service provider, is able to  
13 provide service once the land is sold by the ASLD and is to be developed. Once service is  
14 extended, the Company's customers in the new area, as well as in its existing CC&N will  
15 benefit from an increased regionalized customer base.

16           WHEREFORE, Chaparral City respectfully requests the following:

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

19           B. That upon completion of said hearing that the Commission enter an order  
20 preliminary to extension of Chaparral City's Certificate Of Convenience and Necessity  
21 pursuant to A.R.S. § 40-282.D. allowing Chaparral City to extend its CC&N to the subject  
22 property upon satisfaction of the following conditions being fulfilled:

- 23           i. An agreement or agreements is reached by Chaparral City  
24 with the landowner(s), developer(s) or homebuilder(s)  
25 regarding the extension of service and financing of necessary  
26 water utility infrastructure.
- ii. Chaparral City obtains License, or consent of franchise with  
the Town or County.

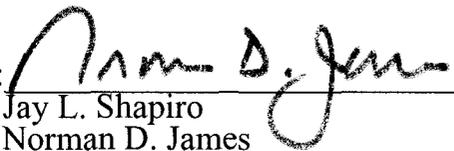
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- iii. Determination of Water Adequacy from the Arizona Department of Water Resources is shown for the subject property.
- iv. Approval for the construction of necessary water utility infrastructure from either the Arizona Department of Environmental Quality and/or the Maricopa County Department of Environmental Services are obtained for all plant to be constructed to allow Chaparral City to serve the property.
- v. Certain financial information is submitted to the Commission including—
  - a. Projected number of customers to be served in the extension area during the first five years.
  - b. Projected cost of utility plant needed to provide water utility service to the extension area.
  - c. Manner in which utility plant needed to provide water utility service to the extension area will be financed.
  - d. Estimated operating expenses related to service in the extension area for the first five years.
  - e. Estimated operating revenue from water sales in the extension area in the first five years.

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

DATED this 10 day of March, 2005.

FENNEMORE CRAIG, P.C.

By:   
 Jay L. Shapiro  
 Norman D. James  
 Attorneys for Chaparral City Water Company

1 ORIGINAL and 13 copies filed this 10 day of March, 2005:

2 Docket Control  
3 Arizona Corporation Commission  
4 1200 West Washington Street  
5 Phoenix, Arizona 85007

6 COPY delivered this 10 day of March, 2005:

7 Jim Fisher, Executive Consultant  
8 Utilities Division  
9 Arizona Corporation Commission  
10 1200 West Washington Street  
11 Phoenix, Arizona 85007

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By: Whitney Burk  
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# EXHIBIT

A



## Town of FOUNTAIN HILLS

### Public Works Department

March 3, 2005

Robert Hanford, District Manager  
Chaparral City Water Company  
12021 North Panorama Drive  
Fountain Hills, AZ 85268

Re: State Trust Land, North of Fountain Hills

Dear Mr. Hanford:

The Town of Fountain Hills appreciates the cooperation the Chaparral City Water Company has demonstrated with regard to its investigation of providing domestic water service to the 1,300- acre parcel of State Land north of the Town.

The Town supports the Company's request to the Arizona Corporation Commission for approval of the "Order Preliminary" filing and subsequent request to expand the Certificate of Convenience and Necessity to provide water service to this land, contingent upon eventual annexation of this land to the Town.

The Town has had an interest in the planning and use of this property for some time. The Town has held public hearings on the use of this property. In a letter dated October 7, 2003, to the State Land Commissioner, the Town proposed to initiate a planning and annexation process of this land.

The State has now begun the Urban Lands Act process that may ultimately result in the sale and development of this land. A primary objective of the State in this process will be to maximize the value of the land, which means there must be a reliable domestic water supply. We believe the Water Company has the ability to fill this role. The Town is the planning authority for the land pursuant to ARS 37-331, and we intend to fill that role.

Robert Hanford, District Manager  
Chaparral City Water Company  
Page 2  
March 3, 2005

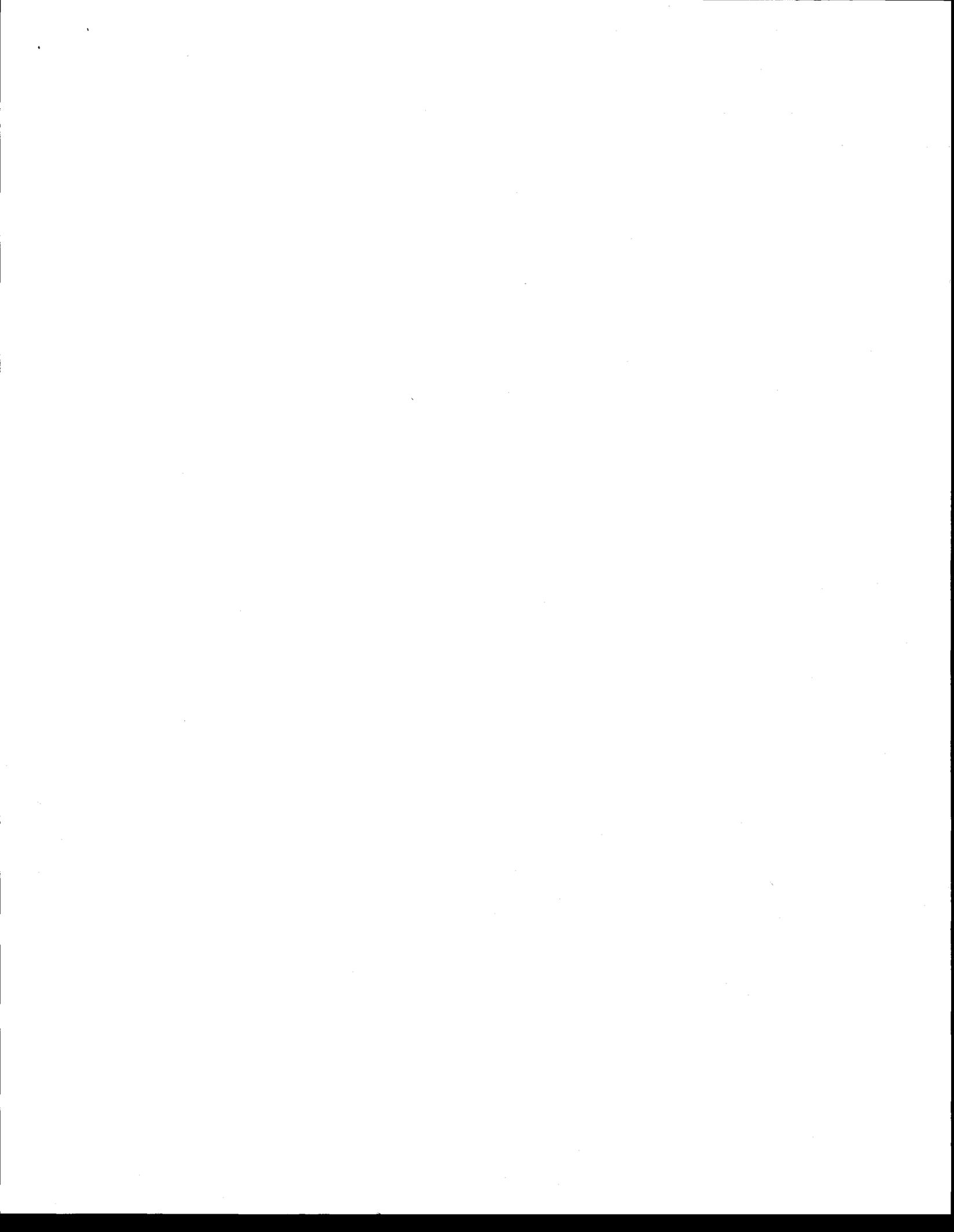
The Town looks forward to a continuing cooperative relationship with Chaparral City Water Company. We would also envision that the properties you will be serving on what is now State land, will ultimately have Town addresses.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wally Nichols', written over a faint, illegible typed name.

Wally Nichols  
Town Mayor

cc: Fountain Hills Town Council Members  
Tim G. Pickering, Town Manager  
Andrew McGuire, Town Attorney



Janet Napolitano  
Governor

Mark Winkleman  
State Land  
Commissioner

Arizona  
State Land Department



1616 West Adams Street Phoenix, AZ 85007 · www.land.state.az.us

CHAPARRAL CITY WATER CO.  
FOUNTAIN HILLS CSA

February 11, 2005

Robert Hanford, District Manager  
Chaparral City Water Company  
12021 N. Panorama Dr.  
Fountain Hills, AZ 85268

FEB 11 2005

RECEIVED

By \_\_\_\_\_

RE: Request for an Expansion of Chaparral City Water Company's Certificate of Convenience and Necessity (CC&N)

Dear Mr. Hanford:

Please consider this letter our support for your company to file the necessary paperwork with the Arizona Corporation Commission to expand your CC&N to encompass the State Trust land parcels, described as follows:

T3N, R6E: Section 1: Lots 9, 10, and 11; 41.80 acres  
T3N, R6E: Section 2: Lots 1 thru 4; S2N2; S2; 637.52 acres  
T3N, R6E: Section 3: Lots 1 thru 4; S2N2; S2; 633.36 acres  
Total Acreage: 1,312.68 acres

We intend to issue a planning permit through the Urban Lands Planning Process for the aforementioned lands. Through that process we will reach a determination on the density for these lands. At this time, we could only supply rough estimates of potential densities, which we would cap at 2.5 dwelling units per acre based on the total gross acreage. This density figure is based on an Annexation Threshold Analysis prepared by the Town of Fountain Hills dated September 30, 2003.

If you would like to discuss our planning process further, please contact Greg Keller, Senior Planner at (602)542-2646, or for water related questions, please contact Cynthia Stefanovic, Manager Water Rights & Agriculture Section at (602)542-2669.

Sincerely,

Mark Winkleman  
State Land Commissioner

c: Honorable Wallace J. Nichols, Mayor, Fountain Hills  
Mr. Timothy Pickering, Town Manager, Fountain Hills

# **EXHIBIT**

**B**

ARIZONA STATE LAND DEPARTMENT  
LEGAL DESCRIPTION FORM

SUBMITTED TO:  
REFERENCE: FOUNTAIN HILLS

THIS IS TO CERTIFY THAT THIS  
LEGAL DESCRIPTION WAS  
PREPARED UNDER MY DIRECTION.



THE ENGINEERING AND MAPPING SECTION HEREBY SUBMITS  
THE LEGAL DESCRIPTION OF LANDS REQUIRED  
AND LOCATED IN:

SEC. 1, 2, 3 TWP. 3N RGE. 6E CO. MARICOPA

LEGAL DESCRIPTION:

GOVERNMENT LOTS 9, 10, AND 11, OF SECTION 1, AND GOVERNMENT LOTS 1 THRU 4, THE SOUTH HALF OF THE NORTH HALF, AND THE SOUTH HALF OF SECTION 2, AND GOVERNMENT LOTS 1 THRU 4, THE SOUTH HALF OF THE NORTH HALF, AND THE SOUTH HALF OF SECTION 3, TOWNSHIP 3 NORTH, RANGE 6 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 1, ALSO BEING THE NORTHEAST CORNER OF SECTION 2,,

THENCE N90°00'E ALONG THE NORTH LINE OF SAID SECTION 1, A DISTANCE OF 657.36 FEET, TO THE NORTHEAST CORNER OF LOT 9,

THENCE S6°38'W, ALONG THE EAST LINE OF LOTS 9 AND 10, A DISTANCE OF 2208.36 FEET,

THENCE S6°36'W, ALONG THE EAST LINE OF LOTS 10 AND 11, A DISTANCE OF 2640.00 FEET,

THENCE S6°39'W, ALONG THE EAST LINE OF LOT 11, A DISTANCE OF 461.34 FEET, TO THE SOUTH LINE OF SECTION 1,

THENCE N90°00'W ALONG THE SOUTH LINE OF SAID SECTION 1, A DISTANCE OF 38.94 FEET, TO THE SOUTHWEST CORNER OF SECTION 1, ALSO BEING THE SOUTHEAST CORNER OF SECTION 2,

THENCE N89°51'W ALONG THE SOUTH LINE OF SAID SECTION 2; A DISTANCE OF 5257.56 FEET, TO THE SOUTHWEST CORNER OF SECTION 2, ALSO BEING THE SOUTHEAST CORNER OF SECTION 3,

THENCE N89°55'W ALONG THE SOUTH LINE OF SAID SECTION 3, A DISTANCE OF 5277.36 FEET, TO THE SOUTHWEST CORNER OF SECTION 3,

THENCE N00°15'W ALONG THE WEST LINE OF SAID SECTION 3, A DISTANCE OF 5208.72 FEET, TO THE NORTHWEST CORNER OF SECTION 3,

THENCE N89°48'E ALONG THE NORTH LINE OF SAID SECTION 3, A DISTANCE OF 5280.00 FEET, TO THE NORTHEAST CORNER OF SECTION 3, ALSO BEING THE NORTHWEST CORNER OF SECTION 2,

THENCE CONTINUING N89°48'E ALONG THE NORTH LINE OF SAID SECTION 2, A DISTANCE OF 5280.00 FEET, TO THE NORTHEAST CORNER OF SECTION 2, ALSO BEING THE NORTHWEST CORNER OF SECTION 1, AND THE POINT OF BEGINNING.

