

TIFFANY & BOSCO
P.A. ORIGINAL



0000040169

THIRD FLOOR CAMELBACK ESPLANADE II
2525 EAST CAMELBACK ROAD
PHOENIX, ARIZONA 85016-9240
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BETH A. HEATH
ATTORNEY AT LAW
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February 7, 2006

Ms. Blessing Chukwu
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

RECEIVED
2006 FEB -7 P 4:34
AZ CORP COMMISSION
DOCUMENT CONTROL

**RE: Green Acres Water, L.L.C. – Application for Certificate of Convenience and Necessity Docket No. W-20430A-05-0839
Insufficiency Letter Response**

Dear Ms. Chukwu:

This letter is in response to the issues raised in your letter dated December 9, 2005 and your letter dated December 12, 2005 regarding the above docket.

1. Copies of all requests for service received to date are attached hereto as Exhibit A. Requests for service from all remaining developers will be provided upon receipt.
2. The application for the Approval to Construct will be submitted to the Maricopa County Environmental Services Department in October 2006. Approval is expected by March 2007. A copy of the Approval to Construct will be submitted to the Commission upon receipt.
3. The Maricopa County Franchise Agreement will be submitted to Maricopa County in September 2006. Approval is expected by December 2006. A copy will be submitted to the Commission upon receipt.
4. Revised schedules regarding the financing of the utility are attached hereto as Exhibit B.
5. A copy of the Arizona State Land Department approval to include the State Land in the franchise area is attached hereto as Exhibit C.
6. A copy of the revised Green Acres Water Conceptual Water System Study is enclosed to provide additional information on drinking water design.

295807/7827-037

TIFFANY & BOSCO
P.A.

Ms. Blessing Chukwu
February 7, 2006
Page 2

7. An Analysis of Water Adequacy will be submitted to the Arizona Department of Water Resources in March 2006. Approval is expected in September 2006. A copy of the Analysis of Water Adequacy will be submitted to the Commission upon receipt.

8. Preliminary plans for the proposed water facility at 5-years and at build-out are included in the enclosed Green Acres Water Conceptual Water System Study.

9. Detailed information on the number of customers per meter size will be provided as part of a later submittal within the next few weeks.

Please contact me if you have any questions regarding these responses.

Sincerely,

TIFFANY & BOSCO, P.A.



Beth A. Heath

BAH/
Enclosures

cc. Mark Dioguardi w/o Enclosures
Jacob Hansen w/ Enclosures
Duane Hunn w/ Enclosures
Steve Robson w/o Enclosures

Exhibit A

REC'D FEB 02 2006

STEVEN J. SCHNITZER
Senior Vice President



METRO

COLDWELL BANKER
COMMERCIAL METRO LLC
2525 E. CAMELBACK ROAD, SUITE 150
PHOENIX, ARIZONA 85016-4268

DIRECT (602) 850-2016
FAX (602) 955-7650
MOBILE (602) 478-1525
sschnitzer@cbcmetro.com

February 1, 2006

GREEN ACRES WATER, L.L.C.
GREEN ACRES SEWER, L.L.C.
9532 East Riggs Road
Sun Lakes, Arizona 85248

RE: Request for Service

To Whom It May Concern:

Please be advised that on behalf of the owner's of a parcel of unimproved land situated along Hwy 85 south of the river bottom are interested in having your company provide water and sewer services to their site. The exact legal description for this parcel of land is attached hereto.

The ownership information for the parcel of land is as follows:

Arizona Hwy 85, LLC, an Arizona limited liability company
Robert Knorr, Managing Member
P.O.Box 1260
Maricopa, Arizona 85239
rijknorr@msn.com

Please feel free to contact either Mr. Knorr or myself should you have any questions regarding our request for service.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven J. Schnitzer', written over a horizontal line.

Steven J. Schnitzer
Senior Vice President

sjs/mof
Enclosures
cc: Robert Knorr

MARICOPA COUNTY
OFFICIAL PARCEL MAP
STATE OF ARIZONA

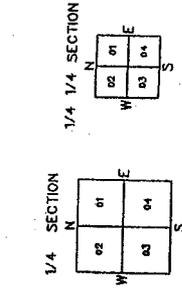
SECTION 26 T02S R04W

MAP ID * 879 - 26 - 00 - 00

UNASSESSED

SECTION	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	

LOCATOR GRID



SECTION	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	

ASSESSOR BOOKS & MAPS WITHIN THIS AREA
BOOK 401 MAP 64

SUBDIVISIONS



SCALE: 1" = 400'

0

SE COR SEC 26 BY COR SEC 13
NE COR SEC 27 BY COR SEC 14



879270000

UNASSESSED

40-64-008H
40-64-008F
40-64-030

40-64-006F
201.632 AC

40-64-009
126.214 AC

40-64-020D
93.618 AC

40-64-002
140.0 AC

40-64-072E

40-64-008G

1212.27

1212.31

EXHIBIT ALegal DescriptionParcel No. 1:

All that portion of the Northwest quarter AND of the North half of the Southwest quarter of Section 26, Township 2 South, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, lying West of the centerline of U.S. Highway 85.

EXCEPT the North 2050.00 feet of said Northwest quarter.

The above described Parcel No. 1 is more particularly described as follows:

BEGINNING at the Southwest corner of the North half of the Southwest quarter of said Section 26 from which the Southwest corner of the Southwest quarter thereof bears South 00 degrees 03 minutes 10 seconds East, 1321.45 feet;

THENCE North 00 degrees 04 minutes 01 seconds West along the West line of the Northwest quarter of said Section 26, a distance of 1321.45 feet to the Northwest corner of the Southwest quarter of said Section 26;

THENCE North 00 degrees 04 minutes 01 seconds West along the West line of the Northwest quarter of said Section 26, a distance of 592.57 feet to a point 2050.00 feet South of the North line of the said Northwest quarter;

THENCE South 89 degrees 52 minutes 05 seconds East parallel with the North line of the said Northwest quarter 2425.83 feet to the centerline of U.S. Highway 85 as described in Docket 1231, page 321, records of Maricopa County, Arizona;

THENCE South 09 degrees 36 minutes 37 seconds West along said centerline 1942.43 feet to the South line of the North half of the Southwest quarter;

THENCE North 89 degrees 48 minutes 58 seconds West along the South line of the North half of the said Southwest quarter 2099.65 feet to the POINT OF BEGINNING.

Parcel No. 2:

The North 2050 feet of that part of the Northwest quarter of Section 26, Township 2 South, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, lying West of the centerline of the relocated Phoenix-Yuma Highway, as located and constructed on the date of March 1, 1957.

EXCEPT THOSE PORTIONS OF PARCEL NO. 1 AND PARCEL NO. 2 LYING WITHIN THE FOLLOWING DESCRIBED REAL PROPERTY:

That portion of the Northeast quarter of the Southwest quarter (NE1/4 SW1/4) and the East half of the Northwest quarter (E1/2 NW1/4) of Section 26, Township 2 South, Range 4 West, Gila and Salt

River Meridian, Maricopa County, Arizona lying West of the existing West right of way line of State Route 85 (GILA BEND - BUCKEYE HIGHWAY) and East of the following described line:

Line Description:

Commencing at a bent Bureau of Land Management (BLM) brass cap, marking the South quarter corner of said Section 26, being South $89^{\circ}22'13''$ East 2635.47 feet from a brass cap marked "LS 22282" marking the Southwest corner of said Section 26;

thence along the South line of said Section 26, North $89^{\circ}22'13''$ West 760.58 feet to the existing right of way centerline of said State Route 85;

thence along said existing right of way centerline of State Route 85, North $10^{\circ}04'29''$ East 180.86 feet;

thence North $79^{\circ}55'31''$ West 210.80 feet to the POINT OF BEGINNING;

thence North $10^{\circ}04'06''$ East 2462.87 feet to the East - West mid section line of said Section 26, being South $89^{\circ}20'59''$ East 2111.14 feet from a BLM brass cap marking the West quarter corner of said Section 26;

thence continuing North $10^{\circ}04'06''$ East 407.64 feet;

thence North $04^{\circ}21'49''$ East 1082.88 feet;

thence along a curve to the Right having a radius of 12377.67 feet, a length of 1065.49 feet;

thence North $79^{\circ}55'54''$ West 516.86 feet to a point hereafter referred to as Point "A";

thence continuing North $79^{\circ}55'54''$ West 66.00 feet to a point hereafter referred to as Point "B";

thence continuing North $79^{\circ}55'54''$ West 43.62 feet to the POINT OF ENDING on the North line of said Section 26, being North $89^{\circ}23'58''$ West 887.25 feet from a BLM brass cap marking the North quarter corner of said Section 26.

Together with the Grantor's underlying fee interest, if any, in and to State Route 85.

There shall be no right or easement of access to the limited access highway to be constructed over and upon the right of way described above, except that access shall be granted between the above described Points "A" and "B".

**Green Acres Water Company
Index of Schedules**

Revised

<u>ACC Forms</u>	<u>Number of Page</u>	<u>Page Number</u>	
Attachments C	2 Pages	1 & 2	Balance Sheet, Attachment C
CS-2	1 Page	1	Income Statement, Attachment CS-2
CS-3	5 Pages	1 thru 5	Plant Cost, Attachment CS-4
D	1 Page	Unnumbered	Tariff Attachment D
1	1	1	Balance Sheet
1.1	Summary	1.1	Summary of Plant Additions by Year
1.1a	1 Page	1	Summary of Plant Costs
1a	5 Pages	1 thru 5	Plant and Depreciation, 5 Pages
1b	1 Page	1	Financing of Plant & Operating Losses
1c	1 Page	1	Advances and Refunds
1d	1 Page	1	Meter Deposits and Refunds (If Applicable)
1e	1 Page	1	Contributions in Aid of Construction (Not Used)
2	1 Page	1	Income Statement
2a	1 Page	1	Projected Revenues all customers
2a	1 Page	2	Customer Counts all customers
2a	1 Page	3	Gallons Treated or Sold, all customers
2a	1 Page	4	Projected Revenues, customers, gallons for 5/8 Inch residential class
2a	1 Page	5	Projected Revenues, customers, gallons for School
2a	1 Page	6	Projected Revenues, customers, gallons 5/8 Inch commercial class
2a	1 Page	7	Projected Revenues, customers, gallons 1 Inch commercial class
2a	1 Page	8	Projected Revenues, customers, gallons 2 Inch commercial class
2a	1 Page	9	Effluent, (If Applicable)
2b	1 Page	1	Property Taxes
3	1 Page	1	Projected Cash Flow
3.1	1 Page	1	Debt - Not Used
4	1 Page	1	Proposed Rates
5	1 Page	1	Service Charges

ATTACHMENT C

PROFORMA BALANCE SHEET (WATER)

Page 1
Revised

Green Acres Water Company

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
ASSETS					
<u>Current Assets</u>					
Cash	\$ 2,330,883	\$ 3,017,226	\$ 97,517	\$ 2,277,490	\$ 2,622,967
Accounts Receivable	0	0	0	0	0
Other	0	0	0	0	0
Total Current Assets	\$ 2,330,883	\$ 3,017,226	\$ 97,517	\$ 2,277,490	\$ 2,622,967
<u>Fixed Assets</u>					
Utility Plant	\$ 13,504,547	\$ 14,258,776	\$ 23,100,768	\$ 23,938,337	\$ 32,769,906
(Less) Accumulated Depreciation	(105,185)	(364,854)	(763,910)	(1,435,850)	(2,380,707)
Net Plant in Service	\$ 13,399,362	\$ 13,893,921	\$ 22,336,858	\$ 22,502,487	\$ 30,389,199
Total Assets	\$ 15,730,245	\$ 16,911,148	\$ 22,434,375	\$ 24,779,977	\$ 33,012,166
LIABILITIES & CAPITAL					
<u>Current and Accrued Liabilities</u>					
Accounts Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
Accrued Taxes	0	0	0	0	0
Accrued Interest	0	0	0	0	0
Other	0	0	0	0	0
Total Current & Accrued Liabilities	0	0	0	0	0

ATTACHMENT C

PROFORMA BALANCE SHEET (WATER)

