

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

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**COMMISSIONERS**

**Jeff Hatch-Miller, Chairman**  
**William A. Mundell**  
**Marc Spitzer**  
**Mike Gleason**  
**Kristin K. Mayes**

2005 APR 26 P 2: 28

AZ CORP COMMISSION  
DOCUMENT CONTROL

Arizona Corporation Commission  
**DOCKETED**

APR 26 2005

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IN THE MATTER OF THE APPLICATION OF  
PALO VERDE UTILITIES COMPANY FOR AN  
EXTENSION OF ITS EXISTING CERTIFICATE  
OF CONVENIENCE AND NECESSITY.

Docket No. SW-03575A-

SW-03575A-05-0307  
W-03576A-05-0307

Docket No. W-03576A-

IN THE MATTER OF THE APPLICATION OF  
SANTA CRUZ WATER COMPANY FOR AN  
EXTENSION OF ITS EXISTING CERTIFICATE  
OF CONVENIENCE AND NECESSITY.

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

Santa Cruz Water Company, L.L.C. ("Santa Cruz") and Palo Verde Utilities Company, L.L.C. ("Palo Verde"), (or collectively referred to as the "Applicants"), through undersigned counsel, hereby apply to the Arizona Corporation Commission ("Commission") for approval of an extension of their respective Certificates of Convenience and Necessity ("CC&Ns"), as detailed more fully herein.

The CC&N extensions are necessary at this time to ensure that adequate water and wastewater facilities are in place and that service is available for the residents and businesses that will soon be located within the extension area. The Applicants are qualified and prepared to provide the necessary facilities and service to the extension area. In support of this Application, Santa Cruz and Palo Verde state as follows:

1. Santa Cruz is an Arizona public service corporation authorized to provide water service within portions of Pinal County, Arizona. Santa Cruz received CC&Ns from the Commission in Decision No. 61943 (September 17, 1999) and Decision No. 67240 (September 15, 2004). Santa Cruz currently serves approximately 4,865 water customers.

**ROSHKA HEYMAN & DeWULF, PLC**  
ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

1           2.     Palo Verde is an Arizona public service corporation authorized to provide  
2 wastewater service within portions of Pinal County, Arizona. Palo Verde received CC&Ns from  
3 the Commission in Decision No. 61943 (September 17, 1999) and Decision No. 67240 (September  
4 15, 2004). Palo Verde currently serves approximately 3,785 wastewater customers.<sup>1</sup>

5           3.     The additional area is comprised of approximately 8,230 acres, including several  
6 projected master planned communities (the "CC&N extension area"). The identity of the master  
7 planned communities and their approximate number of lots are set forth in Exhibit 1, attached  
8 hereto and by this reference incorporated herein.

9           4.     All of the developers with projects located in the CC&N extension area have  
10 requested that the Applicants provide water and wastewater service to their projects. Copies of the  
11 letters requesting service are set forth in Exhibit 2. The Applicants will provide the Commission  
12 with a copy of executed developer line extension agreements as they become available.

13           5.     The legal description for the CC&N extension area is set forth in Exhibit 3,  
14 attached hereto and by this reference incorporated herein.

15           6.     The management contact for each Santa Cruz and Palo Verde is:

16                   Ms. Cindy Liles  
17                   Vice President and Chief Financial Officer  
18                   Global Water Management  
19                   22601 North 19<sup>th</sup> Avenue, Suite 210  
20                   Phoenix, Arizona 85027.  
21                   (623) 580-9600.

22  
23  
24  
25  
26 <sup>1</sup>           Additionally, an application for an extension of Certificates of Convenience and Necessity  
27 is pending before the Commission in Docket Nos. SW-03575A-04-0767 for Palo Verde and W-  
03576A-04-0767 for Santa Cruz.

**ROSHKA HEYMAN & DEWULF, PLC**  
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PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

1           7.     The operators of record for Santa Cruz and Palo Verde are:

2	<u>Name of Utility</u>	<u>Certification</u>	<u>Name</u>	<u>Operator ID</u>	<u>Phone Number</u>
3	Santa Cruz	Treatment	Jeff Lemley	20649	(520) 510-9240
4	Santa Cruz	Distribution	Jeff Lemley	20649	(520) 510-9240
5	Palo Verde	Wastewater	Jose Millanes	11728	(602) 620-0457
6	Palo Verde	Collection	Dave Mcleod	05669	(602) 796-2360

7  
8     The Applicants' field operations and management personnel are located at:

9                     Palo Verde Utilities Company Water Reclamation Campus  
10                    41265 West Hiller Road,  
11                    Maricopa, Arizona 85239.  
12                    (520) 568-1593.

13           8.     The Applicants' attorneys are:

14                    Roshka Heyman & DeWulf, PLC  
15                    One Arizona Center  
16                    400 East Van Buren Street, Suite 800  
17                    Phoenix, Arizona 85004  
18                    (602) 256-6100

19     All data requests or other requests for information should be directed to:

20                    Raymond S. Heyman  
21                    Michael W. Patten  
22                    Roshka Heyman & DeWulf, PLC  
23                    One Arizona Center  
24                    400 East Van Buren Street, Suite 800  
25                    Phoenix, Arizona 85004

26     With a copy to:

27                    Ms. Cindy Liles  
                      Vice President and Chief Financial Officer  
                      Global Water Management  
                      22601 North 19<sup>th</sup> Avenue, Suite 210  
                      Phoenix, Arizona 85027

1           9.     A Certificate of Good Standing for both Santa Cruz Water Company and Palo  
2 Verde Utilities Company is attached hereto as Exhibit 4, and by this reference incorporated herein.

3           10.    The customers located in the CC&N extension area will receive water and  
4 wastewater service subject to Applicants' current rates and charges for utility service, which were  
5 approved by the Commission in Decision No. 61943 (September 17, 1999).

6           11.    Maps indicating the Applicants' (i) present CCNs and the CC&N extension area;  
7 and (ii) current and preliminary master plans for water, wastewater and reclaimed water, are  
8 attached hereto as Exhibit 5 and by this reference incorporated herein. The requirements for  
9 servicing the CC&N extension area are detailed in the memorandum entitled "South West Service  
10 Area – Water and Wastewater Services" also included in Exhibit 5.

11          12.    The Applicants' balance sheet and profit and loss information for the 12-month  
12 period ending December 31, 2004, is attached hereto as Exhibit 6, and by this reference  
13 incorporated herein.

14          13.    The estimated number of customers to be served by Santa Cruz and Palo Verde in  
15 each of the first five years of water and wastewater utility service is depicted in Exhibit 7, attached  
16 hereto and by this reference incorporated herein.

17          14.    Applicants' estimated annual operating revenue and operating expenses for each of  
18 the first five (5) years of operation in the CC&N extension area is set forth in Exhibit 8, attached  
19 hereto and by this reference incorporated herein.

20          15.    The Applicants' total estimated cost to construct utility facilities to serve customers  
21 in the CC&N extension area is approximately \$1,520 per service connection for Santa Cruz and  
22 \$3,170 per service connection for Palo Verde.

23          16.    The facilities needed to serve the CC&N extension area will be constructed as  
24 needed to provide service to customers. The estimated starting and completion dates for the  
25 construction of facilities are not known at this time, although the majority of these projects will  
26 commence construction within the next twelve (12) months. At a minimum the following  
27

1 infrastructure will be required: (i) rehabilitated wells; (ii) a new water distribution center; (iii) a  
2 chlorination system; and (iv) a new water reclamation facility (see Exhibit 5).

3 17. The cost of the construction of facilities needed to serve the CC&N extension area  
4 will be paid for primarily by shareholder equity and advances in aid of construction.

5 18. The Applicants will be required to obtain from Pinal County a franchise to service  
6 these areas in unincorporated Pinal County.

7 19. Copies of the approvals to construct facilities in the CC&N extension area that are  
8 issued by the Arizona Department of Environmental Quality ("ADEQ") will be provided to the  
9 Commission when they are issued.

10 20. All necessary and required notice provisions will be provided by the Applicants.  
11 Proof of publication of any such notice will be filed with the Commission in the appropriate  
12 dockets.

13 21. The extension to the CC&Ns are also beneficial in that Santa Cruz and Palo Verde  
14 advocate and employ the use of reclaimed water. Palo Verde has instituted a policy requiring  
15 every existing and future section of land to construct reclaimed water retention structures and  
16 reclaimed water distribution systems and to provide reclaimed water for all open spaces, schools,  
17 homeowner association irrigation and lakes within the CC&N extension area.

18 22 Applicants, to the best of their knowledge and belief, are currently in compliance  
19 with all regulatory requirements applicable to their provision of water and wastewater service.

20 **STATEMENT OF PUBLIC INTEREST**

21 This Application is in the public interest and should be granted because, among other  
22 things, there is a pressing need for water and waste water service in western Pinal County.  
23 Because of the proximity of existing facilities, the expertise of the personnel and the financial  
24 stability, Santa Cruz and Palo Verde are in the best position to extend and provide service to the  
25 CC&N extension area. Existing Santa Cruz and Palo Verde customers will be benefited as the  
26 cost of providing water and wastewater service is be spread over a larger customer base, as well as  
27 through the accomplishment of economies of scale.

ROSHKA HEYMAN & DEWULF, PLC  
ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

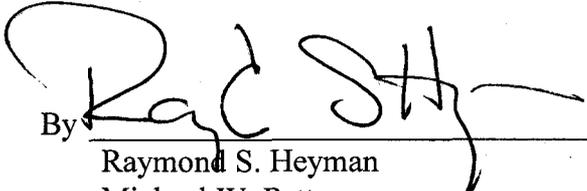
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WHEREFORE, Santa Cruz and Palo Verde respectfully request that the Commission:

- A. Schedule a hearing on this Application as soon as possible;
- B. Issue an Order (i) finding that it is in the public interest to include the CC&N extension area in the CC&Ns of Santa Cruz and Palo Verde; and (ii) ordering that the CC&Ns of Santa Cruz and Palo Verde be extended to include the CC&N extension area; and
- C. Grant any such other and further relief as may be appropriate under the circumstances herein.

RESPECTFULLY submitted this 26<sup>th</sup> day of April 2005.