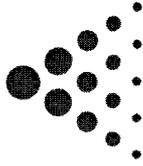
CONTAINING 1312.68 ACRES, MORE OR LESS

*John P. Nerrich*  
SIGNATURE

1/3/05  
DATE

# **EXHIBIT**

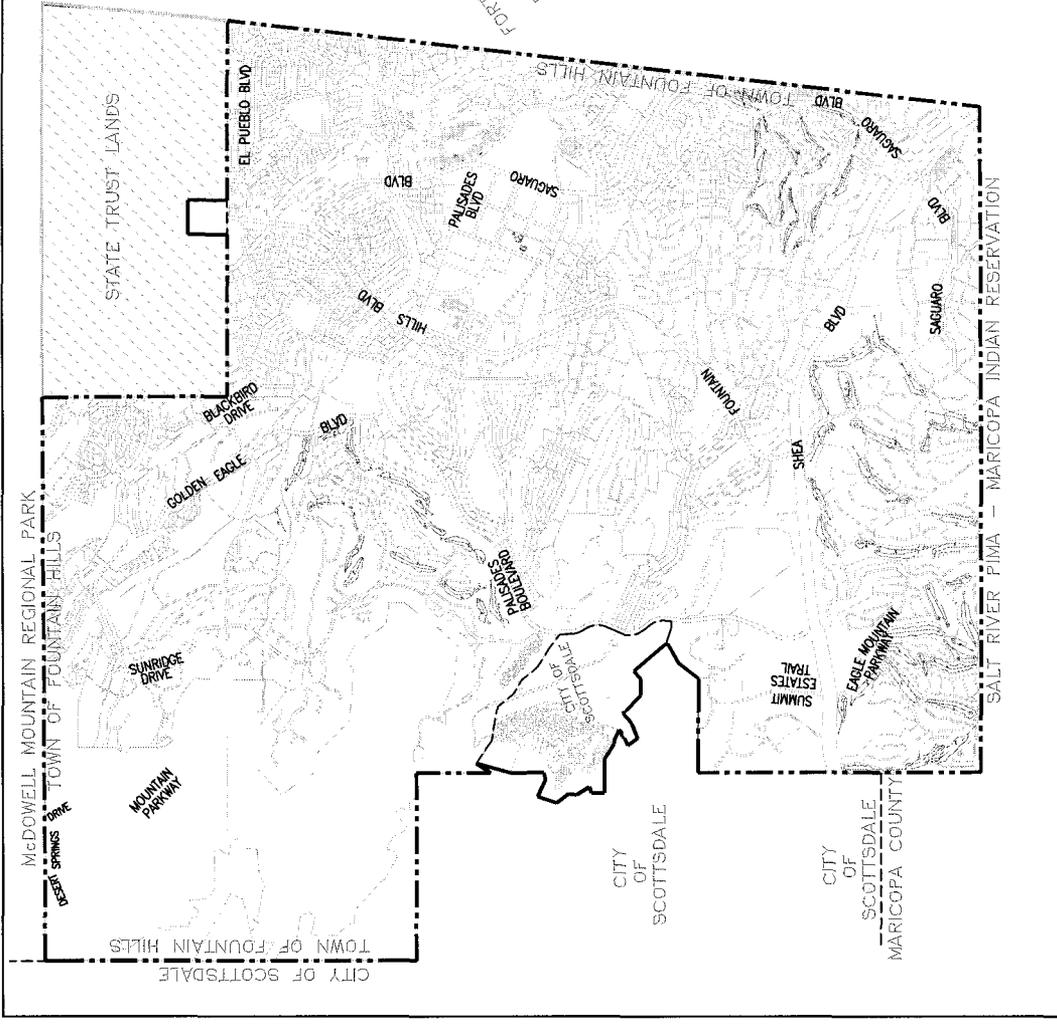
**C**



**Chaparral City**  
**WATER COMPANY**  
A Subsidiary of American States Water Company  
**JANUARY 2005**



FORT McDOWELL  
INDIAN  
RESERVATION



# **EXHIBIT**

# **D**

1 FENNEMORE CRAIG  
Jay L. Shapiro  
2 3003 N. Central Ave.  
Suite 2600  
3 Phoenix, Arizona 85012  
Attorneys for Chaparral City Water Company  
4

5 **BEFORE THE ARIZONA CORPORATION COMMISSION**

6  
7 IN THE MATTER OF THE  
APPLICATION OF CHAPARRAL  
8 CITY WATER COMPANY, INC., AN  
ARIZONA CORPORATION, FOR AN  
9 ORDER PRELIMINARY TO  
EXTENSION OF ITS CERTIFICATE  
10 OF CONVENIENCE AND  
NECESSITY PURSUANT TO A.R.S. §  
11 40-282.D.

DOCKET NO: W-02113A-05-\_\_\_\_\_

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17 **DIRECT TESTIMONY OF**  
18 **ROBERT N. HANFORD**  
19  
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26

1 **I. INTRODUCTION, PURPOSE OF TESTIMONY AND SUMMARY.**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. Robert N. Hanford, 12021 N. Panorama Dr., Fountain Hills, AZ 85268.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am the employed by Chaparral City Water Company ("Chaparral City" or the  
6 "Company") as its District Manager.

7 **Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES AS DISTRICT  
8 MANAGER.**

9 A. I am generally responsible for managing day-to-day operations, including capital  
10 budget planning, water system operations and maintenance, customer service and  
11 community relations, and compliance with local, state and federal requirements  
12 pertaining to water quality and water supply.

13 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS  
14 PROCEEDING?**

15 A. Generally, the purpose of my testimony is to support the Company's application by  
16 (1) providing background on the Company and its operations; (2) discussing the  
17 request for an extension of service by the Town of Fountain Hills ("Town") and the  
18 Arizona State Land Department ("ASLD") to State Trust land located immediately  
19 north of and contiguous to Chaparral City's CC&N; and (3) explaining the  
20 Company's request at this time for an order preliminary to extension of its CC&N  
21 to include the State Trust law.

22 **Q. WOULD YOU PLEASE SUMMARIZE THE COMPANY'S REASONS FOR  
23 SEEKING AN ORDER PRELIMINARY RATHER THAN SIMPLY  
24 SEEKING AN EXTENSION OF ITS CC&N?**

25 A. Yes. The request for an extension of service to the State Trust property is unusual  
26 for several reasons. First, the State Land Department has not yet put the property

1 up for auction. Second, it is unclear who will own the property and what use it will  
2 be put to, although we can safely assume it will be subject to some type of  
3 residential development. Third, while the Town wishes to annex the property, it is  
4 not yet certain that the Town will become the jurisdictional entity with jurisdiction  
5 over zoning and other land use issues. Therefore, while the Company wants to aid  
6 the ASLD in this effort, we believe it is premature to extend the Company's CC&N  
7 to include the property. However, an order preliminary subject to certain  
8 enumerated conditions would be beneficial to the ASLD in its efforts to sell the  
9 State Trust land and provide all interested parties an increased degree of certainty  
10 regarding the availability of water utility service.

11 **II. OVERVIEW OF CHAPARRAL CITY WATER COMPANY.**

12 **Q. PLEASE PROVIDE AN OVERVIEW OF CHAPARRAL CITY.**

13 A. The Company's service area is located in the northeastern portion of the Phoenix  
14 metropolitan area, in the Town of Fountain Hills and a small portion of the City of  
15 Scottsdale. This area is within the Phoenix Active Management Area. At the  
16 present time, Chaparral City serves approximately 12,700 customers. The  
17 Company's customer base is relatively diverse. Most of our customers are  
18 residential, but we do serve a number of commercial, industrial and irrigation  
19 customers, which include several golf courses. While the majority of our  
20 residential customers are served by 3/4-inch meters, we also have a number of  
21 residential customers on larger size meters. We also have over 300 commercial  
22 customers and over 400 irrigation customers on varying meter sizes.

23 Chaparral City's sole shareholder is American States Water Company,  
24 which is publicly traded on the New York Stock Exchange. American States'  
25 primary operating subsidiary is Southern California Water Company. American  
26 States also owns a subsidiary that provides unregulated water utility services and a

1 small electric utility, which provides service in portions of San Bernardino County,  
2 California, in addition to Chaparral City.

3 **Q. WHEN DID AMERICAN STATES ACQUIRE THE WATER SYSTEM?**

4 A. In October 2000, American States acquired the Company's stock from MCO  
5 Properties, Inc., a real estate development company located in Fountain Hills. This  
6 transaction was reviewed and approved by the Arizona Corporation Commission  
7 (the "Commission"). See Decision No. 62909 (Sept. 18, 2000).

8 **Q. WHEN DID THE CURRENT RATES GO INTO EFFECT?**

9 A. The Company's current rates were approved in Decision No. 57395 (May 23,  
10 1991) and became effective on June 1, 1991. Chaparral City anticipates that its  
11 pending rate case will be decided in the latter half of 2005, when the first rate  
12 increases in more than 14 years are expected to take effect.

13 **Q. PLEASE DESCRIBE THE WATER RESOURCES CHAPARRAL CITY  
14 RELIES ON TO SERVE ITS CUSTOMERS.**

15 A. The Company's primary water supply is imported Colorado River water, which is  
16 delivered by means of the Central Arizona Project ("CAP"). This water is  
17 transported to the Company's service territory, and, because it is surface water, it is  
18 treated before being used for potable water service. The CAP water is pumped  
19 from the main CAP aqueduct at a raw water intake pumping station in Scottsdale,  
20 which is located approximately five miles east of our Shea Water Treatment Plant.  
21 To avoid peak-hour energy costs, CAP water is transported during off-peak hours  
22 and stored in a 3.5 million gallon raw water reservoir, and then fed as required into  
23 the Shea facility for treatment. Once treated, water is pumped into the distribution  
24 system by means of a system of reservoirs and pump stations into the three  
25 pressure zones.

26 **Q. HOW MUCH CAP WATER DOES THE COMPANY HAVE AVAILABLE?**

1 A. Chaparral City has a contract for the delivery of CAP water and, at present, takes  
2 delivery of and uses almost the full 6,978 acre-feet of CAP water it has been  
3 allocated. Recently, Congress approved legislation making additional amounts of  
4 previously unused CAP water available and Chaparral City will soon enter into a  
5 contract for an additional 1,931 acre-feet of CAP water. With a total of 8,909 acre-  
6 feet of CAP water available to it, the Company will be in position to ensure  
7 adequate and reliable water utility service to its customers, including anticipated  
8 customers in the adjoining State Trust land, well into the foreseeable future.

9 **Q. DOES CHAPARRAL CITY HAVE ACCESS TO GROUNDWATER**  
10 **SUPPLIES TO SUPPLEMENT ITS CAP ALLOCATION?**

11 A. Yes. While our primary source of supply is the CAP, we do pump some  
12 groundwater. We currently have two wells in operation. It is important that we  
13 make productive use of our wells in order to ensure reliable water service.  
14 Recently, we completed an analysis of groundwater availability in our certificated  
15 service area. The Arizona Department of Water Resources ("DWR") issued a  
16 Decision and Order No. 26-401242 on April 7, 2004, stating that Chaparral City  
17 has an assured supply of 9,828 acre-feet per year, which does not take into account  
18 the additional CAP allocation we will be purchasing.

19 **III. REQUEST FOR EXTENSION OF WATER UTILITY SERVICE.**

20 **Q. PLEASE DESCRIBE IN DETAIL THE STATE LAND PROPERTY TO**  
21 **WHICH THE COMPANY HAS BEEN REQUESTED TO EXTEND WATER**  
22 **UTILITY SERVICE.**

23 A. Immediately north of the Company's present certificated service area is an  
24 approximately 1,313 acre parcel of land owned by the State of Arizona and  
25 administered by ASLD as State Trust land. This parcel of land is undeveloped and  
26 is likely the only remaining area in the vicinity of Fountain Hills to which the

1 Town can extend its municipal limits and to which Chaparral City can extend  
2 service.

3 **Q. WHY IS THAT MR. HANFORD?**

4 A. As I stated earlier, our certificated service is essentially co-extensive with the  
5 Town's boundaries with the exception of a small area we serve that is actually  
6 within the City of Scottsdale. To the west is the City of Scottsdale and it provides  
7 water service in that area. To the east is the Ft. McDowell Yavapai Indian  
8 reservation, to the South is the Salt River Pima-Maricopa Indian reservation.  
9 Lastly, to the north, beyond the State Trust land subject to this application, is the  
10 McDowell Mountain Regional County park. As a consequence, this property is  
11 likely to be one of the last CC&N expansions we will undertake in the vicinity of  
12 our existing CC&N.

13 **Q. DOES THE LIMITATION ON FURTHER GROWTH NEGATIVELY**  
14 **IMPACT THE COMPANY AND ITS CUSTOMERS?**

15 A. I do not believe it does. Of course, any business would like to grow to increase  
16 opportunities to realize a return on investments made. In this case, however, we  
17 already have more than 12,000 customers and development of the State Trust land  
18 could add anywhere from 1,500-4,000 customers. Thus, at full build out of the  
19 existing and expanded CC&N we will have a significant customer base over which  
20 to spread the costs of service and achieve economies of scale. In addition, because  
21 we are part of a larger network of water utilities as part of American States, which  
22 would like to acquire more utility assets in Arizona, we will continue to benefit  
23 from those administrative, operation and financing economies of scale already  
24 achieved.

25 **Q. WHAT PROMPTED THE REQUEST FOR AN EXTENSION OF WATER**  
26 **UTILITY SERVICE AT THIS TIME?**

1 A. Several months ago we were contacted by representatives of the Town about the  
2 State Trust land immediately north of our CC&N. As testified to above, the Town  
3 is very interested in annexing this area after it is sold and because of our current  
4 service location and our excellent relationship with the Town, they desired to work  
5 with us on this multi-jurisdictional project. Thereafter, the Town brought us in  
6 contact with representatives from the ASLD.

7 While I am not familiar with all of the steps that have to be taken for ASLD  
8 to sell an area of State Trust land, from what I understand the process does take  
9 some time and the ASLD would like as many piece of the puzzle in place as early  
10 as possible. Clearly, water utility service is an important aspect of the transition of  
11 this property to use for future development.

12 **Q. ARE ARRANGMENTS ALSO BEING MADE FOR SEWER UTILITY**  
13 **SERVICE TO THE PROPERTY?**

14 A. Yes, while I do not know the specific details, I am informed that the area would  
15 receive sewer utility service from the Fountain Hills Sanitary District, the same  
16 entity that provides such service in Fountain Hills. We also have an excellent  
17 working relationship with this District. The District does not, however, need to  
18 seek Commission approvals and therefore there is not likely to be in the same need  
19 to get a jump start as the ASLD and Town have asked of Chaparral City.