Page 2
Revised

Green Acres Water Company

	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Long-Term Debt</u>	0	0	0	0	0
<u>Deferred Credits</u>					
Advances in Aid of Construction	\$ 525,722	\$ 1,204,923	\$ 1,849,747	\$ 2,388,716	\$ 2,821,727
Contributions in Aid of Construction ("CIAC")	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Amortization of CIAC	\$ -	\$ -	\$ -	\$ -	\$ -
Accumulated Deferred Income Tax	-	-	-	-	-
Total Deferred Credits	\$ 525,722	\$ 1,204,923	\$ 1,849,747	\$ 2,388,716	\$ 2,821,727
<u>CAPITAL ACCOUNT</u>					
Common Stock	15,248,825	15,285,166	18,985,166	19,057,846	24,557,846
Preferred	0	0	0	0	0
Paid In Capital	0	0	0	0	0
Retained Earnings	(44,302)	421,060	1,599,463	3,333,415	5,632,593
Total Capital	\$ 15,204,523	\$ 15,706,225	\$ 20,584,629	\$ 22,391,261	\$ 30,190,439
TOTAL LIABILITIES & CAPITAL	\$ 15,730,245	\$ 16,911,148	\$ 22,434,375	\$ 24,779,977	\$ 33,012,166

ATTACHMENT CW-2
PROFORMA INCOME STATEMENT (WATER)

Revised

Green Acres Water Company

	YR. ONE	YR. TWO	YR. THREE	YR. FOUR	YR. FIVE
REVENUES:					
Water Sales	\$ 303,750	\$ 1,129,064	\$ 2,248,858	\$ 3,423,342	\$ 4,587,670
Establishment Charges	15,000	27,150	30,180	30,150	30,150
Other Operating Revenue					
Total Operating Revenue	\$ 318,750	\$ 1,156,214	\$ 2,279,038	\$ 3,453,492	\$ 4,617,820
Pumping Power - All	\$ 49,140	\$ 187,562	\$ 377,948	\$ 578,162	\$ 776,382
Wages	100,000	128,000	156,840	186,545	217,142
Payroll Burden at 33% of Wages	33,000	42,240	51,757	61,560	71,657
Permits (Not Capitalized to Plant)	5,000	5,000	5,000	5,000	5,000
Licenses (Not Capitalized to Plant)	2,000	2,060	2,122	2,185	2,251
Engineering (Not Capitalized to Plant)	2,000	2,060	2,122	2,185	2,251
Chemicals & Water Treatment at	3,000	6,000	9,000	12,000	15,000
Supplies	4,000	5,000	6,000	7,000	8,000
Repairs	2,000	6,000	9,000	12,000	15,000
Insurance (b)	4,000	4,120	4,244	4,371	4,502
Office Expense	1,000	3,000	5,000	7,000	9,000
Billing, Postage, Operations					
Contract Labor	5,000	5,650	6,320	7,009	7,719
Administrative Services	40,000	41,200	42,436	43,709	45,020
Rentals	3,000	3,090	3,183	3,278	3,377
Depreciation net of Amortization of CIAC	105,185	259,669	399,056	671,940	944,857
Vehicles	3,500	3,605	3,713	3,825	3,939
Legal & Accounting	12,000	12,360	12,731	13,113	13,506
Miscellaneous Expenses	2,400	2,472	2,546	2,623	2,701
Testing	2,500	7,025	12,055	17,080	22,105
Income Taxes	25	25	25	25	25
Property Taxes	18,352	33,727	69,760	125,652	184,832
Total Expense	397,102	759,865	1,180,856	1,766,261	2,354,267
Operating income (loss)	\$ (78,352)	\$ 396,349	\$ 1,098,182	\$ 1,687,231	\$ 2,263,553
Less:					
Interest (Expense) Income on Cash Balance (c)	34,050	69,013	80,222	46,721	35,625
Interest Expense Long-term Debt					
Net Income	\$ (44,302)	\$ 465,362	\$ 1,178,403	\$ 1,733,952	\$ 2,299,178

Organized as an LLC, Non-Taxable. \$25.00 is for information return fee. \$50.00 For Combined Utility.

ATTACHMENT CW-3
PROFORMA UTILITY PLANT IN SERVICE (WATER)
FIRST YEAR
Green Acres Water Company

Page 1
Revised
ORIG. COST
LESS
DEPREC.

	ORIGINAL COST	ACCUM. DEPRC.	
Organization	\$ 50,000	\$ -	\$ 50,000
Franchises	-	-	-
Land and Land Rights	2,120,000	-	2,120,000
Structures and Improvements	135,000	2,248	132,752
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	-	-	-
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	384,000	24,000	360,000
Water Treatment Equipment	2,240,000	3,730	2,236,270
Solution Chemical Feeds	67,000	670	66,330
Brine Disposal	4,160,000	6,926	4,153,074
Distribution Reservoirs and St	500,000	5,550	494,450
Transmission and Distribution ,	2,619,401	26,194	2,593,207
Transmission and Distribution , Stub Outs for Services	71,645	716	70,929
Transmission and Distribution (AIAC)	181,701	1,817	179,884
Services	180,000	2,997	177,003
Meters and Meter Installations	55,000	2,291	52,709
Hydrants, 44 Hydrants	101,200	1,012	100,188
Hydrants (CIAC)	-	-	-
Backflow Prevention Devices	96,600	3,222	93,378
Other Plant and Miscellaneous	250,000	8,338	241,663
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	2,500	22,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	17,000	425	16,575
Communication Equipment	84,000	4,200	79,800
Miscellaneous Equipment	-	-	-
Other Tangible Plant	167,000	8,350	158,650
Other Tangible Plant	-	-	-
Total Plant	<u>13,504,547</u>	<u>105,185</u>	<u>13,399,362</u>

ATTACHMENT CW-3
PROFORMA UTILITY PLANT IN SERVICE (WATER)
SECOND YEAR
Green Acres Water Company

Page 2
Revised
ORIG. COST
LESS
DEPREC.

	ORIGINAL COST	ACCUM. DEPRC.	
Organization	\$ 50,000	\$ -	\$ 50,000
Franchises	-	-	-
Land and Land Rights	2,120,000	-	2,120,000
Structures and Improvements	135,000	6,743	128,257
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	-	-	-
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	384,000	72,000	312,000
Water Treatment Equipment	2,240,000	24,690	2,215,310
Solution Chemical Feeds	67,000	4,435	62,565
Brine Disposal	4,160,000	45,853	4,114,147
Distribution Reservoirs and St	500,000	16,650	483,350
Transmission and Distribution ,	2,619,401	78,582	2,540,819
Transmission and Distribution , Stub Outs for Services	71,645	2,149	69,496
Transmission and Distribution (AIAC)	510,580	8,740	501,840
Services	505,800	9,855	495,945
Meters and Meter Installations	154,550	11,019	143,531
Hydrants, 44 Hydrants	101,200	3,036	98,164
Hydrants (CIAC)	-	-	-
Backflow Prevention Devices	96,600	9,665	86,935
Other Plant and Miscellaneous	250,000	25,013	224,988
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	7,500	17,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	17,000	1,275	15,725
Communication Equipment	84,000	12,600	71,400
Miscellaneous Equipment	-	-	-
Other Tangible Plant	167,000	25,050	141,950
Other Tangible Plant	-	-	-
Total Plant	14,258,776	364,854	13,893,921

ATTACHMENT CW-3
PROFORMA UTILITY PLANT IN SERVICE (WATER)
THIRD YEAR
Green Acres Water Company

Page 3
Revised
ORIG. COST
LESS
DEPREC.

	ORIGINAL COST	ACCUM. DEPRC.	
Organization	\$ 50,000	\$ -	\$ 50,000
Franchises	-	-	-
Land and Land Rights	2,120,000	-	2,120,000
Structures and Improvements	270,000	13,487	256,514
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	-	-	-
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	767,000	143,938	623,063
Water Treatment Equipment	4,480,000	63,634	4,416,366
Solution Chemical Feeds	134,000	11,432	122,568
Brine Disposal	8,320,000	118,178	8,201,822
Distribution Reservoirs and St	1,000,000	33,300	966,700
Transmission and Distribution ,	2,619,401	130,970	2,488,431
Transmission and Distribution , Stub Outs for Services	71,645	3,582	68,063
Transmission and Distribution (AIAC)	876,162	22,607	853,555
Services	868,215	32,732	835,483
Meters and Meter Installations	266,545	28,557	237,988
Hydrants, 44 Hydrants	101,200	5,060	96,140
Hydrants (CIAC)	-	-	-
Backflow Prevention Devices	96,600	16,108	80,492
Other Plant and Miscellaneous	500,000	50,025	449,975
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	12,500	12,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	34,000	2,550	31,450
Communication Equipment	167,000	25,150	141,850
Miscellaneous Equipment	-	-	-
Other Tangible Plant	334,000	50,100	283,900
Other Tangible Plant	-	-	-
Total Plant	23,100,768	763,910	22,336,858

ATTACHMENT CW-3
 PROFORMA UTILITY PLANT IN SERVICE (WATER)
 FOURTH YEAR
Green Acres Water Company

Page 4
Revised
 ORIG. COST
 LESS
 DEPREC.

	ORIGINAL COST	ACCUM. DEPRC.	
Organization	\$ 50,000	\$ -	\$ 50,000
Franchises	-	-	-
Land and Land Rights	2,120,000	-	2,120,000
Structures and Improvements	270,000	22,478	247,523
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	-	-	-
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	767,000	239,813	527,188
Water Treatment Equipment	4,480,000	165,557	4,314,443
Solution Chemical Feeds	134,000	29,741	104,259
Brine Disposal	8,320,000	307,463	8,012,537
Distribution Reservoirs and St	1,000,000	55,500	944,500
Transmission and Distribution ,	2,619,401	183,358	2,436,043
Transmission and Distribution , Stub Outs for Services	71,645	5,015	66,630
Transmission and Distribution (AIAC)	1,241,381	43,783	1,197,599
Services	1,230,015	67,668	1,162,347
Meters and Meter Installations	377,095	55,365	321,730
Hydrants, 44 Hydrants	101,200	7,084	94,116
Hydrants (CIAC)	-	-	-
Backflow Prevention Devices	96,600	22,551	74,049
Other Plant and Miscellaneous	500,000	83,375	416,625
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	17,500	7,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	34,000	4,250	29,750
Communication Equipment	167,000	41,850	125,150
Miscellaneous Equipment	-	-	-
Other Tangible Plant	334,000	83,500	250,500
Other Tangible Plant	-	-	-
Total Plant	<u>23,938,337</u>	<u>1,435,850</u>	<u>22,502,487</u>

ATTACHMENT CW-3
PROFORMA UTILITY PLANT IN SERVICE (WATER)
FIFTH YEAR
Green Acres Water Company

Page 5
Revised
ORIG. COST
LESS
DEPREC.

	ORIGINAL COST	ACCUM. DEPRC.	
Organization	\$ 50,000	\$ -	\$ 50,000
Franchises	-	-	-
Land and Land Rights	2,120,000	-	2,120,000
Structures and Improvements	400,000	33,633	366,367
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	-	-	-
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	1,150,000	359,625	790,375
Water Treatment Equipment	6,720,000	330,443	6,389,557
Solution Chemical Feeds	200,000	59,274	140,726
Brine Disposal	12,480,000	613,679	11,866,321
Distribution Reservoirs and St	1,500,000	83,250	1,416,750
Transmission and Distribution ,	2,619,401	235,746	2,383,655
Transmission and Distribution , Stub Outs for Services	71,645	6,448	65,197
Transmission and Distribution (AIAC)	1,606,600	72,262	1,534,338
Services	1,591,815	114,651	1,477,164
Meters and Meter Installations	487,645	91,381	396,264
Hydrants, 44 Hydrants	101,200	9,108	92,092
Hydrants (CIAC)	-	-	-
Backflow Prevention Devices	96,600	28,994	67,606
Other Plant and Miscellaneous	750,000	125,063	624,938
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	22,500	2,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	16,000	800	15,200
Power Operated Equipment	34,000	5,950	28,050
Communication Equipment	250,000	62,700	187,300
Miscellaneous Equipment	-	-	-
Other Tangible Plant	500,000	125,200	374,800
Other Tangible Plant	-	-	-
Total Plant	<u><u>32,769,906</u></u>	<u><u>2,380,707</u></u>	<u><u>30,389,199</u></u>

ATTACHMENT "D"
WATER TARIFF SCHEDULE

Page 1
Revised

UTILITY: Green Acres Water Company

RATES AND CHARGES
CUSTOMER / MINIMUM CHARGE
PER MONTH

<u>METER</u>	<u>CHARGE</u>		<u>GALLONS</u>		<u>METER</u>	<u>CHARGE</u>
5/8 x 3/4	\$ 38.00	FOR	ZERO		5/8 x 3/4	\$ 470.00
3/4	\$ 38.00	FOR	ZERO		3/4	\$ 750.00
1	\$ 95.00	FOR	ZERO		1	\$ 650.00
1 1/2	\$ 190.00	FOR	ZERO		1 1/2	\$ 895.00
2	\$ 304.00	FOR	ZERO		2	\$ 1,555.00
3	\$ 608.00	FOR	ZERO		3	\$ 2,060.00
4	\$ 950.00	FOR	ZERO		4	\$ 2,235.00
6	\$ 1,900.00	FOR	ZERO		6	\$ 3,070.00
8	\$ 3,040.00	FOR	ZERO		8	Cost
10	\$ 4,370.00	FOR	ZERO		10	Cost
12	\$ 8,170.00	FOR	ZERO		12	Cost

