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Transcript Exhibit(s)

SW-04136A-05-0287

W-04137A-05-0286

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AZ CORP COMMISSION
DOCUMENT CONTROL

David

MEMORANDUM

RECEIVE

2005 JUN 27 P

AZ CORP COMMISSION
DOCUMENT CONTROL

TO: Docket Control
Arizona Corporation Commission

FROM: Ernest G. Johnson
Director
Utilities Division

Date: June 27, 2005

RE: STAFF REPORT FOR SANTA ROSA UTILITY COMPANY AND SANTA ROSA WATER COMPANY - APPLICATIONS FOR EXTENSION OF CERTIFICATES OF CONVENIENCE AND NECESSITY FOR WASTEWATER AND WATER SERVICES (DOCKET NOS. SW-04136A-05-0287 AND W-04137A-05-0286)

Attached is the Staff Report for Santa Rosa Utility Company and Santa Rosa Water Company applications for extension of their existing Certificates of Convenience and Necessity for wastewater and water services. Staff is recommending approval with conditions.

EGJ:BNC:red

Originator: Blessing Chukwu

Attachment: Original and 13 Copies

RECEIVED

JUN 27 2005

LEGAL DIV.
ARIZ. CORPORATION COMMISSION



Service List for: Santa Rosa Utility Company and Santa Rosa Water Company
Docket Nos. SW-04136A-05-0287 and W-04137A-05-0286

Mr. Jim Poulos
9532 East Riggs Road
Sun Lakes, Arizona 85248

Mr. Christopher C. Kempley
Chief, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
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Ms. Lyn Farmer
Chief, Hearing Division
Arizona Corporation Commission
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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

SANTA ROSA UTILITY COMPANY
AND
SANTA ROSA WATER COMPANY

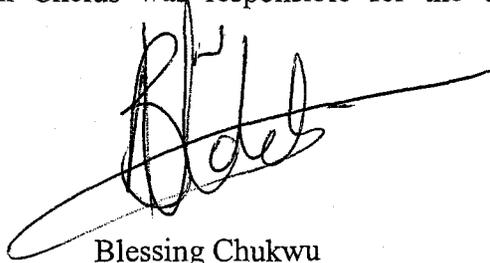
DOCKET NOS. SW-04136A-05-0287
AND
W-04137A-05-0286

APPLICATIONS FOR EXTENSION
OF EXISTING CERTIFICATES OF
CONVENIENCE AND NECESSITY

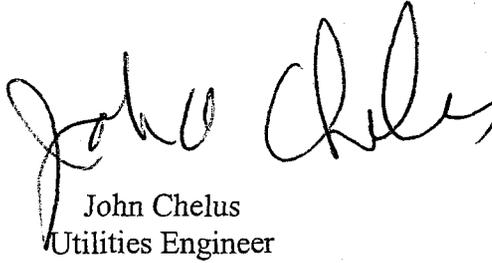
JUNE 2005

STAFF ACKNOWLEDGMENT

The Staff Report for Santa Rosa Utility Company and Santa Rosa Water Company (Docket Nos. SW-04136A-05-0287 and W-04137A-05-0286) was the responsibility of the Staff members signed below. Blessing Chukwu was responsible for the review and analysis of the Companies' applications. John Chelus was responsible for the engineering and technical analysis.



Blessing Chukwu
Executive Consultant



John Chelus
Utilities Engineer

EXECUTIVE SUMMARY
SANTA ROSA UTILITY COMPANY AND SANTA ROSA WATER COMPANY
APPLICATIONS FOR EXTENSION OF CERTIFICATES OF CONVENIENCE AND
NECESSITY

DOCKET NOS. SW-04136A-05-0287 AND W-04137A-05-0286

On April 18, 2005, Santa Rosa Utility Company ("SRUC" or "Wastewater Company") and Santa Rosa Water Company ("SRWC" or "Water Company") (collectively with Santa Rosa Wastewater Company referred to as "The Utilities", "Santa Rosa" or "Applicants") filed their respective application with the Arizona Corporation Commission ("ACC" or "Commission") for an extension of their respective Certificates of Convenience and Necessity ("CC&N") to provide wastewater and water services to an additional area in Pinal County, Arizona. On May 12, 2005, Staff filed a Sufficiency Letter in both dockets indicating that Santa Rosa's wastewater and water applications had met the sufficiency requirements of A.A.C. On May 25, 2005, the Applicants filed a Motion to Consolidate the above mentioned applications. On May 25, 2005, a Procedural Order was issued consolidating both applications for the purpose of hearing.

By these applications, SRUC and SRWC are seeking Commission authority to add approximately 473 acres to their existing 3,536 acres of certificated area. The combined 4,019 acres are Planned Area Development consisting of 17,144 residential units, a golf course, open spaces, 209 acres of commercial space, 64 acres for office complexes, and 120 acres of business parks. SRUC and SRWC are in the process of developing their wastewater and water master plan to serve the development. The Planned Area Development is located approximately 5 miles northwest of Stanfield, along Highway 347, just south of the Ak-Chin Indian Reservation in Pinal County.

Based on Staff's review and analysis of the application, Staff believes that the proposed water system will have adequate production and storage capacity to serve the existing and proposed CC&N area within a conventional five year planning period and can reasonably be expected to develop additional storage and production as required in the future. Also, Staff believes that the planned wastewater facility appears to be appropriate and adequate for the needs of the Rancho Sierra development.

Staff recommends the Commission approve Santa Rosa Utility Company and Santa Rosa Water Company applications for an extension of their respective CC&Ns within portions of Pinal County, Arizona, to provide wastewater and water services, subject to compliance with the following conditions:

1. To require SRWC and SRUC to charge their respective authorized rates and charges in the extension area.
2. To require SRWC to file with Docket Control a copy of the developer's Certificate of Assured Supply for the extension area, stating that there is adequate water supply, where applicable or when required by statute, within 365 days of the effective date of the final decision and order issued pursuant to this application.

3. To require SRWC to submit to Docket Control by June 30, 2006, documentation from Arizona Department of Environmental Quality ("ADEQ") demonstrating that this method of nitrate control is satisfactory. If this cannot be accomplished, then by December 31, 2006, SRWC shall submit to Docket Control an Approval of Construction from ADEQ for nitrate removal.
4. To require SRWC to file with Docket Control within thirty days of the decision in this matter documentation verifying the date(s) of its next required arsenic monitoring test on all the wells SRWC plans to use in serving the extension area.
5. To require SRWC that in the event its next required arsenic monitoring result shows that its water exceeds the EPA's new MCL, SRWC be required to file with Docket Control a plan of action for addressing the arsenic issue within sixty days of receiving that result.
6. To require SRWC and SRUC to file a copy of their respective Pinal County franchise agreement for the extension area, with Docket Control within 365 days of the decision in this matter.
7. To require SRWC and SRUC to comply with all requirements and conditions set forth in Decision No. 65753, issued March 20, 2003.

Staff further recommends that the Commission's Decision granting the requested CC&N extensions to SRWC and SRUC be considered null and void without further order from the Commission should SRUC fail to meet the Conditions Nos. 2, 3, 4, 5, 6 and 7 listed above within the time specified.

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Introduction

On April 18, 2005, Santa Rosa Utility Company ("SRUC" or "Wastewater Company") filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for an extension of its Certificate of Convenience and Necessity ("CC&N") to provide wastewater service to an additional area in Pinal County, Arizona.

On April 18, 2005, Santa Rosa Water Company ("SRWC" or "Water Company") (collectively with Santa Rosa Wastewater Company referred to as "The Utilities", "Santa Rosa" or "Applicants") filed an application with the Commission for an extension of its CC&N to provide water service to an additional area in Pinal County, Arizona.

On May 12, 2005, Staff filed a Sufficiency Letter in both dockets indicating that Santa Rosa's wastewater and water applications had met the sufficiency requirements of A.A.C.

On May 25, 2005, the Applicants filed a Motion to Consolidate the above mentioned applications. Staff had no objection to the Motion to Consolidate. On May 25, 2005, a Procedural Order was issued consolidating both applications for the purpose of hearing.

Background

SRUC and SRWC are Arizona S corporations, in good standing with the Commission's Corporation's Division and certificated by Decision No. 65753 (March 20, 2003) to provide wastewater and water services, respectively, to Rancho Sierra, a planned residential development of 12,000 residential units (at build out) within Pinal County. SRUC and SRWC's wastewater and water systems are not currently in operation. According to the applications, Utilities affiliated to SRWC and SRUC through overlapping principals and management provide wastewater and water services to approximately 30,000 customers in other areas of Arizona.

By these applications, SRUC and SRWC are seeking Commission authority to add approximately 473 acres to their existing 3,536 acres of certificated area. The combined 4,019 acres are Planned Area Development consisting of 17,144 residential units, a golf course, open spaces, 209 acres of commercial space, 64 acres for office complexes, and 120 acres of business parks. SRUC and SRWC are in the process of developing their wastewater and water master plan to serve the development. The Planned Area Development is located approximately 5 miles northwest of Stanfield, along Highway 347, just south of the Ak-Chin Indian Reservation in Pinal County.

A check of the compliance database by the Utilities Division Compliance Section indicated that there are no delinquencies for the Utilities.

Finance of Utility Facilities

The Utilities indicated in the application that they will finance the required utility facilities through a combination of debt and/or shareholder equity. The application for financing will be filed later.

The Water System

The SRWC concept design report calls for the use of 10 of 14 existing wells on the property. The report concludes that each well will produce 1,250 gallons per minute ("gpm"). These wells will provide enough water for build out. Storage tank volumes of 2.4 million gallons ("MG") each will be provided at two sites for a total of 4.8 MG. This will be enough for build out. Pumping and distribution for the development will be designed to meet 2,250 gpm fire flow demand.

Staff concludes that the proposed water system will have adequate production and storage capacity to serve the proposed CC&N area within a conventional five year planning period, or can reasonably be expected to develop the needed storage and production.

Arizona Department of Environmental Quality ("ADEQ") Compliance

The water system has not yet been constructed. Since this is a proposed utility which has yet to become operational, there is no historical compliance data for the water segment.

Arizona Department of Water Resources ("ADWR") Compliance

There are five (5) Active Management Areas ("AMAs") in Arizona and each has a different goal depending on the water supply need of the area. SRWC is located in the Pinal AMA, as designated by ADWR. The goal of the Pinal AMA is to allow the development of non-irrigation water uses, extend the life of the agricultural economy for as long as feasible, and preserve water supplies for future non-agricultural uses. As a result, SRWC is subject to the reporting and conservation rules of ADWR. ADWR has indicated that SRWC is in compliance with the Pinal AMA requirements.

Staff recommends that SRWC be required to file with Docket Control a copy of the developer's Certificate of Assured Supply for the extension area, stating that there is adequate water supply, where applicable or when required by statute, within a year of the effective date of the final decision and order issued pursuant to this application.

ACC Compliance

According to the Utilities Division Compliance Section, SRWC has no outstanding ACC compliance issues.

Water Quality

The U.S. Environmental Protection Agency ("EPA") has reduced the arsenic maximum contaminant level ("MCL") in drinking water from 50 micrograms per liter (" $\mu\text{g}/\text{l}$ ") or parts per billion (" ppb ") to 10 $\mu\text{g}/\text{l}$. The date for compliance with the new MCL is January 23, 2006.

SRWC identified 14 existing wells which have been previously used as irrigation wells. One well has been tested for water quality. The arsenic level in this well tested below 5 $\mu\text{g}/\text{l}$ which is below the new standard of 10 $\mu\text{g}/\text{l}$. Staff recommends that SRWC file with Docket Control within thirty days of the decision in this matter documentation verifying the date(s) of its next required arsenic monitoring test on all the wells SRWC plans to use in serving the extension area. Further, Staff recommends that in the event SRWC's next required arsenic monitoring result shows that its water exceeds the EPA's new MCL, SRWC be required to file with Docket Control a plan of action for addressing the arsenic issue within sixty days of receiving that result.