20 **Q. WHAT CAN YOU TELL US ABOUT THE ASLD'S TIME TABLE?**

21 A. I understand various studies and appraisals are underway. I also understand that  
22 the ASLD and the Town have begun discussions of a pre-annexation agreement  
23 related to the annexation of the subject State Trust land into the Town's municipal  
24 limits. I also understand that the ASLD hopes to have the property ready for  
25 auction by the fourth quarter of 2005.

26 **Q. EARLIER YOU MENTIONED THAT YOU WERE NOT SURE THAT THE**

1           **TOWN WOULD BE THE ENTITY WITH LAND USE AND RELATED**  
2           **JURISDICTION. WHAT DID YOU MEAN?**

3           A.     While the Town has clearly expressed a desire to annex the State Trust land, I also  
4           understand Maricopa County has, at least, expressed a similar interest. The  
5           Company has little to do with this decision by ASLD. As I testified earlier, the  
6           Company has an excellent and long-standing, mutually-beneficial relationship with  
7           the Town and would look forward to working together to incorporate the State  
8           Trust land into the Town limits. If, on the other hand, the County were to be  
9           involved, I am confident we will be able to work with them as well. Either way,  
10          the action requested herein should be taken as it furthers the public interest.

11          **Q.     BUT ISN'T THE COMMISSION REALLY BEING ASKED TO TAKE**  
12          **ACTION TO ENHANCE THE VALUE OF THE STATE TRUST LAND? IS**  
13          **THAT REALLY IN THE PUBIC INTEREST?**

14          A.     Absolutely. While under some circumstances I might anticipate the Commission's  
15          reluctance to extend CC&N's to increase the value of speculative development or  
16          development far into the future, this is very different. This is not the typical  
17          extension situation and would clearly further the public interest.

18          **Q.     HOW SO, MR. HANFORD?**

19          A.     Because this is State Trust land. Therefore, action by the Commission to provide  
20          greater certainty concerning the ability to develop the property should increase  
21          both the marketability and value of the land. Since the purpose of selling State  
22          Trust land is to benefit Arizona schools, the more the property can sell for, the  
23          more the public interest is furthered.

24          **IV.    ORDER PRELIMINARY TO EXTENSION OF CC&N.**

25          **Q.     IF EXTENDING THE COMPANY'S CC&N WILL FURTHER THE**  
26          **PUBLIC INTEREST, THEN WHY IS THE COMPANY SEEKING AN**

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**ORDER PRELIMINARY TO THAT EXTENSION RATHER THAN JUST SEEKING TO EXTEND THE CC&N NOW?**

A. As mentioned above, this is an unusual situation, especially from a utility perspective, because the request for service is well in advance of development and not being made by the traditional applicant—the developer or homebuilder. In fact, we have no idea how far in advance of development we are today, although in my own estimation development should follow rapidly after the State Trust land is purchased at auction. The Fountain Hills area is a wonderful community and I expect any development to be very successful. In any event, while the Company is very willing to work with the ASLD and the Town, until we have some greater certainty concerning the development we will be serving, we do not want to get too far ahead of ourselves.

**Q. DOES THAT MEAN THAT CHAPARRAL CITY COULD DECLINE TO EXTEND SERVICE AT A LATER DATE?**

A. I am not a lawyer, but as a strict legal matter, I would assume so. For example, if the party purchasing the property came to us and made totally unreasonable demands on the Company, demands that would be detrimental to Chaparral City and/or its existing ratepayers, I assume we could and might have to refuse service. I have absolutely no reason to think that will be the case, however. Instead, we are asking the Commission to issue an order preliminary to the CC&N extension in which it enumerates certain specified conditions that are intended to ensure that the public interest is furthered before we actually commence service. Once those conditions are fulfilled, we anticipate fully that we will be providing water utility service in the area.

**Q. WHAT ARE THESE CONDITIONS?**

A. The conditions are substantially similar to those seen in CC&N extension orders by

1 the Commission. These include:

- 2 1. An agreement or agreements with the landowner(s),  
3 developer(s) or homebuilder(s) regarding the extension of  
4 service and financing of necessary water utility infrastructure.
- 5 2. License, consent of franchise with the City, Town or County.
- 6 3. Determination of Water Adequacy from the Arizona  
7 Department of Water Resources.<sup>1</sup>
- 8 4. Approval for the construction of necessary water utility  
9 infrastructure from either the Arizona Department of  
10 Environmental Quality and/or the Maricopa County  
11 Department of Environmental Services.

12 **Q. DOES CHAPARRAL CITY KNOW HOW THE WATER UTILITY  
13 INFRASTRUCTURE NECESSARY FOR IT TO PROVIDE WATER  
14 UTILITY SERVICE TO THE PROPERTY CURRENTLY OWNED BY THE  
15 STATE WILL BE FINANCED?**

16 A. Not yet, and that is one of the primary reasons for seeking an order preliminary, as  
17 opposed to simply seeking to extend the CC&N. In short, while the Company is  
18 willing to take steps to aid the ASLD, it is not willing to make an open-ended  
19 commitment to a currently unknown party to finance and/or build an unknown  
20 amount of plant, backbone or otherwise, to serve this property. Therefore, the first  
21 condition is execution of the necessary agreements. That means, in the future,  
22 Chaparral City will remain free to negotiate an agreement that is in the best  
23 interests of the Company and its customers, consistent with applicable law and  
24 regulation, of course.

25 **Q. WHAT ABOUT THE FINANCIAL INFORMATION THE COMMISSION  
26 TYPICALLY REQUIRES BEFORE EXTENDING A CC&N?**

A. Because we cannot yet have specific information about the nature and scope of the

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<sup>1</sup> Chaparral City was recently issued a Company-wide Designation of Assured Water Supply, which is expected to be applicable to any development within the area to be sold by ASLD.

1 development of the State Trust land, we cannot at this time provide the typical  
2 financial information submitted to support a request for extension of a CC&N.  
3 Therefore, as additional conditions, we would agree to submission of the following  
4 financial information before the CC&N is extended:

- 5 1. Projected number of customers to be served in the extension  
6 area during the first five years.
- 7 2. Projected cost of utility plant needed to provide water utility  
8 service to the extension area.
- 9 3. Manner in which utility plant needed to provide water utility  
10 service to the extension area will be financed.
- 11 4. Estimated operating expenses related to service in the  
12 extension area for the first five years.
- 13 5. Estimated operating revenue from water sales in the extension  
14 area in the first five years.

13 **Q. ANYTHING ELSE, MR. HANFORD?**

14 A. There are no additional conditions we have thought of at this time. However, to  
15 the extent the Commission feels additional conditions are reasonable and necessary  
16 to protect the public interest, Chaparral City expects that the Commission will  
17 order them.

18 **Q. HOW DOES THE COMPANY EXPECT THE PROCESS WILL PROCEED  
19 ONCE THE CONDITIONS ARE FULFILLED?**

20 A. As explained herein, and in the actual application, we are asking that the  
21 Commission issue an order preliminary to issuance of a CC&N extension. In that  
22 order, we are asking that the Commission establish the conditions that must be  
23 fulfilled before the CC&N will actually be considered extended and before the  
24 extension of water utility service can occur. Thereafter, we would anticipate  
25 making a subsequent filing with the Commission and Staff when the conditions are  
26 fulfilled. That filing would contain evidence sufficient to demonstrate satisfactions

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of all of the conditions we are required to meet. We would then expect that Staff will analyze the information, obtain any additional information it needs and make a recommendation to the Commission. As the final step, we anticipate a return to the Commission at an open meeting so it can issue its final order extending the Company's CC&N to the property that is currently State Trust land.

**Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?**

**A. Yes.**

1636836.3/10696.004

**EXHIBIT**

**E**

# 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

**\*\*\*CHAPARRAL CITY WATER COMPANY\*\*\***

a domestic corporation organized under the laws of the State of Arizona, did incorporate on February 21, 1968.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution 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 4th Day of March, 2005, A. D.



  
EXECUTIVE SECRETARY

BY: 

# **EXHIBIT**

**F**

# CHAPARRAL CITY WATER COMPANY

Balance Sheet  
As Of December 31, 2003

	2003
<b>Assets</b>	
Utility plant	\$38,647,614
Less: accumulated depreciation	(11,135,378)
Construction work in progress	3,968,300
Net utility plant	<u>31,480,536</u>
Goodwill, net	12,275,858
Restricted debt reserve fund	720,050
	<u>12,995,908</u>
Current assets:	
Cash and cash equivalents	1,216,421
Restricted cash	2,393
Accounts receivable, net of allowance of \$34,349	270,589
Unbilled revenues	230,336
Materials and supplies, at cost	24,047
Prepaid expenses	147,692
Intercompany taxes receivable	1,213,955
Total current assets	<u>3,105,433</u>
Debt issuance costs and other deferred charges	592,870
Total assets	<u>\$48,174,747</u>
<b>Capitalization and Liabilities</b>	
Common stockholder's equity	\$24,177,585
Long-term debt, less current maturities	7,803,309
Total capitalization	<u>31,980,894</u>
Current liabilities:	
Long-term debt, current	560,000
Accounts payable	406,271
Intercompany payable to Southern California Water Company	220,643
Taxes payable	71,275
Accrued employee expenses	91,059
Accrued interest	49,349
Other	101,147
Total current liabilities	<u>1,499,744</u>
Other credits:	
Customer deposits	1,070,331
Advances for construction	10,327,171
Contributions in aid of construction, net	273,477
Deferred income taxes	2,981,972
Asset retirement obligations	41,158
Total other credits	<u>14,694,109</u>
Commitments and contingencies (Note 8)	-
Total capitalization and liabilities	<u>\$48,174,747</u>

*The accompanying notes are an integral part of this financial statement.*

**CHAPARRAL CITY WATER COMPANY**  
**Statement of Income**  
**For The Year Ended December 31, 2003**

	2003
<b>Operating revenues:</b>	
Water	<u>\$6,221,083</u>
<b>Operating expenses:</b>	
Purchased water	726,546
Power purchased for pumping	470,459
Other operating expenses	721,004
General and administrative	1,322,341
Depreciation and amortization	920,648
Maintenance	331,559
Taxes on income	308,770
Property and other taxes	319,960
Total operating expenses	<u>5,121,287</u>
<b>Operating income</b>	<u>1,099,796</u>
Other income (net of income taxes)	15,291
Interest charges	<u>475,190</u>
<b>Net income</b>	<u>\$639,897</u>

*The accompanying notes are an integral part of this financial statement.*

# CHAPARRAL CITY WATER COMPANY

## Statement of Cash Flows For The Year Ended December 31, 2003

	2003
<b>Cash flows from operating activities:</b>	
Net income	\$639,897
Adjustments for non-cash items:	
Depreciation and amortization	920,648
Deferred income taxes	480,131
Other	32,012
Changes in operating assets and liabilities:	
Accounts receivable	(60,168)
Unbilled revenues	(13,300)
Materials and supplies	6,577
Prepaid expenses	66,960
Deferred charges	(35,898)
Accounts payable	23,416
Intercompany payable	(8,775)
Customer deposits	(113,739)
Intercompany taxes receivable and taxes payable	96,981
Other assets and liabilities	93,928
Net cash flows provided by operating activities	<u>2,128,670</u>
<b>Cash flows from investing activities:</b>	
Capital expenditures	(3,558,678)
Change in debt reserve fund	2,800
Net cash flows used for investing activities	<u>(3,555,878)</u>
<b>Cash flows from financing activities:</b>	
Change in restricted cash	2,131
Receipt of advances for and contributions in aid of construction	114,453
Refunds on advances for construction	(352,218)
Repayments of long-term debt	(526,000)
Net cash flows used for financing activities	<u>(761,634)</u>
Decrease in cash and cash equivalents	(2,188,842)
Cash and cash equivalents at beginning of year	<u>3,405,263</u>
Cash and cash equivalents at end of year	<u>\$1,216,421</u>
<b>Supplemental disclosure of cash flow information:</b>	
Interest paid	\$448,694
Income tax paid, net of refunds	(\$256,363)

*The accompanying notes are an integral part of this financial statement.*

# **EXHIBIT**

# **G**

ARIZONA CORPORATION COMMISSION

UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02113A WATER

RECEIVED

CHAPARRAL CITY WATER COMPANY

APR 30 2004

PO BOX 17030

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

FOUNTAIN HILLS AZ 85268-0000

ANNUAL REPORT

**FOR YEAR ENDING**

December 31<sup>st</sup> 2003

FOR COMMISSION USE

ANN 03 04

## COMPANY INFORMATION

Company Name (Business Name)		Chaparral City Water Company	
Mailing Address			
(Street) P.O. Box 17030			
(City) Fountain Hills		(State) AZ	(Zip) 85269
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	After Hrs. (Include Area Code)	
(480) 837-3411	(480) 837-5310	(480) 945-6311	
Local Office Mailing Address		(Street) 12021 Panorama Drive	
(City) Fountain Hills		(State) AZ	(Zip) 85268
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address (480) 837-3411	(480) 837-5310	(480) 945-6311	

## MANAGEMENT INFORMATION

<b><u>Management Contact:</u></b>	(Name) Floyd E. Wicks	(Title) President
(Street) 630 East Foothill Blvd.	(City) San Dimas	(State) CA - 91773-9016
Telephone No. (include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
(909)-394-3600	(909)-394-0711	
<b><u>On Site Manager:</u></b>	(Name) Robert Hanford	
(Street) 12021 Panorama Dr.	(City) Fountain Hills	(State) AZ - 85268
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
(480) 837-3400 Ext 217	(480) 837-5310	