COMMODITY CHARGE (EXCESS OF MINIMUM):
COMMODITY RATES / RESIDENTIAL METERS

<u>Usage</u>	<u>Usage</u>	5/8 & 3/4 Inch Meters	
<u>From</u>	<u>To</u>		Charge Per 1,000
-	7,000		\$ 6.25
7,001	14,000		\$ 7.25
14,001	Infinity		\$ 8.25

COMMODITY RATES / ALL OTHER METERS

<u>Usage</u>	<u>Usage</u>	5/8 Inch Meters	
<u>From</u>	<u>To</u>		
1	8,000		\$ 7.25
8,001	Infinity		\$ 8.25
		3/4 Inch Meters	
1	8,000		\$ 7.25
8,001	Infinity		\$ 8.25
		1 Inch Meters	
1	35,000		\$ 7.25
35,001	Infinity		\$ 8.25
		1 1/2 Inch Meters	
1	70,000		\$ 7.25
70,001	Infinity		\$ 8.25
		2 Inch Meters	
1	112,000		\$ 7.25
112,001	Infinity		\$ 8.25
		3 Inch Meters	
1	224,000		\$ 7.25
224,001	Infinity		\$ 8.25
		4 Inch Meters	
1	350,000		\$ 7.25
350,001	Infinity		\$ 8.25

ATTACHMENT "D"
WATER TARIFF SCHEDULE

Page 2
Revised

UTILITY: Green Acres Water Company

RATES AND CHARGES

COMMODITY CHARGE (EXCESS OF MINIMUM):

Usage From	Usage To	Charge Per 1,000
6 Inch Meters		
1	700,000	\$ 7.25
700,001	Infinity	\$ 8.25
8 Inch Meters		
1	1,120,000	\$ 7.25
1,120,001	Infinity	\$ 8.25
10 Inch Meters		
1	1,610,000	\$ 7.25
1,610,001	Infinity	\$ 8.25
12 Inch Meters		
1	3,010,000	\$ 7.25
3,010,001	Infinity	\$ 8.25

SERVICE CHARGES:

1. ESTABLISHMENT (R14-2-403.D.1)	\$ 30.00
2. ESTABLISHMENT / AFTER HOURS (R14-2-403.D.2)	\$ 50.00
3. RECONNECTION / DELINQUENT (R14-2-403.D.1)	\$ 50.00
4. NSF CHECK (R14-2-409.F.1)	\$ 30.00
5. METER REREAD / IF CORRECT (R-14-408.C.2)	\$ 30.00
6. METER TEST / IF CORRECT (R14-2-408.F.1)	\$ 30.00
7. DEFERRED PAYMENT (R14-2-409.G.6)	1.50% Per Month
8. DEPOSIT INTEREST (R14-2-408.B.3)	_____
9. DEPOSIT (R14-2-403.B.7)	_____ per rule
10. REESTABLISHMENT WITHIN 12 MONTHS (R14-2-608.F.1)	_____ (a)
11. LATE PAYMENT PENALTY (R14-2-408.F.1)	1.50% Per Month
12. All Revenue related taxes will be charged customers.	@ COST (b)

RULES AND REGULATIONS

* The Company has adopted the Rules and Regulation established by the Commission as the basis for its operating procedures. Arizona Corporation Commission Rules will be controlling of Company procedures, unless specific Commission Orders provide otherwise.

(a) Monthly minimum times months off the system

(b) Cost to include parts, labor, overhead, and all applicable taxes, including income tax.

Green Acres Water Company
Plant
Projected Years

Exhibit
Schedule 1a
Page 1
Witness: Kozoman

Line No.	Revised Account	Description	CIAC Spread	Depreciation Rate	Estimate	Engineering Permits, Etc.	Year 1			Revised A/D Balance
							Gross Amt	Additions	Depreciation*	
1					\$ 50,000		\$ 50,000	\$ -	\$ 50,000	\$ -
2	301	Organization		0.00%						
3	302	Franchises		0.00%						
4	303	Structures and Improvements		0.00%	2,120,000		2,120,000		2,120,000	
5	304	Collecting and Impounding Rese		3.33%	135,000		135,000	2,248	135,000	2,248
6	305	Lake, River and Other Intakes		2.50%						
7	306	Wells and Springs		3.33%						
8	307	Infiltration Galleries and Tun		6.67%						
9	308	Supply Mains		2.00%						
10	309	Power Generation Equipment		5.00%						
11	310	Pumping Equipment		12.50%	384,000		384,000	24,000	384,000	24,000
12	311	Water Treatment Equipment (a)		3.33%	2,240,000		2,240,000	3,730	2,240,000	3,730
13	320.1	Solution Chemical Feeds (a)		20.00%	67,000		67,000	670	67,000	670
14	320.2	Brine Disposal (a)		3.33%	4,160,000		4,160,000	6,926	4,160,000	6,926
15	320.3	Distribution Reservoirs and St		2.22%	500,000		500,000	5,550	500,000	5,550
16	330	Transmission and Distribution		2.00%	2,619,401		2,619,401	26,194	2,619,401	26,194
17	331	Transmission and Distribution, Sub Outs for Services		2.00%	71,645		71,645	716	71,645	716
18	332	Transmission and Distribution (AIAC)		2.00%	181,701		181,701	1,817	181,701	1,817
19	333	Services		3.33%	180,000		180,000	2,997	180,000	2,997
20	334	Meters and Meter Installations		8.33%	55,000		55,000	2,291	55,000	2,291
21	335	Hydrants, 44 Hydrants		2.00%	101,200		101,200	1,012	101,200	1,012
22	335	Hydrants (CIAC)	0%	2.00%						
23	336	Backflow Prevention Devices		6.67%	96,600		96,600	3,222	96,600	3,222
24	339	Other Plant and Miscellaneous		6.67%	250,000		250,000	8,338	250,000	8,338
25	340	Office Furniture and Equipment		6.67%						
26	341	Transportation Equipment		20.00%	25,000		25,000	2,500	25,000	2,500
27	342	Stores Equipment		4.00%						
28	343	Tools, Shop and Garage Equipme		5.00%						
29	344	Laboratory Equipment		10.00%						
30	345	Power Operated Equipment		5.00%	17,000		17,000	425	17,000	425
31	346	Communication Equipment		10.00%	84,000		84,000	4,200	84,000	4,200
32	347	Miscellaneous Equipment		10.00%						
33	348	Other Tangible Plant		10.00%	167,000		167,000	8,350	167,000	8,350
34	398	Other Tangible Plant		10.00%						
35		Totals			\$ 13,504,547		\$ 13,504,547	\$ 105,185	\$ 13,504,547	\$ 105,185
36		Composite Rate with 1/2 yr convention								0.78%
37		*Capacity Adjustment to Depreciation Expense -								
38		(Requires an Accounting Order)								
39		Customer connections				500				
40		Capacity (in customer connections)				5,000				
41		Capacity Factor				0.1000				

500
5,000
0.1000

Green Acres Water Company
Plant
Projected Years

Exhibit
Schedule 1a
Page 2
Witness: Kozoman

Line No.	Revised Account	Description	CIAC Spread	Depreciation Rate	Estimate	Permits, Etc.	Engineering	Year		Balance	Revised A/D Balance
								Gross Amt	Additions		
1	301	Organization		0.00%				\$	\$	50,000	\$
2	302	Franchises		0.00%							
3	303	Structures and Improvements		0.00%						2,120,000	
4	304	Collecting and Impounding Rese		3.33%					4,496	135,000	6,743
5	305	Lake, River and Other Intakes		2.50%							
6	306	Wells and Springs		2.50%							
7	307	Infiltration Galleries and Tun		3.33%							
8	308	Supply Mains		6.67%							
9	309	Power Generation Equipment		2.00%							
10	310	Pumping Equipment		5.00%							
11	311	Water Treatment Equipment (a)		12.50%						384,000	72,000
12	320.1	Solution Chemical Feeds (a)		3.33%						2,240,000	24,690
13	320.2	Brine Disposal (a)		20.00%						67,000	4,435
14	320.3	Distribution Reservoirs and St		3.33%						4,160,000	45,853
15	330	Transmission and Distribution		2.22%						11,100	16,650
16	331	Transmission and Distribution, Stub Outs for Services		2.00%						2,619,401	78,582
17	331	Transmission and Distribution (AIAC)		2.00%						1,433	2,149
18	333	Meters and Meter Installations		2.00%						328,879	8,740
19	334	Hydrants, 44 Hydrants		3.33%						325,800	9,855
20	335	Hydrants (CIAC)	0%	8.33%						99,550	11,019
21	336	Backflow Prevention Devices		2.00%							3,036
22	339	Other Plant and Miscellaneous		6.67%						6,443	9,665
23	340	Office Furniture and Equipment		6.67%						16,675	25,013
24	341	Transportation Equipment		20.00%						5,000	7,500
25	342	Stores Equipment		4.00%							
26	343	Tools, Shop and Garage Equipme		5.00%							
27	344	Laboratory Equipment		10.00%							
28	345	Power Operated Equipment		5.00%							
29	346	Communication Equipment		10.00%						850	1,275
30	347	Miscellaneous Equipment		10.00%						8,400	12,600
31	348	Other Tangible Plant		10.00%							
32	398	Other Tangible Plant		10.00%						16,700	25,050
33		Totals								\$ 754,229	\$ 364,854
34		Composite Rate with 1/2 yr convention								\$ 754,229	\$ 14,258,776
35		*Capacity Adjustment to Depreciation Expense -								259,669	1.83%
36		(Requires an Accounting Order)									
37		Customer connections									
38		Capacity (in customer connections)									
39		Capacity Factor									
40											
41											
42											
43											
44											
45											
46											
47											
48											

1,405
5,000
0.2810

Green Acres Water Company
Plant
Projected Years

Exhibit
Schedule 1a
Page 3
Witness: Kozoman

Line No.	Account	Description	CIAC Spread	Depreciation Rate	Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation*	Balance	Revised A/D Balance
					\$	\$	\$	\$	\$	\$	\$
1	301	Organization		0.00%						50,000	
2	302	Franchises		0.00%							
3	303			0.00%						2,120,000	
4	304	Structures and Improvements		3.33%	135,000		135,000	135,000	6,743	270,000	13,487
5	305	Collecting and Impounding Rese		2.50%							
6	306	Lake, River and Other Intakes		3.33%							
7	307	Wells and Springs		6.67%							
8	308	Infiltration Galleries and Tun		2.00%							
9	309	Supply Mains		5.00%							
10	310	Power Generation Equipment		12.50%	383,000		383,000	383,000	71,938	767,000	143,938
11	311	Pumping Equipment		3.33%	2,240,000		2,240,000	2,240,000	38,944	4,480,000	63,634
12	320.1	Water Treatment Equipment (a)		20.00%	67,000		67,000	67,000	6,996	134,000	11,432
13	320.2	Solution Chemical Feeds (a)		3.33%	4,160,000		4,160,000	4,160,000	72,325	8,320,000	118,178
14	320.3	Brine Disposal (a)		2.22%	500,000		500,000	500,000	16,650	1,000,000	33,300
15	330	Distribution Reservoirs and St		2.00%					52,388	2,619,401	130,970
16	331	Transmission and Distribution , Stub Outs for Services		2.00%					1,433	71,645	3,582
17	331	Transmission and Distribution (AIAC)		2.00%	365,582		365,582	365,582	13,867	876,162	22,607
18	333	Meters and Meter Installations		3.33%	362,415		362,415	362,415	22,877	868,215	32,732
19	334	Hydrants, 44 Hydrants		8.33%	111,995		111,995	111,995	17,539	266,545	28,557
20	335	Hydrants (CIAC)		2.00%					2,024	101,200	5,060
21	336	Backflow Prevention Devices		6.67%							
22	339	Other Plant and Miscellaneous		6.67%	250,000		250,000	250,000	6,443	96,600	16,108
23	340	Office Furniture and Equipment		6.67%					25,013	500,000	50,025
24	341	Transportation Equipment		20.00%					5,000	25,000	12,500
25	342	Stores Equipment		4.00%							
26	343	Tools, Shop and Garage Equipme		5.00%							
27	344	Laboratory Equipment		10.00%							
28	345	Power Operated Equipment		5.00%	17,000		17,000	17,000	1,275	34,000	2,550
29	346	Communication Equipment		10.00%	83,000		83,000	83,000	12,550	167,000	25,150
30	347	Miscellaneous Equipment		10.00%							
31	348	Other Tangible Plant		10.00%	167,000		167,000	167,000	25,050	334,000	50,100
32	398	Other Tangible Plant		10.00%							
33		Totals			\$ 8,841,992		\$ 8,841,992	\$ 8,841,992	\$ 399,056	\$ 23,100,768	\$ 763,910
34		Composite Rate with 1/2 yr convention									1.73%
35		*Capacity Adjustment to Depreciation Expense -									
36		(Requires an Accounting Order)									
37		Customer connections				2,411					
38		Capacity (in customer connections)				5,000					
39		Capacity Factor				0.4822					