ROSHKA HEYMAN & DEWULF, PLC

By 

Raymond S. Heyman  
Michael W. Patten  
One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004

Original + 15 copies of the foregoing  
filed this 26<sup>th</sup> day of April, 2005, with:

Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington  
Phoenix, Arizona 85007

Copies of the foregoing hand-delivered/mailed  
this 26<sup>th</sup> day of April, 2005, to:

Chairman Jeff Hatch-Miller  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

**ROSHKA HEYMAN & DEWULF, PLC**  
ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

1 Commissioner William A. Mundell  
Arizona Corporation Commission  
2 1200 West Washington  
Phoenix, Arizona 85007

3  
4 Commissioner Marc Spitzer  
Arizona Corporation Commission  
5 1200 West Washington  
Phoenix, Arizona 85007

6 Commissioner Mike Gleason  
Arizona Corporation Commission  
7 1200 West Washington  
Phoenix, Arizona 85007

8  
9 Commissioner Kristin K. Mayes  
Arizona Corporation Commission  
10 1200 West Washington  
Phoenix, Arizona 85007

11 Lyn Farmer, Esq.  
Chief Administrative Law Judge  
12 Hearing Division  
Arizona Corporation Commission  
13 1200 West Washington  
Phoenix, Arizona 85007

14 Christopher C. Kempley  
15 Chief Counsel, Legal Division  
Arizona Corporation Commission  
16 1200 West Washington  
Phoenix, Arizona 85007

17 Ernest G. Johnson, Esq.  
18 Director, Utilities Division  
Arizona Corporation Commission  
19 1200 West Washington  
Phoenix, Arizona 85007

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# EXHIBIT 1

**ROSHKA HEYMAN & DEWULF, PLC**  
ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

**EXHIBIT 1**

<b>Developer/Development</b>	<b>Number Lots</b>
Trend Homes, Inc.	720
Amarillo Creek, LLC and Desert Cedars, LLC	2,300
Amarillo Creek South, LLC and Desert Cedars, LLC	1,068
CHI Construction Company	1,225
HAM Maricopa, L.L.C.	138
HAM Maricopa, L.L.C. and HAM Queen Creek, L.L.C.	1,107
HAM-Mesa, L.L.C.	2,361
HAM Papago, L.L.C.	416
HAM Queen Creek, L.L.C., HAM Casa Grande, L.L.C., HAM-Mesa, L.L.C., Abby Hannah Zeitlan Irrevocable Trust U/T/A Dated October 1, 1991, Harry Sebastian Zeitlan Irrevocable Trust U/T/A Dated October 1, 1991, Mayan Ariel Zeitlan Irrevocable Trust U/T/A Dated October 1, 1991	3,819
Hidden Valley Ranch I, LLC	4,074
Hidden Valley Ranch II, LLC	1,120
Langley Farms Investments, LLC	280
MAL, LLC	1,575
NF 26 Land, LLC	795
Miller & White 815, LLC	2,834
Pecan Woods, LLC	581
Pinal 347, LLC	1,082
Dennis and Carolyn Peed	539
Vineyards, LLC	1,120
RAJAC Dev Real Estate Partners, LLC	560
Stanfield Holdings, LLC	1,036

# EXHIBIT 2

# Trend Homes *of Arizona*

March 23, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 N. 19<sup>th</sup> Avenue, Suite 210  
Phoenix, AZ 85027

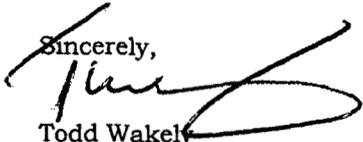
RE: Water and Wastewater Services near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from Trend Homes ("Palomino Ranch") for water and wastewater services to 205.842-acres near the City of Maricopa, Arizona. Trend Homes would like to be included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me with if you have any questions. I can be reached at 480-782-7278.

Sincerely,



Todd Wakely  
Vice President, Trend Homes

**DESERT CEDARS, LLC  
AMARILLO CREEK, LLC**

**5346 East Calle Del Norte  
Phoenix, Arizona 85018  
(602) 840-8611 Telephone  
(419) 844-2688 E-Fax  
(602) 808-9504 Facsimile  
KArizona@cox.net**

March 21, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 N. 19<sup>th</sup> Avenue, Suite 210  
Phoenix, AZ 85027

RE: Water and Wastewater Services near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from the property commonly known as Amarillo Creek for water and wastewater services to 657 acres at the northwest corner of Green and Papago Rds. near the City of Maricopa, Arizona. Amarillo Creek, LLC and Desert Cedars, LLC, as undivided owners, would like to be included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me with if you have any questions. I can be reached at (602) 799-3462.

Sincerely,



---

Michael S. Koslow; Mgr. Member  
Desert Cedars, LLC



---

Michael S. Koslow; Mgr. Member  
Amarillo Creek, LLC  
Mesquite Landing Management, LLC; Mgr. Member  
By: Desert Cedars, LLC; Mgr. Member

**DESERT CEDARS, LLC  
AMARILLO CREEK SOUTH, LLC**

**5346 East Calle Del Norte  
Phoenix, Arizona 85018  
(602) 840-8611 Telephone  
(419) 844-2688 E-Fax  
(602) 808-9504 Facsimile  
KArizona@cox.net**

March 21, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 N. 19<sup>th</sup> Avenue, Suite 210  
Phoenix, AZ 85027

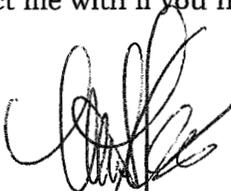
RE: Water and Wastewater Services near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from the property commonly known as Amarillo Creek South for water and wastewater services to 305 acres at the southwest corner of Green and Papago Rds. near the City of Maricopa, Arizona. Amarillo Creek South, LLC and Desert Cedars, LLC, as undivided owners, would like to be included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me with if you have any questions. I can be reached at (602) 799-3462.

Sincerely,



---

Michael S. Koslow; Mgr. Member  
Desert Cedars, LLC



---

Michael S. Koslow; Mgr. Member  
Amarillo Creek, LLC  
Mesquite Landing Management, LLC; Mgr. Member  
By: Desert Cedars, LLC; Mgr. Member

**D·R·HORTON®**  
*America's Builder*  
**Continental Series**

April 21, 2005

**HAND DELIVERED**

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 N. 19<sup>th</sup> Avenue, Suite 210  
Phoenix, AZ 85027

**Re: Water and Wastewater Services Near the City of Maricopa**

Dear Ms. Liles:

Please accept this letter as a request from CHI Construction Company ("Owner") for water and wastewater services to approximately 370 acres near the City of Maricopa, Arizona. Owner would like to be included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Owner acquired the 370 acres on May 6, 2002 with the intent of rezoning and engineering the land for the use of a master-planned community to serve single family residential homes. This property has received Rezoning Approval and anticipates Preliminary Plat Approval from Pinal County in May 2005. Owner will proceed forward with the platting and engineering plans in May 2005 and anticipates final plat and engineering plan approval is the fourth quarter of 2005. Owner will be delayed with the processing of the final plats and engineering plans due to the lack of water and wastewater services to this property; therefore, the Owner highly anticipates to be serviced by the Santa Cruz Water Company and Palo Verde Utilities Company as soon as possible.

Furthermore, to date, Owner has spent approximately \$500,000 in entitlement fees, which is in addition to all land acquisition costs. Please recognize the timing and financial obligations invested by the Owner to date.

Please contact me with if you have any questions. I can be reached at 480-483-0006.

Sincerely,

CHI CONSTRUCTION COMPANY



Brett Hopper  
Vice President, Land Acquisition

**HAM MARICOPA, L.L.C.**

**c/o Dawn Zeitlin**

**Post Office Box 15662**

**Phoenix, Arizona 85060-5662**

**Telephone: (480) 970-3499**

**Telefax: (480) 970-3423**

**zeitlin@getnet.net**

March 30, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 North 19th Avenue, Suite 210  
Phoenix, Arizona 85027

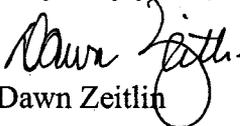
Re: Water and Wastewater near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from HAM Maricopa, L.L.C., for water and wastewater services to approximately 39.399 acres near the City of Maricopa, Arizona. HAM Maricopa, L.L.C., would like to have its property included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me if you have questions. I can be reached at the number shown above or at (480) 694-6677.

Very truly yours,

  
Dawn Zeitlin

**HAM QUEEN CREEK, L.L.C.  
HAM MARICOPA, L.L.C.**

**c/o Dawn Zeitlin  
Post Office Box 15662  
Phoenix, Arizona 85060-5662  
Telephone: (480) 970-3499  
Telefax: (480) 970-3423  
zeitlin@getnet.net**

March 30, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 North 19th Avenue, Suite 210  
Phoenix, Arizona 85027

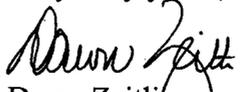
Re: Water and Wastewater near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from HAM Queen Creek, L.L.C., and HAM Maricopa, L.L.C., for water and wastewater services to approximately 316.24 acres near the City of Maricopa, Arizona. HAM Queen Creek, L.L.C., and HAM Maricopa, L.L.C., would like to have their property included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me if you have questions. I can be reached at the number shown above or at (480) 694-6677.

Very truly yours,

  
Dawn Zeitlin

**HAM-MESA, L.L.C.**  
c/o Dawn Zeitlin  
Post Office Box 15662  
Phoenix, Arizona 85060-5662  
Telephone: (480) 970-3499  
Telefax: (480) 970-3423  
zeitlin@getnet.net

March 30, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 North 19th Avenue, Suite 210  
Phoenix, Arizona 85027

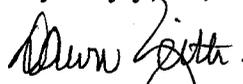
Re: Water and Wastewater near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from HAM-Mesa, L.L.C., for water and wastewater services to approximately 674.57 acres near the City of Maricopa, Arizona. HAM-Mesa, L.L.C., would like to have its property included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me if you have questions. I can be reached at the number shown above or at (480) 694-6677.

Very truly yours,

  
Dawn Zeitlin

**HAM PAPAGO, L.L.C.**  
c/o Dawn Zeitlin  
Post Office Box 15662  
Phoenix, Arizona 85060-5662  
Telephone: (480) 970-3499  
Telefax: (480) 970-3423  
zeitlin@getnet.net

March 30, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utililties Company, LLC  
22601 North 19th Avenue, Suite 210  
Phoenix, Arizona 85027

Re: Water and Wastewater near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from HAM Papago, L.L.C., for water and wastewater services to approximately 118.9 acres near the City of Maricopa, Arizona. HAM Papago, L.L.C., would like to have its property included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me if you have questions. I can be reached at the number shown above or at (480) 694-6677.

Very truly yours,

  
Dawn Zeitlin

**DALE AND DAWN ZEITLIN**  
**Post Office Box 15662**  
**Phoenix, Arizona 85060-5662**  
Telephone: (480) 970-3499  
Telefax: (480) 970-3423  
zeitlin@getnet.net

March 30, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 North 19th Avenue, Suite 210  
Phoenix, Arizona 85027

Re: Water and Wastewater near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from the following entities: HAM Queen Creek, L.L.C., HAM Casa Grande, L.L.C., HAM-Mesa, L.L.C., the Abby Hannah Zeitlin Irrevocable Trust, the Harry Sebastian Zeitlin Irrevocable Trust, and the Mayan Ariel Zeitlin Irrevocable Trust, for water and wastewater services to approximately 1,091.16 acres near the City of Maricopa, Arizona. The entities named above would like to have their property included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me if you have questions. I can be reached at the number shown above or at (480) 694-6677.

Very truly yours,

  
Dawn Zeitlin

## HIDDEN VALLEY I, LLC.

March 22, 2005

Mr. Cindy Links  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 N. 19<sup>th</sup> Avenue, Suite 210  
Phoenix, AZ 85027

RE: Water and Wastewater Services near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from Hidden Valley I, LLC for water and wastewater services to 1160 acres near the City of Maricopa, Arizona. Hidden Valley I, LLC would like to be included in your next available expansion service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me if you have any questions. I can be reached at 602-312-6566.

Sincerely,



Rodney L. Morris  
Managing Member

### MAILING ADDRESS

4515 S. Lakeshore Dr.  
Suite 102  
Tempe, AZ 85282

Phone 480 874 1604  
Fax 480 874 0303

## HIDDEN VALLEY II, LLC.

March 22, 2005

Mr. Cindy Links  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 N. 19<sup>th</sup> Avenue, Suite 210  
Phoenix, AZ 85027

RE: Water and Wastewater Services near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from Hidden Valley II, LLC for water and wastewater services to 320 acres near the City of Maricopa, Arizona. Hidden Valley II, LLC would like to be included in your next available expansion service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me if you have any questions. I can be reached at 602-312-6566.