<b>Statutory Agent:</b>		(Name) United States Corporation Company
(Street) 2338 West Royal Palm Road.	(City) Phoenix	(State) AZ-85022
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Attorney:</b>	(Name) Norman D. James Law offices of Fennemore Craig	
(Street) 3003 North Central Avenue, Suite 2600	(City) Phoenix	(State) AZ (Zip) 85012-2913
Telephone No. (Include Area Code) (602) 916-5346	Fax No. (Include Area Code) (602) 916-5546	Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input checked="" 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 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 checked="" type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME : Chaparral City Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	271,857	0	271,857
304	Structures and Improvements	654,407	291,438	362,969
307	Wells and Springs	332,065	26,582	305,483
311	Pumping Equipment	1,268,105	583,393	684,712
320	Water Treatment Equipment	5,654,887	1,493,734	4,161,153
330	Distribution Reservoirs and Standpipes	6,028,562	2,094,889	3,933,673
331	Transmission and Distribution Mains	15,991,782	4,867,951	11,123,831
333	Services	4,979,133	702,604	4,276,529
334	Meters and Meter Installations	2,159,641	664,480	1,495,161
335	Hydrants	523,178	202,980	320,198
336	Backflow Prevention Devices			0
339	Other Plant and Misc. Equipment	67,303	52,611	14,692
340	Office Furniture and Equipment	182,810	26,064	156,746
341	Transportation Equipment	406,775	77,532	329,243
343	Tools, Shop and Garage Equipment	88,004	31,716	56,288
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment			0
346	Communication Equipment	39,105	19,404	19,701
347	Miscellaneous Equipment			0
348	Other Tangible Plant			0
	<b>TOTALS</b>	<b>38,647,614</b>	<b>11,135,378</b>	<b>27,512,236</b>

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

COMPANY NAME : Chaparral City Water Company

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)*	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	271,857	None	0
304	Structures and Improvements	552,410	2.50%	13,810
307	Wells and Springs	332,065	2.50%	8,302
311	Pumping Equipment	1,185,334	2.50%	29,633
320	Water Treatment Equipment	5,800,023	2.50%	140,001
330	Distribution Reservoirs and Standpipes	6,022,014	2.50%	150,550
331	Transmission and Distribution Mains	15,958,077	2.50%	397,718
333	Services	4,420,186	2.50%	110,505
334	Meters and Meter Installations	2,101,598	2.50%	52,540
335	Hydrants	491,852	2.50%	12,296
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	67,303	2.50%	1,683
340	Office Furniture and Equipment	144,437	2.50%	3,611
341	Transportation Equipment	343,432	0.00%	0
343	Tools, Shop and Garage Equipment	87,014	0.00%	0
344	Laboratory Equipment	990		
345	Power Operated Equipment			
346	Communication Equipment	39,105	0.00%	0
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>37,617,694</b>	<b>2.45%</b>	<b>920,648</b>

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

\* The original cost is as of the beginning of the year

COMPANY NAME : CHAPARRAL CITY WATER COMPANY			
<b>BALANCE SHEET</b>			
Acct.		BALANCE AT	BALANCE AT
		BEGINNING OF	END OF
No.	<b>ASSETS</b>	YEAR	YEAR
<b>CURRENT AND ACCRUED ASSETS</b>			
131	Cash	\$983,286	\$266,761
134	Workin Funds		
135	Temporary Cash Investments	\$2,426,501	\$952,053
141	Customer Accounts Receivable	\$210,421	\$270,589
146	Notes/Receivables from Associated Companies- Taxes	\$1,230,812	\$1,213,955
151	Plant Material and Supplies	\$30,624	\$24,047
162	Prepayments	\$214,652	\$147,692
174	Miscellaneous Current and Accrued Assets	\$13,782,601	\$13,819,114
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$18,878,897</b>	<b>\$16,694,211</b>
<b>FIXED ASSETS</b>			
101	Utility Plant in Service	\$37,617,694	\$38,647,614
103	Property Held for Future Use		
105	Construction Work in Progress	\$1,445,568	\$3,968,300
108	Accumulated Depreciation - Utility Plant	(\$10,213,176)	(\$11,135,378)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utilit		
	<b>TOTAL FIXED ASSETS</b>	<b>\$28,850,086</b>	<b>\$31,480,536</b>
	<b>TOTAL ASSETS</b>	<b>\$47,728,983</b>	<b>\$48,174,747</b>
NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.			
Page 5			

COMPANY NAME : CHAPARRAL CITY WATER COMPANY

**BALANCE SHEET (CONTINUED)**

Acct		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
No.	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$382,855	\$406,271
232	Notes Payable (Current Portion)	525,000	560,000
234	Notes/Accounts Payable to Associated Companies	229,418	220,643
235	Customer Deposits	1,184,070	1,070,331
236	Accrued Taxes	(8,849)	71,275
237	Accrued Interest	49,303	49,349
241	Miscellaneous Current and Accrued Liabilities	124,935	233,364
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$2,486,732</b>	<b>\$2,611,233</b>
	<b>LONG-TERM DEBT Over 12 Months</b>		
224	Long-Term Notes and Bonds	\$8,364,309	\$7,803,309
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	10,567,832	10,327,171
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	270,582	273,477
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax	2,501,841	2,981,972
	<b>TOTAL DEFERRED CREDITS</b>	<b>13,340,255</b>	<b>13,582,620</b>
	<b>TOTAL LIABILITIES</b>	<b>\$24,191,296</b>	<b>\$23,997,162</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	4,603,140	4,603,140
211	Paid in Capital in Excess of Par Value	14,925,242	14,925,242
215	Retained Earnings	4,009,305	4,649,203
218	Proprietary Capital Sole Pros and Partnerships		
	<b>TOTAL CAPITAL</b>	<b>\$23,537,687</b>	<b>\$24,177,585</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$47,728,983</b>	<b>\$48,174,747</b>
Page 6			
		(\$0)	\$0

COMPANY NAME : CHAPARRAL CITY WATER COMPANY

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.		PRIOR YEAR	CURRENT YEAR
	<b>OPERATING REVENUES</b>		
461	Metered Water Revenue	SEE SCHEDULE ATTACHED PAGE 7A	
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$0	\$0
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages		
610	Purchased Water		
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testin		
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liabilit		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense(Including Amortization)		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$0	\$0
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/EXP</b>	\$0	\$0
	<b>NET INCOME/(LOSS)</b>	\$0	\$0

COMPANY NAME : CHAPARRAL CITY WATER COMPANY

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

		2003	2002
	Operating revenues:		
	Water	\$6,221,083	\$6,157,058
	Operating expenses:		
	Purchased water	726,546	676,551
	Power purchased for pumping	470,459	408,922
	Other operating expenses	721,004	702,785
	General and administrative	1,322,341	1,187,743
	Depreciation and amortization	920,648	917,913
	Maintenance	331,559	219,122
	Taxes on income	308,770	515,796
	Property and other taxes	319,960	295,890
	Total operating expenses	5,121,287	4,924,722
	Operating income	\$1,099,796	\$1,232,336
	Other income	15,291	32,692
	Interest charges	475,190	482,250
	Net income	\$639,897	\$782,778

COMPANY NAME : Chaparral City Water Company

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

	LOAN #1	LOAN #2	LOAN #3	LOAN
Date Issued	March 1987	December 1997		
Source of Loan	BOR Note	IDA Bond 1997A & B		
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$3,070,000	\$8,920,000		
Amount Outstanding	\$723,309	\$7,640,000		
Date of Maturity	2006	2022		
Interest Rate	3.342	4.5-5.4% Varies		
Current Year Interest	\$31,467	\$413,180		
Current Year Principle	\$291,000	\$235,000		

Meter Deposit Balance at Test Year End \$47,298  
 Meter Deposits Refunded During the Test Year \$205,871

COMPANY NAME : Chaparral City Water Company

Water Company Plant Description (Continued)

Month	No. of Customers	Gallons Sold (KGALS)	Gallon Purchased or Pumped
January	11,835	127,259	141,000
February	11,876	114,357	116,554
March	11,887	109,293	130,855
April	11,890	140,000	159,617
May	11,907	161,472	195,929
June	11,950	165,917	222,011
July	11,995	174,915	237,989
August	12,017	208,076	221,064
September	12,063	207,238	207,053
October	12,101	186,755	227,573
November	12,159	183,535	165,172
December	12,171	144,831	150,539
Total		1,923,448	2,175,356

Is the water utility in an ADWR Active Management Area (AMA) ?

Yes                       No

Does the Company have an ADWR Gallons per capita per day (GPCPD) requirements ?

Yes                       No

If Yes, Provide the GPCPD amount: 128GPCPD

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

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

Well # 10                      .011mg/l

Well # 11                      .013mg/l

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

THIS CHECK IS VOID WITHOUT A GRAY & BURGUNDY BACKGROUND AND AN ARTIFICIAL WATERMARK CERTIFICATION SEAL ON THE BACK - HOLD AT ANGLE TO VIEW SEAL.

**Chaparral City Water Company**  
 A Subsidiary of American States Water Company  
 12021 Panorama Drive  
 Fountain Hills, AZ 85268

Wells Fargo Bank  
 333 South Hope Street  
 Los Angeles CA 90071

00002572  
 11-34  
 121(9)

DATE	AMOUNT
04/25/03	\$*****1,025.43

VOID AFTER 6 MONTHS

Pay  
 ONE THOUSAND TWENTY FIVE AND 43/100\*\*\*\*\*

Dollar

TO THE ORDER OF  
 MARICOPA COUNTY TREASURER  
 PO BOX 78574  
 PHOENIX AZ 85062-8574

*Floyd G. Wick*

Parcel # 174-08-603 1

0000 2572 00 1 21000 248 4496 805110 0000 102543

11422003 119 011 116 117 1 17608603 1 0665042903

20030430 00122 ETPA1  
 ACCT# 0000004496995110  
 EN 41 Y CA 698

BANK ONE, NA  
 1119013314  
 04232603

50395101

DO NOT WRITE STAMP OR SIGN BELOW

ENDORSE HERE

U.S. PATENT NO. 5,626,657/5,626,658

1. THIS CHECK IS VOID WITHOUT THE FOLLOWING U.S. PATENT NO. 5,626,657/5,626,658  
 2. THIS CHECK IS VOID WITHOUT THE FOLLOWING U.S. PATENT NO. 5,626,657/5,626,658  
 3. THIS CHECK IS VOID WITHOUT THE FOLLOWING U.S. PATENT NO. 5,626,657/5,626,658  
 4. THIS CHECK IS VOID WITHOUT THE FOLLOWING U.S. PATENT NO. 5,626,657/5,626,658  
 5. THIS CHECK IS VOID WITHOUT THE FOLLOWING U.S. PATENT NO. 5,626,657/5,626,658

CDVolid/CIMSKey	Account	Serial Number	Amount	Issue Date
20030430101401	4496805110	2572	\$1025.43	04/25/2003
Bank ID	Sequence	Location	Paid Date	
10700543	922784103	CD	04/30/2003	

44000E0980912452010000980502000010000000020

\$2,050.86	FULL YEAR
\$1,025.43	FIRST HALF

Phoenix, AZ 85062-8574  
 P O Box 78574  
 Maricopa County Treasurer

PLEASE CHECK WHICH PAYMENT APPLIES

U.S. FUNDS ONLY  
 PRINT THE ABOVE PARCEL  
 NUMBER ON YOUR CHECK

MAKE CHECK PAYABLE TO:

12 FIRST HALF PAYMENT STUB  
 DUE OCTOBER 1, 2002  
 DELINQUENT AFTER NOV. 1, 2002  
 SOUTHERN CALIFORNIA WATER CO

PARCEL# 176-08-603 1

DETACH AND RETURN WITH PAYMENT

# PARCEL#176-08-603 1

**MARICOPA COUNTY TREASURER**  
 DOUG TODD, TREASURER  
 301 W JEFFERSON ST - RM 100  
 PHOENIX, AZ 85003-2199  
<http://treasurer.maricopa.gov>  
 SEE NUMBERS ON OTHER SIDE

PROPERTY DESCRIPTION  
 SEC/LOT: TWN/BLK: RNG/TR:  
 FOUNTAIN HILLS PLAT NO 302-A

## MARICOPA COUNTY 2002 PROPERTY TAX STATEMENT

CHAPPARAL CITY WATER CO  
 C/O SOUTHERN CALIFORNIA WATER CO  
 630 E FOOTHILL BLVD  
 SAN DIMAS CA 91773-1207

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION.  
 \$25.00 CHARGE IF CHECK FAILS TO CLEAR BANK.  
 YOUR CHECK IS YOUR RECEIPT

LIMITED (PRIMARY) VALUES				PRIMARY	COMPARATIVE 2001 AMT	2002 DISTRIBUTION		OFFICE USE ONLY
TYPE	LIMITED	%	ASSESSED			RATE / 100	2002-AMT DUE	
LAND/BLDG PERSONAL EXEMPTION	109970	16.0	17595	COUNTY EDUC. EQUAL CITY SCHOOL CO. EDUC COMM. COL.	189.27 79.56 853.80 153.28	12108 04889 38686 9634	213.04 86.02 880.69 169.51	PRTKEY=91773 SEQ=488003 MTG= LDAN#= W
PRIM. TOT.	109970		17595					
AREA CODE 982421				SUBTOTAL	1075.92	65317	1149.28	FIRST HALF TAX AMOUNT 1,025.43
FULL CASH (SECONDARY) VALUES				SECONDARY	COMPARATIVE 2001 AMT	2002 DISTRIBUTION	OFFICE USE ONLY	
TYPE	FULL CASH	%	ASSESSED					
LAND/BLDG PERSONAL EXEMPTION	117615	16.0	18818	FLOOD CAWCD OVERRIDES FIRE DIST. ASST. LIBRARY *BONDS** -COUNTY -CITY -SCHOOLS -COMM COL.	37.40 20.80 94.00 1.48 8.74	2119 1300 5818 0075 0421	39.88 24.46 105.74 1.44 7.92	DUE OCT. 1, 2002 DELINQUENT AFTER NOV. 1, 2002 SECOND HALF TAX AMOUNT 1,025.43
SEC. TOT.	117615		18818					
SPECIAL DISTRICT (VALUE/ACRES/SQ.FT.) ASSESSED				DIST#				DUE MARCH 1, 2003 DELINQUENT AFTER MAY 1, 2003 INTEREST ON LATE PAYMENT IS 18% PER YEAR PRORATA MONTHLY AS OF THE FIRST OF THE MONTH. ARS 42-
FOUNTAIN HILLS SANITARY DIST				18818 21584	287.28	12948	243.88	
EAST VALLEY INSTITUTE TECH				18818 30001	17.92	1117	21.02	
FOUNTAIN HILLS VFD					155.78			
IF NOT PAID BY DELINQUENT DATES, CALL OR WRITE FOR INTEREST AMOUNT					2090.94	TOTALS	\$2,050.86	KEEP THIS PORTION FOR YOUR RECORDS

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and accommodations upon request.