All other parameters tested were below the MCL set forth in the Safe Drinking Water Act with the exception of nitrates. SRWC plans on installing blank casings over nitrate zones in its wells to reduce the nitrate levels. Staff recommends that SRWC submit to Docket Control by June 30, 2006, documentation from ADEQ demonstrating that this method of nitrate control is satisfactory. If this cannot be accomplished, then by December 31, 2006, SRWC shall submit to Docket Control an Approval of Construction from ADEQ for nitrate removal.

The Wastewater System

SRUC has 4.31 million gallons per day ("MGD") authorized capacity approved under the Central Arizona Council of Governments ("CAAG") Section 208 plan. SRUC has applied for an Aquifer Protection Permit from ADEQ and plans on starting construction by the end of 2005. The treatment plant will be constructed in three phases. The treatment will be conventional activated sludge with an anoxic zone providing nitrogen removal. The effluent will be further improved to tertiary standards and then disinfected by ultraviolet radiation. Noise and odor control are included in the design.

Effluent disposal will be accomplished by reuse on the golf courses, parks, and common areas. Effluent storage will be provided by golf course lakes. Any excess water will be recharged.

Staff concludes that the planned wastewater facility appears to be appropriate and adequate for the needs of the Rancho Sierra development.

ACC Compliance

According to the Utilities Division Compliance Section, SRUC has no outstanding ACC compliance issues.

Proposed Rates

SRUC and SRWC have proposed to provide utility services to the extension area under their respective authorized rates and charges.

County Franchise

Every applicant for a CC&N and/or CC&N extension is required to submit to the Commission evidence showing that the applicant has received the required consent, franchise or permit from the proper authority. If the applicant operates in an unincorporated area, the company has to obtain the franchise from the County. If the applicant operates in an incorporated area of the County, the applicant has to obtain the franchise from the City/Town.

Staff recommends that SRUC and SRWC be required to file a copy of their respective franchise agreement from Pinal County pursuant to this application with Docket Control within 365 days of the decision in this matter.

Recommendations

Water Service CC&N Extension

Staff recommends the Commission approve the SRWC application for an extension of its CC&N within portions of Pinal County, Arizona, to provide water service, subject to compliance with the following conditions:

1. To require SRWC to charge its authorized rates and charges in the extension area.
2. To require SRWC to file with Docket Control a copy of the developer's Certificate of Assured Supply for the extension area, stating that there is adequate water supply, where applicable or when required by statute, within 365 days of the effective date of the final decision and order issued pursuant to this application.
3. To require SRWC to submit to Docket Control by June 30, 2006, documentation from ADEQ demonstrating that this method of nitrate control is satisfactory. If this cannot be accomplished, then by December 31, 2006, SRWC shall submit to Docket Control an Approval of Construction from ADEQ for nitrate removal.
4. To require SRWC to file with Docket Control within thirty days of the decision in this matter documentation verifying the date(s) of its next required arsenic monitoring test on all the wells SRWC plans to use in serving the extension area.
5. To require SRWC that in the event its next required arsenic monitoring result shows that its water exceeds the EPA's new MCL, SRWC be required to file with Docket Control a plan of action for addressing the arsenic issue within sixty days of receiving that result.

6. To require SRWC to file a copy of the Pinal County franchise agreement for the extension area, with Docket Control within 365 days of the decision in this matter.
7. To require SRUC to comply with all requirements and conditions set forth in Decision No. 65753, issued March 20, 2003.

Staff further recommends that the Commission's Decision granting the requested CC&N extension to SRWC be considered null and void without further order from the Commission should SRWC fail to meet Conditions Nos. 2, 3, 4, 5, 6, and 7 listed above within the time specified.

Wastewater Service CC&N Extension

Staff recommends the Commission approve the SRUC application for an extension of its CC&N within portions of Pinal County, Arizona, as amended, to provide wastewater service, subject to compliance with the following conditions:

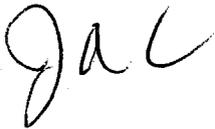
1. To require SRUC to charge its authorized rates and charges in the extension area.
2. To require SRUC to file a copy of the Pinal County franchise agreement for the extension area, with Docket Control within 365 days of the decision in this matter.
3. To require SRUC to comply with all requirements and conditions set forth in Decision No. 65753, issued March 20, 2003.

Staff further recommends that the Commission's Decision granting the requested CC&N extension to SRUC be considered null and void without further order from the Commission should SRUC fail to meet the Conditions Nos. 2, and 3 listed above within the time specified.

MEMORANDUM

DATE: June 7, 2005

TO: Blessing Chukwu
Executive Consultant III

FROM: John A. Chelus 
Utilities Engineer

RE: Santa Rosa Water Company CC&N Extension – Water
Docket No. W-04137A-05-0286
Santa Rosa Utility CC&N Extension – Wastewater
Docket No. SW-04136A-05-0287

Introduction

Santa Rosa Water Company (SRWC) and Santa Rosa Utility Company (SRUC) have applied to extend their Certificates of Convenience and Necessity (CC&N). The requested service area will add approximately 473 acres to the existing 3,536 acres of certificated area. SRWC and SRUC are located approximately 5 miles northwest of Stanfield, along Highway 347, just south of the Ak-Chin Indian Reservation in Pinal County.

SRWC and SRUC will serve the new Rancho Sierra Development. SRWC and SRUC were granted water and wastewater CC&Ns on March 20, 2003 in Decision No. 65753. The systems are not currently in operation. SRWC and SRUC are in the process of developing their water and wastewater master plan to serve the development. The combined 4,010 acres are a planned area development consisting of 17,144 dwelling units, a golf course, open spaces, 209 acres of commercial space, 64 acres for office complexes and 120 acres of business parks.

Water Infrastructure

The SRWC concept design report calls for the use of 10 of 14 existing wells on the property. The report concludes that each well will produce 1,250 gallons per minute (gpm). These wells will provide enough water for build out. Storage tank volumes of 2.4 million gallons (MG) will be provided at each of two sites for a total of 4.8 MG. This will be enough for build out. Pumping and distribution for the development will be designed to meet 2,250 gpm fire flow demand.

Staff concludes that the proposed water system will have adequate production and storage capacity to serve the proposed CC&N area within a conventional five year planning period, or can reasonably be expected to develop the needed storage and production.

Arizona Department of Environmental Quality (ADEQ) Compliance

The water system has not yet been constructed. Since this is a proposed utility which has yet to become operational, there is no historical compliance data for the water segment.

Arsenic and Water Quality

The U.S. Environmental Protection Agency ("EPA") has reduced the arsenic maximum contaminant level ("MCL") in drinking water from 50 micrograms per liter (" $\mu\text{g/l}$ ") to 10 $\mu\text{g/l}$. The date for compliance with the new MCL is January 23rd, 2006.

SRWC identified 14 existing wells which have been previously used as irrigation wells. One well has been tested for water quality. The arsenic level in this well tested below 5 $\mu\text{g/l}$ which is below the new standard of 10 $\mu\text{g/l}$. All other parameters tested were below the Maximum Contaminate Level (MCL) set forth in the Safe Drinking Water Act with exception of nitrates. SRWC plans on installing blank casings over nitrate zones in its wells to reduce the nitrate levels. Staff recommends that by June 30, 2006, SRWC submit documentation from ADEQ demonstrating that this method of nitrate control is satisfactory. If this cannot be accomplished, then by December 31, 2006, SRWC shall submit an Approval of Construction from ADEQ for nitrate removal.

Arizona Department of Water Resources (ADWR) Compliance

SRWC is located within the Pinal Active Management Area. It is recommended that SRWC file with the Commission a copy of the developer's Certificate of Assured Supply where applicable and when required by statute.

Wastewater Infrastructure

SRUC has 4.31 million gallons per day (MGD) authorized capacity approved under the Central Arizona Council of Governments (CAAG) 208 plan. SRUC has applied for an Aquifer Protection Permit from ADEQ and plans on starting construction by the end of 2005. The treatment plant will be constructed in three phases. The treatment will be conventional activated sludge with an anoxic zone providing nitrogen removal. The effluent will be further improved to tertiary

standards and then disinfected by ultraviolet radiation. Noise and odor control are included in the design.

Effluent disposal will be accomplished by reuse on the golf courses, parks, and common areas. Effluent storage will be provided by golf course lakes. Any excess water will be recharged.

Staff concludes that the planned wastewater facility appears to be appropriate and adequate for the needs of the Rancho Sierra development.

ACC Compliance

A check with the Utilities Division Compliance Section showed no outstanding compliance issues.

Summary

Conclusions

1. Staff concludes that the proposed water system will have adequate production and storage capacity to serve the existing and proposed CC&N area within a conventional five year planning period and can reasonably be expected to develop additional storage and production as required in the future.
2. Staff concludes that the planned wastewater facility appears to be appropriate and adequate for the needs of the Rancho Sierra development.
3. A check with the Utilities Division Compliance Section showed no outstanding compliance issues.

Recommendations

1. Santa Rosa Water Company is located within the Pinal Active Management Area. Staff recommends that Santa Rosa Water Company file with the Commission a copy of the developer's Certificate of Assured Supply where applicable and when required by statute for this extension area.
2. Staff recommends that by June 30, 2006, SRWC submit documentation from ADEQ demonstrating that this method of nitrate control is satisfactory. If this cannot be accomplished, then by December 31, 2006, SRWC shall submit an Approval of Construction from ADEQ for nitrate removal.

3. Staff recommends that any approval in this docket be conditional on Santa Rosa Water Company and Santa Rosa Utility Company complying with all requirements and conditions set forth in Decision No. 65753.

MEMORANDUM

TO: Jim Fisher
Executive Consultant II
Utilities Division

FROM: Barb Wells
Information Technology Specialist
Utilities Division

THRU: Del Smith
Engineering Supervisor
Utilities Division

DATE: May 12, 2005

RE: **SANTA ROSA UTILITY COMPANY (DOCKET NO. SW-04136A-05-0287)**

The area requested by Santa Rosa for an extension of sewer service has been plotted with no complications using the legal description provided with the application (a copy of which is attached).

Also attached is a copy of the map for your files.