Sincerely,

  
Rodney L. Morris  
Managing Member

**MAILING ADDRESS**

4515 S. Lakeshore Dr.  
Suite 102  
Tempe, AZ 85282

Phone 480 874 1604  
Fax 480 874 0303



April 20, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde utilities Company, LLC  
22601 North 19<sup>th</sup> Avenue, Suite 210  
Phoenix, Arizona 85027

Re: Water and Wastewater near the City of Maricopa

Please accept this letter as a request from the following entity: Langley Farm Investments, LLC, for water and wastewater services to approximately 80 acres near the City of Maricopa, Arizona. The entity named above would like to have their property included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me if you have questions. I can be reached at 480 633-0999.

Very truly yours,

A handwritten signature in black ink, appearing to read "Steven G. Rees". The signature is fluid and cursive.

Steven G. Rees

## MAL, LLC

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 N. 19<sup>th</sup> Avenue, Suite 210  
Phoenix, AZ 85027

RE: Water and Wastewater Services near the City of Maricopa

Dear Ms. Liles,

Please accept this letter as a request from MAL, LLC for water and wastewater services to be approximately 450 acres near the City of Maricopa, Arizona. MAL, LLC would like to be included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me if you have any questions. I can be reached at (480) 607-3442.

  
William S. Lund  
Managing Member

# NF 26 LAND, L.L.C.

April 4, 2005

**VIA FACSIMILE 623-580-9659**  
**AND U.S. MAIL**

Cindy Liles  
Global Water Resources, LLC  
22601 North 19<sup>th</sup> Avenuc, Suite 210  
Phoenix, Arizona 85027

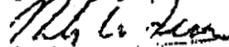
**Re: Water and Wastewater Services**  
**near the City of Maricopa**

Dear Ms. Liles:

Please accept this letter as a request from NF 26 Land, L.L.C. for water and wastewater services to approximately 227 acres located on the corner of Ralston and Teel Roads near the City of Maricopa, Arizona. We would like to be included in your next available expansion of service areas for Global Water Resources. The legal description of the subject property is attached hereto as "Exhibit A".

Please contact me if you have any questions. I can be reached at 480-888-4631.

Very truly yours,



Nicholas Fergis  
For NF26 Land, L.L.C.

(c) 602-960-8182

NF:lnb  
Enclosure

480534782 (1)

EXHIBIT "A"

Parcel No. 1:

The East half of Section 26, Township 5 South, Range 2 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT the North half of the North half thereof; AND

EXCEPT that portion described as follows:

COMMENCING at the Southeast corner of said Section 26;

Thence North 00 degrees 00 minutes 35 seconds East, along the East line of said Section, 2,383.90 feet;

Thence South 89 degrees 39 minutes 20 seconds West 123.00 feet to the POINT OF BEGINNING;

Thence continuing South 89 degrees 39 minutes 20 seconds West 677.00 feet;

Thence North 01 degree 57 minutes 00 seconds West 72.22 feet;

Thence South 89 degrees 35 minutes 30 seconds West 531.48 feet;

Thence North 00 degrees 25 minutes 00 seconds West 440.50 feet;

Thence North 89 degrees 35 minutes 23 seconds East 1,214.23 feet;

Thence South 00 degrees 00 minutes 35 seconds West 513.50 feet to the POINT OF BEGINNING;

EXCEPT all coal and other minerals as reserved in the Patent to said land.

Parcel No. 2:

INTENTIONALLY OMITTED

Continued.....

Exhibit "A" Continued:

480534782 (2)

**Parcel No. 3:**

An Easement for Ingress, egress and utilities, as created in instrument recorded in Docket 1749, page 699, records of Pinal County, Arizona, over the West 33.00 feet of the North 2,868.30 feet of Section 25, Township 5 South, Range 2 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

**Parcel No. 4:**

An Easement for Ingress, egress and irrigation purposes, as created in instrument recorded in Docket 1790, page 320, records of Pinal County, Arizona, over the following described portion of Section 25, Township 5 South, Range 2 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona:

COMMENCING at the Southwest corner of said Section 25;

Thence North 89 degrees 49 minutes 17 seconds East, along the South line of said Section 25, a distance of 333.16 feet;

Thence North 00 degrees 00 minutes 35 seconds East 28.00 feet to the POINT OF BEGINNING of said Easement;

Thence continuing North 00 degrees 00 minutes 35 seconds East 20.00 feet;

Thence North 89 degrees 49 minutes 17 seconds East 50.00 feet;

Thence South 00 degrees 00 minutes 35 seconds West 20.00 feet;

Thence South 89 degrees 49 minutes 17 seconds West 50.00 feet to the POINT OF BEGINNING.

**Parcel No. 5:**

An Easement for irrigation purposes, as created in instrument recorded in Docket 1790, page 320, records of Pinal County, Arizona, over the following described portion of Section 25, Township 5 South, Range 2 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

COMMENCING at the Southwest corner of said Section 25;

Thence North 00 degrees 00 minutes 35 seconds East, along the West line of said Section 25, a distance of 188.00 feet to the POINT OF BEGINNING of said Easement;

Continued.....

Exhibit "A" Continued:

480534782 (3)

Thence continuing North 00 degrees 00 minutes 35 seconds East, along said West line, 10.00 feet;

Thence North 89 degrees 49 minutes 17 seconds East 47.00 feet;

Thence South 00 degrees 00 minutes 35 seconds West 10.00 feet;

Thence South 89 degrees 49 minutes 17 seconds West 47.00 feet to the POINT OF BEGINNING.

*Miller & White 815, LLP*

March 18, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 N. 19<sup>th</sup> Avenue, Suite 210  
Phoenix, AZ 85027

RE: Water and Wastewater Services near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from Miller & White 815, LLP ("Owner") for water and wastewater services to 826 acres near the City of Maricopa, Arizona. Miller & White 815, LLP would like to be included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me with if you have any questions. I can be reached at (480) 889.9900.

Sincerely,



Philip J. DeAngelis

**480.889.1999**

8501 NORTH SCOTTSDALE ROAD, SUITE 260 • SCOTTSDALE, ARIZONA 85253 • FAX: 480.889.6901

# PECAN WOODS, LLC

March 18, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 N. 19<sup>th</sup> Avenue, Suite 210  
Phoenix, AZ 85027

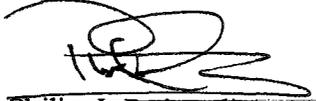
RE: Water and Wastewater Services near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from Pecan Woods, LLC ("Owner") for water and wastewater services to 166 acres near the City of Maricopa, Arizona. Pecan Woods, LLC would like to be included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me with if you have any questions. I can be reached at (480) 889.9900.

Sincerely,



Philip J. DeAngelis

**480.889.1999**

8501 NORTH SCOTTSDALE ROAD, SUITE 260 • SCOTTSDALE, ARIZONA 85253 • FAX: 480.889.6901



April 20, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde utilities Company, LLC  
22601 North 19<sup>th</sup> Avenue, Suite 210  
Phoenix, Arizona 85027

Re: Water and Wastewater near the City of Maricopa

Please accept this letter as a request from the following entity: Pinal 347, LLC, for water and wastewater services to approximately 320 acres near the City of Maricopa, Arizona. The entity named above would like to have their property included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me if you have questions. I can be reached at 480 633-0999.

Very truly yours,



Stacy J Brimhall



47726 West Highway 238  
P.O. Box 60 Maricopa, Arizona 85239  
(520) 568-9483 FAX (520) 568-2413

March 29, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 N 19<sup>th</sup> Avenue, Suite 210  
Phoenix, Az 85027

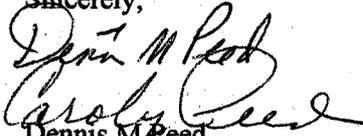
RE: Water and Wastewater Services near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from Dennis M & Carolyn Peed, Land Owners for water and wastewater services to 154.12 acres near the City of Maricopa, Arizona. Dennis M & Carolyn Peed, Land Owners would like to be included in your next available expansion service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me if you have any questions. I can be reached at 520-568-9483.

Sincerely,

  
Dennis M Peed  
Carolyn Peed

# Hogan, Parker, Ivan, and McDuff, LLC

- An investment and development company -

5229 East Oakhurst Way  
Scottsdale, Arizona 85254

phone: 480-905-3700  
fax: 480-905-3703

March 30, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 N. 19<sup>th</sup> Avenue, Suite 210  
Phoenix, AZ 85027

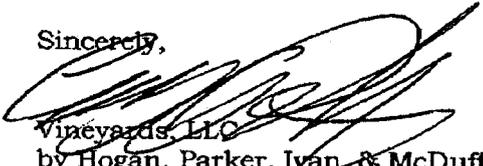
RE: Water and Wastewater Services near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from Vineyards, LLC ("Vineyards") for water and wastewater services to approximately 320 acres near the City of Maricopa, Arizona. Vineyards would like to be included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact Curtis Coughlin at (480) 998-4004 with any questions.

Sincerely,

  
Vineyards, LLC  
by Hogan, Parker, Ivan, & McDuff, LLC, it's authorized agent  
by Craig Prouty, it's Managing Member

**RAJACDEV REAL ESTATE PARTNERS, LLC**

David J. Rauch, Manager  
10801 East Happy Valley Road, Lot 133  
Scottsdale, Arizona 85255  
(480) 585-9207

March 16, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 N. 19<sup>th</sup> Avenue, Suite 210  
Phoenix, AZ 85027

RE: Water and Wastewater Services near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from RAJACDEV REAL ESTATE PARTNERS, LLC for water and wastewater services to 160 acres near the City of Maricopa, Arizona. We would like to be included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me with if you have any questions. I can be reached at (602) 264-4063 in the daytime and (480) 585-9207 in the evening.

Sincerely,



David J. Rauch, Manager  
RAJACDEV REAL ESTATE PARTNERS, LLC

# Stanfield Holdings, LLC

April 6, 2005

Ms. Cindy Liles  
Santa Cruz Water Company, LLC  
Palo Verde Utilities Company, LLC  
22601 N. 19<sup>th</sup> Avenue, Suite 210  
Phoenix, AZ 85027

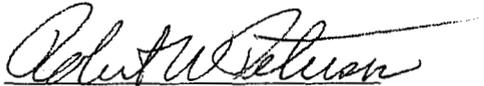
RE: Water and Wastewater Services near the City of Maricopa

Dear Ms. Liles:

Please accept this letter as a request from Stanfield Holdings, LLC ("Owner") for water and wastewater services to approximately 296 acres near the City of Maricopa, Arizona. Owner would like to be included in your next available expansion of service areas for Santa Cruz Water Company and Palo Verde Utilities Company.

Please contact me with if you have any questions. I can be reached at (480) 991.9326.

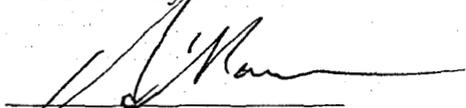
Sincerely,



Robert W. Peterson



Saleh Hedayati



Ehsan Massrour

# EXHIBIT 3

**LEGAL DESCRIPTION FOR  
SOUTHWEST AREA EXPANSION #1  
SANTA CRUZ WATER COMPANY  
&  
PALO VERDE UTILITIES COMPANY**

**PAGE 1 OF 4**

**TOWNSHIP 5 SOUTH, RANGE 2 EAST, G&SRB&M, PINAL COUNTY,  
ARIZONA**

THE SOUTH HALF OF SECTION 11.