5900T78664092E47E62 282985200000000020

\$258,628.74	FULL YEAR
\$129,314.37	FIRST HALF

PLEASE CHECK WHICH PAYMENT APPLIES  
**U.S. FUNDS ONLY**  
 PRINT THE ABOVE PARCEL  
 NUMBER ON YOUR CHECK

Phoenix, AZ 85062-8574  
 P O Box 78574  
 Maricopa County Treasurer

MAKE CHECK PAYABLE TO:

PLEASE MAKE CHANGES TO MAILING ADDRESS BELOW:

CHAPARRAL CITY WATER CO  
 DUE OCTOBER 1, 2002  
 DELINQUENT AFTER NOV. 1, 2002  
 002 FIRST HALF PAYMENT STUB

PARCEL# 604-99-811 8

DETACH AND RETURN WITH PAYMENT

# PARCEL# 604-99-811 8

**MARICOPA COUNTY TREASURER**  
 DOUG TODD, TREASURER  
 301 W JEFFERSON ST - RM 100  
 PHOENIX, AZ 85003-2199  
<http://treasurer.maricopa.gov>  
 ONE NUMBERS ON OTHER SIDE

SEC/LOT	TWN/BLK	RNG/TR	PROPERTY DESCRIPTION
			TOTAL VALUE OF OPERATING PROPERTY

## MARICOPA COUNTY 2002 PROPERTY TAX STATEMENT

CHAPARRAL CITY WATER CO  
 SOUTHERN CALIFORNIA WATER COMPANY  
 630 EAST FOOTHILLS BLVD  
 SAN DIMAS CA 91773

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION.

\$25.00 CHARGE IF CHECK FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT

LIMITED (PRIMARY) VALUES				PRIMARY	COMPARATIVE 2001 AMT	2002 DISTRIBUTION		OFFICE USE ONLY
TYPE	LIMITED	%	ASSESSED			RATE / 100	2002 AMT DUE	
AND/BLDG PERSONAL EXEMPTION	320336 10169454	25.0	80084 2542364	COUNTY EDUC. EQUAL CITY SCHOOL CO. EDUC COMM. COL.	42082.84 17691.01 145372.88 34083.83	12108 04889 38686 9634	31752.60 12821.15 101452.01 25264.66	PRTKEY= SEQ= 3695 MTG= LOAN#= W
PRIM. TOT.	10489790		2622448					
AREA CODE 982401				SUBTOTAL	239200.56	65317	171290.42	FIRST HALF TAX AMOUNT 129,314.37
FULL CASH (SECONDARY) VALUES				SECONDARY	COMPARATIVE 2001 AMT	2002 DISTRIBUTION	OFFICE USE ONLY	
TYPE	FULL CASH	%	ASSESSED					
AND/BLDG PERSONAL EXEMPTION	320336 10169454	25.0	80084 2542364	FLOOD CAWCD OVERRIDES FIRE DIST. ASST. LIBRARY *BONDS** -COUNTY -CITY -SCHOOLS -COMM COL.	1525.14 4523.70 20902.70 323.66 1497.38 3115.64 19935.25 58120.03 5420.43 116567.92	2119 1300 5619 0076 0421 0800 5137 15881 1493 33845	169.70 3409.18 14735.54 199.30 1104.06 2097.96 13471.55 44269.48 3915.35 83372.12	DUE OCT. 1, 2002 DELINQUENT AFTER NOV. 1, 2002 SECOND HALF TAX AMT 129,314.37 DUE MARCH 1, 2003 DELINQUENT AFTER MAY 1, 2003
SEC. TOT.	10489790		2622448	SUBTOTAL	116567.92	33845	83372.12	INTEREST ON LATE PAYMENT IS 10% PER YEAR PRORATE MONTHLY AS OF THE FIRST OF THE MONTH. ARS 42-1.
SPECIAL DISTRICT (VALUE/ACRES/SQ. FT.)=ASSESSED				DIST#				KEEP THIS PORTION FOR YOUR RECORDS
FOUNTAIN HILLS VFD				2622448	11573			
FOUNTAIN HILLS ROAD 9				80084	20567			
FOUNTAIN HILLS SANITARY DIST				80084	21564	12593.94	1036.92	
EAST VALLEY INSTITUTE TECH				2622448	30001	3983.50	2929.28	
NOT PAID BY DELINQUENT DATES CALL OR WRITE INTEREST AMOUNT					407014.50	TOTALS	\$258,628.74	

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and will make other reasonable accommodations upon request.

VOID WITHOUT GREEN SUBSTRATE BACKGROUND AND AN OPTICAL WATERMARK CERTIFICATION SEAL ON THE BACK - HOLD AT ANGLE TO VIEW SEAL

**Chaparral City Water Company**  
 A Subsidiary of American States Water Company  
 12021 Panorama Drive  
 Fountain Hills, AZ 85268

Wells Fargo Bank  
 535 South Hope Street  
 Los Angeles CA 90071

00002560

DATE	AMOUNT
04/25/03	\$***129,314.37

11-24  
13186

VOID AFTER 6 MONTHS

**Pay**

**ONE HUNDRED TWENTY NINE THOUSAND THREE HUNDRED FOURTEEN AND 37/100\*\*\*\*\***

---

TO **MARICOPA COUNTY TREASURER**  
 THE **PO BOX 78574**  
 ORDER **PHOENIX AZ 85062-8574**  
 OF

*Joseph G. W...*  
*Mary Jane*

PARCEL # 604-99-211 B

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

#00002560#

#121000248# 4496 805110#

#0012931437#

VOID WITHOUT GREEN SUBSTRATE BACKGROUND AND AN OPTICAL WATERMARK CERTIFICATION SEAL ON THE BACK - HOLD AT ANGLE TO VIEW SEAL

THIS CHECK CAN BE DEPOSITED AT ANY BANK OR FINANCIAL INSTITUTION THAT ACCEPTS CHECKS FROM THE STATE OF ARIZONA. IF YOU DEPOSIT THIS CHECK AT A FINANCIAL INSTITUTION OTHER THAN THE ONE NAMED ON THE CHECK, YOU AGREE TO HOLD THE FINANCIAL INSTITUTION HARMLESS FROM ANY LIABILITY THAT MAY BE INCURRED BY THE FINANCIAL INSTITUTION AS A RESULT OF YOUR DEPOSITING THIS CHECK AT A FINANCIAL INSTITUTION OTHER THAN THE ONE NAMED ON THE CHECK.

1. MAKE SURE YOU WRITE THE CHECK NUMBER AND DATE IN THE APPROPRIATE SPACES.

2. WRITE THE CHECK NUMBER AND DATE IN THE APPROPRIATE SPACES.

3. WRITE THE CHECK NUMBER AND DATE IN THE APPROPRIATE SPACES.

4. WRITE THE CHECK NUMBER AND DATE IN THE APPROPRIATE SPACES.

5. WRITE THE CHECK NUMBER AND DATE IN THE APPROPRIATE SPACES.

6. WRITE THE CHECK NUMBER AND DATE IN THE APPROPRIATE SPACES.

7. WRITE THE CHECK NUMBER AND DATE IN THE APPROPRIATE SPACES.

8. WRITE THE CHECK NUMBER AND DATE IN THE APPROPRIATE SPACES.

9. WRITE THE CHECK NUMBER AND DATE IN THE APPROPRIATE SPACES.

10. WRITE THE CHECK NUMBER AND DATE IN THE APPROPRIATE SPACES.

042700119 119 120 1 60499811 8 0665042903

122105278

1119013314

1119013314

DO NOT WRITE, STAMP OR SIGNATURE ON THIS CHECK.

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_

STATE: \_\_\_\_\_

ZIP: \_\_\_\_\_

U.S. PATENT NO. 5536203/5508

CDVolid/CIMSKey	Account	Serial Number	Amount	Issue Date
20030430101401	4496805110	2560	\$129314.37	04/25/2003
Bank ID	Sequence	Location	Paid Date	
10700543	922784106	CD	04/30/2003	



THIS CHECK IS VOID WITHOUT A GRAY & BURGUNDY BACKGROUND AND AN ARTIFICIAL WATERMARK CERTIFICATION SEAL ON THE BACK - HOLD AT ANGLE TO VIEW SEAL

**Chaparral City Water Company**  
 A Subsidiary of American States Water Company  
 12021 Panorama Drive  
 Fountain Hills, AZ 85268

Wells Fargo Bank  
 333 South Hope Street  
 Los Angeles CA 90071

00002567  
 11-24  
 121(6)

DATE	AMOUNT
04/25/03	\$*****1,538.66

VOID AFTER 6 MONTHS

Pay  
 ONE THOUSAND FIVE HUNDRED THIRTY EIGHT AND 66/100\*\*\*\*\*

TO  
 THE MARICOPA COUNTY TREASURER  
 PO BOX 78574  
 ORDER PHOENIX AZ 85062-8574  
 OF

PARCEL #604-99-813 3

Signature: *Floyd G. Wink*

U.S. PATENT NO. 5,828,000

PARCEL #604-99-813 3

00002567 121000248 4496 805110 0000153866

THIS CHECK CONFORMS TO THE FOLLOWING U.S. FEDERAL RESERVE REGULATIONS:

1. MICRID PRINT - In 10 spots on the front and back of the check.
2. SECURITY FIBER - 100% cotton fibers.
3. ANTI-COUNTERFEIT - SECURITY FEATURES.
4. WATERMARK - A watermark of the word "ONE" is visible in the center of the front and back of the check.
5. SEPARATE AND A COLOR-BINDING - U.S. Federal Reserve Note.

042903 119 111 118 119 1 60499813 2 0665042903

00002567 121000248 4496 805110 0000153866

20030430 00182 ETPA1 BANK ONE, NA  
 ACCT# 0000004496805110 1119013314  
 EN 41 Y CA 898 04292003

DO NOT WRITE, STAMP OR SIGN ON THESE SPACES RESERVED FOR FINANCIAL INSTITUTION USE

U.S. PATENT NO. 5,828,000

CDVolID/CIMSKey	Account	Serial Number	Amount	Issue Date
20030430101401	4496805110	2567	\$1538.66	04/25/2003
Bank ID	Sequence	Location	Paid Date	
10700543	922784105	CD	04/30/2003	

000047896409524270000564E20000T00000000020

\$2,349.50	FULL YEAR
\$1,174.75	FIRST HALF

PLEASE CHECK WHICH PAYMENT APPLIES  
**U.S. FUNDS ONLY**  
 PRINT THE ABOVE PARCEL NUMBER ON YOUR CHECK

Phoenix, AZ 85062-8574  
 P O Box 78574  
 Maricopa County Treasurer

PLEASE CHANGES TO MAILING ADDRESS BELOW:  
 CHAPARRAL CITY WATER CO  
 DUE OCTOBER 1, 2002  
 DELINQUENT AFTER NOV. 1, 2002  
 202 FIRST HALF PAYMENT STUB

MAKE CHECK PAYABLE TO:

PARCEL# 604-99-814 0

DETACH AND RETURN WITH PAYMENT

# PARCEL#604-99-814 0

**MARICOPA COUNTY TREASURER**  
 DOUG TODD, TREASURER  
 301 W JEFFERSON ST - RM 100  
 PHOENIX, AZ 85003-2199  
<http://treasurer.maricopa.gov>  
 PHONE NUMBERS ON OTHER SIDE

SEC/LOT	PROPERTY DESCRIPTION	TWN/BLK	RNG/TR
TOTAL VALUE OF OPERATING PROPERTY			

## MARICOPA COUNTY 2002 PROPERTY TAX STATEMENT

CHAPARRAL CITY WATER CO  
 SOUTHERN CALIFORNIA WATER COMPANY  
 630 EAST FOOTHILLS BLVD  
 SAN DIMAS CA 91773

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION.  
 \$25.00 CHARGE IF CHECK FAILS TO CLEAR BANK.  
 YOUR CHECK IS YOUR RECEIPT

LIMITED (PRIMARY) VALUES				PRIMARY	COMPARATIVE 2001 AMT	2002 DISTRIBUTION		OFFICE USE ONLY
TYPE	LIMITED	%	ASSESSED			RATE / 100	2002 AMT DUE	
LAND/BLDG PERSONAL EXEMPTION	83000	25.0	20750	COUNTY EDUC. EQUAL CITY SCHOOL CO. EDUC COMM. COL.	245.51 103.21 848.11 198.85	12108 04889 38686 9634	251.24 101.45 802.72 199.91	PRTKEY= SEQ= 3698 MTG= LDAN#= W
PRIM. TOT.	83000		20750					
AREA CODE 982404				SUBTOTAL	1295.68	65317	1055.32	FIRST HALF TAX AMOUNT 1,174.75
FULL CASH (SECONDARY) VALUES				SECONDARY	COMPARATIVE 2001 AMT	2002 DISTRIBUTION		OFFICE USE ONLY
TYPE	FULL CASH	%	ASSESSED			RATE / 100	2002 AMT DUE	
LAND/BLDG PERSONAL EXEMPTION	83000	25.0	20750	FLOOD CAWCD OVERRIDES FIRE DIST. ASST LIBRARY *BONDS** -COUNTY -CITY -SCHOOLS -COMM COL	48.12 26.98 121.94 1.88 6.74 18.18 116.31 344.93 31.52 718.70	2119 1300 5618 0076 0421 0800 5137 15881 1493 33848	43.96 26.98 116.60 1.58 8.74 16.61 106.59 350.28 30.98 702.32	DUE OCT. 1, 2002 DELINQUENT AFTER NOV. 1, 2002 SECOND HALF TAX AMOUNT 1,174.75 DUE MARCH 1, 2003 DELINQUENT AFTER MAY 1, 2003
SEC. TOT.	83000		20750					
SPECIAL DISTRICT (VALUE/ACRES/SQ FT) ASSESSED				DIST#				INTEREST ON LATE PAYMENT IS 18% PER YEAR PRORATE MONTHLY AS OF THE FIRST OF THE MONTH. ARS 42-1
FOUNTAIN HILLS VFD				20750	11573	202.09		KEEP THIS PORTION FOR YOUR RECORDS
FOUNTAIN HILLS ROAD 12				20750	20570			
FOUNTAIN HILLS SANITARY DIST				20750	21584	372.88	12948	
EAST VALLEY INSTITUTE TECH				20750	30001	23.24	1117	
NOT PAID BY DELINQUENT DATES. CALL OR WRITE FOR INTEREST AMOUNT					2712.38	TOTALS	\$2,349.50	

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and will make other reasonable accommodations upon request.