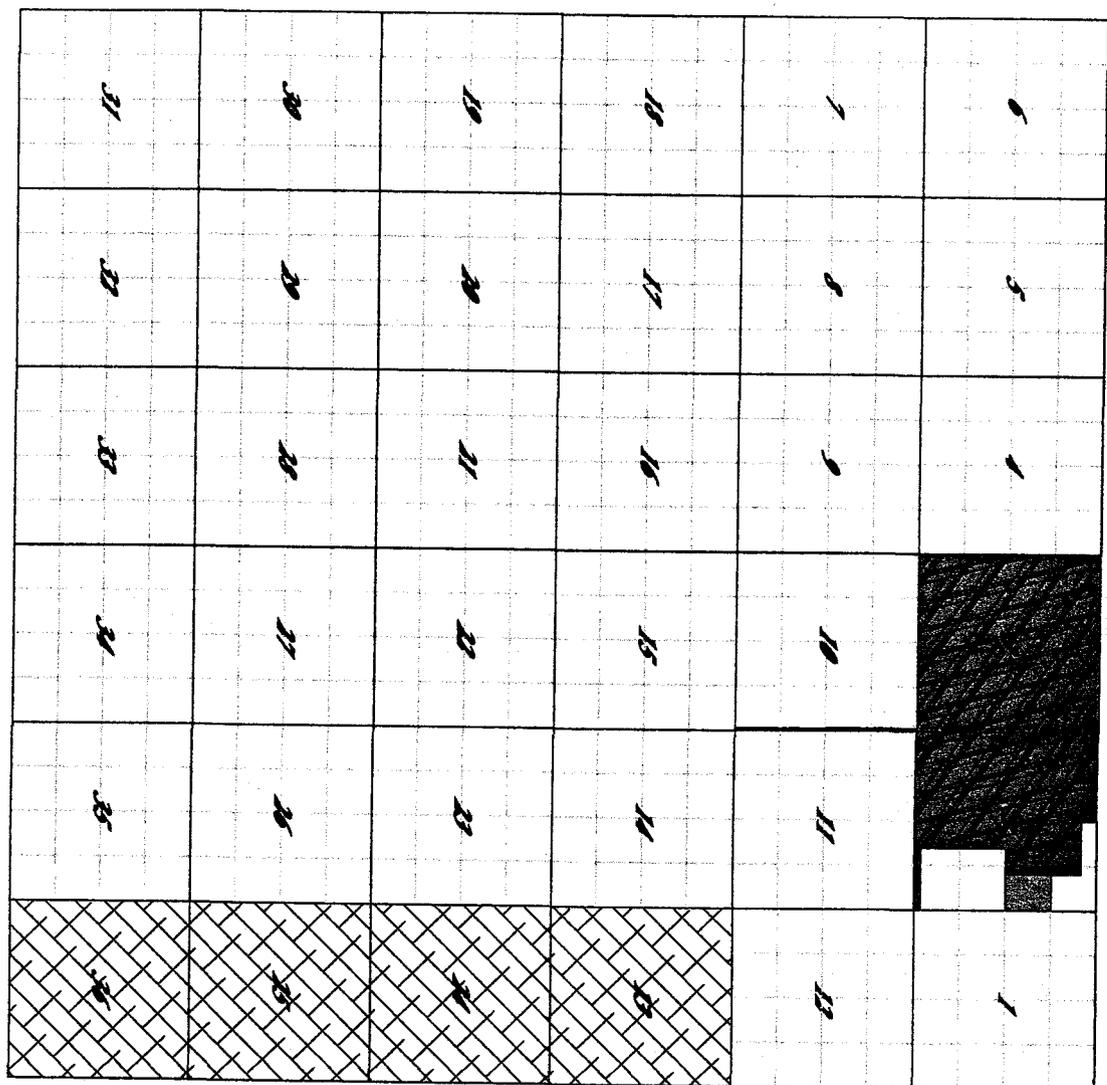
:bsw

Attachments

cc: Docket Control
Mr. Jim Poulos
Ms. Deb Person (Hand Carried)
File

COUNTY: Pinal

RANGE 3 East



 W-1445 (34)(3)

 Arizona Water Company (Stanfield)

 W-4137 (2)

 Santa Rosa Water Company

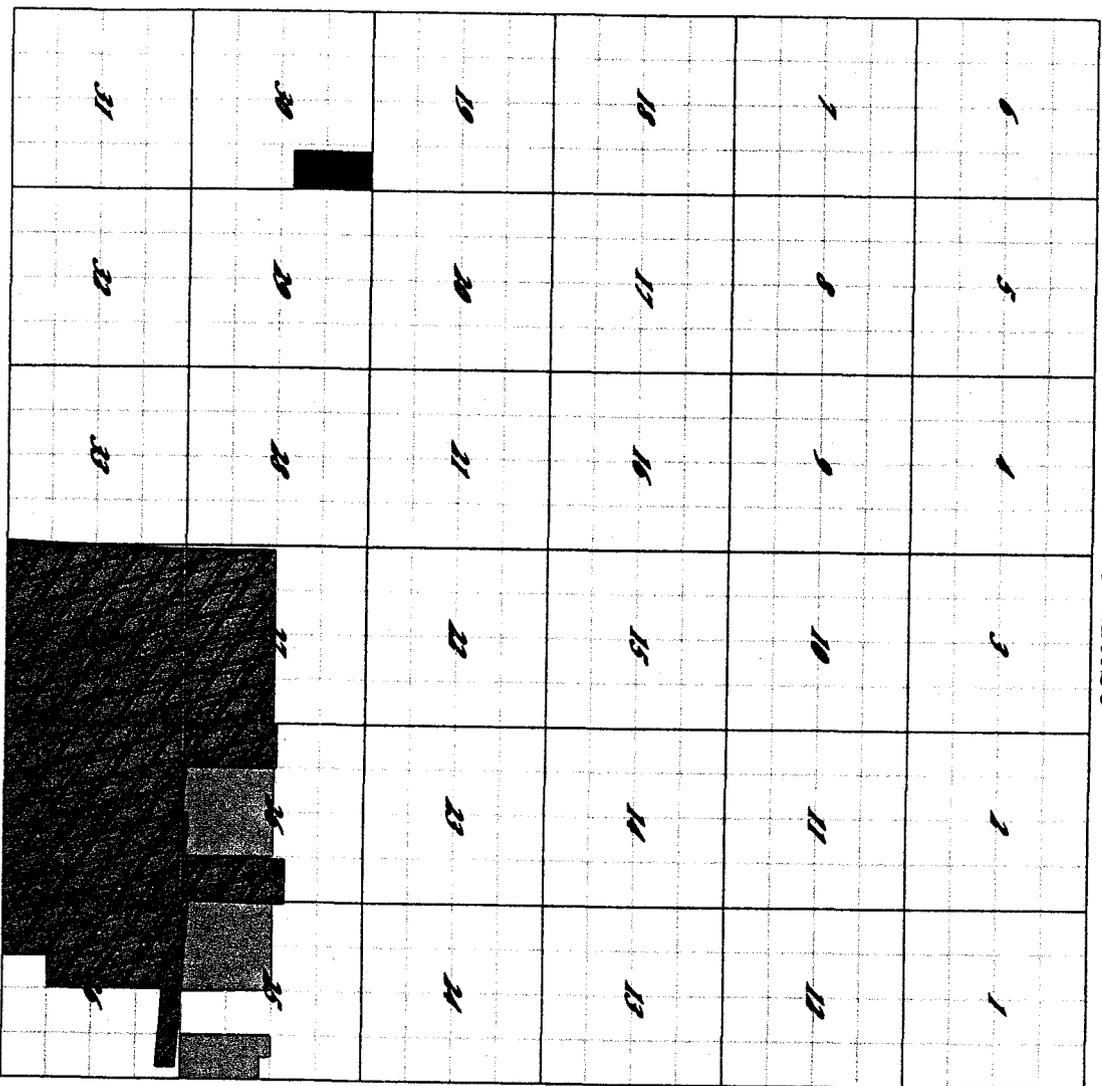
 SW-4136 (2)

 Santa Rosa Utility Company

 Santa Rosa Utility Company
Docket No. SW-4136-05-287
Application for Extension

COUNTY: Pinal

RANGE 3 East



 W-4137 (2)
Santa Rosa Water Company

 SW-4136 (2)
Santa Rosa Utility Company

 W-4195 (1)
The Ranches at Maricopa Homeowners Association
Adjudicated 'Not a Public Service Corporation'

 Santa Rosa Utility Company
Docket No. SW-4136-05-287
Application for Extension

LEGAL DESCRIPTION

Santa Rosa Utility Company
Proposed Addition to CC&N Area

March 29, 2005
Revised April 14, 2005

PARCEL NO. 1 (Portion of Section 25)

The East Half of the Southeast Quarter of Section 25, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

EXCEPTING therefrom the North Half of the Northeast Quarter of the Northeast Quarter of the Southeast Quarter of said Section 25.

The above-described parcel contains 3,328,313 square feet or 76.41 acres, more or less.

PARCEL NO. 2 (Portion of Section 25)

The Southwest Quarter of Section 25, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

The above-described parcel contains 7,524,575 square feet or 172.74 acres, more or less.

PARCEL NO. 3 (Portion of Section 26)

The West Half of the Southeast Quarter and the East Half of the Southwest Quarter of Section 26, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

The above-described parcel contains 7,352,797 square feet or 168.80 acres, more or less.

PARCEL NO. 4 (Portion of Section 2)

The East 1,084.58 feet of the Northeast Quarter of Section 2, Township 6 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

EXCEPTING therefrom the north 1,313.89 feet.

The above-described parcel contains 2,393,937 square feet or 54.96 acres, more or less.

LEGAL DESCRIPTION

Santa Rosa Utility Company
Proposed Addition to CC&N Area (Cont.)

March 29, 2005
Revised April 14, 2005

PARCEL NO. 5 (Portion of Section 25)

That part of the Southeast Quarter of Section 25, Township 5 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the South Quarter corner of said Section 25;

THENCE North 00 degrees 34 minutes 53 seconds East, along the North-south midsection line, a distance of 1,580.97 feet;

THENCE South 01 degree 14 minutes 54 seconds East, a distance of 1,584.79 feet, to a point on the South line of said Section 25;

THENCE North 86 degrees 00 minutes 46 seconds West, a distance of 50.69 feet to the Point of Beginning.

The above-described parcel contains 39,999 square feet or 0.92 acres, more or less.

The aggregate area of the above-described parcels is 473.83 acres.



MEMORANDUM

TO: Jim Fisher
Executive Consultant II
Utilities Division

FROM: Barb Wells
Information Technology Specialist
Utilities Division

THRU: Del Smith
Engineering Supervisor
Utilities Division

DATE: May 12, 2005

RE: **SANTA ROSA WATER COMPANY (DOCKET NO. W-04137A-05-0286)**

The area requested by Santa Rosa for an extension has been plotted with no complications using the legal description provided with the application (a copy of which is attached).

Also attached is a copy of the map for your files.

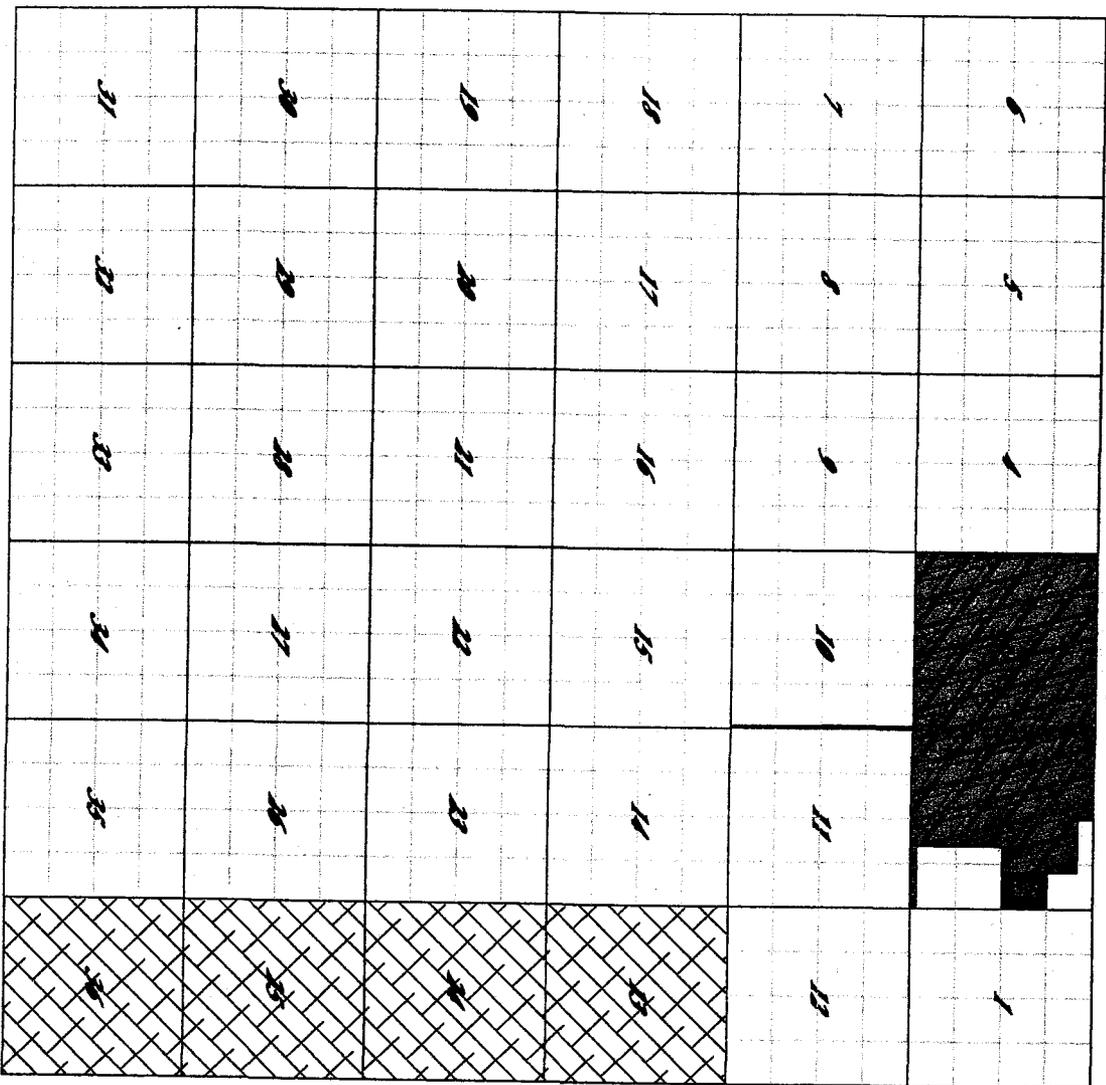
:bsw

Attachments

cc: Docket Control
Mr. Jim Poulos
Ms. Deb Person (Hand Carried)
File

COUNTY: Pinal

RANGE 3 East



TOWNSHIP 6 South

-  W-1445 (34)(3)
Arizona Water Company (Stanfield)
-  W-4137 (2)
Santa Rosa Water Company
-  SW-4136 (2)
Santa Rosa Utility Company
-  Santa Rosa Water Company
Docket No. W-4137-05-286
Application for Extension