Green Acres Water Company
Plant
Projected Years

Exhibit
Schedule 1a
Page 5
Witness:
Kozoman

Line No.	Account	Description	Spread	CIAC	Depreciation Rate	Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation*	Balance	Revised A/D Balance
1	301	Organization			0.00%						50,000	
2	302	Franchises			0.00%							
3	303				0.00%						2,120,000	
4	304	Structures and Improvements			3.33%	130,000		130,000	130,000	11,156	400,000	33,633
5	305	Collecting and Impounding Rese			2.50%							
6	306	Lake, River and Other Intakes			3.33%							
7	307	Wells and Springs			2.50%							
8	308	Infiltration Galleries and Tun			3.33%							
9	309	Supply Mains			6.67%							
10	310	Power Generation Equipment			2.00%							
11	311	Pumping Equipment			5.00%	383,000		383,000	383,000	119,813	1,150,000	359,625
12	320.1	Water Treatment Equipment (a)			12.50%	2,240,000		2,240,000	2,240,000	164,886	6,720,000	330,443
13	320.2	Solution Chemical Feeds (a)			3.33%	66,000		66,000	66,000	29,532	200,000	59,274
14	320.3	Brine Disposal (a)			20.00%	4,160,000		4,160,000	4,160,000	306,216	12,480,000	613,679
15	330	Distribution Reservoirs and St			3.33%	500,000		500,000	500,000	27,750	1,500,000	83,250
16	331	Transmission and Distribution			2.22%					52,388	2,619,401	235,746
17	331	Transmission and Distribution, Sub Outs for Services			2.00%					1,433	71,645	6,448
18	331	Transmission and Distribution (AIAC)			2.00%	365,219		365,219	365,219	28,480	1,606,600	72,262
19	333	Services			3.33%	361,800		361,800	361,800	46,983	1,591,815	114,651
20	334	Meters and Meter Installations			8.33%	110,550		110,550	110,550	36,016	487,645	91,381
21	335	Hydrants, 44 Hydrants			2.00%					2,024	101,200	9,108
22	335	Hydrants (CIAC)		0%	2.00%							
23	336	Backflow Prevention Devices			2.00%					6,443	96,600	28,994
24	339	Other Plant and Miscellaneous			6.67%					41,688	750,000	125,063
25	340	Office Furniture and Equipment			6.67%							
26	341	Transportation Equipment			20.00%						25,000	22,500
27	342	Stores Equipment			4.00%							
28	343	Tools, Shop and Garage Equipme			5.00%							
29	344	Laboratory Equipment			10.00%	16,000		16,000	16,000	800	16,000	800
30	345	Power Operated Equipment			5.00%					1,700	34,000	5,950
31	346	Communication Equipment			10.00%	83,000		83,000	83,000	20,850	250,000	62,700
32	347	Miscellaneous Equipment			10.00%							
33	348	Other Tangible Plant			10.00%	166,000		166,000	166,000	41,700	500,000	125,200
34	398	Other Tangible Plant			10.00%							
35		Totals				\$ 8,831,569	\$ 8,831,569	\$ 8,831,569	\$ 8,831,569	\$ 944,857	\$ 32,769,906	\$ 2,380,707
36		Composite Rate with 1/2 yr convention										2.89%
37		*Capacity Adjustment to Depreciation Expense -										
38		(Requires an Accounting Order)										
39		Customer connections										4,421
40		Capacity (in customer connections)										5,000
41		Capacity Factor										0.8842

4,421
5,000
0.8842

Green Acres Water Company
Plant Additions List by Year
Plant Addition Summary Page

Exhibit
Schedule 1.1
Summary Page
Witness: Kozoman
Revised

Line No.		Year 1	Year 2	Year 3	Year 4	Year 5	Totals
1	301 Organization	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
2	302 Franchises	-	-	-	-	-	-
3	303 Land and Land Rights	2,120,000	-	-	-	-	2,120,000
4	304 Structures and Improvements	135,000	-	135,000	-	130,000	400,000
5	305 Collecting and Impounding Rese	-	-	-	-	-	-
6	306 Lake, River and Other Intakes	-	-	-	-	-	-
7	307 Wells and Springs	-	-	-	-	-	-
8	308 Infiltration Galleries and Tun	-	-	-	-	-	-
9	309 Supply Mains	-	-	-	-	-	-
10	310 Power Generation Equipment	-	-	-	-	-	-
11	311 Pumping Equipment	384,000	-	383,000	-	383,000	1,150,000
12	320 Water Treatment Equipment	2,240,000	-	2,240,000	-	2,240,000	6,720,000
13	320.2 Solution Chemical Feeds	67,000	-	67,000	-	66,000	200,000
14	320.3 Brine Disposal	4,160,000	-	4,160,000	-	4,160,000	12,480,000
15	330 Distribution Reservoirs and St	500,000	-	500,000	-	500,000	1,500,000
16	331 Transmission and Distribution ,	2,619,401	-	-	-	-	2,619,401
17	331 Transmission and Distribution (AIAC)	71,645	-	-	-	-	71,645
18	333 Services	181,701	328,879	365,582	365,219	365,219	1,606,600
19	334 Meters and Meter Installations	180,000	325,800	362,415	361,800	361,800	1,591,815
20	335 Hydrants, 44 Hydrants	55,000	99,550	111,995	110,550	110,550	487,645
21	335 Hydrants (CIAC)	101,200	-	-	-	-	101,200
22	336 Backflow Prevention Devices	-	-	-	-	-	-
23	339 Other Plant and Miscellaneous	96,600	-	-	-	-	96,600
24	340 Office Furniture and Equipment	250,000	-	250,000	-	250,000	750,000
25	341 Transportation Equipment	-	-	-	-	-	-
26	342 Stores Equipment	25,000	-	-	-	-	25,000
27	343 Tools, Shop and Garage Equipme	-	-	-	-	-	-
28	344 Laboratory Equipment	-	-	-	-	-	-
29	345 Power Operated Equipment	-	-	-	-	16,000	16,000
30	346 Communication Equipment	17,000	-	17,000	-	-	34,000
31	347 Miscellaneous Equipment	84,000	-	83,000	-	83,000	250,000
32	348 Other Tangible Plant	-	-	-	-	-	-
33	398 Other Tangible Plant	167,000	-	167,000	-	166,000	500,000
34	Totals	\$ 13,504,547	\$ 754,229	\$ 8,841,992	\$ 837,569	\$ 8,831,569	\$ 32,769,906

Green Acres Water Company
 Projected Capital Financing
 Projected Years Ended

Exhibit
 Schedule 1b
 Page 1
 Witness:
 Revised

Kozoman

	0	1	2	3	4	Totals
Plant to be Constructed (From Schedule 1.1 or 1a)	\$ -	\$ 13,504,547	\$ 754,229	\$ 8,841,992	\$ 837,569	\$ 8,831,569
Financing: Transmission & Distribution Lines Advanced by Builders	\$ -	\$ 290,722	\$ 292,539	\$ 292,902	\$ 292,539	\$ 292,539
Plant Installed with Customer Meter Deposits		235,000	425,350	474,410	472,350	472,350
Contributions-in-aid of Construction		-	-	-	-	-
Common Equity Issued for Land						
Common Equity Issued for Plant Construction		12,978,825	36,340	3,700,000	72,680	5,500,000
Common Equity Issued For Working Capital and/or Land in year zero	2,270,000					2,270,000
Debt Financing Issued for Plant Construction						
Internal Cash Used for Plant Additions						
Total Financing	\$ 2,270,000	\$ 13,504,547	\$ 754,229	\$ 4,467,312	\$ 837,569	\$ 6,264,889
						\$ 28,098,545

Green Acres Water Company
Schedule of Developer Advances and Refunds
Projected Years

Exhibit
 Schedule 1c
 Page 1
 Witness: Kozoman
 Revised

Line No.	Year				
	0	1	2	3	5
5	Developer Advances Collected				
6					
7	\$ -	290,722	290,722	290,722	290,722
8			1,817	1,817	1,817
9			363		
10	\$ -	\$ 290,722	\$ 292,539	\$ 292,902	\$ 292,539
11					
12	\$ -	\$ 290,722	\$ 583,260	\$ 876,162	\$ 1,168,701
13					
14					
15	Developer Advances Refunded (a)				
16					
17			15,188	56,453	171,167
18					
19					
20					
21	\$ -	\$ -	\$ 15,188	\$ 56,453	\$ 171,167
22					
23	\$ -	\$ -	\$ 15,188	\$ 71,641	\$ 355,251
24					
25	\$ -	\$ 290,722	\$ 568,073	\$ 804,522	\$ 1,105,989
26					
27					
28					
29					
30					
31					

(a) Refund Rate per Year 5% of Revenue from Customers served by line extension, for 25 years, or until paid.

Green Acres Water Company
Schedule of Meter Deposits and Refunds
Projected Years

Exhibit
 Schedule 1d
 Page 1
 Witness: Kozoman
Revised

Line No.	Year	Year											
		0	1	2	3	4	5						
<u>Meter & Service Line Installations</u>													
6	Residential	\$	235,000	\$	423,000	\$	470,000	\$	470,000	\$	470,000		
7	Commercial		-		2,350		2,350		2,350		2,350		
8	School		-		-		2,060		-		-		
10	Total Collected	\$	235,000	\$	425,350	\$	474,410	\$	472,350	\$	472,350		
12	Cumulative Collected	\$	-	\$	235,000	\$	660,350	\$	1,134,760	\$	1,607,110	\$	2,079,460
<u>Meter & Service Line Installations Refunded (a)</u>													
15	Meter Deposits from Year 1				23,500		23,500		23,500		23,500		
16	Meter Deposits from Year 2						42,535		42,535		42,535		
17	Meter Deposits from Year 3								47,441		47,441		
18	Meter Deposits from Year 4										47,235		
19	Meter Deposits from Year 5												
20	Total Refunds	\$	-	\$	23,500	\$	66,035	\$	113,476	\$	160,711		
22	Cumulative Refunds	\$	-	\$	-	\$	23,500	\$	89,535	\$	203,011	\$	363,722
24	Cumulative Balance	\$	-	\$	235,000	\$	636,850	\$	1,045,225	\$	1,404,099	\$	1,715,738

(a) Refund Rate per Year 10% Without Interest

Line No. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

Green Acres Water Company
Projected Statements of Income
For the 12 Months Ended

Exhibit
 Schedule 2
 Page 1
 Witness: Kozoman
 Revised

Line No.	Description	Year				
		1	2	3	4	5
3	Total estimated Revenues	\$ 318,750	\$ 1,156,214	\$ 2,279,038	\$ 3,453,492	\$ 4,617,820
4	Expenses					
5	Pumping Power - All	49,140	187,562	377,948	578,162	776,382
6	Wages, Plus Inflation + \$25,000 per year	100,000	128,000	156,840	186,545	217,142
7	Payroll Burden at 33% of Wages	33,000	42,240	51,757	61,560	71,657
8	Permits (Not Capitalized to Plant)	5,000	5,000	5,000	5,000	5,000
9	Licenses (Not Capitalized to Plant)	2,000	2,060	2,122	2,185	2,251
10	Engineering (Not Capitalized to Plant)	2,000	2,060	2,122	2,185	2,251
11	Chemicals & Water Treatment at	3,000	6,000	9,000	12,000	15,000
12	Supplies	4,000	5,000	6,000	7,000	8,000
13	Repairs	2,000	6,000	9,000	12,000	15,000
14	Insurance (b)	4,000	4,120	4,244	4,371	4,502
15	Office Expense	1,000	3,000	5,000	7,000	9,000
16	Billing, Postage, Operations (a)(b) Done & Charged to Wastewater Utility	-	-	-	-	-
17	(Billing charged at Wastewater Utility)	-	-	-	-	-
18	Contract Labor	5,000	5,650	6,320	7,009	7,719
19	Administrative Services	40,000	41,200	42,436	43,709	45,020
20	Rentals	3,000	3,090	3,183	3,278	3,377
21	Depreciation net of Amortization of CIAC (From Schedules 1a to 1e)	105,185	259,669	399,056	671,940	944,857
22	Vehicles (b)	3,500	3,605	3,713	3,825	3,939
23	Legal & Accounting (b)	12,000	12,360	12,731	13,113	13,506
24	Miscellaneous Expenses (b) (e)	2,400	2,472	2,546	2,623	2,701
25	Testing (d)	2,500	7,025	12,055	17,080	22,105
26	Income Taxes	25	25	25	25	25
27	Property Taxes (f)	18,352	33,727	69,760	125,652	184,832
28						
29	Total Expense	\$ 397,102	\$ 759,865	\$ 1,180,856	\$ 1,766,261	\$ 2,354,267
30						
31	Operating income (loss)	\$ (78,352)	\$ 396,349	\$ 1,098,182	\$ 1,687,231	\$ 2,263,553
32	Less:					
33	Interest (Expense) Income on Cash Balance (c)					
34	Interest Expense Long-term Debt (c)	34,050	69,013	80,222	46,721	35,625
35	Net Income	\$ (44,302)	\$ 465,362	\$ 1,178,403	\$ 1,733,952	\$ 2,299,178
36	Organized as an LLC, Non-Taxable. \$25.00 is for information return fee. \$50.00 For Combined Utility.					
37	(a) Per customer per month					
38	(b) Annual Inflation of:					
39	(c) If Applicable, Interest Earned on Cash					
40	(d) Based on Testing Cost of \$5.00 Per Year Per Customer					
41	(e) Miscellaneous Expenses of \$200 per month					
42	(f) See Property Tax Calculation					