# PARCEL/ACCOUNT# 176-08-603 1

## MARICOPA COUNTY TREASURER

DOUG TODD, TREASURER  
 11 W JEFFERSON ST - RM 100  
 PHOENIX, AZ 85003-2199  
 http://treasurer.maricopa.gov  
 PHONE NUMBERS ON OTHER SIDE

PROPERTY DESCRIPTION  
 SEC/LOT 15 TWN/BLK 1 RNG/TR  
 FOUNTAIN HILLS PLAT NO 302-A

## MARICOPA COUNTY 2003 PROPERTY TAX STATEMENT

NOTICE: SEE REVERSE SIDE FOR  
IMPORTANT INFORMATION.

\$25.00 CHARGE IF CHECK  
FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT.

CHAPPARAL CITY WATER CO  
 C/O SOUTHERN CALIFORNIA WATER CO  
 630 E FOOTHILL BLVD  
 SAN DIMAS CA 91773-1207



LIMITED (PRIMARY) VALUES				PRIMARY	COMPARATIVE 2002 AMT	2003 DISTRIBUTION		OFFICE USE ONLY
TYPE	LIMITED	%	ASSESSED			RATE / 100	2003 AMT DUE	
LAND/BLDG	116656	25.0	29184	COUNTY	213.04	12108	353.11	PRTKEY=91773 SEQ=515184 MTG= LOAN#= W
PERSONAL				EDUC. EQUAL	86.02	04717	137.57	
EXEMPTION				CITY	880.69	35608	1038.47	
				SCHOOL				
				CO. EDUC	169.51	9410	274.43	
PRIM. TOT.	116656		29184	COMM. COL.				
AREA CODE 982421				SUBTOTAL	1449.26	61843	1803.58	FIRST HALF TAX AMOUNT
								1,602.18
FULL CASH (SECONDARY) VALUES				SECONDARY	COMPARATIVE 2002 AMT	2003 DISTRIBUTION		OFFICE USE ONLY
TYPE	FULL CASH	%	ASSESSED			RATE / 100	2003 AMT DUE	
LAND/BLDG	125437	25.0	31360	FLOOD	39.88	2119	66.46	DUE OCT. 1, 2003 DELINQUENT AFTER NOV. 3, 2003 SECOND HALF TAX AMOUNT 1,602.18 DUE MARCH 1, 2004 DELINQUENT AFTER MAY 3, 2004 INTEREST ON LATE PAYMENT IS 18% PER YEAR PRORATED MONTHLY AS OF THE FIRST 15 OF THE MONTH. ARS 42-180E
PERSONAL				CAWCD	24.48	1200	37.64	
EXEMPTION				OVERRIDES	105.74	4957	155.48	
				FIRE DIST. ASST.	1.44	0070	2.20	
				LIBRARY	7.82	0521	16.34	
				*BONDS**				
				-COUNTY	15.05	0700	21.95	
				-CITY	96.87	4782	149.34	
				-SCHOOLS	317.85	15460	516.19	
SEC. TOT.	125437		31360	-COMM COL	28.10	1375	43.12	
				SUBTOTAL	836.92	32154	1008.70	
SPECIAL DISTRICT VALUE/ACRES/SQ.FT./ASSESSED				DIST#				
FOUNTAIN HILLS SANITARY DIST				31360	21564	243.66	361.48	
LAST VALLEY INSTITUTE TECH				31360	30001	21.02	30.60	
IF NOT PAID BY DELINQUENT DATES, CALL OR WRITE FOR INTEREST AMOUNT					2050.86	TOTALS	\$3,204.36	<b>KEEP THIS PORTION FOR YOUR RECORDS</b>

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and will make other reasonable accommodations upon request.

(L 450,065-PRCENTL)

DETACH AND RETURN WITH PAYMENT

PARCEL/ACCOUNT# 176-08-603 1

**2003 SECOND HALF PAYMENT STUB  
 DUE MARCH 1, 2004  
 DELINQUENT AFTER MAY 3, 2004**

MAKE CHECK PAYABLE TO:

**Maricopa County Treasurer  
 P O Box 78574  
 Phoenix, AZ 85062-8574**

PRINT THE ABOVE PARCEL /  
ACCOUNT # ON YOUR CHECK

U.S. FUNDS ONLY

<b>SECOND HALF</b>	\$1,602.18
--------------------	------------

MAKE CHANGES TO MAILING ADDRESS BELOW:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

030000000020000320436000016021876086030016

THIS CHECK IS VOID WITHOUT A GRAY & BURGUNDY BACKGROUND AND AN ARTIFICIAL WATERMARK CERTIFICATION SEAL ON THE BACK - HOLD AT ANGLE TO VIEW SEAL

**Chaparral City Water Company**  
 A Subsidiary of American States Water Company  
 12021 Panorama Drive  
 Fountain Hills, AZ 85268

Wells Fargo Bank  
 333 South Hope Street  
 Los Angeles CA 90071

00003108  
 11-34  
 121803

DATE	AMOUNT
10/24/03	\$*****1,602.18

VOID AFTER 6 MONTHS

**Pay**  
 ONE THOUSAND SIX HUNDRED TWO AND 18/100\*\*\*\*\* Dollars

TO: MARICOPA COUNTY TREASURER  
 THIS: PO BOX 78574  
 ORDER: PHOENIX AZ 85062-8574  
 OF:

*Floyd G. Wink*

Parcel / Account # 176-08-603 1 2003 First Half Property Tax

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

⑈00003108⑈ ⑆121000248⑆ 4496 805110⑈ ⑆0000160218⑆

182703 300 002 061 061 1 17608603 1 4765102703

BANK ONE, NA  
 ⑈119013314⑈  
 1827003

⑈119013314⑈

MFB LA, CA 18282903  
 TRACER # 0732 PKT. 006  
 122105278

U.S. PATENT NO. 5,838,057

DO NOT WRITE STAMP OR SIGN BELOW - RESERVED FOR FINANCIAL INSTITUTION USE

BANK ONE, NA  
 122105278

EDIT TO ASSIST  
 AND PAYEE WITH  
 OUT PRESENCE  
 OF ENDORSE  
 IT GUARANTEED  
 BANK ONE, NA

CDVolid/CIMSKey	Account	Serial Number	Amount	Issue Date
20031031101101	4496805110	3108	\$1602.18	10/24/2003
Bank ID	Sequence	Location	Paid Date	
10700543	1128982458	CD	10/28/2003	

DETACH AND RETURN WITH PAYMENT

PARCEL/ACCOUNT# 176-17-766B 4

**2003 FULL YEAR PAYMENT STUB**  
**DUE OCTOBER 1, 2003**  
**DELINQUENT AFTER NOV. 3, 2003**

C/O SOUTHERN CALIFORNIA WATER CO

MAKE CHECK PAYABLE TO:

**Maricopa County Treasurer**  
**P O Box 78574**  
**Phoenix, AZ 85062-8574**

PRINT THE ABOVE PARCEL /  
ACCOUNT # ON YOUR CHECK

**U.S. FUNDS ONLY**

<b>FULL YEAR</b>	<b>\$25.68</b>
------------------	----------------

MAKE CHANGES TO MAILING ADDRESS BELOW:

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0300000000300000025680000002568176177660246

THIS CHECK IS VOID WITHOUT A GRAY & BURGUNDY BACKGROUND AND AN ARTIFICIAL WATERMARK CERTIFICATION SEAL ON THE BACK - HOLD AT ANGLE TO VIEW SEAL

**Chaparral City Water Company**  
 A Subsidiary of American States Water Company  
 12021 Panorama Drive  
 Fountain Hills, AZ 85268

Wells Fargo Bank  
 333 South Hope Street  
 Los Angeles CA 90071

00003123

11-24  
121983

DATE	AMOUNT
10/24/03	\$*****25.68

VOID AFTER 6 MONTHS

**Pay**

TWENTY FIVE AND 68/100\*\*\*\*\*

Dollars

TO MARICOPA COUNTY TREASURER  
 THE PO BOX 78574  
 ORDER PHOENIX AZ 85062-8574  
 OF

*Flayd L. Winkler*

Parcel / Account # 176-17-7668 4 2003 Full Year Property Tax

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTS

#00003123#

#21000248# 4496 805110#

#000002568#

102703 303 002 060 060 1 1761776684 476S102703

THE CHECK IS VOID WITHOUT A GRAY & BURGUNDY BACKGROUND AND AN ARTIFICIAL WATERMARK CERTIFICATION SEAL ON THE BACK - HOLD AT ANGLE TO VIEW SEAL

U.S. PATENT NO. 5,589,855

FBI LA, CA 1822093  
 TRACER # 0732 PKT. 066  
 122105278

BANK ONE, NA  
 @1119013314  
 102703

44450012

DO NOT WRITE STRIP OR SIGN BELOW - RESERVED FOR FINANCIAL INSTITUTION USE

U.S. PATENT NO. 5,589,855

ARTIFICIAL WATERMARK CERTIFICATION SEAL

VOID AFTER 6 MONTHS

EDITION OF THE FEDERAL RESERVE NOTE

RESERVED FOR FINANCIAL INSTITUTION USE

CDVolID/CIMSKey	Account	Serial Number	Amount	Issue Date
20031031101101	4496805110	3123	\$25.68	10/24/2003
Bank ID	Sequence	Location	Paid Date	
10700543	1128982457	CD	10/28/2003	

# PARCEL/ACCOUNT# 604-99-821 4

## MARICOPA COUNTY TREASURER

DOUG TODD, TREASURER  
11 W JEFFERSON ST - RM 100  
PHOENIX, AZ 85003-2199  
http://treasurer.maricopa.gov  
PHONE NUMBERS ON OTHER SIDE

SEC/LOT	PROPERTY DESCRIPTION	TWN/BLK	RNG/TR
<b>TOTAL VALUE OF OPERATING PROPERTY</b>			

## MARICOPA COUNTY 2003 PROPERTY TAX STATEMENT

NOTICE: SEE REVERSE SIDE FOR  
IMPORTANT INFORMATION.

\$25.00 CHARGE IF CHECK  
FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT.

CHAPARRAL CITY WATER CO  
SOUTHERN CALIFORNIA WATER COMPANY  
630 EAST FOOTHILLS BLVD  
SAN DIMAS CA 91773

LIMITED (PRIMARY) VALUES				PRIMARY	COMPARATIVE 2002 AMT	2003 DISTRIBUTION		OFFICE USE ONLY			
TYPE	LIMITED	%	ASSESSED			RATE / 100	2003 AMT DUE				
LAND/BLDG PERSONAL EXEMPTION	310503 11244287	25.0	77626 2811072	COUNTY EDUC. EQUAL CITY SCHOOL CO. EDUC COMM. COL.	PREVIOUS YEAR NOT AVAILABLE	12108 04717	34876.36 13825.99	PRTKEY= SEQ= 3558 MTG= LOAN#= W			
PRIM. TOT.	11554790		2888698			35808 9410	102860.74 27182.65				
AREA CODE 982411						SUBTOTAL			61843	178645.74	FIRST HALF TAX AMOUNT 134,657.66
FULL CASH (SECONDARY) VALUES						SECONDARY					DUE OCT. 1, 2003 DELINQUENT AFTER NOV. 3, 2003
TYPE	FULL CASH	%	ASSESSED	FLOOD CAWCD OVERRIDES FIRE DIST. ASST. LIBRARY *BONDS** -COUNTY -CITY -SCHOOLS -COMM COL.		2119 1200 4957 0070 0521	184.48 3486.44 14319.28 202.22 1505.00	SECOND HALF TAX AMOUNT 134,657.66			
LAND/BLDG PERSONAL EXEMPTION	310503 11244287	25.0	77626 2811072			0700 4762 15460 1375	2022.10 13755.98 47547.99 3971.83	DUE MARCH 1, 2004 DELINQUENT AFTER MAY 3, 2004			
SEC. TOT.	11554790		2888698			32164	88955.42	INTEREST ON LATE PAYMENT IS 18% PER YEAR PRORATED MONTHLY AS OF THE FIRST C OF THE MONTH. ARS 42-180E			
SPECIAL DISTRICT (VALUE/ACRES/SQ.FT)=ASSESSED						DIST#				<b>KEEP THIS PORTION FOR YOUR RECORDS</b>	
UNTAIN HILLS SANITARY DIST ST VALLEY INSTITUTE TECH				77626 2888698	21564 30001	11527 0976	894.80 2819.36				
IF NOT PAID BY DELINQUENT DATES, CALL OR WRITE FOR INTEREST AMOUNT						TOTALS	\$269,315.32				

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and will make other reasonable accommodations upon request.