GOVERNMENT: Pinal

Map No. 49

RANGE 3 East

1	5	1	3	1	1
1	1	1	10	11	12
10	11	16	15	14	13
19	20	21	22	23	24
29	20	28	27	26	25
31	22	23	5 South		

 W-4137 (2)
Santa Rosa Water Company

 SW-4136 (2)
Santa Rosa Utility Company

 W-4195 (1)

The Ranches at Maricopa Homeowners Association
Adjudicated 'Not a Public Service Corporation'


Santa Rosa Water Company
Docket No. W-4137-05-286
Application for Extension

LEGAL DESCRIPTION

Santa Rosa Water Company
Proposed Addition to CC&N Area

March 29, 2005
Revised April 14, 2005

PARCEL NO. 1 (Portion of Section 25)

The East Half of the Southeast Quarter of Section 25, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

EXCEPTING therefrom the North Half of the Northeast Quarter of the Northeast Quarter of the Southeast Quarter of said Section 25.

The above-described parcel contains 3,328,313 square feet or 76.41 acres, more or less.

PARCEL NO. 2 (Portion of Section 25)

The Southwest Quarter of Section 25, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

The above-described parcel contains 7,524,575 square feet or 172.74 acres, more or less.

PARCEL NO. 3 (Portion of Section 26)

The West Half of the Southeast Quarter and the East Half of the Southwest Quarter of Section 26, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

The above-described parcel contains 7,352,797 square feet or 168.80 acres, more or less.

PARCEL NO. 4 (Portion of Section 2)

The East 1,084.58 feet of the Northeast Quarter of Section 2, Township 6 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

EXCEPTING therefrom the north 1,313.89 feet.

The above-described parcel contains 2,393,937 square feet or 54.96 acres, more or less.

LEGAL DESCRIPTION

Santa Rosa Water Company
Proposed Addition to CC&N Area (Cont.)

March 29, 2005

Revised April 14, 2005

PARCEL NO. 5 (Portion of Section 25)

That part of the Southeast Quarter of Section 25, Township 5 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the South Quarter corner of said Section 25;

THENCE North 00 degrees 34 minutes 53 seconds East, along the North-south midsection line, a distance of 1,580.97 feet;

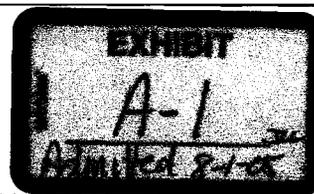
THENCE South 01 degree 14 minutes 54 seconds East, a distance of 1,584.79 feet, to a point on the South line of said Section 25;

THENCE North 86 degrees 00 minutes 46 seconds West, a distance of 50.69 feet to the Point of Beginning.

The above-described parcel contains 39,999 square feet or 0.92 acres, more or less.

The aggregate area of the above-described parcels is 473.83 acres.





Santa Rosa Water Company RECEIVED

9532 E. Riggs Road
Sun Lakes, AZ 85248

2005 APR 18 A 10:08

AZ CORP COMMISSION
DOCUMENT CONTROL

April 14, 2005

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

**Re: Docket No. W-04137A-05
Application to Extend Water Certificate of Convenience and
Necessity (CC&N)**

Dear Sir or Madam:

Santa Rosa Water Company (SRWC or Company) was granted a water CC&N by the Arizona Corporation Commission on March 20, 2003 in Decision No. 65753. The CC&N was granted so SRWC could provide water service to a proposed 3,536 acre development in Pinal County. Utilities affiliated with SRWC through overlapping principals and management provide water and wastewater service to approximately 30,000 customers in Arizona.

The developer of the property has nearly 473 additional acres adjacent to the original 3,536 acres that it will also develop and has requested water service for the additional property from SRWC. This application by SRWC is to extend its water CC&N to provide water service to the nearly 473 additional acres that are adjacent to its existing CC&N.

The two properties are a Planned Area Development consisting of 17,144 dwelling units, a golf course, open spaces, 209 acres of commercial space, 64 acres for office complexes, and 120 acres of business parks.

SRWC is not currently in operation. However, SRWC is in the process of developing its Water Master Plan to serve the development. The majority of the nearly 473 additional acres for which the Company is seeking to extend its water CC&N is in the first phase of the development. Service to the development should commence in 2006. It serves the public interest for the Arizona Corporation Commission to grant the extension to the water CC&N that is requested by SRWC in the application.

Docket Control

April 13, 2005

Page 2

SRWC proposes that it charge its current rates and charges to the customers in the extension area.

The water franchise from Pinal County for the extension area has been applied for. Notice of the application will be sent to the owners of the property in the extension area as well as to the owners of the property in the existing area. A copy of the notice is attached in Exhibit 4. A request for service from the property owner in the extension area is attached as Exhibit 5.

An original and 13 copies of the application are submitted.

Sincerely,



Jim Poulos

JP:th

ARIZONA CORPORATION COMMISSION

APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER AND/OR SEWER

A. The name, address and telephone number of the Applicant is:

Santa Rosa Water Company

9532 E. Riggs Road

Sun Lakes, AZ 85248 (480) 895-4251

B. The name, address and telephone number of management contact is:

Jim Poulos

9532 E. Riggs Rd.

Sun Lakes, AZ 85248 (480) 895-4251

C. List the name, address and telephone number of the operator certified by the Arizona
Department of Environmental Quality:

David Voorhees

24607 S. Dobson Road

Sun Lakes, AZ 85248 (480) 895-5009

D. List the name, address and telephone number of the attorney for the Applicant:

None

E. Attach the following documents that apply to you:

1. Certificate of Good Standing (if corporation) See Exhibit 1
2. Corporate Resolution Authorizing this application (if required by the corporation's Articles of Incorporation) Not required

F. Attach a legal description of the area requested by either CADASTRAL (quarter section description) or Metes and Bounds survey. References to parcels and docket numbers will not be accepted. See Exhibit 2

G. Attach a detailed map using the form provided as attachment B. Shade and outline the area requested. Also indicate the present certificated area by using different colors. See Exhibit 3

H. Attach a current balance sheet and profit and loss statement. N/A. Utility not in operation at this time.

I. Provide the following information:

1. Indicate the estimated number of customers, by class, to be served in the new area in each of the next five years:

Residential:

First Year 600 Second Year 1,200 Third Year 1,380 Fourth Year 1,380

Fifth Year 1,380

Commercial:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

Industrial:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

Irrigation:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

Other: (specify)

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

2. (WATER ONLY) Indicate the projected annual water consumption, in gallons, for each of the customer classes in the new area for each of the next five years:

Residential:

First Year 78,000,000 Second Year 156,000,000 Third Year 179,000,000

Fourth Year 179,000,000 Fifth Year 179,000,000

Commercial:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Industrial:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Irrigation:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

3. Indicate the total estimated annual operating revenue from the new area for each of the next five years:

First Year \$470,000 Second Year \$940,000 Third Year \$1,080,000

Fourth Year \$1,080,000 Fifth Year \$1,080,000

- Complete Attachment "D" (Water Use Data Sheet) for the past 13 months
N/A. Utility not in operation at this time.

4. Indicate the total estimated annual operating expenses attributable to the new area for each of the next five years:

First Year \$445,000 Second Year \$893,000 Third Year \$1,026,000

Fourth Year \$1,026,000 Fifth Year \$1,026,000

J. Total estimated cost to construct utility facilities to serve customers in the requested area:

\$3,800,000

K. Explain method of financing utility facilities (see paragraph 8 of instructions)

Debt and/or Equity - Application for financing

approved to be filed later.

L. Estimated starting and completion date of construction of utility facilities:

Starting date Fall 2005 date Fall 2007 Completion

M. Attach the following permits:

1. Franchise from either the City or County for the area requested. Applied for-to be late filed.
2. Arizona Department of Environmental Quality or designee's approval to construct facilities. Not yet issued
3. Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.) N/A
4. U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.) N/A

5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of either the utility's Designation of an Assured Water Supply, or the developer's Certificate of 100 Year Assured Water Supply issued by the Arizona Department of Water Resources. Not yet issued.

- If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources if applied for by the developer.

- If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detailed information to prove that adequate water exists to provide water to the area requested.

(Signature of Authorized Representative)

Jim Poulos
(Print or Type Name Here)

V.P.
(Title)

SUBSCRIBED AND SWORN to before me this ____ day of _____, 19__

NOTARY PUBLIC

My Commission Expires _____

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 ROSA WATER COMPANY*****

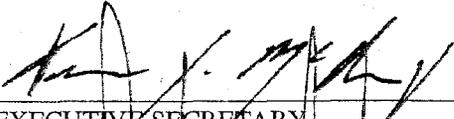
a domestic corporation organized under the laws of the State of Arizona, did incorporate on July 29, 2002.

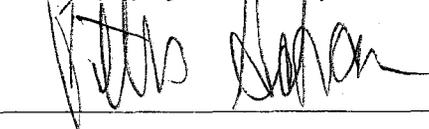
I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; that its most recent Annual Report, subject 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 13th Day of April, 2005, A. D.




EXECUTIVE SECRETARY

BY: 

LEGAL DESCRIPTION

Santa Rosa Water Company
Proposed Addition to CC&N Area

March 29, 2005
Revised April 14, 2005

PARCEL NO. 1 (Portion of Section 25)

The East Half of the Southeast Quarter of Section 25, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

EXCEPTING therefrom the North Half of the Northeast Quarter of the Northeast Quarter of the Southeast Quarter of said Section 25.

The above-described parcel contains 3,328,313 square feet or 76.41 acres, more or less.

PARCEL NO. 2 (Portion of Section 25)

The Southwest Quarter of Section 25, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

The above-described parcel contains 7,524,575 square feet or 172.74 acres, more or less.

PARCEL NO. 3 (Portion of Section 26)

The West Half of the Southeast Quarter and the East Half of the Southwest Quarter of Section 26, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

The above-described parcel contains 7,352,797 square feet or 168.80 acres, more or less.

PARCEL NO. 4 (Portion of Section 2)

The East 1,084.58 feet of the Northeast Quarter of Section 2, Township 6 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

EXCEPTING therefrom the north 1,313.89 feet.

The above-described parcel contains 2,393,937 square feet or 54.96 acres, more or less.

LEGAL DESCRIPTION

Santa Rosa Water Company
Proposed Addition to CC&N Area (Cont.)