**Green Acres Water Company
Schedule of Projected Revenues
For the Years Ended**

Exhibit
Schedule 2a

Page 1

Witness: Kozoman

Revised

Line No.	Year				
	1	2	3	4	5
3	<u>Residential</u>				
4	\$ 303,750	\$ 1,124,250	\$ 2,224,500	\$ 3,379,500	\$ 4,534,500
5	15,000	27,000	30,000	30,000	30,000
6	318,750	1,151,250	2,254,500	3,409,500	4,564,500
7	<u>Total Residential Revenues</u>				
8	<u>Commercial</u>				
9	-	4,814	14,142	23,470	32,798
10	-	150	150	150	150
11	-	4,964	14,292	23,620	32,948
12	<u>Total Commercial Revenues</u>				
13	<u>Effluent Revenues, if Applicable</u>				
14	-	-	-	-	-
15	<u>Other Revenues / School</u>				
16	-	-	10,216	20,372	20,372
17	<u>Establishment Fees *</u>				
18	-	-	10,246	20,372	20,372
19	<u>Total School Revenues</u>				
20	\$ 318,750	\$ 1,156,214	\$ 2,279,038	\$ 3,453,492	\$ 4,617,820
21	<u>Total</u>				

* Collected at either Water or Wastewater Utility, but not both.

Green Acres Water Company
Customer Counts
For Projected Years Ended

Exhibit
Schedule 2a
Page 2
Witness:
Revised

Kozoman

Line No.	Year Ended	Actual Cumulative Customers				
		1	2	3	4	5
1	Residential					
2	5/8 Inch	500	1,400	2,400	3,400	4,400
3	Commercial					
4	5/8 Inch	-	5	10	15	20
5	1 Inch	-	-	-	-	-
6	2 Inch	-	-	-	-	-
7	Irrigation					
8	School 2 Inch	-	-	1	1	1
9						
10						
11						
12						
13						
14						
15						
16						
17	Total	500	1,405	2,411	3,416	4,421
18						
19						
20						
21	Year Ended					
22	Residential	1	2	3	4	5
23	5/8 Inch	250	950	1,900	2,900	3,900
24	Commercial					
25	5/8 Inch	-	3	8	13	18
26	1 Inch	-	-	-	-	-
27	2 Inch	-	-	-	-	-
28	Irrigation					
29	School 2 Inch	-	-	0.50	1	1
30						
31						
32						
33						
34						
35						
36	Total	250.00	952.50	1,908.00	2,913.50	3,918.50

Green Acres Water Company
Gallons Sold (1,000's)
For Projected Years Ended

Exhibit
 Schedule 2a
 Page 3
 Witness: Kozoman
 Revised

Line No.	Year Ended	Year				
		1	2	3	4	5
1	Residential	27,000	102,600	205,200	313,200	421,200
2	5/8 Inch	-	456	1,369	2,281	3,194
3	1 Inch	-	-	-	-	-
4	2 Inch	-	-	-	-	-
5	Commercial	-	-	-	-	-
6	5/8 Inch	-	456	1,369	2,281	3,194
7	1 Inch	-	-	-	-	-
8	2 Inch	-	-	-	-	-
9	Irrigation	-	-	-	-	-
10	School 2 Inch	-	-	1,095	2,190	2,190
11						
12						
13						
14						
15						
16						
17	Total	27,000	103,056	207,664	317,671	426,584
18						
19	Commercial & School	-	456	2,464	4,471	5,384
20						
21						
22	Total Water Pumped	27,000	103,056	207,664	317,671	426,584

**Green Acres Water Company
Schedule of Projected Revenues
For the Years Ended**

Exhibit
Schedule 2a
Page 4
Witness: Kozoman
Revised

Line No.	Description	Year				
		1	2	3	4	5
1	<u>Projected Customers / Residential 5/8 Inch Meter</u>					
2						
3						
4						
5						
6	Estimated connections installed by year end	500	900	1,000	1,000	1,000
7	(Cumulative)	500	1,400	2,400	3,400	4,400
8	Estimated connection installed during the year	500	900	1,000	1,000	1,000
9						
10	1/2 Year Convention for Revenue	250.00	950.00	1,900.00	2,900.00	3,900.00
11						
12	<u>Projected Revenue</u>					
13						
14	Annual gallonage delivered (in 1,000's)*	27,000	102,600	205,200	313,200	421,200
15	Assuming average usage per month of:					
16	Daily Gallons	73,973	281,096	562,192	858,082	1,153,973
17	<u>Residential:</u>					
18	Monthly Minimums \$ 38.00 Minimum Charge	\$ 114,000	\$ 433,200	\$ 866,400	\$ 1,322,400	\$ 1,778,400
19						
20	For Usage Up to: (Gallons)					
21	7,000 \$ 6.25 Commodity Rate & Revenue Tier 1	131,250	498,750	997,500	1,522,500	2,047,500
22	14,000 \$ 7.25 Commodity Rate & Revenue Tier 2	43,500	165,300	330,600	504,600	678,600
23	Usage over:					
24	14,001 \$ 8.25 Commodity Rate & Revenue Tier 3					
25						
26						
27	Average Bill for Residential Customer:					
28	\$ 96.25					
29						
30						
31						
32						
33	Establishment Fees at	\$ 15,000	\$ 27,000	\$ 30,000	\$ 30,000	\$ 30,000
34	Total Revenue	\$ 303,750	\$ 1,124,250	\$ 2,224,500	\$ 3,379,500	\$ 4,534,500
35						
36						
37	295.89 = Gallons per day					
38	30.42 = Days in Average Month					
39	9,000 = Average Usage per month					
40	** Collected at either Water or Wastewater Utility, but not both.					
41						
42						

Green Acres Water Company
 Schedule of Projected Revenues
 For the Years Ended

Exhibit
 Schedule 2a
 Page 5
 Witness: Kozoman
 Revised

Line No.	Description	Year				
		1	2	3	4	5
1	<u>Projected Customers / School 2 Inch Meter:</u>					
2						
3						
4						
5						
6	Estimated connections installed by year end (Cumulative)			1	1	1
7				1	1	1
8	Estimated connection installed during the year					
9						
10	1/2 Year Convention for Revenue	-	-	0.50	1.00	1.00
11						
12	<u>Projected Revenue</u>					
13						
14						
15	Annual gallonage delivered (in 1,000's)*	-	-	1,095	2,190	2,190
16	Assuming average usage per month of:					
17	Daily Gallons	-	-	-	-	-
18	<u>School:</u>					
19	Monthly Mins. 2 Inch Meter	\$ -	\$ -	\$ 1,824	\$ 3,648	\$ 3,648
20	For Usage Up to: (Gallons)					
21						
22	Usage over:					
23	112,000 \$ 7.25 Commodity Rate & Revenue Tier 1			4,872	9,744	9,744
24	112,001 \$ 8.25 Commodity Rate & Revenue Tier 2			3,490	6,980	6,980
25						
26	Establishment Fees at =	\$ -	\$ -	\$ 30	\$ -	\$ -
27	Total Revenue =	\$ -	\$ -	\$ 10,216	\$ 20,372	\$ 20,372
28						
29	Gallons per day					
30	Days in Average Month					
31	Average Usage per month					
32						
33						

Assumed that water usage was based on number of students (750) times usage of 20 gallons per student, per day, times average number of days in a month. Assumed 365 day usage. Further assumed that other water usage (landscape, etc.) would account for days when there was no school (such as weekends & holidays)

** Collected at either Water or Wastewater Utility, but not both.

**Green Acres Water Company
Schedule of Projected Revenues
For the Years Ended**

Exhibit
Schedule 2a
Page 6
Witness: Kozoman
Revised

Line No.	Description	Year				
		1	2	3	4	5
2	<u>Projected Customers / Commercial 5/8 Inch Meter</u>					
6	Estimated connections installed by year end (Cumulative)	0	5	5	5	5
8	Estimated connection installed during the year	0	5	10	15	20
10	1/2 Year Convention for Revenue	-	2.50	7.50	12.50	17.50
12	<u>Projected Revenue</u>					
14	Annual gallonage delivered (in 1,000's)*	-	456	1,369	2,281	3,194
15	Assuming average usage per month of:					
16	Daily Gallons	-	1,250	3,750	6,250	8,750
17	<u>Commercial</u>					
18	Monthly Mins. 5/8 Inch Meter	\$	1,140	3,420	5,700	7,980
19	For Usage Up to: (Gallons)					
20	8,000	\$	1,740	5,220	8,700	12,180
21	Usage Over					
22	8,001	\$	1,784	5,352	8,920	12,488
27	Establishment Fees at	\$	-	150	150	150
28	Total Revenue	\$	4,814	14,142	23,470	32,798
30	500 = Gallons per day					
31	30.42 = Days in Average Month					
32	15,208 = Average Usage per month					
33						182,500
34	** Collected at either Water or Wastewater Utility, but not both.					

Green Acres Water Company
Schedule for the Computation of Projected
Property Taxes for the Years Ended

Exhibit
 Schedule 2b
 Page 1
 Witness: Kozoman
 Revised

Line No.	Year				
	1	2	3	4	5
3	\$ 318,750	\$ 318,750	\$ 318,750	\$ 1,156,214	\$ 2,279,038
4	318,750	318,750	1,156,214	2,279,038	3,453,492
5	318,750	1,156,214	2,279,038	3,453,492	4,617,820
7	\$ 637,500	\$ 1,195,809	\$ 2,502,668	\$ 4,592,496	\$ 6,900,233
8					
9	0	0	0	0	0
10					
11	22,500	17,500	12,500	7,500	2,500
13	\$ 615,000	\$ 1,178,309	\$ 2,490,168	\$ 4,584,996	\$ 6,897,733
16	24.50%	23.50%	23.00%	22.50%	22.00%
18	\$ 150,675	\$ 276,903	\$ 572,739	\$ 1,031,624	\$ 1,517,501
20	12.18%	12.18%	12.18%	12.18%	12.18%
22	\$ 18,352	\$ 33,727	\$ 69,760	\$ 125,652	\$ 184,832

Green Acres Water Company
 Projected Cash Flows
 For the Years Ended

Exhibit
 Schedule 3
 Page 1

Witness: Kozoman

Line No.	Year					
	0	1	2	3	4	5
Cash from Operations						
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
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43						

**Green Acres Water Company
REPRESENTATIVE RATE SCHEDULE**

Exhibit
Schedule 4
Page 1
Witness: Kozoman
Revised

**LINE
NO.**

PROPOSED RATES
MONTHLY
CHARGE

1	<u>METER SIZE</u>		
2			
3	MONTHLY MINIMUMS:		
4	5/8 x 3/4 And	\$	38.00
5	3/4	\$	38.00
6	1	\$	95.00
7	1 1/2	\$	190.00
8	2	\$	304.00
9	3	\$	608.00
10	4	\$	950.00
11	6	\$	1,900.00
12	8	\$	3,040.00
13	10	\$	4,370.00
14	12	\$	8,170.00