THAT PORTION OF THE NORTH HALF OF SECTION 16 DESCRIBED AS  
FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 16;  
THENCE SOUTH ALONG THE EAST LINE OF SAID SECTION 16 A DISTANCE  
OF 2642.89 FEET;  
THENCE WEST A DISTANCE OF 1319.00 FEET;  
THENCE NORTH A DISTANCE OF 678.00 FEET;  
THENCE WEST A DISTANCE OF 614.70 FEET;  
THENCE N 32°25' 59" W A DISTANCE OF 417.07 FEET;  
THENCE N 68° 20' 28" W A DISTANCE OF 581.41 FEET;  
THENCE N 18° 01' 03" W A DISTANCE OF 873.50 FEET;  
THENCE S 86° 13' 51" W A DISTANCE OF 631.79 FEET;  
THENCE N 42° 39' 04 " W A DISTANCE OF 828.22 FEET TO A POINT ON THE  
NORTH LINE OF SAID SECTION 16;  
THENCE EAST ALONG THE NORTH LINE OF SAID SECTION 16 A DISTANCE  
OF 4159.50 FEET TO THE POINT OF BEGINNING.

THE NORTH HALF OF SECTION 17.

SECTION 21, EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED  
AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 21;  
THENCE N 00° 09' E ALONG THE WEST LINE OF SAID SECTION 21 A  
DISTANCE OF 2638.1 FEET TO THE WEST QUARTER CORNER OF SAID  
SECTION 21;  
THENCE S 89° 56' E ALONG THE NORTH LINE OF THE SOUTHWEST  
QUARTER OF SAID SECTION 21 A DISTANCE OF 1402.3 FEET;  
THENCE S 01° 46' W A DISTANCE OF 750.70 FEET;  
THENCE S 13° 10' E A DISTANCE OF 556.8 FEET;  
THENCE S 46° 47' E A DISTANCE OF 382.8 FEET;  
THENCE S 53° 08' E TO A POINT ON THE EAST LINE OF SAID SOUTHWEST  
QUARTER OF SECTION 21;  
THENCE SOUTH ALONG SAID EAST LINE TO THE SOUTH QUARTER CORNER  
OF SAID SECTION 21;  
THENCE WEST ALONG THE SOUTH LINE OF SAID SECTION 21 TO THE TRUE  
POINT OF BEGINNING.

PAGE 2 OF 4

SECTION 22, EXCEPTING THEREFROM THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER, AND THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER THEREOF; AND

EXCEPT A PARCEL OF LAND IN SECTION 22 DESCRIBED AS FOLLOWS:  
THAT PORTION OF SAID SECTION 22, EXCEPT THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHEAST QUARTER THEREOF THAT LIES WITHIN THE FOLLOWING DESCRIBED AREA;  
BEGINNING AT A POINT IN THE SOUTH BOUNDARY OF SAID SECTION 22 THAT BEARS N 89° 52' 17" W 837.00 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 22;  
THENCE N 89° 52' 17" W 180.00 FEET ALONG THE SAID SOUTH BOUNDARY;  
THENCE N 00° 12' 06" W 1067.08 FEET;  
THENCE N 07° 49' 20" W 344.78 FEET;  
THENCE N 15° 26' 33" W 772.29 FEET;  
THENCE N 07° 46' 42" E 2002.56 FEET;  
THENCE N 34° 25' 06" E 1384.65 FEET TO THE NORTH BOUNDARY OF SAID SECTION 22;  
THENCE S 89° 52' 15" E 217.86 FEET ALONG THE NORTH BOUNDARY TO A POINT THAT BEARS N 89° 52' 15" W 27.45 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 22;  
THENCE S 34° 25' 06" W 1057.55 FEET;  
THENCE S 21° 05' 54" W 792.54 FEET;  
THENCE S 07° 46' 42" W 1203.44 FEET;  
THENCE S 03° 49' 55" E 611.82 FEET;  
THENCE S 15° 26' 33" E 621.02 FEET  
THENCE S 00° 12' 06" E 1266.13 FEET TO THE POINT OF BEGINNING.

THE SOUTHEAST QUARTER OF SECTION 23.

THE EAST HALF OF SECTION 26, EXCEPT THE NORTH HALF OF THE NORTH HALF THEREOF; AND EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:  
COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 26; THENCE N 00° 00' 35" E ALONG THE EAST LINE OF SAID SECTION 2383.90 FEET;  
THENCE S 89° 39' 20" W 123.00 FEET TO THE POINT OF BEGINNING;  
THENCE CONTINUING S 89° 39' 20" W 677.00 FEET;  
THENCE N 01° 57' 00" W 72.22 FEET;  
THENCE S 89° 35' 30" W 531.48 FEET;  
THENCE N 00° 25' 00" W 440.50 FEET;  
THENCE N 89° 35' 23" E 1214.23 FEET;  
THENCE S 00° 00' 35" W 513.50 FEET TO THE POINT OF BEGINNING.

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 27 DESCRIBED AS FOLLOWS; BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 27;

**PAGE 3 OF 4**

THENCE N 89° 27' E ALONG THE NORTH LINE OF SAID SECTION 27 A  
DISTANCE OF 1532.8 FEET;  
THENCE S 10° 27' W A DISTANCE OF 982.1 FEET;  
THENCE S 82° 38' W A DISTANCE OF 844.2 FEET;  
THENCE N 85° 41' W A DISTANCE OF 512.7 FEET TO A POINT ON THE WEST  
LINE OF SAID SECTION 27;  
THENCE N 00° 21' W ALONG SAID WEST LINE A DISTANCE OF 1020.4 FEET  
TO THE POINT OF BEGINNING.

THAT PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF  
SECTION 28 DESCRIBED AS FOLLOWS; BEGINNING AT THE NORTHEAST  
CORNER OF SAID SECTION 28;  
THENCE S 00° 21' E ALONG THE EAST LINE OF SAID SECTION 28 A  
DISTANCE OF 1020.4 FEET;  
THENCE N 85° 41' W A DISTANCE OF 56.1 FEET;  
THENCE N 78° 07' W A DISTANCE OF 613.3 FEET;  
THENCE N 68° 21' W A DISTANCE OF 962.2 FEET;  
THENCE N 72° 25' W A DISTANCE OF 568.6 FEET;  
THENCE N 36° 19' W A DISTANCE OF 430.5 FEET TO A POINT ON THE NORTH  
LINE OF SAID SECTION 28;  
THENCE N 89° 34' E ALONG SAID NORTH LINE A DISTANCE OF 2340.1 FEET  
TO THE POINT OF BEGINNING.

**TOWNSHIP 5 SOUTH, RANGE 3 EAST, G&SRB&M, PINAL COUNTY,  
ARIZONA**

**SECTION 17.**

SECTION 18, EXCEPT THE EASTERLY 1015.75 FEET OF THE SOUTH 725.00  
FEET OF THE SOUTHEAST QUARTER OF SAID SECTION 18.

THE EAST HALF OF SECTION 19, EXCEPT THAT PART DESCRIBED AS  
FOLLOWS: BEGINNING AT A POINT, SAID POINT BEING THE NORTHWEST  
CORNER OF SAID SECTION 19;  
THENCE N 88° 36' E 4200.00 FEET TO A POINT;  
THENCE S 01° 24' E 40 FEET TO A POINT, SAID POINT BEING THE POINT OF  
BEGINNING;  
THENCE S 33° 00' E 1505.00 FEET TO A POINT;  
THENCE N 89° 30' E 300.00 FEET TO A POINT;  
THENCE N 00° 30' W 1287.02 FEET TO A POINT;  
THENCE S 88° 36' W 1108.34 FEET TO A POINT, SAID POINT BEING THE POINT  
OF BEGINNING; AND EXCEPT THAT PART OF THE EAST HALF OF SAID  
SECTION 19 DESCRIBED AS FOLLOWS; COMMENCING AT THE NORTH  
QUARTER CORNER OF SAID SECTION 19;

**PAGE 4 OF 4**

THENCE SOUTHERLY ALONG THE NORTH-SOUTH MIDSECTION LINE,  
BEARING S 00° 02' 22" E A DISTANCE OF 2940.00 FEET TO THE TRUE POINT  
OF BEGINNING;  
THENCE EASTERLY BEARING N 89° 57' 38" E A DISTANCE OF 190.00 FEET TO  
A POINT;  
THENCE SOUTHERLY BEARING S 00° 02' 22" E A DISTANCE OF 300.00 FEET  
TO A POINT;  
THENCE WESTERLY BEARING S 89° 57' 38" W A DISTANCE OF 190.00 FEET  
TO A POINT;  
THENCE NORTHERLY ALONG SAID MIDSECTION LINE BEARING N 00° 02'  
22" W A DISTANCE OF 300.00 FEET TO THE POINT OF BEGINNING.

SECTION 20, EXCEPT THE SOUTHWEST QUARTER THEREOF.

THE NORTHWEST QUARTER OF SECTION 21.

SECTION 28.

SECTION 29.

THE SOUTHWEST QUARTER OF SECTION 31, TOGETHER WITH THE NORTH  
HALF OF THE NORTHWEST QUARTER THEREOF.

**TOWNSHIP 6 SOUTH, RANGE 2 EAST, G&SRB&M, PINAL COUNTY,  
ARIZONA**

SECTION 1, EXCEPT THE SOUTHWEST QUARTER THEREOF, AND EXCEPT  
THE SOUTH 285 FEET OF GOVERNMENT LOT 6.

THAT PORTION OF SECTION 12 DESCRIBED AS FOLLOWS; GOVERNMENT  
LOTS 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, THE NORTH HALF OF THE  
NORTHEAST QUARTER OF GOVERNMENT 17, THE SOUTHEAST QUARTER OF  
GOVERNMENT LOT 17, 21, 22, 23, AND 24.

THAT PORTION OF SECTION 13 DESCRIBED AS FOLLOWS; GOVERNMENT  
LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, AND 12, EXCEPT THAT PORTION OF THE  
SANTA ROSA CANAL LYING WITHIN SAID GOVERNMENT LOTS 4, 5, 9, AND  
10.

# EXHIBIT 4

# 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

**\*\*\*PALO VERDE UTILITIES COMPANY, LLC\*\*\***

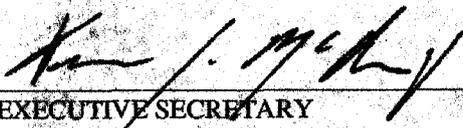
a domestic limited liability company organized under the laws of the State of Arizona, did organize on the 15th day of June 2001.

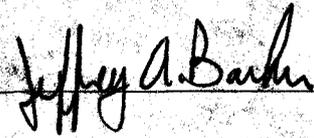
I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company is not administratively dissolved for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 25th Day of April, 2005, A. D.



  
EXECUTIVE SECRETARY

BY: 

# 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

**\*\*\*SANTA CRUZ WATER COMPANY, LLC\*\*\***

a domestic limited liability company organized under the laws of the State of Arizona, did organize on the 15th day of June 2001.

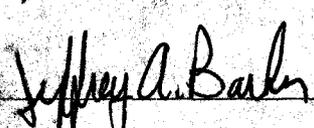
I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company is not administratively dissolved for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 25th Day of April, 2005, A. D.