March 29, 2005
Revised April 14, 2005

PARCEL NO. 5 (Portion of Section 25)

That part of the Southeast Quarter of Section 25, Township 5 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the South Quarter corner of said Section 25;

THENCE North 00 degrees 34 minutes 53 seconds East, along the North-south midsection line, a distance of 1,580.97 feet;

THENCE South 01 degree 14 minutes 54 seconds East, a distance of 1,584.79 feet, to a point on the South line of said Section 25;

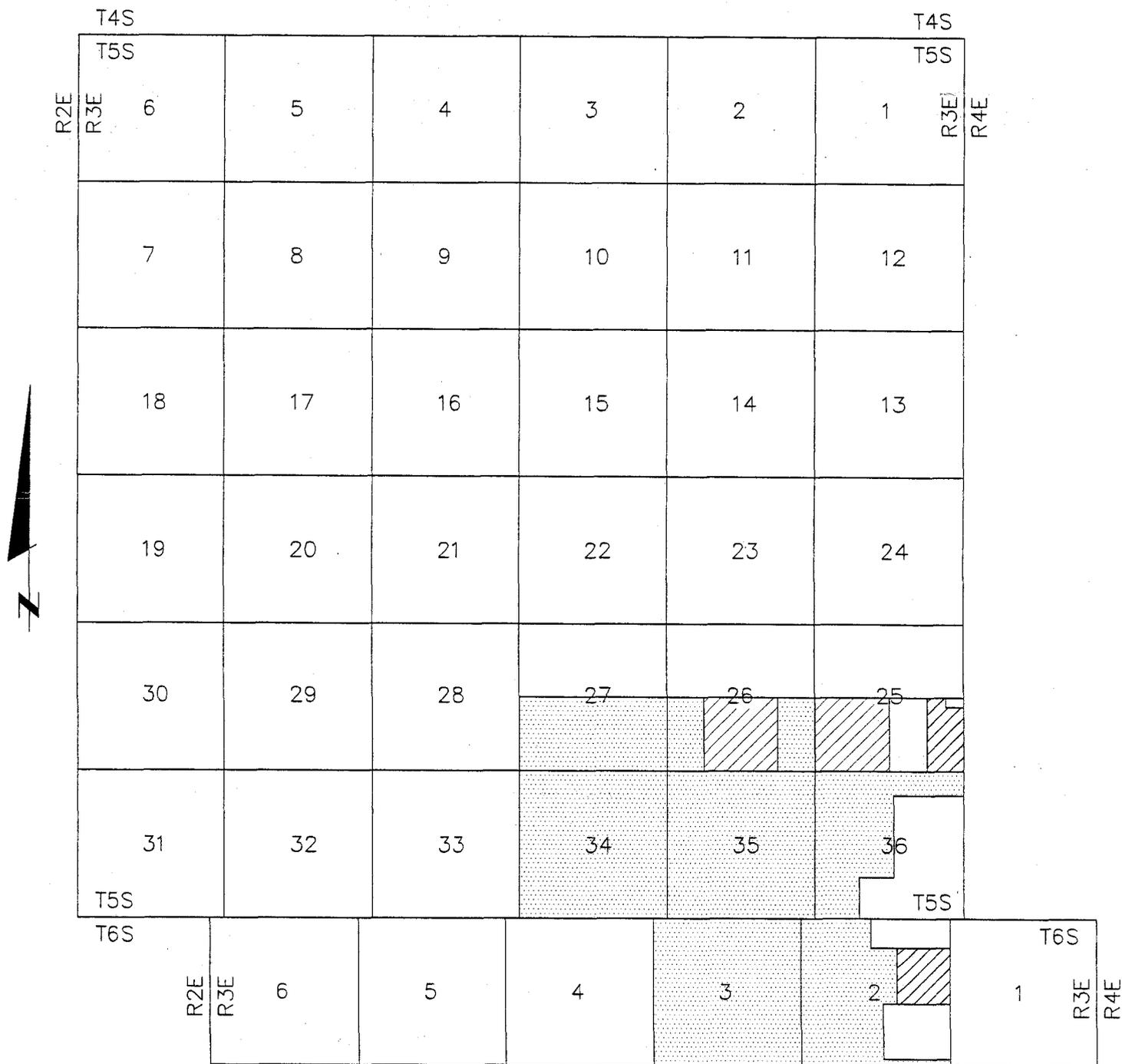
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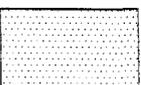
The aggregate area of the above-described parcels is 473.83 acres.



Exhibit 3



LEGEND

EXISTING CC&N AREA 

PROPOSED ADDITION TO CC&N AREA 

SANTA ROSA WATER CO.
SEWER CC&N AREA

Exhibit 4

Red River/El Dorado 6500, L.C.
C/O Red River Land Development, L.L.C.
426 N. 44th Street, Suite 100
Phoenix, AZ 85007

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
By Santa Rosa Water Company

Dear Sirs:

Santa Rosa Water Company has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide water service. Our records indicate that you are either a property owner in the existing certificated area or are a property owner in the proposed extension area. If the application is granted, Santa Rosa Water Company would be the exclusive provider of water service to the proposed area. Santa Rosa Water Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and at Santa Rosa Water Company, 9532 East Riggs Road, Sun Lakes, Arizona 85248.

The Commission will hold a hearing on this matter. As a property owner, you may be entitled to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

Sincerely,

Jim Poulos

RedRiver002.doc

Exhibit 4

Red River/El Dorado 6500, L.C.
Attn: Steve Soriano
C/O Pinal 6500 Land Investment Limited Partnership
9532 E. Riggs Road
Sun Lakes, AZ 85248

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
By Santa Rosa Water Company

Dear Mr. Soriano:

Santa Rosa Water Company has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide water service. Our records indicate that you are either a property owner in the existing certificated area or are a property owner in the proposed extension area. If the application is granted, Santa Rosa Water Company would be the exclusive provider of water service to the proposed area. Santa Rosa Water Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and at Santa Rosa Water Company, 9532 East Riggs Road, Sun Lakes, Arizona 85248.

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Sincerely,

Jim Poulos

Soriano006.doc

Exhibit 4

Mr. Brian M. Betcher
Maricopa – Stanfield Irrigation & Drainage District
41630 W. Louis Johnson Dr.
Maricopa, AZ 85239

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
By Santa Rosa Water Company

Dear Mr. Betcher:

Santa Rosa Water Company has filed with the Arizona Corporation Commission (“Commission”) an application for authority for an extension of its Certificate of Convenience and Necessity to provide water service. Our records indicate that you are either a property owner in the existing certificated area or are a property owner in the proposed extension area. If the application is granted, Santa Rosa Water Company would be the exclusive provider of water service to the proposed area. Santa Rosa Water Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and at Santa Rosa Water Company, 9532 East Riggs Road, Sun Lakes, Arizona 85248.

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Sincerely,

Jim Poulos

Betcher002.doc

Exhibit 4

Rancho Sierra Vista, L.L.C.
C/O El Dorado Holdings, Inc.
426 N. 44th Street, Suite 100
Phoenix, AZ 85007

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
By Santa Rosa Water Company

Dear Sirs:

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Sincerely,

Jim Poulos

RanchoSierraVista002.doc

Red River/El Dorado 6500, L.L.C.
Rancho Sierra Vista, L.L.C.
One Gateway Center
426 North 44th Street, Suite 100
Phoenix, AZ 85008

April 13, 2005

Mr. Jim Poulos
Santa Rosa Water Company
9532 East Riggs Rd.
Sun Lakes, AZ 85248

Dear Mr. Poulos:

This letter constitutes a formal request by Red River/El Dorado 6500, L.L.C., an Arizona limited liability company, and Rancho Sierra Vista, L.L.C., an Arizona limited liability company, for Santa Rosa Water Company to provide water service to the real property located in Pinal County, Arizona, more particularly described on the attached Exhibit "A" (the "Property"). Both Red River/El Dorado 6500, L.L.C. and Rancho Sierra Vista, L.L.C. desire for Santa Rosa Water Company's Certificate of Convenience and Necessity to be extended to include the Property.

Sincerely,

RED RIVER/EL DORADO 6500, L.C., an Arizona limited liability company

By: Pinal 6500 Land Investment Limited Partnership,
a Delaware limited partnership
Its: Voting Member

By: Arlington Property Management Company,
an Arizona corporation
Its: General Partner

By: 

Its: 

By: Red River Ranch Land Development, L.L.C.,
an Arizona limited liability company
Its: Voting Member

By: El Dorado Holdings, Inc., an Arizona corporation
Its: Manager

By: 
Its: President

RANCHO SIERRA VISTA, L.L.C., an Arizona limited liability company

By: El Dorado Holdings, Inc., an Arizona
corporation, Its Manager

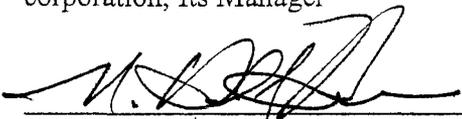
By: 
Its: President

Exhibit "A"

LEGAL DESCRIPTION

Santa Rosa Water Company
Proposed Addition to CC&N Area

March 29, 2005
Revised April 14, 2005

PARCEL NO. 1 (Portion of Section 25)

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EXCEPTING therefrom the North Half of the Northeast Quarter of the Northeast Quarter of the Southeast Quarter of said Section 25.

The above-described parcel contains 3,328,313 square feet or 76.41 acres, more or less.

PARCEL NO. 2 (Portion of Section 25)

The Southwest Quarter of Section 25, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

The above-described parcel contains 7,524,575 square feet or 172.74 acres, more or less.

PARCEL NO. 3 (Portion of Section 26)

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The above-described parcel contains 7,352,797 square feet or 168.80 acres, more or less.

PARCEL NO. 4 (Portion of Section 2)

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EXCEPTING therefrom the north 1,313.89 feet.

The above-described parcel contains 2,393,937 square feet or 54.96 acres, more or less.

LEGAL DESCRIPTION

Santa Rosa Water Company
Proposed Addition to CC&N Area (Cont.)

March 29, 2005
Revised April 14, 2005

PARCEL NO. 5 (Portion of Section 25)

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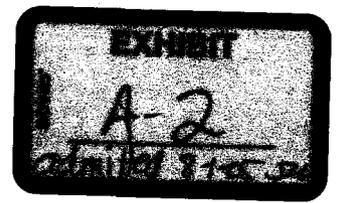
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The aggregate area of the above-described parcels is 473.83 acres.





Santa Rosa Water Company

9532 E. Riggs Road
Sun Lakes, AZ 85248

April 18, 2005

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Certificate of Mailing
Docket No. W-04137A-05
Application to Extend Water CC&N

Dear Sir or Madam:

I certify that each property owner in the existing certificated area and in the proposed extension area was either hand-delivered or mailed a notice of the application by Santa Rosa Water Company to extend its water CC&N on April 18, 2005. A copy of each notice is attached.

An original and 13 copies of the application are submitted.

Sincerely,

A handwritten signature in black ink, appearing to be "Jim Poulos".

Jim Poulos

JP:th

April 18, 2005

Rancho Sierra Vista, L.L.C.
C/O El Dorado Holdings, Inc.
426 N. 44th Street, Suite 100
Phoenix, AZ 85007

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
By Santa Rosa Water Company

Dear Sirs:

Santa Rosa Water Company has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide water service. Our records indicate that you are either a property owner in the existing certificated area or are a property owner in the proposed extension area. If the application is granted, Santa Rosa Water Company would be the exclusive provider of water service to the proposed area. Santa Rosa Water Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and at Santa Rosa Water Company, 9532 East Riggs Road, Sun Lakes, Arizona 85248.

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Sincerely,



Jim Poulos

April 18, 2005

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Maricopa – Stanfield Irrigation & Drainage District
41630 W. Louis Johnson Dr.
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Sincerely,



Jim Poulos

Betcher002.doc

April 18, 2005

Red River/El Dorado 6500, L.C.
C/O Red River Land Development, L.L.C.
426 N. 44th Street, Suite 100
Phoenix, AZ 85007

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
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Sincerely,



Jim Poulos

RedRiver002.doc

April 18, 2005

Red River/El Dorado 6500, L.C.
Attn: Steve Soriano
C/O Pinal 6500 Land Investment Limited Partnership
9532 E. Riggs Road
Sun Lakes, AZ 85248

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
By Santa Rosa Water Company

Dear Mr. Soriano:

Santa Rosa Water Company has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide water service. Our records indicate that you are either a property owner in the existing certificated area or are a property owner in the proposed extension area. If the application is granted, Santa Rosa Water Company would be the exclusive provider of water service to the proposed area. Santa Rosa Water Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and at Santa Rosa Water Company, 9532 East Riggs Road, Sun Lakes, Arizona 85248.