15

16 **COMMODITY RATES / RESIDENTIAL METERS**

17	Usage	Usage	5/8 & 3/4 Inch Meters	
18	<u>From</u>	<u>To</u>		Charge Per 1,000
19	-	7,000	\$	6.25 Tier 1
20	7,001	14,000	\$	7.25 Tier 2
21	14,001	Infinity	\$	8.25 Tier 3

22

22 **COMMODITY RATES / ALL OTHER METERS**

23

24	Usage	Usage	5/8 Inch Meters	
25	<u>From</u>	<u>To</u>		
26	1	8,000	\$	7.25 Tier 2
27	8,001	Infinity	\$	8.25 Tier 3
28			3/4 Inch Meters	
29	1	8,000		
30	8,001	Infinity		
31			1 Inch Meters	
32	1	35,000	\$	7.25 Tier 2
33	35,001	Infinity	\$	8.25 Tier 3
34			1 1/2 Inch Meters	
35	1	70,000	\$	7.25 Tier 2
36	70,001	Infinity	\$	8.25 Tier 3
37				
38			2 Inch Meters	
39	1	112,000	\$	7.25 Tier 2
40	112,001	Infinity	\$	8.25 Tier 3
41			3 Inch Meters	
42	1	224,000	\$	7.25 Tier 2
43	224,001	Infinity	\$	8.25 Tier 3
44			4 Inch Meters	
45	1	350,000	\$	7.25 Tier 2
46	350,001	Infinity	\$	8.25 Tier 3

47

48

49

**Green Acres Water Company
REPRESENTATIVE RATE SCHEDULE**

Exhibit
Schedule 4
Page 2
Witness: Kozoman

LINE NO.	<u>Usage From</u>	<u>Usage To</u>	<u>PROPOSED RATES</u>	
1				
2				
3				
4	1	700,000	6 Inch Meters	Charge Per 1,000
5	700,001	Infinity	\$	7.25 Tier 2
6			\$	8.25 Tier 3
7				
8	1	1,120,000	8 Inch Meters	
9	1,120,001	Infinity	\$	7.25 Tier 2
10			\$	8.25 Tier 3
11				
12	1	1,610,000	10 Inch Meters	
13	1,610,001	Infinity	\$	7.25 Tier 2
14			\$	8.25 Tier 3
15				
16	1	3,010,000	12 Inch Meters	
17	3,010,001	Infinity	\$	7.25 Tier 2
			\$	8.25 Tier 3

**Green Acres Water Company
REPRESENTATIVE RATE SCHEDULES
STATEMENT OF CHARGES**

Exhibit
Schedule 5
Page 1
Witness: Kozoman
Revised

LINE NO.		<u>Proposed</u>		
1	A. Establishment of Service	\$ 30.00		
2	Establishment of Service, after hours	\$ 50.00		
3				
4	B. Re-establishment of Service	see (a)		
5	C. Reconnection of service	\$ 50.00		
6	D. After hours service charge, per hour	\$ 50.00		
7	E. Minimum Deposit		Two Times Monthly Bill	
8	F. Charge for NSF Check	\$ 35.00		
9	G. Late payment charge for delinquent bills			
10	H. Deferred Payment Finance Charge	1.50%		
11	I. Main Extension and additional facilities agreements,	@ COST (b)		
12	J. All Revenue related taxes will be charged customers.			
13	K. Meter Test (If Meter is reading correctly)	\$ 30.00		
14	L. Meter Re-Read	\$ 30.00		
15	M. Deferred Payment	1.50% Per Month		
16	N. Late Payment	1.50% Per Month		
17	Meter and Service Line Installation			
18			<u>Meter</u>	<u>Service Line</u>
19	5/8 x 3/4 inch	\$ 110.00	\$ 360.00	\$ 470.00
20	3/4 inch	\$ 380.00	\$ 370.00	\$ 750.00
21	1 inch	\$ 230.00	\$ 420.00	\$ 650.00
22	1 1/2 inch	\$ 440.00	\$ 455.00	\$ 895.00
23	2 Inch - Turbo	\$ 940.00	\$ 615.00	\$ 1,555.00
24	2 inch - Compound	\$ 1,445.00	\$ 615.00	\$ 2,060.00
25	3 inch - Turbo	\$ 1,445.00	\$ 790.00	\$ 2,235.00
26	3 inch - Compound	\$ 2,240.00	\$ 830.00	\$ 3,070.00
27	4 Inch - Turbo	\$ 2,300.00	\$ 1,140.00	\$ 3,440.00
28	4 inch - Compound	\$ 3,195.00	\$ 1,200.00	\$ 4,395.00
29	6 Inch - Turbo	\$ 4,495.00	\$ 1,700.00	\$ 6,195.00
30	6 inch - Compound	\$ 6,230.00	\$ 1,740.00	\$ 7,970.00
31	Larger Meters	Cost	Cost	Cost
32	RULES AND REGULATIONS			
33	* The Company has adopted the Rules and Regulation established by the Commission			
34	as the basis for its operating procedures. Arizona Corporation Commission Rules			
35	will be controlling of Company procedures, unless specific Commission Orders			
36	provide otherwise.			
37	(a) Monthly minimum times months off the system			
38	(b) Cost to include parts, labor, overhead, and all applicable taxes, including			
39	income tax., if applicable			
40				
41				
42				

JAN 16 2006



Janet Napolitano
Governor

Mark Winkleman
State Land
Commissioner

Arizona
State Land Department

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

January 12, 2006

Mr. Steve Robson
Scott Communities, Attn: Jacob Hansen
2151 E. Broadway, #210
Tempe, AZ 85282

Re: Green Acres Entitlements Process on State Trust Lands

Dear Mr. Robson:

Thank you for your interest in the State Trust land parcel that lies within and adjacent to the Green Acres planning area. Please allow this letter to serve as your authority to incorporate approximately 100 acres of Trust land within Maricopa County's entitlement process of Green Acres DMP located in Sections 32 and 33, Township 2 South, Range 4 West, and as detailed in the attached legal description. The Department reserves the right to withdraw this authorization at any time.

It is understood and agreed that the obligation of Scott Communities, hereinafter "Scott", is to obtain entitlements on the trust land parcels included in the Green Acres planning area and is expressly contingent upon the achievement or satisfaction of all of the following conditions:

1. Scott shall pay all costs associated with the entitlement process, and will not be reimbursed by the Arizona State Land Department, hereinafter the "Department".
2. Scott shall be permitted to procure all entitlements, permits and approvals which may be required subject to final review and approval by the Department. Such approvals shall include, by way of description but not by way of authorities: approvals of local, county and state authorities with respect to the availability of potable water and sewage capacity; approvals from all applicable governmental authorities concerning storm drainage; approvals from the applicable governmental authorities respecting roadways and curb cuts, if necessary; and approvals from the US Army Corps of Engineers on 401/404 permits.
3. Scott shall diligently pursue the satisfaction of all entitlements. Scott shall respond to all reasonable inquiries by the Department as to the status of entitlements and contingencies.
4. Prior to beginning the entitlement process, the Department shall receive a time line for the entitlement process identifying key meeting dates with staff and project hearing dates with the Planning and Zoning Commission, Board of Supervisors and any other agency with jurisdiction.
5. A pre-filing meeting shall be scheduled with the Director of Real Estate Division and other Department representatives to discuss the entitlement process.

Mr. Steve Robson

Page 2

6. All documentation including but not limited to land use plans, engineering drawings, application materials and development agreements shall be reviewed by the Department within 10 working days from the date the documentation is received by the Department. In the event modifications are required, the Department shall review and comment on the revised documentation within five business days following the receipt of such documentation by the Department.
7. The Department staff shall be invited to attend all meetings with the various agencies and local jurisdiction as approvals are processed through the relevant hearings. A minimum of five business working days notice will be provided to Department staff in advance of the meetings.
8. Scott shall submit to the Department all staff reports and draft stipulations that will be considered by the Planning Commission and Board of Supervisors at least five days before each public hearing.

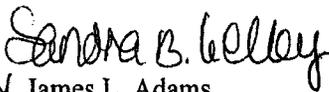
In order to ensure that the resulting entitlement process: (i) will not negatively influence the ability of the parcels to function as independent development units; and (ii) will serve the best interests of the Trust, the Department offers the following guidelines for planning purposes on Trust Land;

- a) Trust Land shall not suffer a loss in market value as a result of the entitlement process;
- b) Land planning on Trust Land shall emphasize the concept of independent economic units of land within the overall master plan;
- c) Land planning shall not encumber Trust Land with excessive infrastructure ie: sewer or water treatment plants, recreational land uses or open space.
- d) Land planning on the Trust Land shall not include portions of a golf course which extend and are dependent on non-state land.

In addition, you are also authorized to include these parcels in the franchise areas of the Green Acres Water LLC for water service and Green Acres Sewer LLC for wastewater service.

The Department appreciates your consideration of this matter and looks forward to working with you through this entitlement process. Please contact Greg Keller, Project Manager, (602) 542-2646 or gkeller@land.az.gov if you have any additional questions or concerns.

Sincerely,

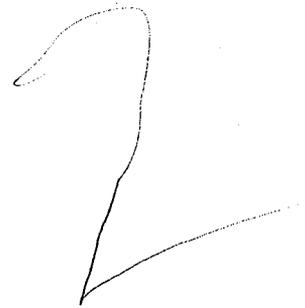


jal James L. Adams
Real Estate Division Director

Mr. Steve Robson

Page 3

c: Sandy Kelley, Sales and Commercial Leasing Manager
Linda Beals, Right-of-Way Section Manager
Ott Chatupron, Engineering Section Manager
Gordon Taylor, Planning Section Manager
Greg Keller, Project Manager



LEGAL DESCRIPTION

Green Acres DMP State Trust Lands

PARCEL 1

Section 32, T2S, R4W	NWNE	40 acres
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PARCEL 2

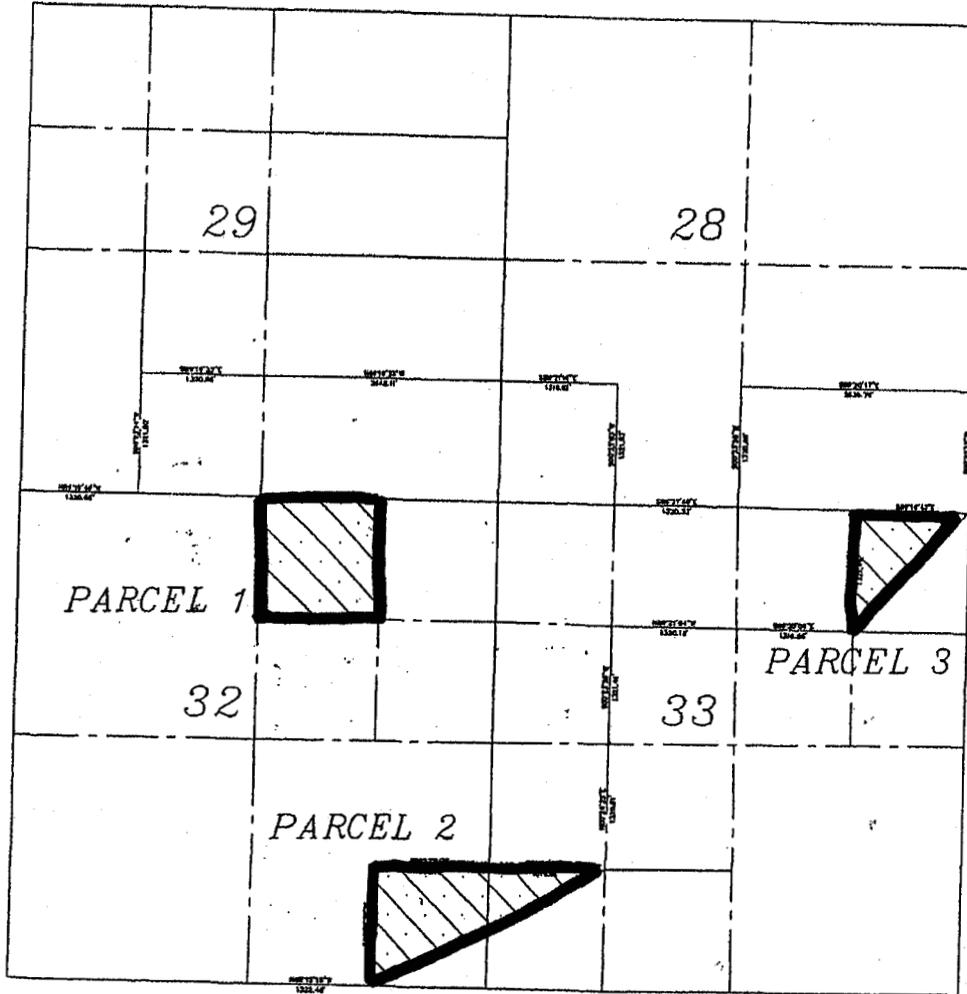
Section 32, T2S, R4W	N2SESE; NW2S2SESE	30 acres
Section 33, T2S, R4W	NW2N2SWSW	10 acres

PARCEL 3

Section 33, T2S, R4W	NW2NESE	20 acres
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TOTAL	100 acres
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RECEIVED DEC 19 2005



M. G. Lovlein



SCALE: NOT TO SCALE

GREEN ACRES ADDITIONAL PROPERTY PURCHASE DETAIL TO ACCOMPANY LEGAL DESCRIPTION FOR PURCHASE	JOB NO: 195047	Carter-Burgess 101 NORTH FIRST AVE. PHOENIX, AZ 85003 (602) 253-1200
	DATE: 10-10-05	
	DRAWN BY: M.G.L.	
	CHECKED BY: M.G.L.	