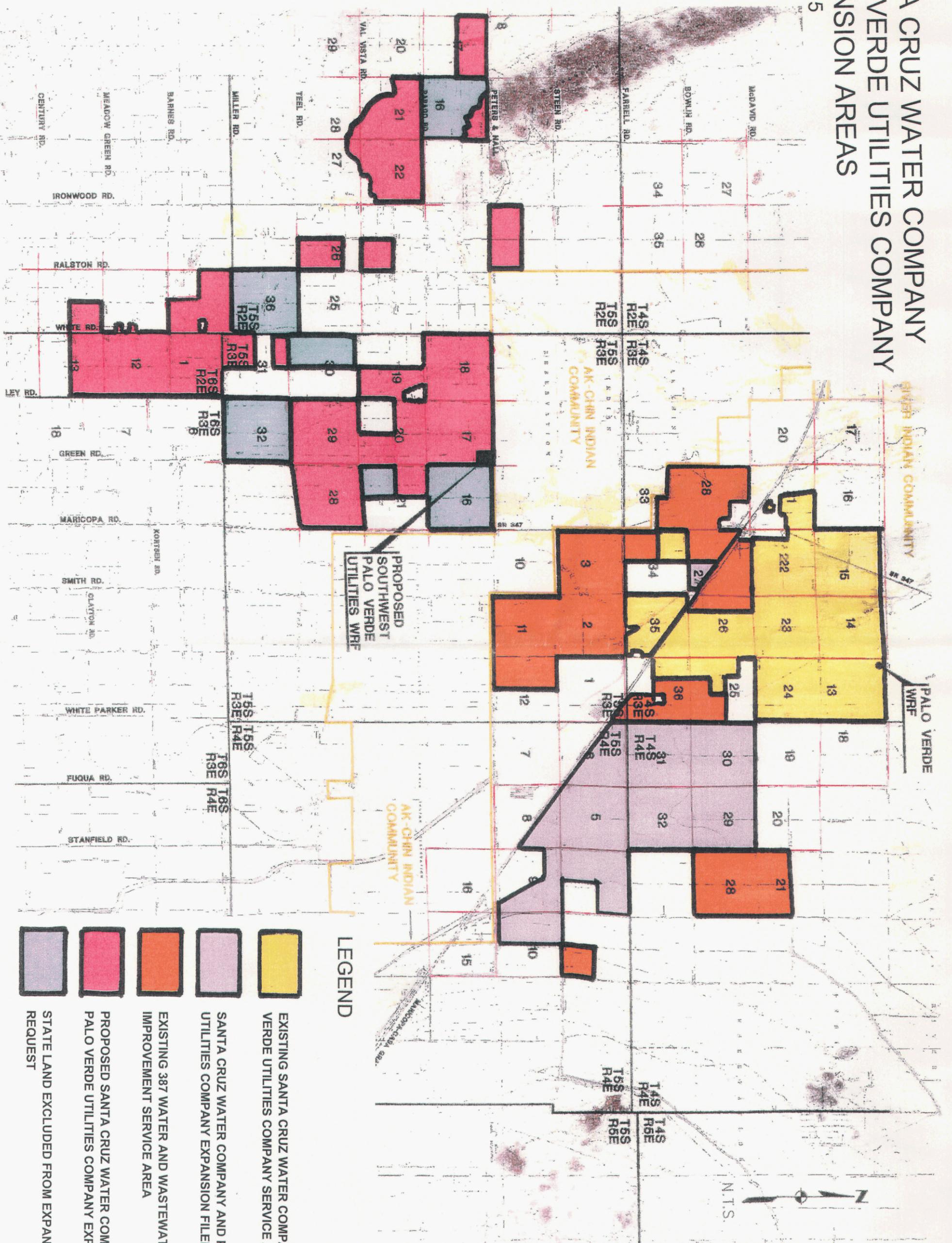


  
EXECUTIVE SECRETARY

BY: 

# EXHIBIT 5

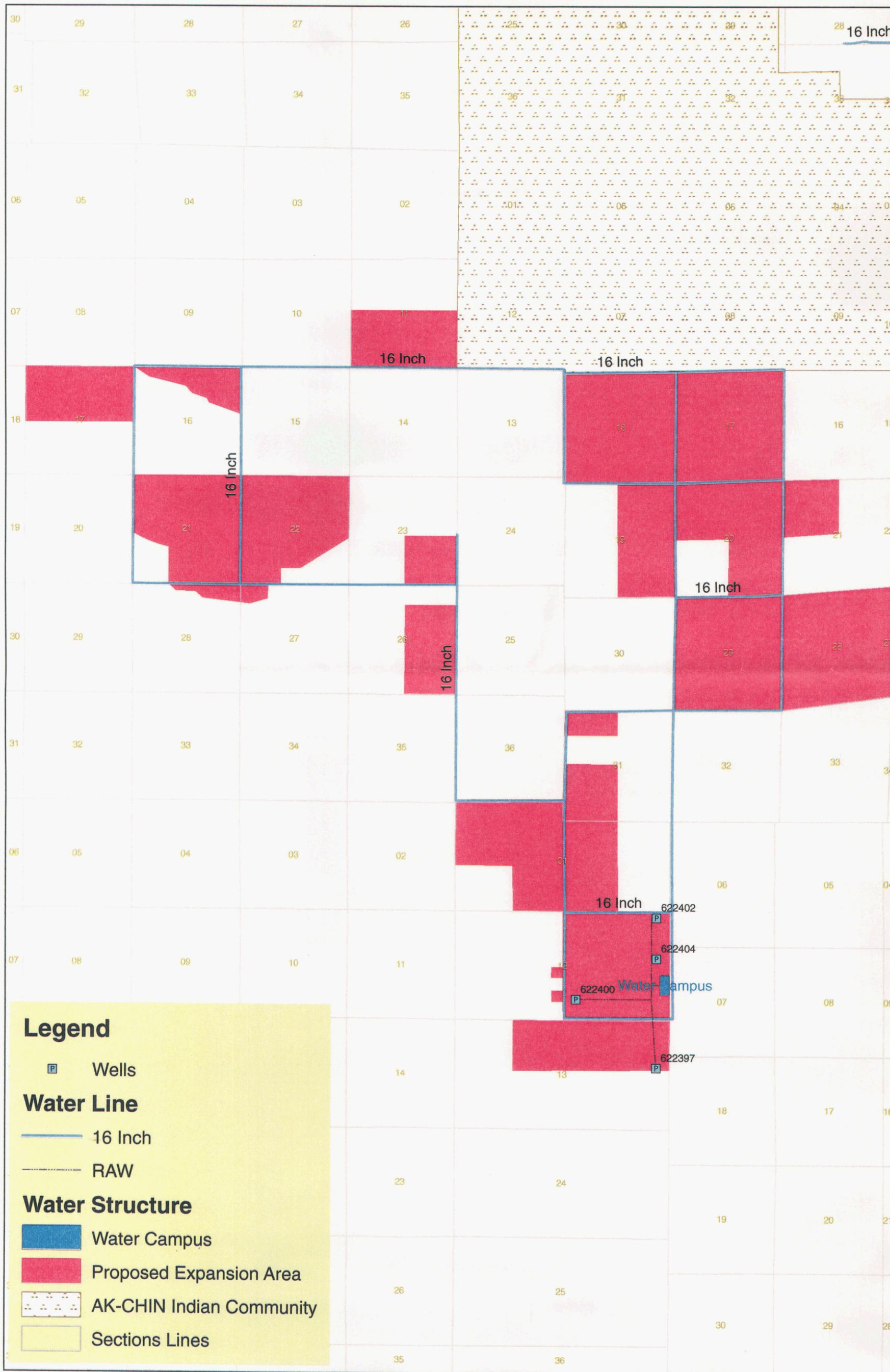
SANTA CRUZ WATER COMPANY  
 PALO VERDE UTILITIES COMPANY  
 EXTENSION AREAS  
 EXHIBIT 5



- LEGEND**
- EXISTING SANTA CRUZ WATER COMPANY AND PALO VERDE UTILITIES COMPANY SERVICE AREA
  - SANTA CRUZ WATER COMPANY AND PALO VERDE UTILITIES COMPANY EXPANSION FILED 10/25/04
  - EXISTING 387 WATER AND WASTEWATER IMPROVEMENT SERVICE AREA
  - PROPOSED SANTA CRUZ WATER COMPANY AND PALO VERDE UTILITIES COMPANY EXPANSION
  - STATE LAND EXCLUDED FROM EXPANSION REQUEST

# Water Master Plan

## South-West Expansion Area



### Legend



Wells

### Water Line

— 16 Inch

- - - RAW

### Water Structure

Water Campus

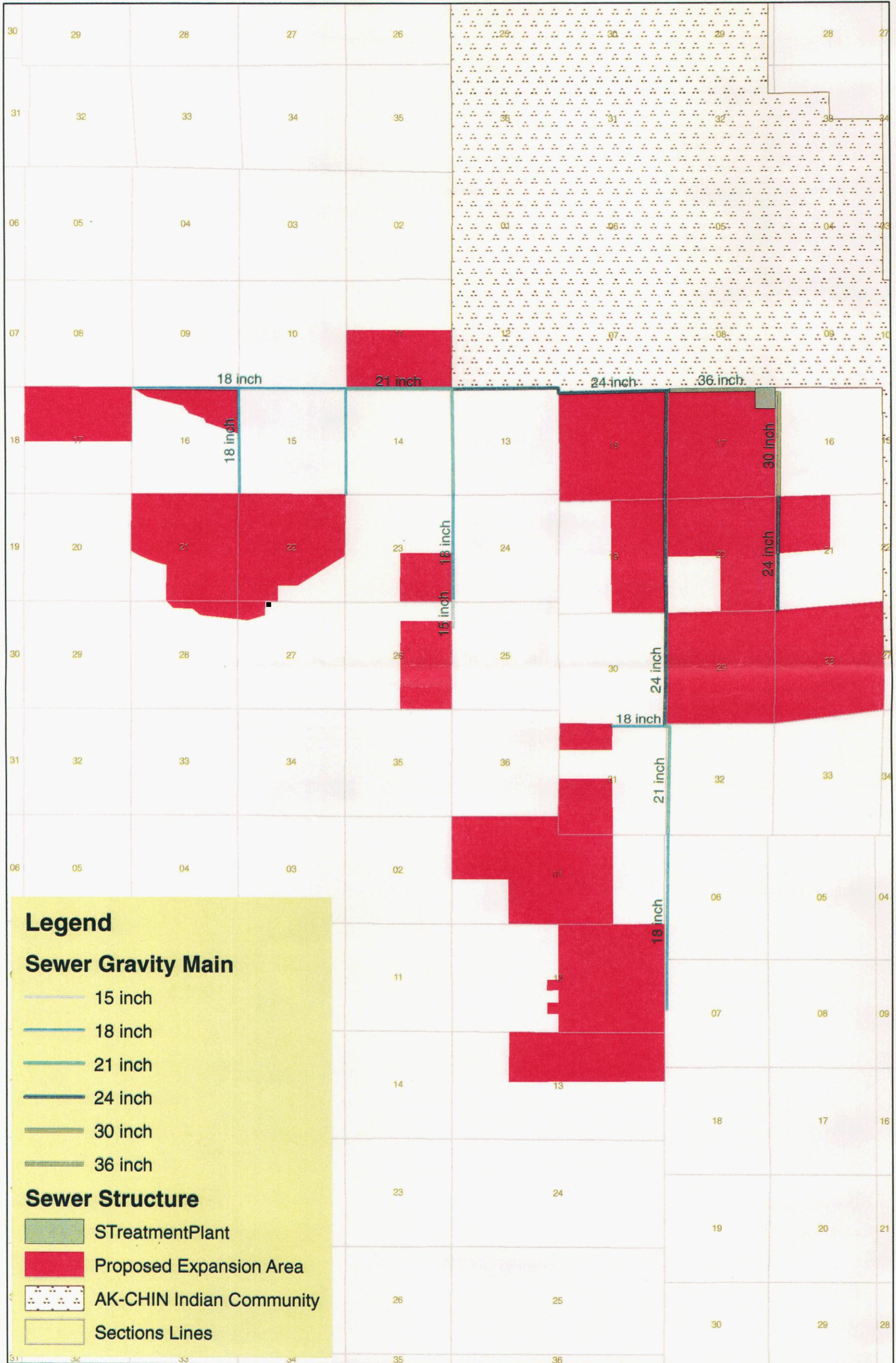
Proposed Expansion Area

AK-CHIN Indian Community

Sections Lines

# Sewer Master Plan

## South-West Expansion Area



# Reclaimed Water Master Plan

## South-West Expansion Area



**Legend**

-  Reclaimed Water
-  10 Inch
-  12 Inch
-  16 Inch
-  24 Inch

**WRF**

-  WRF
-  Proposed Expansion Area
-  AK-CHIN Indian Community
-  Sections Lines



## MEMORANDUM

21 April 2005

**Re; South West Service Area  
Water and Wastewater Services**

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This memorandum defines the service requirements of the South West Service Area from the perspective of water supply and wastewater treatment. This memorandum will assume that the water and wastewater treatment facilities will be newly constructed in the South West Service Area and will be operated independently of existing SCWC and PVUC infrastructure.