The Commission will hold a hearing on this matter. As a property owner, you may be entitled to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

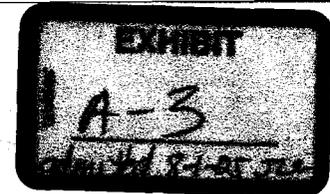
If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

Sincerely,



Jim Poulos

Soriano006.doc



Santa Rosa Utility Company RECEIVED

9532 E. Riggs Road
Sun Lakes, AZ 85248

2005 APR 18 A 10:07

AZ CORP COMMISSION
DOCUMENT CONTROL

April 14, 2005

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Docket No. SW-04136-05
Application to Extend Sewer Certificate of Convenience and
Necessity (CC&N)

Dear Sir or Madam:

Santa Rosa Utility Company (SRUC or Company) was granted a sewer CC&N by the Arizona Corporation Commission on March 20, 2003 in Decision No. 65753. The CC&N was granted so SRUC could provide wastewater service to a proposed 3,536 acre development in Pinal County. Utilities affiliated with SRUC through overlapping principals and management provide water and wastewater service to approximately 30,000 customers in Arizona.

The developer of the property has nearly 473 additional acres adjacent to the original 3,536 acres that it will also develop and has requested wastewater service for the additional property from SRUC. This application by SRUC is to extend its sewer CC&N to provide wastewater service to the nearly 473 additional acres that are adjacent to its existing CC&N.

The two properties are a Planned Area Development consisting of 17,144 dwelling units, a golf course, open spaces, 209 acres of commercial space, 64 acres for office complexes, and 120 acres of business parks.

SRUC is not currently in operation. However, SRUC has 4.31 mgd authorized wastewater capacity under the CAAG 208 plan. In addition, SRUC will very shortly be issued an Aquifer Protection Permit by the Arizona Department of Environmental Quality for its wastewater treatment plant, and construction of that plant will commence later this year. The majority of the nearly 473 additional acres for which the Company is seeking to extend its sewer CC&N is in the first phase of the development. Service to the development should commence in late 2006 or early 2007. It serves the public interest

Docket Control
April 13, 2005
Page 2

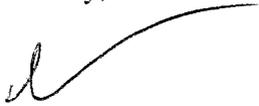
for the Arizona Corporation Commission to grant the extension to the sewer CC&N that is requested by SRUC in the application.

SRUC proposes that it charge its current rates and charges to the customers in the extension area.

The sewer franchise from Pinal County for the extension area has been applied for. Notice of the application will be sent to the owners of the property in the extension area as well as to the owners of the property in the existing area. A copy of the notice is attached in Exhibit 4. A request for service from the property owner in the extension area is attached as Exhibit 5.

An original and 13 copies of the application are submitted.

Sincerely,

A handwritten signature in black ink, appearing to be 'Jim Poulos', written in a cursive style.

Jim Poulos

JP:th

ARIZONA CORPORATION COMMISSION

APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVENIENCE AND
NECESSITY

WATER AND/OR SEWER

A. The name, address and telephone number of the Applicant is:

Santa Rosa Utility Company

9532 E. Riggs Rd.

Sun Lakes, AZ 85248 (480) 895-4251

B. The name, address and telephone number of management contact is:

Jim Poulos

9532 E. Riggs Rd.

Sun Lakes, AZ 85248 (480) 895-4251

C. List the name, address and telephone number of the operator certified by the Arizona
Department of Environmental Quality:

David Voorhees

24607 S. Price Road

Sun Lakes, AZ 85248 (480) 895-5009

D. List the name, address and telephone number of the attorney for the Applicant:

None

E. Attach the following documents that apply to you:

1. Certificate of Good Standing (if corporation) See Exhibit 1
2. Corporate Resolution Authorizing this application (if required by the corporation's Articles of Incorporation) Not required.

F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted. See Exhibit 2

G. Attach a detailed map using the form provided as attachment B. Shade and outline the area requested. Also indicate the present certificated area by using different colors. See Exhibit 3

H. Attach a current balance sheet and profit and loss statement. N/A. Utility not currently in operation.

I. Provide the following information:

1. Indicate the estimated number of customers, by class, to be served in the new area in each of the next five years:

Residential:

First Year 600 Second Year 1,200 Third Year 1,380 Fourth Year 1,380
Fifth Year 1,380

Commercial:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____
Fifth Year _____

Industrial:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____
Fifth Year _____

Irrigation:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____
Fifth Year _____

Other: (specify)

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

2. (WATER ONLY) Indicate the projected annual water consumption, in gallons, for each of the customer classes in the new area for each of the next five years:

Residential:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Commercial:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Industrial:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Irrigation:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

3. Indicate the total estimated annual operating revenue from the new area for each of the next five years:

First Year \$377,000 Second Year \$755,000 Third Year \$868,000

Fourth Year \$868,000 Fifth Year \$868,000

- Complete Attachment "D" (Water Use Data Sheet) for the past 13 months
N/A. Sewer Utility.

- If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detailed information to prove that adequate water exists to provide water to the area requested.

(Signature of Authorized Representative)

Jim Poulos
(Print or Type Name Here)

V.P.
(Title)

SUBSCRIBED AND SWORN to before me this ____ day of _____, 19__

NOTARY PUBLIC

My Commission Expires _____

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 ROSA UTILITY COMPANY*****

a domestic corporation organized under the laws of the State of Arizona, did incorporate on July 29, 2002.

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 13th Day of April, 2005, A. D.



EXECUTIVE SECRETARY

BY: _____

LEGAL DESCRIPTION

Santa Rosa Utility Company
Proposed Addition to CC&N Area

March 29, 2005
Revised April 14, 2005

PARCEL NO. 1 (Portion of Section 25)

The East Half of the Southeast Quarter of Section 25, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

EXCEPTING therefrom the North Half of the Northeast Quarter of the Northeast Quarter of the Southeast Quarter of said Section 25.

The above-described parcel contains 3,328,313 square feet or 76.41 acres, more or less.

PARCEL NO. 2 (Portion of Section 25)

The Southwest Quarter of Section 25, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

The above-described parcel contains 7,524,575 square feet or 172.74 acres, more or less.

PARCEL NO. 3 (Portion of Section 26)

The West Half of the Southeast Quarter and the East Half of the Southwest Quarter of Section 26, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

The above-described parcel contains 7,352,797 square feet or 168.80 acres, more or less.

PARCEL NO. 4 (Portion of Section 2)

The East 1,084.58 feet of the Northeast Quarter of Section 2, Township 6 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

EXCEPTING therefrom the north 1,313.89 feet.

The above-described parcel contains 2,393,937 square feet or 54.96 acres, more or less.

LEGAL DESCRIPTION

Santa Rosa Utility Company
Proposed Addition to CC&N Area (Cont.)

March 29, 2005

Revised April 14, 2005

PARCEL NO. 5 (Portion of Section 25)

That part of the Southeast Quarter of Section 25, Township 5 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the South Quarter corner of said Section 25;

THENCE North 00 degrees 34 minutes 53 seconds East, along the North-south midsection line, a distance of 1,580.97 feet;

THENCE South 01 degree 14 minutes 54 seconds East, a distance of 1,584.79 feet, to a point on the South line of said Section 25;

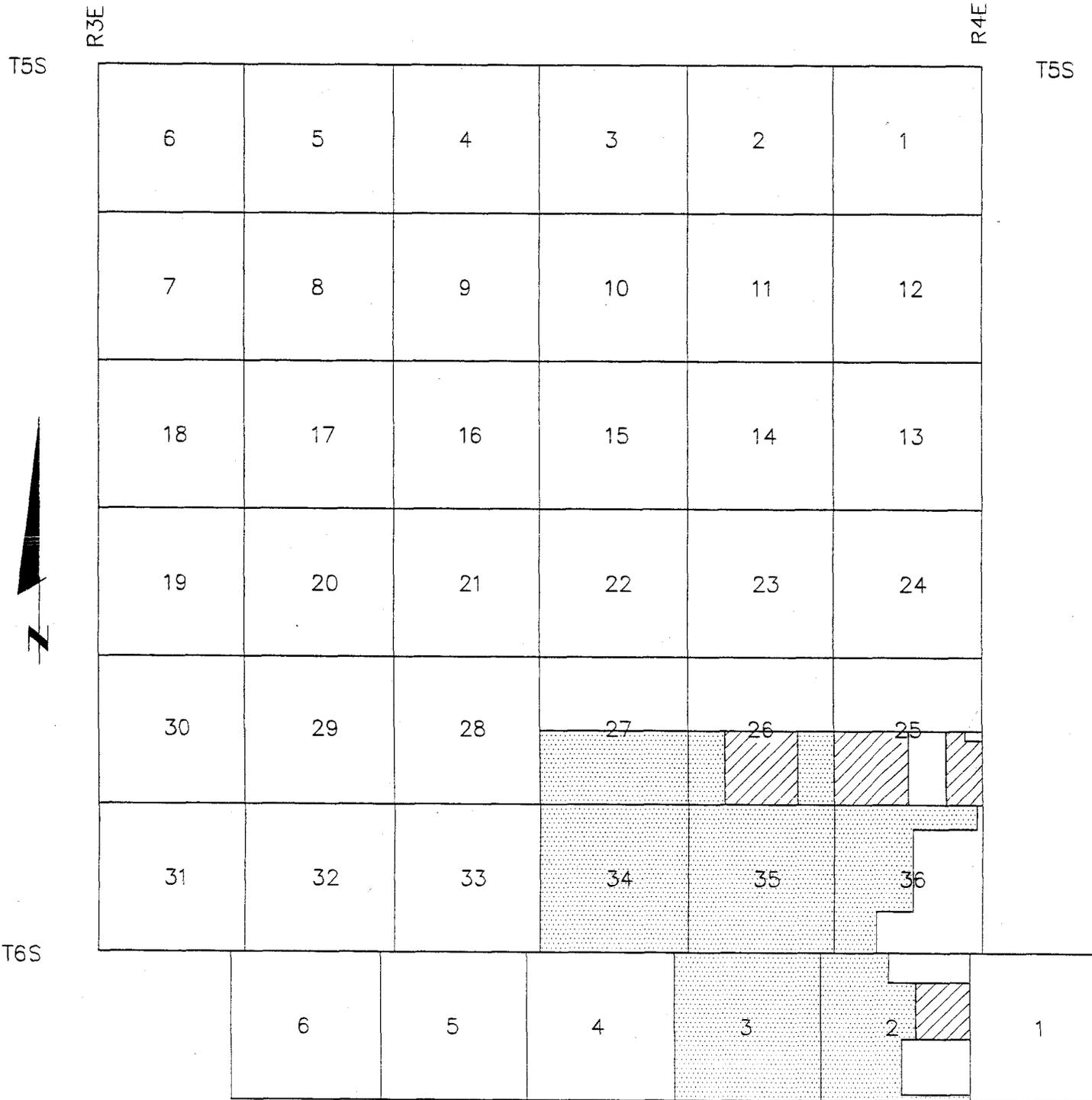
THENCE North 86 degrees 00 minutes 46 seconds West, a distance of 50.69 feet to the Point of Beginning.

The above-described parcel contains 39,999 square feet or 0.92 acres, more or less.

The aggregate area of the above-described parcels is 473.83 acres.