DETACH AND RETURN WITH PAYMENT

PARCEL/ACCOUNT# 604-99-821 4

**2003 SECOND HALF PAYMENT STUB  
DUE MARCH 1, 2004  
DELINQUENT AFTER MAY 3, 2004**

MAKE CHECK PAYABLE TO:

**Maricopa County Treasurer  
P O Box 78574  
Phoenix, AZ 85062-8574**

PRINT THE ABOVE PARCEL /  
ACCOUNT # ON YOUR CHECK

**U.S. FUNDS ONLY**

<b>SECOND HALF</b>	\$134,657.66
--------------------	--------------

CHAPARRAL CITY WATER CO

MAKE CHANGES TO MAILING ADDRESS BELOW:

0300000000200269315320013465766604998210048

THIS CHECK IS VOID WITHOUT A GRAY & BURGUNDY BACKGROUND AND AN ARTIFICIAL WATERMARK CERTIFICATION SEAL ON THE BACK - HOLD AT ANGLE TO VIEW SEAL

**Chaparral City Water Company**  
 A Subsidiary of American States Water Company  
 12021 Panorama Drive  
 Fountain Hills, AZ 85268

Wells Fargo Bank  
 333 South Hope Street  
 Los Angeles CA 90071

00003103

U.S. PATENT NO. 6,880,879

DATE	AMOUNT
10/24/03	\$***134,657.66

11-24  
1218(6)

VOID AFTER 6 MONTHS

**Pay**

ONE HUNDRED THIRTY FOUR THOUSAND SIX HUNDRED FIFTY SEVEN AND 66/100\*\*\*\*\* Dollars

TO: MARICOPA COUNTY TREASURER  
 THE: PO BOX 78574  
 ORDER: PHOENIX AZ 85062-8574  
 OF:

*Handwritten Signature*

Parcel/Account # 604-99-021 4 2003 First Half Property Tax

SIGNATURE HAS A COLORED BACKGROUND BORDER CONTAINS MICROPRINTING

⑈00003103⑈ ⑆121000248⑆ 4496 805110⑈

⑈0013465766⑈

102703 300 002 059 059 1 60499821 4 4765102703

U.S. PATENT NO. 6,880,879

WEB LA, CA 10280043  
 TRACER # 0732 PKT. 006  
 122105278

BANK ONE, NA  
 1119013314  
 10270303

DO NOT WRITE STAMP OR SIGN BELOW • RESERVED FOR FINANCIAL INSTITUTION USE

U.S. PATENT NO. 6,880,879

CDVolid/CIMSKey	Account	Serial Number	Amount	Issue Date
20031031101101	4496805110	3103	\$134657.66	10/24/2003
Bank ID	Sequence	Location	Paid Date	
10700543	1128982456	CD	10/28/2003	

DETACH AND RETURN WITH PAYMENT

PARCEL/ACCOUNT# 604-99-822 1

**2003 FULL YEAR PAYMENT STUB  
DUE OCTOBER 1, 2003  
DELINQUENT AFTER NOV. 3, 2003**

HAPARRAL CITY WATER CO

MAKE CHECK PAYABLE TO:

**Maricopa County Treasurer  
P O Box 78574  
Phoenix, AZ 85062-8574**

PRINT THE ABOVE PARCEL /  
ACCOUNT # ON YOUR CHECK

**U.S. FUNDS ONLY**

<b>FULL YEAR</b>	<b>\$13.32</b>
------------------	----------------

MAKE CHANGES TO MAILING ADDRESS BELOW:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

0300000000300000013320000001332604998220011

THIS CHECK IS VOID WITHOUT A GRAY & BURGUNDY BACKGROUND AND AN ARTIFICIAL WATERMARK CERTIFICATION SEAL ON THE BACK - HOLD AT ANGLE TO VIEW SEAL

**Chaparral City Water Company**  
 A Subsidiary of American States Water Company  
 12021 Panorama Drive  
 Fountain Hills, AZ 85268

Wells Fargo Bank  
 333 South Hope Street  
 Los Angeles CA 90071

00003125  
 11-24  
 121000

DATE	AMOUNT
10/24/03	\$*****13.32

VOID AFTER 6 MONTHS

**Pay**  
 THIRTEEN AND 32/100\*\*\*\*\*

Dollars

**TO THE ORDER OF** MARICOPA COUNTY TREASURER  
 PO BOX 78574  
 PHOENIX AZ 85062-8574

*Floyd G. Wink*

Parcel/Account # 404-99-822 / 2003 Full Year Property Tax

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTS

⑆00003125⑆ ⑆121000248⑆ 4496 805110⑆ ⑆0000001332⑆

102703 300 002 058 058 1 60499822 1 4765102703

BANK ONE, NA  
 1119013314  
 10270993  
 54450810

U.S. PATENT NO. 5658/0055/5608

DO NOT WRITE STAMP OR SIGN BELOW - RESERVED FOR FINANCIAL INSTITUTION USE

CDVolid/CIMSKey	Account	Serial Number	Amount	Issue Date
20031031101101	4496805110	3125	\$13.32	10/24/2003
Bank ID	Sequence	Location	Paid Date	
10700543	1128982455	CD	10/28/2003	

# PARCEL/ACCOUNT# 604-99-823 9

**MARICOPA COUNTY  
TREASURER**

DOUG TODD, TREASURER  
1 W JEFFERSON ST - RM 100  
PHOENIX, AZ 85003-2199  
http://treasurer.maricopa.gov  
PHONE NUMBERS ON OTHER SIDE

SEC/LOT PROPERTY DESCRIPTION  
TWN/BLK RNG/TR  
TOTAL VALUE OF OPERATING PROPERTY

**MARICOPA COUNTY  
2003 PROPERTY TAX  
STATEMENT**

NOTICE: SEE REVERSE SIDE FOR  
IMPORTANT INFORMATION.

\$25.00 CHARGE IF CHECK  
FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT.

CHAPARRAL CITY WATER CO  
SOUTHERN CALIFORNIA WATER COMPANY  
830 EAST FOOTHILLS BLVD  
SAN DIMAS CA 91773

LIMITED / PRIMARY VALUES				PRIMARY	COMPARATIVE 2002 AMT	2003 DISTRIBUTION		OFFICE USE ONLY
TYPE	LIMITED	%	ASSESSED			RATE / 100	2003 AMT DUE	
LAND/BLDG PERSONAL EXEMPTION	99710	25.0	24928	COUNTY EDUC. EQUAL CITY SCHOOL CO. EDUC. COMM. COL.	PREVIOUS YEAR NOT AVAILABLE	12108	301.83	PRTKEY = SEQ = 3560 MTG = LOAN# = W -
						04717	117.58	
						35608	887.64	
PRIM. TOT.	99710		24928			9410	234.57	
AREA CODE 982413				SUBTOTAL		91843	1541.62	FIRST HALF TAX AMOUNT 1,327.52
FULL CASH / SECONDARY VALUES				SECONDARY				DUE OCT. 1, 2003 DELINQUENT AFTER NOV. 3, 2003
TYPE	FULL CASH	%	ASSESSED			RATE / 100	2003 AMT DUE	
LAND/BLDG PERSONAL EXEMPTION	99710	25.0	24928	FLOOD CAWCD OVERRIDES FIRE DIST. ASST. LIBRARY *BONDS** -COUNTY -CITY -SCHOOLS -COMM COL		2119	52.82	SECOND HALF TAX AMOUNT 1,327.52  DUE MARCH 1, 2004 DELINQUENT AFTER MAY 3, 2004
						1200	29.82	
						4957	123.58	
						0070	1.74	
						0521	12.98	
						0700	17.44	
						4782	118.71	
						18480	410.31	
						1375	34.28	
SEC. TOT.	99710		24928			32184	801.76	
SPECIAL DISTRICT (VALUE/ACRES/SQ FT) = ASSESSED				DIST#				INTEREST ON LATE PAYMENT IS 18% PER YEAR PRORATED MONTHLY AS OF THE FIRST D OF THE MONTH. ARS 42-1805
MOUNTAIN HILLS SANITARY DIST			24928	21584	11527	287.34		
ST VALLEY INSTITUTE TECH			24928	30001	0976	24.32	<b>KEEP THIS PORTION FOR YOUR RECORDS</b>	
IF NOT PAID BY DELINQUENT DATES, CALL OR WRITE FOR INTEREST AMOUNT						TOTALS		\$2,655.04

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and will make other reasonable accommodations upon request.

(247\*PRTCHLL)

DETACH AND RETURN WITH PAYMENT

PARCEL/ACCOUNT# 604-99-823 9

**2003 SECOND HALF PAYMENT STUB  
DUE MARCH 1, 2004  
DELINQUENT AFTER MAY 3, 2004**

CHAPARRAL CITY WATER CO

MAKE CHECK PAYABLE TO:

**Maricopa County Treasurer  
P O Box 78574  
Phoenix, AZ 85062-8574**

PRINT THE ABOVE PARCEL /  
ACCOUNT # ON YOUR CHECK

**U.S. FUNDS ONLY**

<b>SECOND HALF</b>	\$1,327.52
--------------------	------------

MAKE CHANGES TO MAILING ADDRESS BELOW:

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\_\_\_\_\_

\_\_\_\_\_

0300000000200002655040000132752604998230099

THIS CHECK IS VOID WITHOUT A GRAY & BURGUNDY BACKGROUND AND AN ARTIFICIAL WATERMARK CERTIFICATION SEAL ON THE BACK - HOLD AT ANGLE TO VIEW SEAL

**Chaparral City Water Company**  
 A Subsidiary of American States Water Company  
 12021 Panorama Drive  
 Fountain Hills, AZ 85268

Wells Fargo Bank  
 133 South Hope Street  
 Los Angeles CA 90071

00003109  
 11-24  
 121400

DATE	AMOUNT
10/24/03	\$*****1,327.52

VOID AFTER 6 MONTHS

Pay  
 ONE THOUSAND THREE HUNDRED TWENTY SEVEN AND 52/100\*\*\*\*\* Dollars

TO MARICOPA COUNTY TREASURER  
 THE PO BOX 78574  
 ORDER PHOENIX AZ 85062-8574  
 OF

*Flayd G. Wink*

Parcel/Account # 604-99-823-9 2003 First Half Property Tax

00003109 021000248 4496 805110 0000132752

102703 300 002 057 057 1 60499823 9 4765102703

122105278

BANK ONE, NA  
 1119013314  
 102703

DO NOT WRITE, STAMP OR SIGN BELOW - RESERVED FOR FINANCIAL INSTITUTION USE

U.S. PATENT NO. 5,582,055/5,598,759

CDVolID/CIMSKey	Account	Serial Number	Amount	Issue Date
20031031101101	4496805110	3109	\$1327.52	10/24/2003
Bank ID	Sequence	Location	Paid Date	
10700543	1128982454	CD	10/28/2003	

# PARCEL/ACCOUNT# 604-99-824 6

## MARICOPA COUNTY TREASURER

DOUG TODD, TREASURER  
1 W JEFFERSON ST - RM 100  
PHOENIX, AZ 85003-2199  
http://treasurer.maricopa.gov  
PHONE NUMBERS ON OTHER SIDE

SEC/LOT	PROPERTY DESCRIPTION	TWN/BLK	RNG/TR
TOTAL VALUE OF OPERATING PROPERTY			

## MARICOPA COUNTY 2003 PROPERTY TAX STATEMENT

NOTICE: SEE REVERSE SIDE FOR  
IMPORTANT INFORMATION.

\$25.00 CHARGE IF CHECK  
FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT.

CHAPARRAL CITY WATER CO  
SOUTHERN CALIFORNIA WATER COMPANY  
630 EAST FOOTHILLS BLVD  
SAN DIMAS CA 91773

LIMITED (PRIMARY) VALUES				PRIMARY	COMPARATIVE 2002 AMT	2003 DISTRIBUTION		OFFICE USE ONLY
TYPE	LIMITED	%	ASSESSED			RATE / 100	2003 AMT DUE	
LAND/BLDG PERSONAL EXEMPTION	72000	25.0	18000	COUNTY EDUC. EQUAL CITY SCHOOL CO. EDUC COMM. COL.	PREVIOUS YEAR NOT AVAILABLE	12108	217.94	PRTKEY= SEQ= 3561 MTG= LOAN#= W -
						04717	84.91	
						35608	540.95	
PRIM. TOT.	72000		18000			9410	169.38	
AREA CODE 982414				SUBTOTAL		91843	1113.18	FIRST HALF TAX AMOUNT 958.58
FULL CASH (SECONDARY) VALUES				SECONDARY				DUE OCT. 1, 2003 DELINQUENT AFTER NOV. 3, 2003  SECOND HALF TAX AMOUNT  958.58  DUE MARCH 1, 2004 DELINQUENT AFTER MAY 3, 2004  INTEREST ON LATE PAYMENT IS 18% PER YEAR PRORATED MONTHLY AS OF THE FIRST D OF THE MONTH. ARS 42-1805
TYPE	FULL CASH	%	ASSESSED			RATE / 100	2003 AMT DUE	
LAND/BLDG PERSONAL EXEMPTION	72000	25.0	18000	FLOOD	2119	38.14	KEEP THIS PORTION FOR YOUR RECORDS	
				CAWCD	1200	21.60		
				OVERRIDES	4857	89.22		
				FIRE DIST. ASST.	0070	1.26		
				LIBRARY	0521	9.38		
				*BONDS**				
				-COUNTY	0700	12.60		
				-CITY	4762	85.71		
				-SCHOOLS	15480	296.28		
SEC. TOT.	72000		18000	-COMM COL	1375	24.75		
SPECIAL DISTRICT (VALUE/ACRES/SQ.FT)=ASSESSED				SUBTOTAL	32164	578.94		
JNTAIN HILLS SANITARY DIST				18000	21564	11527	207.48	
ST VALLEY INSTITUTE TECH				18000	30001	0976	17.56	
IF NOT PAID BY DELINQUENT DATES, CALL OR WRITE FOR INTEREST AMOUNT						TOTALS	\$1,917.16	

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and will make other reasonable accommodations upon request.