The South West Expansion Area has a total build-out of approximately 27,400 connections.

The purpose of this memorandum is to define the initial and build-out configurations of the water and wastewater treatment facilities in order to identify the parameters for water supply and wastewater treatment.

### **WATER SYSTEMS**

Water supply for the South West Service Area will be assured through the acquisition/annexation of former irrigation supply wells and their conversion to domestic supply wells. A review of the available wells in the service area indicates that there are several high production wells available that would be suitable for the rehabilitation process.

### **Flow Requirements**

The minimum acceptable flow standards that will be met are:

1. Average Day Flow = 250 gallons per unit per day
2. Maximum Day Flow = 495 gallons per unit per day (250 x 1.8 + 10% for potential line losses)
3. Peak Hour Flow = 0.58 GPM per unit (1.7 x Max Day Flow)
4. Fire Flow = 2100 GPM for 4 hours

For the total projected build-out scenario (27,400 units), the following are required:

Well Production:	≈5,000 GPM (Firm Capacity – that is production capacity with largest well out of production)
Booster Pump Capacity:	≈16,000 GPM (Peak hour flow)

### **Storage Requirements**

According to Arizona Administrative Code (A.A.C.) Title 18, Chapter 5 Section 503:

### R18-5-503. Storage Requirements

A. The minimum storage capacity for a CWS or a noncommunity water system that serves a residential population or a school shall be equal to the average daily demand during the peak month of the year. Storage capacity may be based on existing consumption and phased as the water system expands.

B. The minimum storage capacity for a multiple-well system for a CWS or a noncommunity water system that serves a residential population or a school may be reduced by the amount of the total daily production capacity minus the production from the largest producing well.

Using the current projected flows from SCWC as a model, at approximately 27,400 units, the peak month flow for the potable water system would be 7.26 million gallons per day, including potable water for consumption, irrigation water supplied by the potable system and construction water.

Assuming a firm capacity of 5,000 GPM (7.20 million gallons per day) a minimum storage volume of  $7.26 - 7.2 = 0.06$  million gallons of storage is required. Adding the requirement for 2100 GPM of fire flow for 4 hours, increases the storage requirement by 0.504 MGal, or a total of 0.51 MGal. SCWC's standard configuration for water treatment plants is to provide 3.0 million gallons of storage which allows for substantial storage capacity and flexibility.

Storage Requirement (AAC R18-5-503)	Fire Flow Storage	Requirement	Minimum Provided
0.06 MGal	0.504 MGal	0.51 MGal	3.0 MGal

### Treatment Facilities

The South West Service Area will initially be configured with a water treatment plant similar in configuration to the existing SCWC treatment site (2.5 acres, 3.0 million gallons storage, emergency generator, four to six booster pumps). As growth proceeds, it is likely that a second water treatment site will be constructed to provide redundancy and flexibility in the operation of the system. Such a system will also allow for consolidation of raw water supplies.

Depending on the quality achieved during the well evaluation program, the treatment included in these systems may be as little as chlorination, or could also include a blending control algorithm, or other treatment methodology to meet the MCLs. The specifics of the treatment program will be determined based on the data collected during the well evaluations.

### Well Evaluation Program

Global Water employs a three phased approach to the evaluation of wells:

1. Phase 1 – review of available ADWR and ADEQ data and physical assessment of wells;
2. Phase 2 – analytical sampling of flow rates and quality (depth specific sampling, spinner logs);
3. Phase 3 – rehabilitation. Installation of sanitary seal, re-screening, renewal of electrical control system, installation of SCADA control system, New Source Approval.

During the evaluation program, a full suite of analytical data is taken from the water including:

Metals  
 Inorganics  
 Synthetic Organic Compounds  
 Volatile Organic Compounds  
 Nutrients  
 Bacteriological Analyses  
 Radiochemical constituents

The results of these analyses will determine the requirements for treatment of the groundwater. Treatment options available to SCWC include: blending; re-screening of well casing intervals; well-head treatment (RO, IX, AA etc); or centralized treatment.

**Identification of Potential Wells to Meet Demand**

The following existing agricultural wells may be included in the potable inventory and will be evaluated under the Well Evaluation Program<sup>1</sup>:

ADWR Registry #	Date of Installation	Depth	Casing Diameter	Capacity
55-622400	N/A	1000	18	2000
55-622402	1979	1008	16	3000
55-622404	N/A	1000	18	2500
55-612408	1974	1000	20	1800
55-622397	N/A	1000	18	1500
55-612247	1973	1000	20	1800
55-612246	1969	1000	20	1800
55-612414	1969	1000	20	2000
55-612249	1971	1000	20	1800
55-625628	1980	1300	20	1850

<sup>1</sup> Data from ADWR Well Registry Database. Wells located in areas under contract for service.

## Ownership of Wells

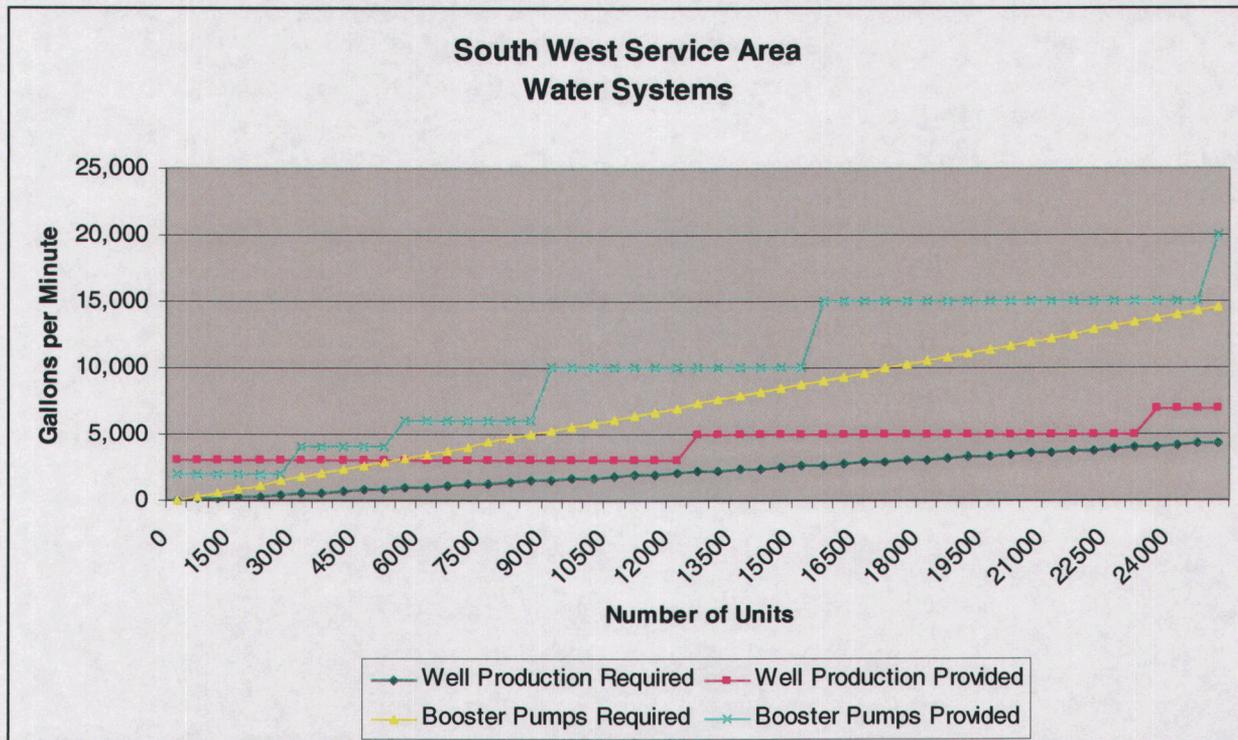
For each potential development in the service area, SCWC requires that any wells located in the area to be developed be evaluated to determine whether they meet the criteria for inclusion in the potable or raw water inventory. On the assessment of the wells, SCWC will take ownership of those wells suitable for use. The remaining wells are required to be abandoned in accordance with ADWR abandonment procedures.

With respect to water rights, any Irrigation Grandfathered Water Rights (IGWRs) associated with the land are extinguished in favor of SCWC's designation as an assured water supplier. A small portion of the IGWR may be converted to Type 1 rights for use in landscape irrigation.

## Phasing of Water Treatment and Distribution Systems

As this is a new service area, there will be no requirement to provide the build-out configuration immediately. As a result, SCWC plans to deploy infrastructure in a phased approach to meet demand. Initially, a minimum of two sources of water generating a total of 3000 GPM will be established, proven and made available for service prior to commencing service.

The following graph details the water (well) production requirements and the booster pump capacities throughout the life of the development in the South West Service Area.



## WASTEWATER SYSTEMS

### Treatment System

The land area under consideration drains to the north east, and allows the service area to be sewerred relatively easily, and without unnecessary lift stations. PVUC will deploy a treatment system modeled on the AquaTec sequencing batch reactor employed at Rancho El Dorado. This system is a robust system, capable of meeting Class A+ water under a range of hydraulic and biologic loadings, and is scalable from a small, start-up facility to a full-scale municipal system.

The site for the South West Treatment Facility has been identified (NE corner of Section 17 T5E, R3E). A site plan has been developed for the site which includes the necessary set-backs the build-out of the entire production facility.

A facility site plan has been developed (enclosed).

This facility will have the following features:

1. Production of A+ Reclaimed Water;
2. Compliant with BADCT requirements (R18-9-B201 *et seq*);
3. Totally enclosed process tanks;
4. Odor scrubbing facilities;
5. Aesthetic controls consistent with the surrounding architecture;
6. Noise abatement systems;
7. Peaking factor design 2.0.