Exhibit 3

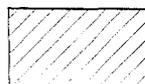


LEGEND

EXISTING CC&N AREA



PROPOSED ADDITION TO CC&N AREA



SANTA ROSA UTILITY CO.
SEWER CC&N AREA

Exhibit 4

Red River/El Dorado 6500, L.C.
C/O Red River Land Development, L.L.C.
426 N. 44th Street, Suite 100
Phoenix, AZ 85007

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
By Santa Rosa Utility Company

Dear Sirs:

Santa Rosa Utility Company has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide sewer service. Our records indicate that you are either a property owner in the existing certificated area or are a property owner in the proposed extension area. If the application is granted, Santa Rosa Utility Company would be the exclusive provider of sewer service to the proposed area. Santa Rosa Utility Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and at Santa Rosa Utility Company, 9532 East Riggs Road, Sun Lakes, Arizona 85248.

The Commission will hold a hearing on this matter. As a property owner, you may be entitled to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

Sincerely,

Jim Poulos

RedRiver001.doc

Exhibit 4

Red River/El Dorado 6500, L.C.
Attn: Steve Soriano
C/O Pinal 6500 Land Investment Limited Partnership
9532 E. Riggs Road
Sun Lakes, AZ 85248

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
By Santa Rosa Utility Company

Dear Mr. Soriano:

Santa Rosa Utility Company has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide sewer service. Our records indicate that you are either a property owner in the existing certificated area or are a property owner in the proposed extension area. If the application is granted, Santa Rosa Utility Company would be the exclusive provider of sewer service to the proposed area. Santa Rosa Utility Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and at Santa Rosa Utility Company, 9532 East Riggs Road, Sun Lakes, Arizona 85248.

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Sincerely,

Jim Poulos

Soriano005.doc

Exhibit 4

Mr. Brian M. Betcher
Maricopa – Stanfield Irrigation & Drainage District
41630 W. Louis Johnson Dr.
Maricopa, AZ 85239

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
By Santa Rosa Utility Company

Dear Mr. Betcher:

Santa Rosa Utility Company has filed with the Arizona Corporation Commission (“Commission”) an application for authority for an extension of its Certificate of Convenience and Necessity to provide sewer service. Our records indicate that you are either a property owner in the existing certificated area or are a property owner in the proposed extension area. If the application is granted, Santa Rosa Utility Company would be the exclusive provider of sewer service to the proposed area. Santa Rosa Utility Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and at Santa Rosa Utility Company, 9532 East Riggs Road, Sun Lakes, Arizona 85248.

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Sincerely,

Jim Poulos

Betcher001.doc

Exhibit 4

Rancho Sierra Vista, L.L.C.
C/O El Dorado Holdings, Inc.
426 N. 44th Street, Suite 100
Phoenix, AZ 85007

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
By Santa Rosa Utility Company

Dear Mr. Soriano:

Santa Rosa Utility Company has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide sewer service. Our records indicate that you are either a property owner in the existing certificated area or are a property owner in the proposed extension area. If the application is granted, Santa Rosa Utility Company would be the exclusive provider of sewer service to the proposed area. Santa Rosa Utility Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and at Santa Rosa Utility Company, 9532 East Riggs Road, Sun Lakes, Arizona 85248.

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Sincerely,

Jim Poulos

RanchoSierraVista001.doc

Red River/El Dorado 6500, L.L.C.
Rancho Sierra Vista, L.L.C.
One Gateway Center
426 North 44th Street, Suite 100
Phoenix, AZ 85008

April 13, 2005

Mr. Jim Poulos
Santa Rosa Utility Company
9532 East Riggs Rd.
Sun Lakes, AZ 85248

Dear Mr. Poulos:

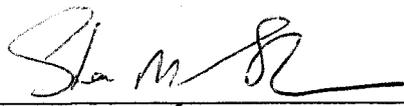
This letter constitutes a formal request by Red River/El Dorado 6500, L.L.C., an Arizona limited liability company, and Rancho Sierra Vista, L.L.C., an Arizona limited liability company, for Santa Rosa Utility Company to provide sewer service to the real property located in Pinal County, Arizona, more particularly described on the attached Exhibit "A" (the "Property"). Both Red River/El Dorado 6500, L.L.C. and Rancho Sierra Vista, L.L.C. desire for Santa Rosa Utility Company's Certificate of Convenience and Necessity to be extended to include the Property.

Sincerely,

RED RIVER/EL DORADO 6500, L.C., an Arizona limited liability company

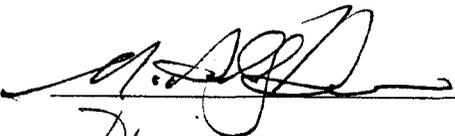
By: Pinal 6500 Land Investment Limited Partnership,
a Delaware limited partnership
Its: Voting Member

By: Arlington Property Management Company,
an Arizona corporation
Its: General Partner

By: 
Its: 

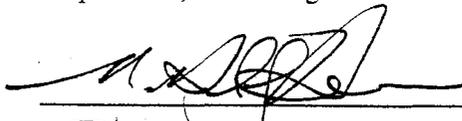
By: Red River Ranch Land Development, L.L.C.,
an Arizona limited liability company
Its: Voting Member

By: El Dorado Holdings, Inc., an Arizona corporation
Its: Manager

By: 
Its: President

RANCHO SIERRA VISTA, L.L.C., an Arizona limited liability company

By: El Dorado Holdings, Inc., an Arizona
corporation, Its Manager

By: 
Its: President

LEGAL DESCRIPTION

Santa Rosa Utility Company
Proposed Addition to CC&N Area

March 29, 2005
Revised April 14, 2005

PARCEL NO. 1 (Portion of Section 25)

The East Half of the Southeast Quarter of Section 25, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

EXCEPTING therefrom the North Half of the Northeast Quarter of the Northeast Quarter of the Southeast Quarter of said Section 25.

The above-described parcel contains 3,328,313 square feet or 76.41 acres, more or less.

PARCEL NO. 2 (Portion of Section 25)

The Southwest Quarter of Section 25, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

The above-described parcel contains 7,524,575 square feet or 172.74 acres, more or less.

PARCEL NO. 3 (Portion of Section 26)

The West Half of the Southeast Quarter and the East Half of the Southwest Quarter of Section 26, Township 5 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

The above-described parcel contains 7,352,797 square feet or 168.80 acres, more or less.

PARCEL NO. 4 (Portion of Section 2)

The East 1,084.58 feet of the Northeast Quarter of Section 2, Township 6 South, Range 3 East, Gila and Salt River Meridian, Pinal County, Arizona.

EXCEPTING therefrom the north 1,313.89 feet.

The above-described parcel contains 2,393,937 square feet or 54.96 acres, more or less.

LEGAL DESCRIPTION

Santa Rosa Utility Company
Proposed Addition to CC&N Area (Cont.)

March 29, 2005
Revised April 14, 2005

PARCEL NO. 5 (Portion of Section 25)

That part of the Southeast Quarter of Section 25, Township 5 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the South Quarter corner of said Section 25;

THENCE North 00 degrees 34 minutes 53 seconds East, along the North-south midsection line, a distance of 1,580.97 feet;

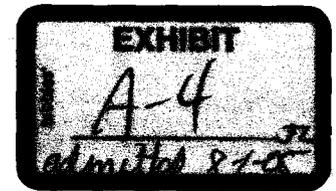
THENCE South 01 degree 14 minutes 54 seconds East, a distance of 1,584.79 feet, to a point on the South line of said Section 25;

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The aggregate area of the above-described parcels is 473.83 acres.





Santa Rosa Utility Company

9532 E. Riggs Road
Sun Lakes, AZ 85248

April 18, 2005

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

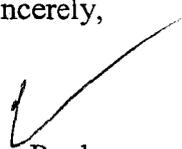
Re: Certificate of Mailing
Docket No. SW-04136-05
Application to Extend Sewer CC&N

Dear Sir or Madam:

I certify that each property owner in the existing certificated area and in the proposed extension area was either hand-delivered or mailed a notice of the application by Santa Rosa Utility Company to extend its water CC&N on April 18, 2005. A copy of each notice is attached.

An original and 13 copies of the application are submitted.

Sincerely,



Jim Poulos

JP:th

April 18, 2005

Mr. Brian M. Betcher
Maricopa – Stanfield Irrigation & Drainage District
41630 W. Louis Johnson Dr.
Maricopa, AZ 85239

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
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Dear Mr. Betcher:

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Sincerely,



Jim Poulos

Betcher001.doc

April 18, 2005

Red River/El Dorado 6500, L.C.
C/O Red River Land Development, L.L.C.
426 N. 44th Street, Suite 100
Phoenix, AZ 85007

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
By Santa Rosa Utility Company

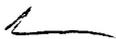
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Sincerely,



Jim Poulos

RedRiver001.doc

April 18, 2005

Rancho Sierra Vista, L.L.C.
C/O El Dorado Holdings, Inc.
426 N. 44th Street, Suite 100
Phoenix, AZ 85007

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
By Santa Rosa Utility Company

Dear Mr. Soriano:

Santa Rosa Utility Company has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide sewer service. Our records indicate that you are either a property owner in the existing certificated area or are a property owner in the proposed extension area. If the application is granted, Santa Rosa Utility Company would be the exclusive provider of sewer service to the proposed area. Santa Rosa Utility Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and at Santa Rosa Utility Company, 9532 East Riggs Road, Sun Lakes, Arizona 85248.

The Commission will hold a hearing on this matter. As a property owner, you may be entitled to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

Sincerely,



Jim Poulos

April 18, 2005

Red River/El Dorado 6500, L.C.
Attn: Steve Soriano
C/O Pinal 6500 Land Investment Limited Partnership
9532 E. Riggs Road
Sun Lakes, AZ 85248

Re: PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
By Santa Rosa Utility Company

Dear Mr. Soriano:

Santa Rosa Utility Company has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide sewer service. Our records indicate that you are either a property owner in the existing certificated area or are a property owner in the proposed extension area. If the application is granted, Santa Rosa Utility Company would be the exclusive provider of sewer service to the proposed area. Santa Rosa Utility Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and at Santa Rosa Utility Company, 9532 East Riggs Road, Sun Lakes, Arizona 85248.

The Commission will hold a hearing on this matter. As a property owner, you may be entitled to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

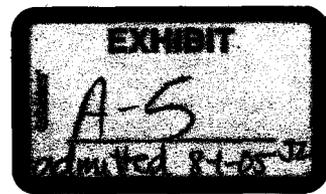
If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

Sincerely,



Jim Poulos

Soriano005.doc



Santa Rosa Water Company
Santa Rosa Utility Company
9532 East Riggs Rd., Sun Lakes, Arizona 85248

May 16, 2005

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

**Re: Santa Rosa Water Company - Application for Extension of its CC&N,
Docket No. W-04137A-05-0286 and Santa Rosa Utility Company -
Application for Extension of its CC&N, Docket No. W-04136A-05-0287,
Request to Consolidate**

Dear Sir or Madam:

Applicants Santa Rosa Water Company and Santa Rosa Utility Company request that the matters referred to above be consolidated.

An original and 15 copies submitted.

Sincerely,

Jim Poulos

JP:th

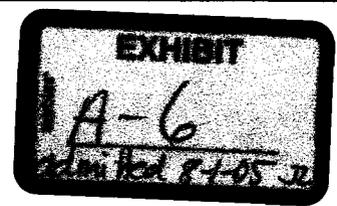
Enclosures

Locketcontrol96.doc

AZ CORP COMMISSION
DOCUMENT CONTROL

2005 MAY 25 P 1:56

RECEIVED



Santa Rosa Water Company
Santa Rosa Utility Company
9532 East Riggs Rd., Sun Lakes, Arizona 85248

June 20, 2005

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Docket No's: W-04137A-05-0286 and SW-04136A-05-0287

Certification of mailing and publication

Dear Docket Control:

I certify that each property owner in the proposed service area was mailed a copy of the attached notice on June 3, 2005.

I further certify that the attached notice was published on June 11, 2005 in a newspaper of general circulation in the service territory.

An original and 15 copies submitted.

Sincerely,

A handwritten signature in dark ink, appearing to be "Jim Poulos".