EXHIBIT A

GREEN ACRES WATER

CONCEPTUAL WATER SYSTEM STUDY

Prepared For:

Green Acres Water, L.L.C.
2151 East Broadway Road, Suite 210
Tempe, AZ 85282



Prepared By:

Carter::Burgess
101 N. 1st Avenue, Suite 3100
Phoenix, AZ 85003
(602) 253-1200

Project Number: 195047.011

February 6, 2006

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EXHIBIT 1..... Vicinity Map

EXHIBIT 2..... Franchise Area

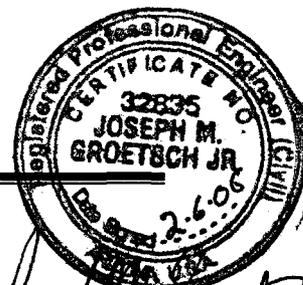
EXHIBIT 3..... Estimated 5-year Water Build Out

EXHIBIT 4..... 5-Year Water Purification Facility

EXHIBIT 5..... Build-Out Water Purification Facility

Carter & Burgess, Inc.

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Joseph M. Groetsch Jr.

1.0 INTRODUCTION

1.1. General Background

The Green Acres Water Utility Franchise Area (GAWUFA) is located on approximately 5,000 acres in unincorporated Maricopa County. It is located between the Town of Buckeye and the Town of Gila Bend, along Highway 85. It is bounded by Highway 85 on the East, the Gila River on the west, and Patterson Road on the south, and the Buckeye Hills on the north. The land is mostly being used for agricultural, however part of the proposed franchise area is undisturbed desert. Refer to **Exhibit 1 - Vicinity Map**, for the project location.

1.2. Scope of the Study

The purpose of this study is to develop a general water infrastructure concept for the GAWUFA. This study is not intended to be a detailed design report; rather, it is a general discussion of the improvements that will be required to provide service to the franchise area. The proposed infrastructure has been conceptually designed in accordance with Maricopa County Environmental Services Department (MCESD) and Arizona Administrative Code (ACC).

The study was conducted for the proposed water infrastructure system at the anticipated 5 year build out and at full build-out. While it is expected that the actual construction of the system will be phased, the water demands and conceptual design have been estimated for development of the system at the 5 year build out and at full build-out.

1.3. Topographic Conditions

The area encompassed by the GAWUFA generally slopes from northeast to southwest. Elevations range from approximately 900 feet at the

northeast corner to approximately 720 feet at the southwest corner. Slopes range from 1.5 percent in the areas at the base of the Buckeye Hills to 0.5 percent in the areas toward the southwest corner of the site. The Rainbow Wash crosses the proposed franchise area diagonally from northeast to southwest. The peak discharge in the wash is 11,568 cubic feet per second. (cfs) The elevation change over the franchise area will necessitate two pressure zones to maintain pressures in an acceptable range.

1.4. Existing Water Infrastructure

Currently there is no existing water infrastructure located in the Utility Franchise Area.

2.0 WATER DEMANDS

At the 5-year build-out we are estimating that the GAWUFA will serve approximately 5,000 single-family residential units. **Exhibit 2** – Franchise Area shows the anticipated location of development for the first 5 years.

2.1. Residential Development

At full built out based on an estimated density of 3.25 DU/ac it is anticipated that 15,456 residential units will be constructed. Residential demand criteria are in conformance with Arizona Department of Water Resources (ADWR) design requirements. The demand calculations are as follows:

$$\text{Average Day Demand (gpd)} = \left(\frac{\text{Average Population}}{\text{Unit}} \right) \times (\text{Average Water Demand per Unit})$$

$$\text{Maximum Day Demand (gpd)} = (\text{Average Day Demand}) \times (\text{Maximum Day Demand Peaking Factor})$$

$$\text{Peak Hour Demand (gpm)} = (\text{Average Day Demand}) \times (\text{Peak Hour Demand Peaking Factor}) / 1440$$

Table A, below, provides a summary of residential demand calculations utilized.

Table A – Residential Demand Criteria

Average Residential Demand (gpcd)	150
Average Population per Unit	3.25
Average Day Demand per Unit (gpd)	480
Maximum Day Demand Peaking Factor	2.0
Maximum Day Demand per Unit (gpd)	960
Peak Hour Demand Peaking Factor	3.0
Peak Hour Demand per Unit (gpd)	1,440
Residential Fire Flow (gpm)	1,500
Commercial Fire Flow (gpm)	3,000

3.0 SUPPLY, TREATMENT, STORAGE AND BOOSTER SYSTEMS

It is proposed that the GAWUFA will be supplied by groundwater wells. It is anticipated that each well will produce approximately 1,500 gpm. A series of wells will need to be able to provide the Maximum Day Demand at 18 hours per day with one well not in service (At a minimum 2 wells will be needed to start service within the GAWUFA).

3.1. Production Wells

The wells will discharge directly to the Water Production Facility (WPF). Discharge from the wells will be conveyed to the WPF by means of a

transmission (fill) system independent of the water distribution system. A hydrogeologic study will be completed to determine water quantity and quality parameters. The required number of wells and well locations will be based upon the results of the study.

3.2. Treatment System

It is understood that some form of water treatment may be required in order to meet water quality standards. The extent of treatment necessary will be determined by analysis of the water produced by the wells as they are developed. The conceptual treatment option is a reverse osmosis (RO) system; the byproduct of which is brine. This brine will need to be disposed of in an acceptable manner. Any required treatment would be performed at the Water Production Facility (WPF); no well-head treatment is proposed.

3.3. Storage System

The sizing of the storage volume will be based upon meeting the greater of the following:

- Emergency reserve equal to the Average Day Demand
- Equalizing storage equal to 30% of Maximum Day Demand with Fire Flow Demand

The storage projected need for the 5 year build out is 2.4 MG. This will be satisfied by one (1), 2.5 MG above ground reservoir. The storage projection for full build out is estimated at approximately 7.5 MG. Reservoirs will be located at the water treatment facility (WTF). **Table B** presents the information used to calculate the required storage.

Table B – Required Storage

Build-Out Condition	Number of Units	Demand (gal/unit)	Total Avg. Daily Demand (gpd)	Max Daily (gpd)	Commercial Fire Flow (Gallons)	Fire Flow and 30% Nominal Day (gpd)	Required Storage Volume (gal.)
5-Year	5,000	480	2,400,000	4,800,000	3,000 for 3 Hours 540,000	1,980,000	2,400,000
Full Build Out	15,456	480	7,500,000	14,900,000	3,000 for 3 Hours 540,000	4,991,328	7,500,000

3.4. Booster Pumps and Hydropneumatic Tank

The sizing of the pumps will be based upon meeting the greater of the following:

- Peak Hour Demand
- Maximum Day Demand with Fire Flow.

Table C. – Required Pump Capacity

Build-Out Condition	Number of Units	Demand (gpd/unit)	Total Average Daily Demand (gpm)	Maximum Day Demand (gpm)	Peak Hour Demand (gpm)	Commercial Fire Flow (gpm)	Maximum Day plus Fire Flow (gpm)	Required Pumping Capacity (gpm)
5-Year	5,000	480	1,667	3,333	5,000	3000	6,333	6,333
Full Build Out	15,456	480	5,152	10,304	15,456	3000	13,304	15,456

As shown in **Table C** the controlling demand for the 5 year Build out is the Maximum Day plus fire flow. The Peak Hour Demand is controlling demand for full build-out. The estimated total required pump

capacity for the franchise area at the 5-year Build-out is 6,333 gpm. The estimated total required pump capacity for the franchise area Build-out is 15,456 gpm. As there will be two pressure zones the required pumping capacity for each pressure zone will be calculated separately.

There will be two banks of pumps; one bank for each zone. These two pump series will be supplied from the same storage reservoir and will be linked after pressurization by a pressure reducing valve (PRV). Any fire flow demands in the system will be met by the higher pressure bank of pumps. Pump selection will allow demands to be met at all flow ranges with one pump out of service. The pump control system will allow sequential operation permitting uniform pump wear.

3.5. Pressure Zones

In the GAWUFA there will be two zones. Zone 2 will be located in the northeast half of the franchise area above an elevation of approximately 820-feet. Water will be supplied to this zone by pumps drawing from a storage reservoir located at the water treatment facility. Zone 1 will encompass the portion of the proposed franchise area below an elevation of 820-feet. Water will be supplied to Zone 1 by a separate set of booster pumps, which will also be located at the Water Treatment Facility.

4.0 PHASING

The WPF will be built in three (3) phases. The first phase will have the capacity to the first two years of development, projected to be 1,400 homes. The second phase will be brought on-line at the end of the second year and will have the capacity to support 3,200 homes; the projected 3.5 years of build out. The third phase will be brought on-line mid year of the fourth year and will have the capacity to support 5,000 homes; the projected 5 years of build out. Beyond the 5-year capacity improvements will be made to the Water Treatment Facility as needed. Sufficient

treatment capacity will be constructed and on-line prior to certificates of occupancy being granted for residences or commercial properties.

5.0 DISTRIBUTION SYSTEM

5.1 Proposed Distribution System

The GAWUFA will be served by a potable water distribution system, which will be totally separate from the raw water transmission system bringing water from the well sites to the Water Treatment Facility. PVC pipe, or ductile iron pipe may be used for pipe diameter smaller than 16-inches in diameter. Ductile iron pipe or concrete cylinder pipe will be used for all pipes 16-inches in diameter or larger. The proposed water company will construct the backbone water lines shown on **Exhibit 3**. For the purposes of this submittal the size of the proposed backbone lines has been estimated and shown on **Exhibit 3**. Prior to any construction a Master Plan containing a hydraulic model of the proposed distribution system will be submitted to the Maricopa County Environmental Services Department for approval. Each developer will be responsible for connect to these main lines and installing local distribution lines to service the homes in their respective developments. Certificates of Occupancy will not be granted until adequate treatment plant capacity has been constructed and is on line.