### **Permitting Requirements**

In order to provide treatment services, a number of regulatory agency permits must be received, including:

- CAAG 208 Water Quality Master Plan Concurrence
- Aquifer Protection Permits
- AzPDES Surface Water Discharge Permits
- Type 2 Re-Use Permits
- Air Quality Permits

### **Effluent Disposal**

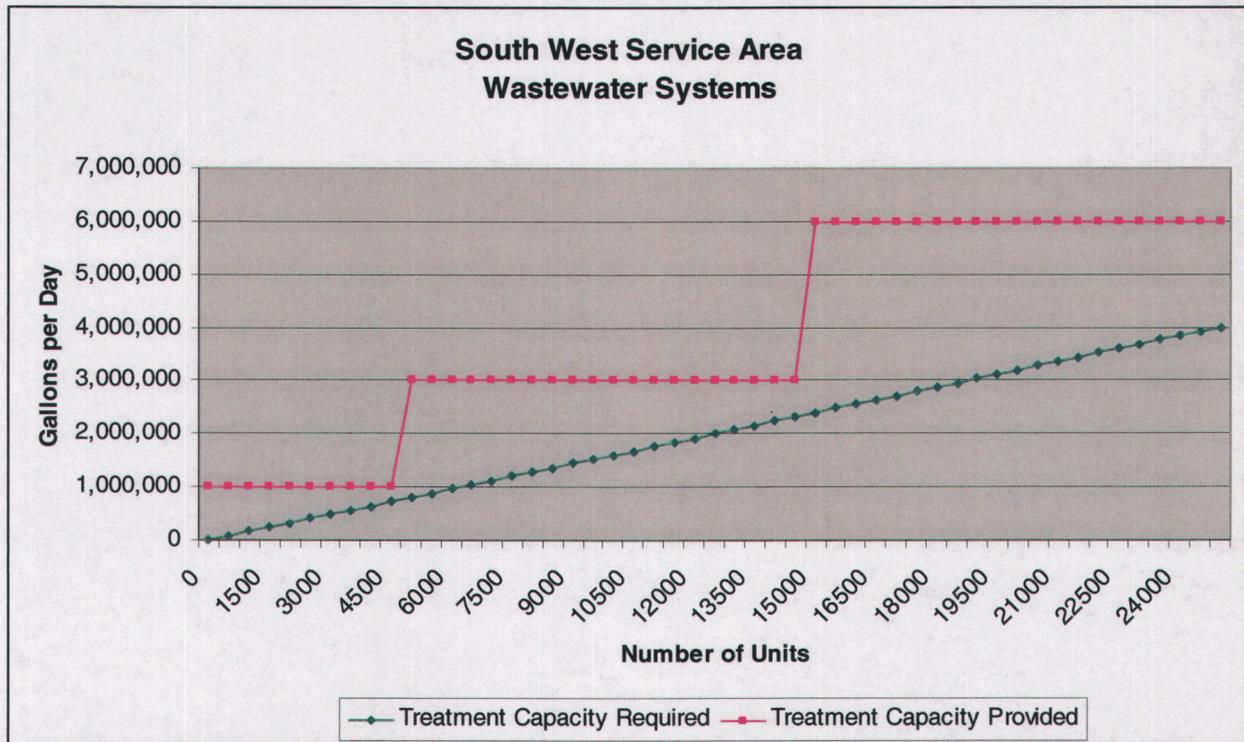
The effluent management strategy for the WRF is based on consumptive re-use of reclaimed water to the best advantage possible. However, it is recognized that during winter months, or periods of extended rainfall, a consumptive use facility is not viable. Accordingly a means of discharging Class A+ water to an adjacent wash or watercourse will be obtained.

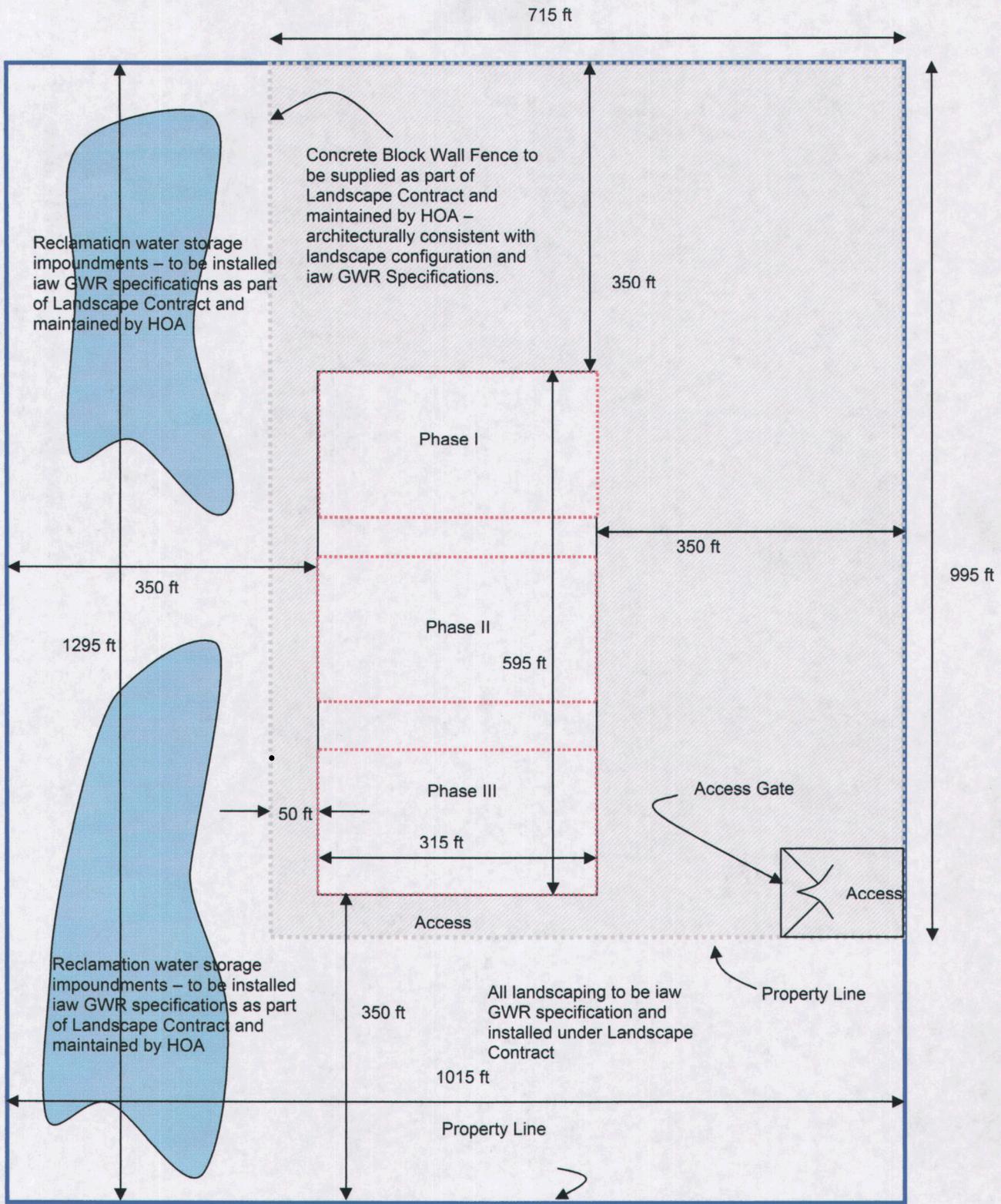
### **Phasing of Treatment Facilities**

This facility will be started up in a phased approach in order to maximize the efficiency of the treatment process. As the initial start up of the plant is dependent on having an appropriate volume of wastewater available to feed the biomass, PVUC anticipates the following start-up schedule:

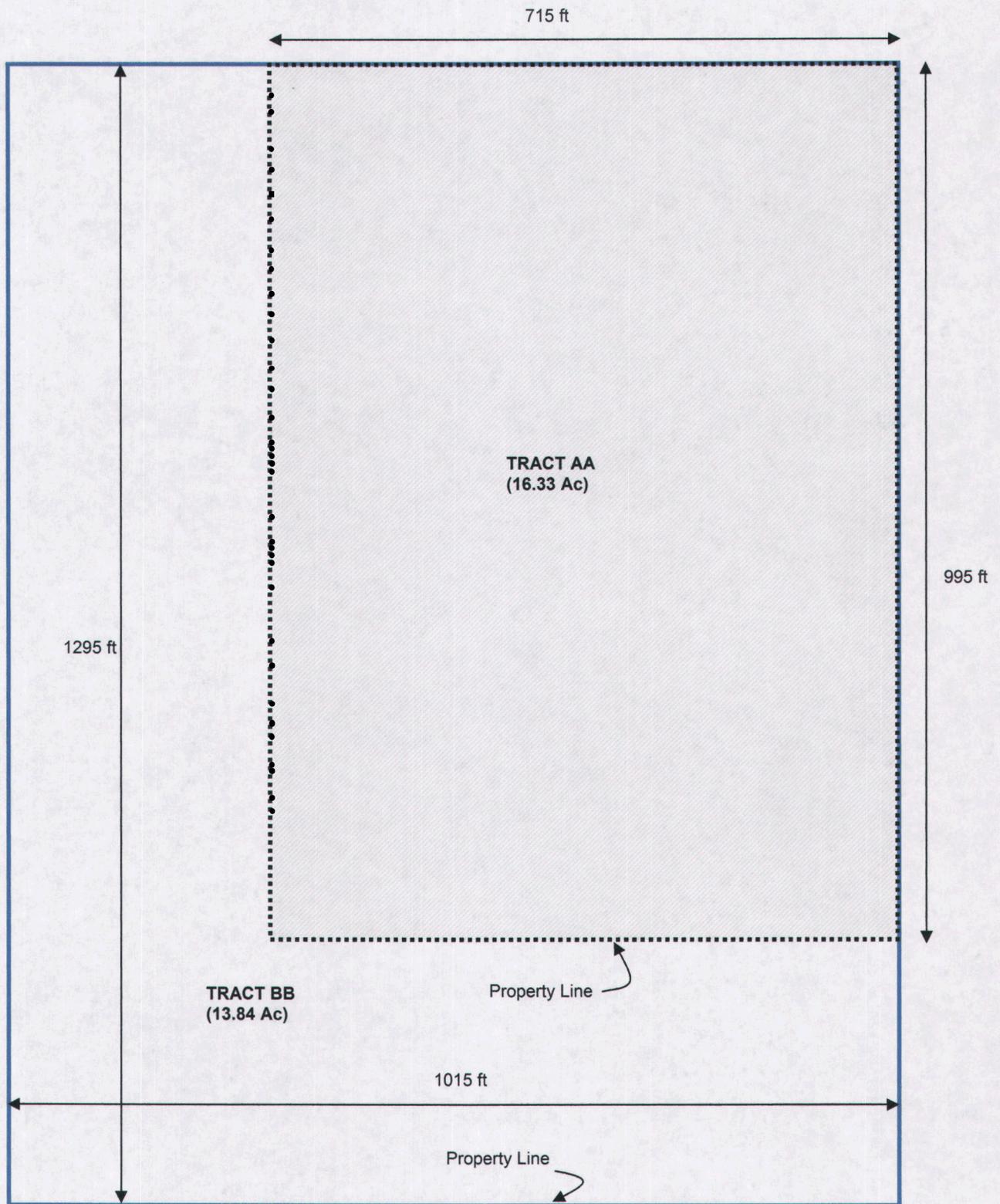
- Initial Wastewater Flows (to 30,000 GPD) will be hauled to PVUC's existing facilities
- On achieving a daily flow of 30,000 GPD, one of the SBR cells will be brought into service (seeded from an existing PVUC facility)
- As the flow increases to 100,000 GPD, the second SBR cell will be commissioned.
- As flows reach 80% of design flows, new treatment cells are brought on line.