Jim Poulos

JP:rc

Enclosures

Red River/El Dorado 6500, L.L.C.
Attn: Steve Soriano
C/O Pinal 6500 Land Investment Limited Partnership
9532 E. Riggs Road
Sun Lakes, AZ 85248

**PUBLIC NOTICE OF HEARING ON THE CONSOLIDATED APPLICATIONS
BY SANTA ROSA WATER COMPANY AND SANTA ROSA UTILITY COMPANY
FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER SERVICE IN PINAL COUNTY, ARIZONA
DOCKET NOS. W-04137A-05-0286 AND SW-04136A-05-0287**

On April 18, 2005, Santa Rosa Water Company and Santa Rosa Utility Company (collectively referred to as "Santa Rosa") filed applications with the Arizona Corporation Commission ("Commission") for extensions of their Certificates of Convenience and Necessity ("Certificate") to provide water and wastewater service to certain areas within Pinal County, Arizona. The applications are being consolidated.

The applications are available for inspection during regular business hours at the offices of the Commission in Phoenix, at 1200 West Washington Street, Phoenix, Arizona and at the Company's offices, 9532 East Riggs Road, Sun Lakes, Arizona 85248.

The Commission will hold a hearing on this consolidated matter on **August 1, 2005 at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington, Phoenix, Arizona. As a property owner or customer you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written notice to intervene with the Commission, which motion should be sent to the Applicants or their counsel and to all parties of record, and which, at the minimum, shall contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenors interest in the proceeding (e.g., a customer of the Applicants, a shareholder or member of the Applicants, etc.)
3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before July 11, 2005. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. Failure to intervene will not preclude any person with interest in this proceeding from appearing at the hearing and making a statement on such person's own behalf. You will not, however, receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may write the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-221-7000 or appear at the hearing and make comment.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Linda Hogan, ADA Coordinator, voice phone number 602-542-3931, E-mail Lhogan@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

Red River/El Dorado 6500, L.L.C.
Attn: Steve Soriano
C/O Pinal 6500 Land Investment Limited Partnership
9532 E. Riggs Road
Sun Lakes, AZ 85248

**PUBLIC NOTICE OF HEARING ON THE CONSOLIDATED APPLICATIONS
BY SANTA ROSA WATER COMPANY AND SANTA ROSA UTILITY COMPANY
FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER SERVICE IN PINAL COUNTY, ARIZONA
DOCKET NOS. W-04137A-05-0286 AND SW-04136A-05-0287**

On April 18, 2005, Santa Rosa Water Company and Santa Rosa Utility Company (collectively referred to as "Santa Rosa") filed applications with the Arizona Corporation Commission ("Commission") for extensions of their Certificates of Convenience and Necessity ("Certificate") to provide water and wastewater service to certain areas within Pinal County, Arizona. The applications are being consolidated.

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3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before July 11, 2005. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. Failure to intervene will not preclude any person with interest in this proceeding from appearing at the hearing and making a statement on such person's own behalf. You will not, however, receive any further notice of the proceeding unless requested by you.

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Rancho Sierra Vista L.L.C.
C/O El Dorado Holdings, Inc.
426 N. 44th Street, Suite 100
Phoenix, AZ 85007

**PUBLIC NOTICE OF HEARING ON THE CONSOLIDATED APPLICATIONS
BY SANTA ROSA WATER COMPANY AND SANTA ROSA UTILITY COMPANY
FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER SERVICE IN PINAL COUNTY, ARIZONA
DOCKET NOS. W-04137A-05-0286 AND SW-04136A-05-0287**

On April 18, 2005, Santa Rosa Water Company and Santa Rosa Utility Company (collectively referred to as "Santa Rosa") filed applications with the Arizona Corporation Commission ("Commission") for extensions of their Certificates of Convenience and Necessity ("Certificate") to provide water and wastewater service to certain areas within Pinal County, Arizona. The applications are being consolidated.

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3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before July 11, 2005. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. Failure to intervene will not preclude any person with interest in this proceeding from appearing at the hearing and making a statement on such person's own behalf. You will not, however, receive any further notice of the proceeding unless requested by you.

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Affidavit of Publication

DONOVAN M. KRAMER SR.

STATE OF ARIZONA

COUNTY OF PINAL

} ss.

PUBLIC NOTICE OF HEARING ON THE CONSOLIDATED APPLICATIONS BY SANTA ROSA WATER COMPANY AND SANTA ROSA UTILITY COMPANY FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICE IN PINAL COUNTY, ARIZONA
DOCKET NOS. W-04137A-05-0285 AND SW-04138A-05-0287

On April 18, 2005, Santa Rosa Water Company and Santa Rosa Utility Company (collectively referred to as "Santa Rosa") filed applications with the Arizona Corporation Commission ("Commission") for extensions of their Certificates of Convenience and Necessity ("Certificate") to provide water and wastewater service to certain areas within Pinal County, Arizona. The applications are being consolidated.

The applications are available for inspection during regular business hours at the offices of the Commission in Phoenix, at 1200 West Washington Street, Phoenix, Arizona and at the Company's offices, 9532 East Riggs Road, Sun Lakes, Arizona 85248.

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ments is to be made if different than the intervenor.

2. A short statement of the proposed intervenors interest in the proceeding (e.g., a customer of the Applicants, a shareholder or member of the Applicants, etc.)

3. A statement certifying that a copy of the motion to Intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before July 11, 2005. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. Failure to intervene will not preclude any person with interest in this proceeding from appearing at the hearing and making a statement on such person's own behalf. You will not, however, receive any further notice of the proceeding unless requested by you.

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No. of publications: 1; date of publication: June 11, 2005.

first being duly sworn deposes and says: That he is a native born citizen of the United States of America, over 21 years of age, that he is publisher of the Casa Grande Dispatch, a daily newspaper published at Casa Grande, Pinal County, Arizona, Monday through Saturday of each week; that a notice, a full, true and complete printed copy of which is hereunto attached, was printed in the regular edition of said newspaper, and not in a supplement thereto, for ~~ONE~~ ^{ONE} issue, the first publication thereof having been on the 11th

day of JUNE A.D., 2005

Second publication _____

Third publication _____

Fourth publication _____

Fifth publication _____

Sixth publication _____

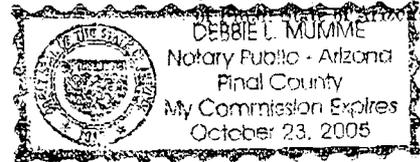
CASA GRANDE DISPATCH

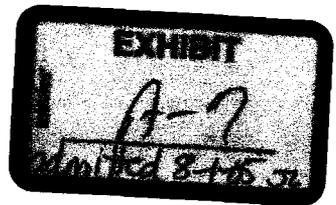
By Donovan M. Kramer Sr.
DONOVAN M. KRAMER SR., Publisher

Sworn to before me this 20th

day of June A.D. 2005
Debbie L. Mumme

Notary Public in and for the County





Santa Rosa Water Company
Santa Rosa Utility Company
9532 East Riggs Rd., Sun Lakes, Arizona 85248

June 20, 2005

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Docket No's: W-04137A-05-0286 and SW-04136A-05-0287

List of Witnesses

Dear Docket Control:

Jim Poulos, the Vice President and General Manager of the applicants will testify at the hearing on behalf of the applicants. Mr. Poulos will introduce the exhibits, describe the application and respond to any questions.

An original and 15 copies submitted.

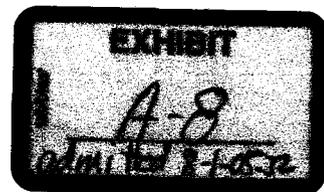
Sincerely,

A handwritten signature in black ink, appearing to be "Jim Poulos".

Jim Poulos

JP:rc

Enclosures



**Santa Rosa Utility
Company
Docket No.
SW-04136A-05-0287**

**Santa Rosa Water
Company
Docket No.
W-04137A-05-0286**

**Applicants Comments to
Staff Report**

1. Q. Please state your name and position.

A. My name is Jim Poulos and I am the Vice-President and General Manager of Santa Rosa Water Company (SRWC) and Santa Rosa Utility Company (SRUC), the applicants in this proceeding.

2. Q. What are your business qualifications?

A. I am also the Vice-President and General Manager of several other water and wastewater utilities in the State of Arizona including Pima Utility Water, Pima Utility Sewer, Lago Del Oro Water Company, Saddlebrooke Utility Company, Ridgeview Utility Company, Mountain Pass Utility Company, Quail Creek Water Company, Picacho Water Company and Picacho Sewer Company. Collectively, these utilities provide water and wastewater services to a population of nearly 40,000.

3. Q. Do you want to comment on some of the conditions recommended by Staff in this proceeding?

A. Yes, I have comments and alternative suggestions on three of the conditions.

4. Q. What is your concern about Staff's recommendation No. 2 on the water service CC&N extension on page 4 of the Staff Report which proposes that SRWC file with Docket Control a copy of the developer's Certificate of Assured Water Supply (CAWS) for the extension area within 365 days of the effective date of the final decision and order?

A. The entire development, including the development in the extension area, will occur in phases. The majority of the extension area will be developed in the first phase, however a small portion of the extension area will be developed in subsequent phases. Given the sequential development, the recommendation should instead read "To require SRWC to file with Docket Control a copy of the developer's first CAWS in the extension, stating that there is adequate water supply, where applicable or when required by statute, within 365 days of the effective date of the final decision and order issued pursuant to this application. SRWC shall also be required to file with Docket Control copies of all subsequent developer's CAWS in the extension area as they are issued and prior to providing service in these areas."

5. Q. Are you also concerned with Staff's recommendation No. 3 on the water service CC&N extension regarding nitrate control and removal?

A. Yes. SRWC sampled one of the many irrigation wells on the property to gain a general sense of the water quality and nitrates were detected in that well. However, irrigation wells are distinguished from potable wells in that irrigation wells use a perforated casing throughout all of the zones in the aquifer to encourage higher water production without regard to the poor water quality that generally exists in the upper zones. By contrast, potable wells use a blank casing to seal off the well from the generally poor water quality in the upper zones of the aquifer, and install perforated casing at the bottom portion of the well to draw the water from the lower zone of the aquifer where there is generally good quality water. This is a common practice that is used in all of our water systems and should not require the condition recommended by Staff.

6. Q. What do you recommend in lieu of Staff recommendation No. 3 to allay Staff's concern about nitrates?

A. We suggest replacing Staff recommendation No. 3 with the following "To require SRWC to submit the results to Docket Control if it's next required nitrate monitoring result exceeds ADEQ's MCL. In the event the next required nitrate monitoring result shows that its water exceeds ADEQ's MCL, SRWC shall be required to file with Docket Control a plan of action for addressing the nitrate issue within sixty days of receiving that result."

7. Q. Why is the Company's suggestion for nitrates preferable?

A. Because there is no evidence of nitrates in the lower aquifer from which the drinking water will be drawn once the blank casings are installed. Additionally, the area is not known for high nitrates in the potable water. As a result, SRWC should follow ADEQ's normal testing protocol and if nitrates are detected above the MCL, SRWC will be required by ADEQ to treat the drinking water. If the initial nitrate monitoring result exceeds the MCL, the Company will agree to file with Docket Control a plan of action for addressing the nitrate issue within sixty days of receiving that result.

8. Q. What are your final concerns on page 5 of the Staff Report with Staff recommendation No. 7 on the water service CC&N extension and Staff recommendation No. 3 on the wastewater service CC&N extension?

A. Staff recommended that SRWC and SRUC comply with all requirements and conditions set forth in Decision No. 65753, issued March 20, 2003. However, many of those requirements and conditions have already been met. Our concern is that the applicants would have to meet the requirements and conditions they have already met again. To address this concern, we suggest the following language in lieu of Staff recommendation No. 7 for the water service CC&N extension and Staff recommendation No. 3 for the wastewater service CC&N extension "To require SRWC (and SRUC) to comply with all requirements and conditions set forth in Decision No. 65753, issued March 20, 2003, that have not already been met.

9. Q. Does this conclude your comments?

A. Yes.