( 248-PRTCNL )

DETACH AND RETURN WITH PAYMENT

PARCEL/ACCOUNT# 604-99-824 6

**2003 SECOND HALF PAYMENT STUB  
DUE MARCH 1, 2004  
DELINQUENT AFTER MAY 3, 2004**

MAKE CHECK PAYABLE TO:

**Maricopa County Treasurer  
P O Box 78574  
Phoenix, AZ 85062-8574**

PRINT THE ABOVE PARCEL /  
ACCOUNT # ON YOUR CHECK

U.S. FUNDS ONLY

CHAPARRAL CITY WATER CO

<b>SECOND HALF</b>	<b>\$958.58</b>
--------------------	-----------------

MAKE CHANGES TO MAILING ADDRESS BELOW:

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\_\_\_\_\_

\_\_\_\_\_

030000000200001917160000095858604998240069

THIS CHECK IS VOID WITHOUT A GRAY & BURGUNDY BACKGROUND AND AN ARTIFICIAL WATERMARK CERTIFICATION SEAL ON THE BACK - HOLD AT ANGLE TO VIEW SEAL

**Chaparral City Water Company**  
 A Subsidiary of American States Water Company  
 12021 Panorama Drive  
 Fountain Hills, AZ 85268

Wells Fargo Bank  
 333 South Hope Street  
 Los Angeles CA 90071

00003111  
 11-24  
 1210(X)

DATE	AMOUNT
10/24/03	\$*****958.58

VOID AFTER 6 MONTHS

Pay  
 NINE HUNDRED FIFTY EIGHT AND 58/100\*\*\*\*\* Dollars

TO: MARICOPA COUNTY TREASURER  
 THE PO BOX 78574  
 ORDER PHOENIX AZ 85062-8574  
 OF

*Floyd L. Wood*

Parcel/Account # 404-99-024-6 2003 First Half Property Tax

00003111 0212000248 4496 805110 0000095858

102703 300 002 056 056 1 60499824 6 4765102703

WEB LA, CA 10282003  
 TRACKER # 0732 PKT. 006  
 122105278

BANK ONE, NA  
 1119013314  
 10272003  
 34450000

DO NOT WRITE STAMP ON SIDE BELOW - RESERVED FOR FINANCIAL INSTITUTION USE

ENDORSE HERE

U.S. PATENT NO. 5,592,955/5,508

CDVolID/CIMSKey	Account	Serial Number	Amount	Issue Date
20031031101101	4496805110	3111	\$958.58	10/24/2003
Bank ID	Sequence	Location	Paid Date	
10700543	1128982453	CD	10/28/2003	

INCOME TAXES

For this reporting period, provide the following (January 1st 2003 to December 31<sup>st</sup> 2003):

Federal Taxable Income Reported	<u>(\$ 20,440.00)</u>
Estimated or Actual Federal Tax Liability	None

State Taxable Income Reported	<u>\$121,108.00</u>
Estimated or Actual State Tax Liability	<u>\$8,439.00</u>

Amount of Grossed-Up Contributions/Advances:

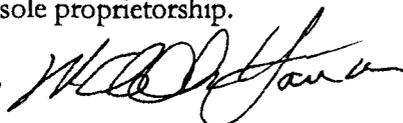
Amount of Contributions/Advances	<u>None</u>
Amount of Gross-Up Tax Collected	<u>None</u>
Total Grossed-Up Contributions/Advances	<u>None</u>

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

29 April 2004

PRINTED NAME McClellan Harris III

TITLE

Sr. Vice President

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

RECEIVED

APR 30 2004

VERIFICATION

STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) <u>Maricopa</u>	CORPORATION COMMISSION DIRECTOR OF UTILITIES
NAME (OWNER OR OFFICIAL) TITLE <u>McClellan Harris, III, Sr. Vice President</u>	
COMPANY NAME <u>Chaparral City Water Company</u>	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

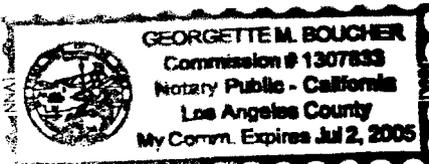
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND 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 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 6,775,583



(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 554,501  
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)

*McClellan Harris, III*  
SIGNATURE OF OWNER OR OFFICIAL  
(909) 394-3600  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 29 DAY OF

COUNTY NAME <u>Los Angeles</u>
MONTH <u>April</u> YEAR <u>2004</u>

(SEAL)

MY COMMISSION EXPIRES July 2, 2005

*Georgette M. Boucher*  
SIGNATURE OF NOTARY PUBLIC

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

RECEIVED

APR 30 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

<b>(COUNTY NAME)</b> Maricopa	<b>CORPORATION COMMISSION DIRECTOR OF UTILITIES</b>
<b>NAME (OWNER OR OFFICIAL)</b> McClellan Harris III	<b>TITLE</b> Sr. Vice President
<b>COMPANY NAME</b> Chaparral City Water Company	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

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**

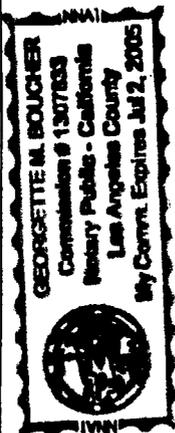
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 5,663,632

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 463,501 IN SALES TAXES BILLED, OR COLLECTED)

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

  
SIGNATURE OF OWNER OR OFFICIAL



SUBSCRIBED AND SWORN TO BEFORE ME

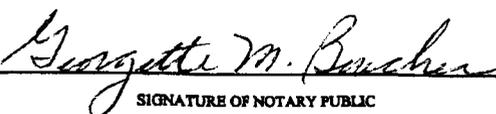
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 29 DAY OF

(SEAL)

MY COMMISSION EXPIRES  
July 2, 2005

<b>NOTARY PUBLIC NAME</b> Georgette M. Boucher	
<b>COUNTY NAME</b> Los Angeles	
<b>MONTH</b> April	<b>YEAR</b> .20 04

X   
SIGNATURE OF NOTARY PUBLIC

# EXHIBIT

# H



- 1 3. Chaparral City has the right to withdraw and deliver groundwater to its customers  
2 pursuant to service area right #56-002011.0000.
- 3 4. Chaparral City has the right to serve CAP water to its customers pursuant to a long-term,  
4 *non-declining municipal and industrial subcontract which it entered into with the Central*  
5 *Arizona Water Conservation District on December 6, 1984 for 6,978 acre-feet per year.*
- 6 5. Chaparral City has constructed a treatment facility to treat the CAP water. The treatment  
7 facility has an effective capacity of 6,944 gallons per minute (11,201 acre-feet per year).
- 8 6. Chaparral City has CAP storage capacity of 10.7 million gallons (32.8 acre-feet).
- 9 7. Chaparral City currently serves CAP water and groundwater to its customers.
- 10 8. Chaparral City's current and committed demand is 7,924 acre-feet per year, as of 2004.
- 11 9. Chaparral City's total projected water demand for the tenth calendar year from the date of  
12 the application, 2014, is estimated at 8,000 acre-feet.
- 13 10. Chaparral City's groundwater supply proven to be physically available is 8,695 acre-feet  
14 per year.
- 15 11. Historic hydrologic information demonstrates that groundwater levels in the service area  
16 currently range from approximately 180 to 330 feet with a minimal regional decline.
- 17 12. After one hundred years of pumping at 8,695 acre-feet per year, the depth-to-water inside  
18 Chaparral City's service area is not expected to exceed 783 feet below land surface.
- 19 13. On April 7, 2004 Chaparral City became a member service area of the Central Arizona  
20 Groundwater Replenishment District (CAGRDR).
- 21 14. The April 7, 2004 replenishment agreement between Chaparral City and the CAGRDR  
22 limits the replenishment obligation of the CAGRDR to 2,000 acre-feet per year.
- 23 15. On February 24, 1995, the Director determined that the CAGRDR Plan of Operation was  
24 consistent with achieving the management goal of the Phoenix Active Management Area.
- 25 16. As of the date of this decision and order, the CAGRDR is in compliance with its  
26 groundwater replenishment obligation for the Phoenix Active Management Area.
- 27 17. Pursuant to A.R.S. § 45-576.01(B), as a member service area of the CAGRDR, Chaparral  
28 City's use of 2,000 acre-feet of groundwater per year is consistent with the management  
goal.

- 1 18. Chaparral City's current groundwater allowance account balance pursuant to A.A.C. R12-  
2 15-705.R is 35,829 acre-feet, or an annual average of approximately 350 acre-feet per  
3 year over a 100-year period.
- 4 19. Chaparral City's projected incidental recharge credits pursuant to A.A.C. R12-15-705.K  
5 are approximately 500 acre-feet per year.
- 6 20. Chaparral City's total groundwater supply proven to be consistent with the management  
7 goal is approximately 2,850 acre-feet per year.
- 8 21. Chaparral City has demonstrated the physical, legal and continuous availability of CAP  
9 water and groundwater, consistent with the management goal, in an aggregate volume of  
10 9,828 acre-feet per year for a minimum of 100 years which is greater than Chaparral  
11 City's projected demand for the calendar year 2014 of approximately 8,000 acre-feet.
- 12 22. Chaparral City is regulated as a large provider under the Department's Third Management  
13 Plan for the Phoenix Active Management Area. As of the date the application was filed,  
14 Chaparral City had not been found to be out of compliance with the Third Management  
15 Plan.
- 16 23. The water supply that Chaparral City intends to provide its customers currently meets all  
17 federal and state water quality standards, based on compliance information provided by  
18 the Arizona Department of Environmental Quality.
- 19 24. In accordance with Arizona Corporation Commission Rules and Regulations, Chaparral  
20 City finances extension of its distribution system through line extension agreements with  
21 owners of new developments. Any owner of a new subdivision served by Chaparral City  
22 must prove financial capability to construct the necessary water infrastructure to the  
23 appropriate platting entity and the Arizona Department of Real Estate pursuant to Titles 9,  
24 11, and 32 of the Arizona Revised Statutes.

25 **Having reviewed the Findings of Fact, the Department makes the following Conclusions of**

26 **Law:**

- 27 1. An annual volume of 6,978 acre-feet per year of CAP and 2,850 acre-feet per year of  
28 groundwater consistent with the management goal was found to be physically,

1 continuously and legally available to Chaparral City for a minimum of 100 years as  
2 prescribed in A.A.C. R12-15-703. The total annual volume of those supplies, 9,828 acre-  
3 feet per year, exceeds Chaparral City's projected demand of 8,000 acre-feet for the year  
4 2014.

- 5 2. The water supply served by Chaparral City currently meets the water quality requirements  
6 specified in A.A.C. R12-15-704.
- 7 3. In accordance with A.A.C. R12-15-706, Chaparral City meets the standard established for  
8 determining consistency with the Phoenix Active Management Area Third Management  
9 Plan.
- 10 4. Chaparral City has satisfied the financial capability criteria prescribed in A.A.C. R12-15-  
11 707.
- 12 5. Chaparral City has satisfied all the requirements for a designation of an assured water  
13 supply.

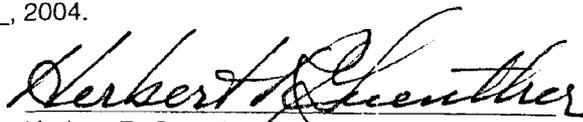
14 **Having reviewed the Conclusions of Law, the Department hereby issues this Order**  
15 **designating Chaparral City as having an assured water supply, subject to the following**  
16 **conditions:**

- 17 1. The Department reserves the right under A.A.C. R12-15-709 (A) to periodically review  
18 and modify this designation for good cause as conditions warrant.
- 19 2. Pursuant to A.A.C. R12-15-709, the Department may, at any time, review, modify or  
20 revoke this designation if the findings of fact or the conclusions of law upon which the  
21 designation are based change or are invalid or if an assured water supply no longer  
22 exists.
- 23 3. The Department's determination that an assured water supply exists for Chaparral City is  
24 based on its analysis of the water supplies pledged by Chaparral City.
- 25 4. Pursuant to A.A.C. R12-15-704, Chaparral City shall satisfy any state water quality  
26 requirements established for its proposed use after the date of this designation.
- 27 5. Chaparral City shall annually provide to the Department the following information in the  
28 manner prescribed in A.A.C. R12-15-711:

- 1 a. The estimated future demand of platted, undeveloped lots located in Chaparral  
2 City's service area.
- 3 b. The projected demand at build-out for customers with which Chaparral City has  
4 entered into a notice of intent to serve agreement in the calendar year.
- 5 c. A report regarding Chaparral City's compliance with water quality requirements.
- 6 d. The depth-to-static water level of all wells from which Chaparral City withdrew  
7 water during the calendar year.
- 8 e. Any other information requested by the Director to determine whether Chaparral  
9 City is continuing to meet all the requirements necessary to maintain this  
10 designation of assured water supply.

11 **IT IS HEREBY ORDERED THAT CHAPARRAL CITY BE DESIGNATED AS HAVING AN**  
12 **ASSURED WATER SUPPLY.**

13 DATED this 7<sup>th</sup> day of APRIL, 2004.

14 

15 Herbert R. Guenther  
16 Director  
Arizona Department of Water Resources

17 A copy of the foregoing  
18 Decision and Order mailed  
19 by certified mail this  
day of April 8,  
2004, to the following:

20 Carlos Ronstadt  
21 Snell & Wilmer, LLP  
22 One Arizona Center  
Phoenix, AZ 85004  
Attorney for Chaparral City Water Company

Certified Mail No. 7003 3110 0003 3244 9068

23 First class mail copies to:

24 Robert Hanford  
25 Chaparral City Water Company  
12021 North Panorama Drive  
Fountain Hills, AZ 85268

26 Mr. Cliff Neal  
27 Central Arizona Groundwater Replenishment District  
P.O. Box 43020  
28 Phoenix, AZ 85080