The following graph shows the phasing of the treatment infrastructure in the South West Service Area:





<p>SKETCH 1 of 2</p>	<p>CONCEPTUAL LAYOUT – WATER RECLAMATION FACILITY SITE PLAN</p>	<p>Global Water Management, LLC</p>
<p>DWN: CHKD: APP'D:</p>		
<p>21 October 2004</p>		



<p>SKETCH 2 of 2</p>	<p>CONCEPTUAL LAYOUT – WATER RECLAMATION FACILITY SITE PLAN</p>	<p>Global Water Management, LLC</p>
<p>DWN: CHKD: APP'D:</p>		
<p>21 October 2004</p>		

Notes:

- Tract AA is deeded to PVUC when all necessary approvals have been granted.
- Tract BB is deeded to PVUC upon recordation of the Final Plat or the Map of Recordation/Dedication.
- PVUC provides an easement to the HOA for the purposes of maintaining open space and public access for Tract BB.
- Tract BB may be used in the calculations for Open Space as required by the platting authority.
- All reclaimed water storage areas, landscaping and fencing to be installed by the Developer in accordance with GWR specifications.
- Odor and Noise Waivers to be recorded with property and reported to AZ Dept of Real Estate.
- Tract BB to be maintained by HOA.
- No public access to Tract AA.
- Tract AA is to include a 40.00 ft wide access to the nearest public roadway as located by PVUC.
- Tract BB is to include in its allowable uses the provision for utility lines over, across and under said Tract BB. Tract BB shall be considered a public utilities easement (PUE).

# EXHIBIT 6

Santa Cruz Water Company

**BALANCE SHEET**

Acct. No.	Assets	Balance at Beginning of Year	Balance at End of Year
	<b>Current and Accrued Assets</b>		
131	Cash	\$ 473,683	\$ 1,917
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	119,714	154,380
146	Notes/Receivables from Assoc. Companies	8,351	112,116
151	Plant Material and Supplies		
162	Prepayments		
174	Misc. Current and Accrued Assets	101,210	41,631
	<b>Total Current and Accrued Assets</b>	\$ 702,958	\$ 310,044
	<b>Fixed Assets</b>	\$	\$
101	Utility Plant in Service	5,953,702	9,935,832
103	Property held for Future Use		
105	Construction Work in Progress	1,445,427	1,141,027
108	Accumulated Depreciation – Utility Plant	(196,233)	-522,925
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>Total Fixed Assets</b>	\$7,202,896	\$10,553,934
	<b>Total Assets</b>	<b>\$7,905,854</b>	<b>\$10,863,978</b>

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

Santa Cruz Water Company

**BALANCE SHEET (CONTINUED)**

Acct. No.	Liabilities	Balance at Beginning of	Balance at End of Year
	<b>Current Liabilities</b>		
231	Accounts Payable	291483	358,430
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Assoc. Companies		
235	Customer Deposits/Prepays	159807	348,053
236	Accrued Taxes	6245	
237	Accrued Interest	358	
241	Misc. Current and Accrued Liabilities	805386	138,109
	<b>Total Current Liabilities</b>	\$ 1,263,279	\$ 844,592
	<b>Long Term Debt (Over 12 months)</b>		
224	Long-Term Notes and Bonds	\$ -	\$ -
	<b>Deferred Credits</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	2,121,895	4,925,758
255	Accumulated Deferred Investment of Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>Total Deferred Credits</b>	\$ 2,121,895	\$ 4,925,758
	<b>Total Liabilities</b>	\$ 3,385,174	\$ 5,770,350
	<b>Capital Accounts</b>		
201	Common Stock Issued	\$ 3,939,476	\$ 3,572,944
211	Paid in Capital in Excess of Par Value		
215	Current and Retained Earnings	581,204	1,520,684
218	Proprietary Capital (Sole Props & Partnerships)		
	<b>Total Capital</b>	\$ 4,520,680	\$ 5,093,628
	<b>Total Liabilities and Capital</b>	\$ 7,905,854	\$ 10,863,978

Santa Cruz Water Company

**COMPARITIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	Operating Revenues	Prior Year	Current Year
461	Metered Water Revenue	\$ 972,971	\$ 1,890,337
460	Unmetered Water Revenue		
474	Other Water Revenues	106,395	147,961
	<b>TOTAL REVENUES</b>	<b>\$ 1,079,366</b>	<b>\$ 2,038,298</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$ 181,212	\$ -
610	Purchased Water		31,250
615	Purchased Power	86,111	103,053
618	Chemicals	2,320	3,900
620	Repairs and Maintenance	59,990	21,541
621	Office Supplies and Expense	26,600	19,395
630	Outside Services	108,297	291,356
635	Water Testing		8,020
641	Rents	25,136	20,500
650	Transportation Expenses	1,268	2,754
657	Insurance – General Liability	22,432	9,166
659	Insurance – Health and Life	11,332	
666	Regulatory Commission Expense – Rate Case		
675	Misc. Expense	31,584	33,130
	Permits and Fees		17,195
	Administrative and General		14,345
403	Depreciation Expense	157,658	277,271
408	Taxes Other than Income		
408.11	Property Taxes	26,011	20,325
409	Income Tax		
	<b>Total Operating Expenses</b>	<b>739,951</b>	<b>873,201</b>
	<b>Operating Income/(Loss)</b>	<b>\$ 339,415</b>	<b>\$ 1,165,097</b>
	<b>Other Income Expense</b>		
419	Interest and Dividend Income	63	\$ 522
421	Non-Utility Income	2,306	1,936
426	Misc. Non-Utility Expenses		
427	Interest Expense		
	<b>Total Other Income/Expense</b>	<b>2,369</b>	<b>\$ 2,458</b>
	<b>Net Income/(Loss)</b>	<b>\$ 341,784</b>	<b>\$ 1,167,555</b>

Palo Verde Utilities Company

**BALANCE SHEET**

Acct. No.	Assets	Balance at Beginning of	Balance at End of Year
	<b>Current and Accrued Assets</b>		
131	Cash	\$ 237,917	\$ -
132	Special Deposits		91,442
135	Temporary Cash Investments		
141	Customer Accounts Receivable	25,707	135,084
146	Notes/Receivables from Assoc. Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Misc. Current and Accrued Assets	80,385	16,825
	<b>Total Current and Accrued Assets</b>	\$ 344,009	\$ 243,351
	<b>Fixed Assets</b>		
101	Utility Plant in Service	\$ 11,179,548	\$ 15,403,361
103	Property held for Future Use		
105	Construction Work in Progress	2,418,002	5,348,088
108	Accumulated Depreciation – Utility Plant	(346,433)	(1,084,092)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>Total Fixed Assets</b>	\$ 13,251,117	\$ 19,667,357
	<b>Total Assets</b>	\$ 13,595,126	\$ 19,910,708

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

Palo Verde Utilities Company

**BALANCE SHEET (CONTINUED)**

Acct. No.	Liabilities	Balance at Beginning of	Balance at End of Year
	<b>Current Liabilities</b>		
231	Accounts Payable	\$ 137,257	\$ 991,008
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Assoc. Companies	938,052	112,116
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Misc. Current and Accrued Liabilities		407,641
	<b>Total Current Liabilities</b>	\$ 1,075,309	\$ 1,510,765
	<b>Long Term Debt (Over 12 months)</b>		
224	Long-Term Notes and Bonds		
	<b>Deferred Credits</b>		
252	Advances in Aid of Construction	\$ 1,295,032	\$ 3,142,297
253	Other Deferred Credits		
255	Accumulated Deferred Investment of Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>Total Deferred Credits</b>	\$ 1,295,032	\$ 3,142,297
	<b>Total Liabilities</b>	\$ 2,370,341	\$ 4,653,062
	<b>Capital Accounts</b>		
201	Common Stock Issued	\$ 11,336,555	\$ 15,403,594
211	Other Paid in Capital		
215	Retained Earnings/Net Income	(111,770)	(145,948)
218	Proprietary Capital (Sole Props & Partnerships)		
	<b>Total Capital</b>	\$ 11,224,785	\$ 15,257,646
	<b>Total Liabilities and Capital</b>	\$ 13,595,126	\$ 19,910,708

**Palo Verde Utilities Company**

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>Operating Revenues</b>	<b>Prior Year</b>	<b>Current Year</b>
521	Flat Rate Revenues	\$ 494,967	\$ 1,064,811
522	Measured Revenues		
536	Other Wastewater Revenues	93,515	105,325
	<b>Total Revenues</b>	<b>\$ 588,482</b>	<b>\$ 1,170,136</b>
	<b>Operating Expenses</b>		
701	Salaries and Wages	\$ 221,357	\$ -
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense		11,271
715	Purchased Power	10,099	91,179
716	Fuel for Power Production		1,827
718	Chemicals	6,788	
720	Materials and Supplies	33,165	32,664
731	Contractual Services – Professional	77,860	300,423
735	Contractual Services – Testing		
736	Contractual Services – Other		
740	Rents	25,236	20,500
750	Transportation Expense	806	
755	Insurance Expense	18,957	9,158
765	Regulatory Commission Expense		
775	Misc. Expense	6,103	6,737
	Maintenance		40,777
	Office and administration		43,476
	Permits and Fees		5,159
403	Depreciation Expense	278,514	507,994
408	Taxes Other than Income		
408.11	Property Taxes	32,374	18,229
409	Income Taxes		
	<b>Total Operating Expenses</b>	<b>\$ 711,259</b>	<b>\$ 1,089,394</b>
	<b>Other Income Expense</b>		
419	Interest and Dividend Income	\$ 719	\$ 889
421	Non-Utility Income	3	302
426	Misc. Non-Utility Expenses		
427	Interest Expense		
	<b>Total Other Income/Expense</b>	<b>\$ 722</b>	<b>\$ 1,191</b>
	<b>Net Income/(Loss)</b>	<b>\$ (122,055)</b>	<b>\$ 81,933</b>

# EXHIBIT 7

**ROSHKA HEYMAN & DEWULF, PLC**  
ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

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**EXHIBIT 7**

	<u>Water</u> <sup>2</sup>	<u>Wastewater</u> <sup>3</sup>
1 <sup>st</sup> year:	75	75
2 <sup>nd</sup> Year:	610	610
3 <sup>rd</sup> Year:	880	880
4 <sup>th</sup> Year:	880	880
5 <sup>th</sup> Year:	880	880

<sup>2</sup> Served by Santa Cruz Water Company  
<sup>3</sup> Served by Palo Verde Utilities Company

# EXHIBIT 8

**ROSHKA HEYMAN & DEWULF, PLC**  
ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

**EXHIBIT 8**

**Santa Cruz Water Company**

	<u>Operating Revenue</u>	<u>Operating Expenses</u>
1 <sup>st</sup> Year:	\$ 5,673	\$ 2,596
2 <sup>nd</sup> Year:	\$ 183,364	\$ 84,718
3 <sup>rd</sup> Year:	\$ 575,484	\$289,457
4 <sup>th</sup> Year:	\$1,030,685	\$542,960
5 <sup>th</sup> Year:	\$1,341,791	\$800,500

**Palo Verde Utilities Company**

	<u>Operating Revenue</u>	<u>Operating Expenses</u>
1 <sup>st</sup> Year:	\$ 4,460	\$ 2,837
2 <sup>nd</sup> Year:	\$ 143,950	\$ 92,486
3 <sup>rd</sup> Year:	\$ 445,720	\$312,764
4 <sup>th</sup> Year:	\$ 794,200	\$581,727
5 <sup>th</sup> Year:	\$1,142,680	\$853,680