6.0 CONCLUSIONS

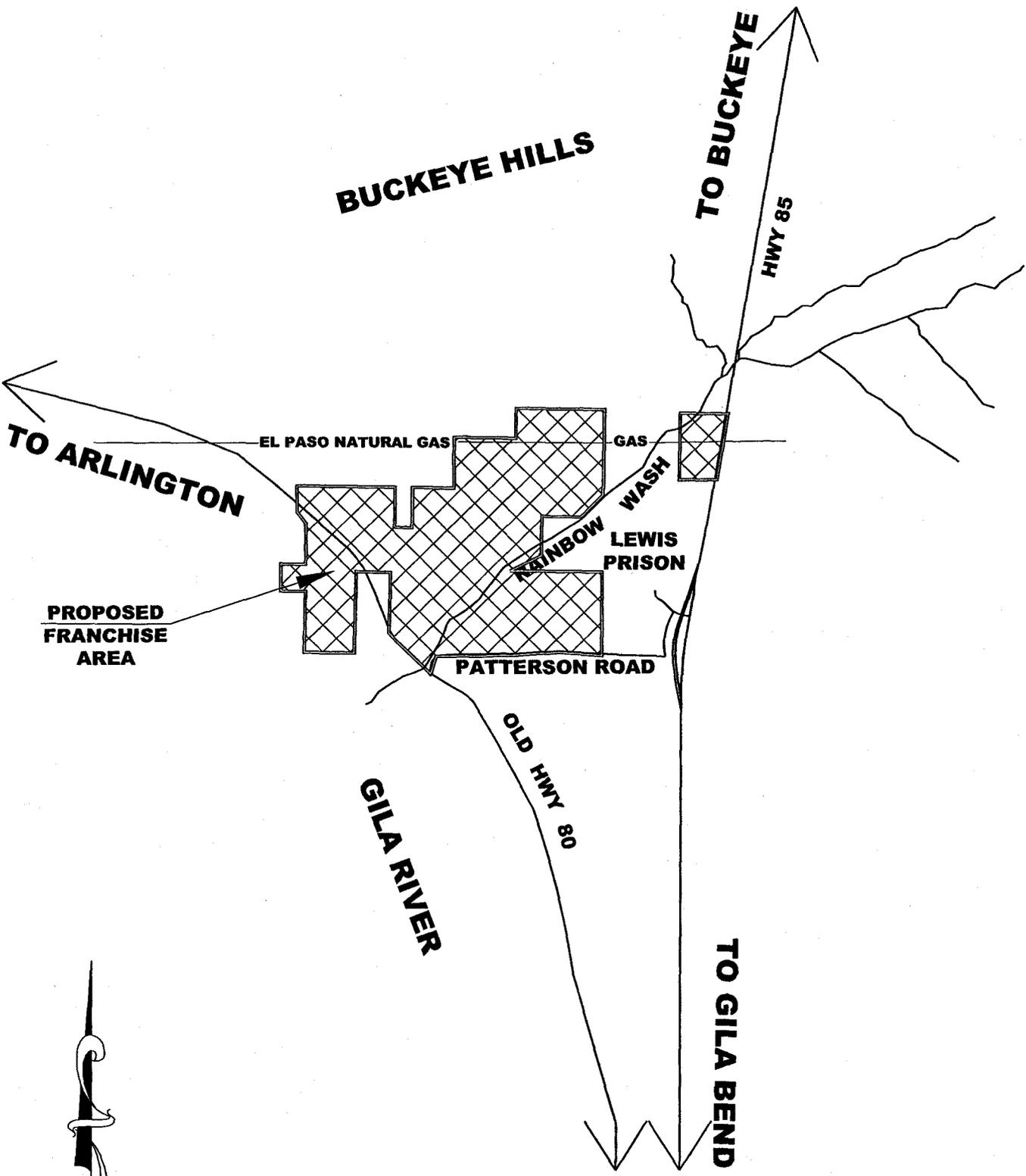
- A detailed Design Report will be required for the proposed WPF (including treatment, storage and booster systems) and for proposed well sites. The Report will address the phasing of the WPF. The Design Report will be submitted to MCESD for review and approval.
- Construction Plans will be prepared for proposed water infrastructure system components including distribution and transmission mains. The Construction Plans will be submitted to MCESD for review and approval.
- Detailed Subdivision Design Reports will be prepared for each residential development or for groups of concurrently developed parcels within the franchise area. The Reports will provide modeling of the water distribution system within each developed parcel and will be submitted to MCESD for review and approval.
- Subdivision water system Construction Plans will be prepared for each residential parcel or for groups of concurrently developed parcels and will be submitted to MCESD for review and approval.
- A hydrogeologic study will be completed to determine water quantity and quality parameters. The required number of wells and well locations will be based upon the results of the study.
- Prior to any construction a Master Plan containing a hydraulic model of the proposed distribution system will be submitted to the Maricopa County Environmental Services Department for approval.
- Certificates of Occupancy will not be granted until adequate treatment plant capacity has been constructed and is on line.
- Two pressure zones will be needed for the GAWUFA. The pressure zone boundary is currently anticipated to be located at an elevation of approximately 820-feet.

EXHIBITS

EXHIBIT 1

VICINITY MAP

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**PROPOSED
FRANCHISE
AREA**

BUCKEYE HILLS

TO BUCKEYE

HWY 85

TO ARLINGTON

EL PASO NATURAL GAS

LEWIS PRISON

RAINBOW WASH

PATTERSON ROAD

GILA RIVER

OLD HWY 80

TO GILA BEND

**EXHIBIT 1
VICINITY MAP**

**JOB NUMBER
195047.011**

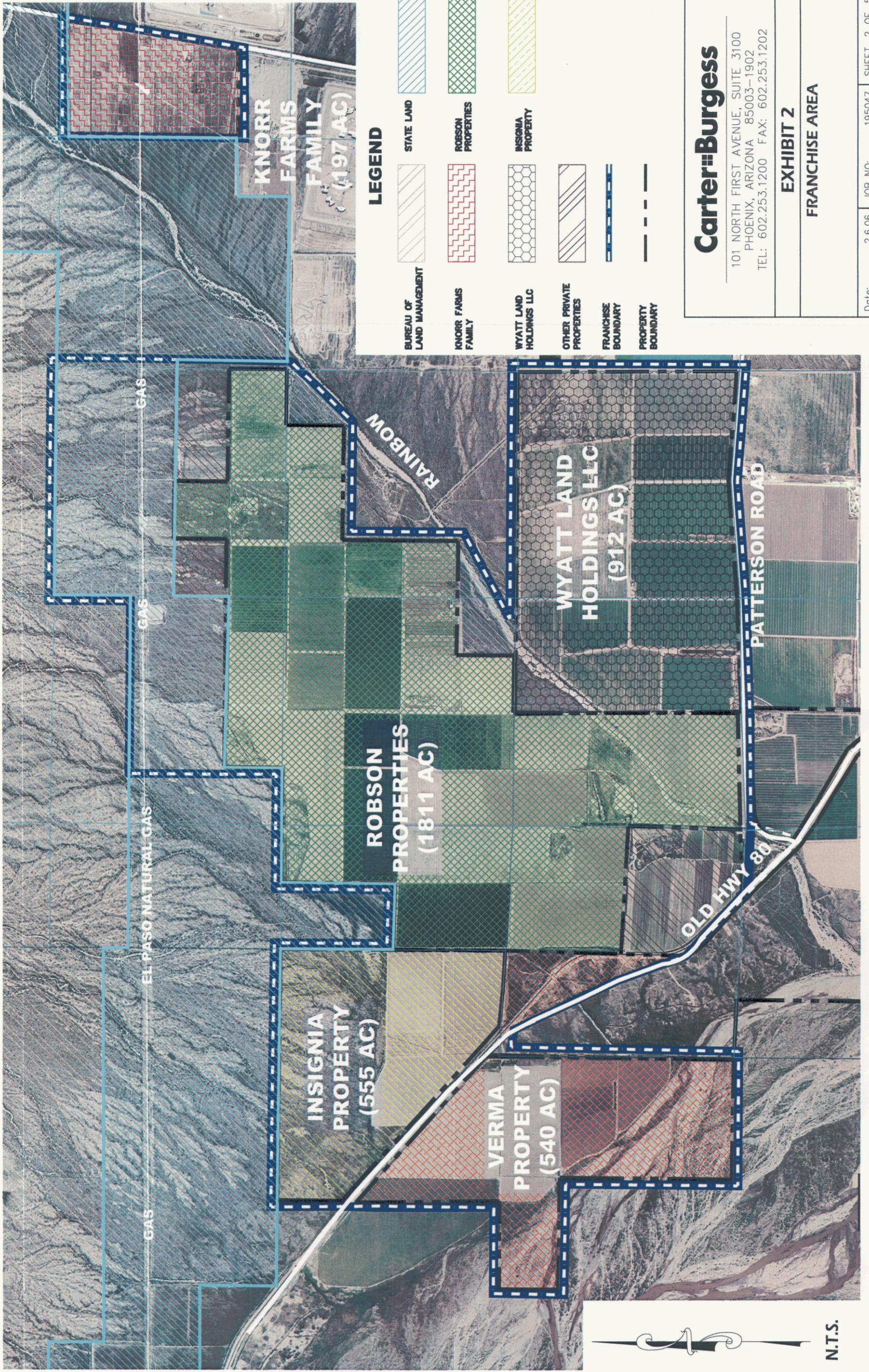
**SHEET 1 OF 5
DATE: 2.6.06**

Carter-Burgess

101 N. FIRST AVE., #3100
PHOENIX, AZ 85003
TEL: 602.253.1200
FAX: 602.253.1202

EXHIBIT 2

ANTICIPATED 5 YEAR BUILD OUT



LEGEND

-  BUREAU OF LAND MANAGEMENT
-  KNORR FARMS FAMILY
-  WYATT LAND HOLDINGS LLC
-  OTHER PRIVATE PROPERTIES
-  FRANCHISE BOUNDARY
-  PROPERTY BOUNDARY
-  STATE LAND
-  ROBSON PROPERTIES
-  INSIGNIA PROPERTY



N.T.S.

Carter Burgess

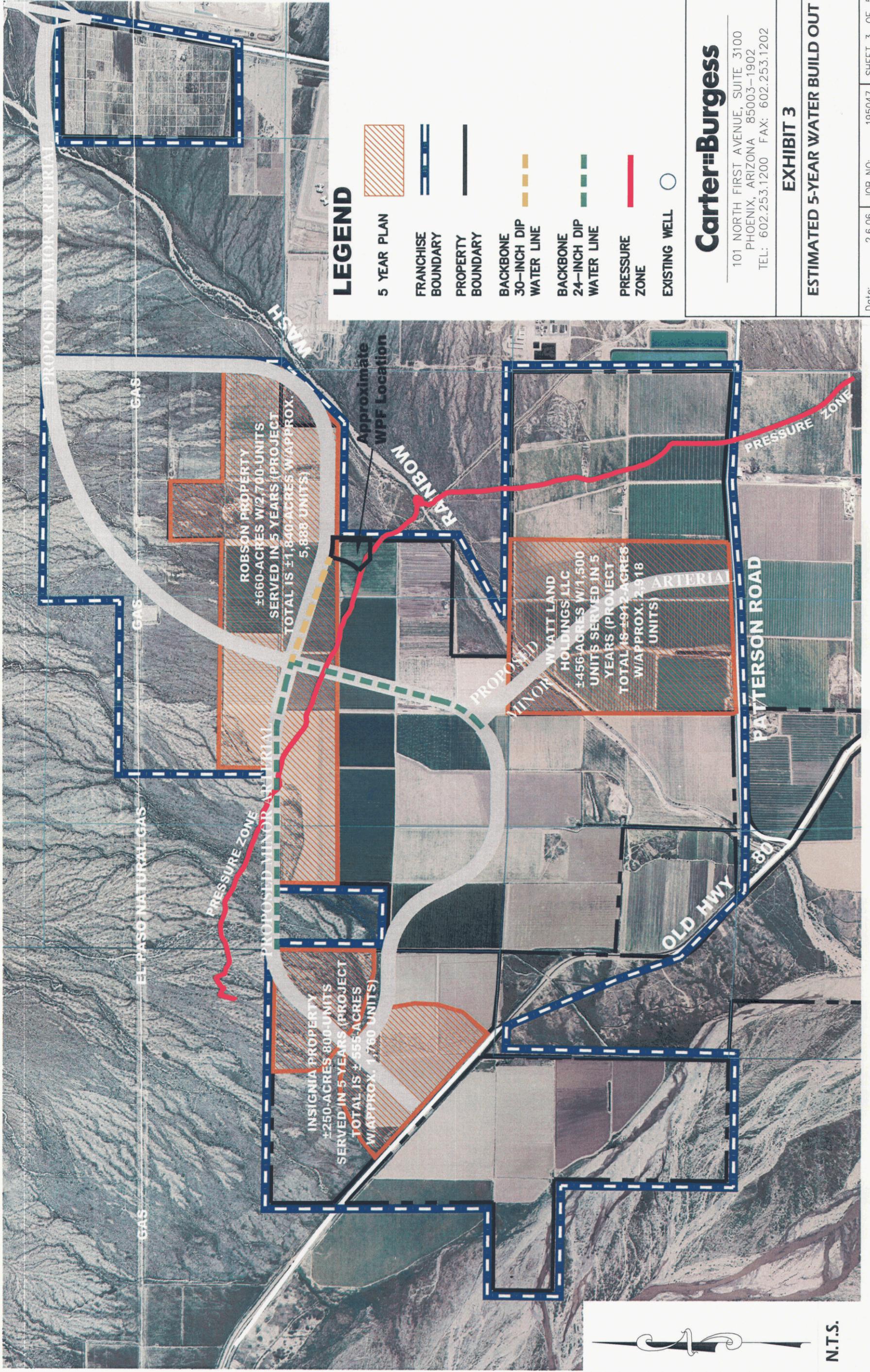
101 NORTH FIRST AVENUE, SUITE 3100
 PHOENIX, ARIZONA 85003-1902
 TEL: 602.253.1200 FAX: 602.253.1202

EXHIBIT 2

FRANCHISE AREA

EXHIBIT 3

ESTIMATED 5-YEAR WATER BUILD OUT



LEGEND

-  5 YEAR PLAN
-  FRANCHISE BOUNDARY
-  PROPERTY BOUNDARY
-  BACKBONE 30-INCH DIP WATER LINE
-  BACKBONE 24-INCH DIP WATER LINE
-  PRESSURE ZONE
-  EXISTING WELL

Carter Burgess

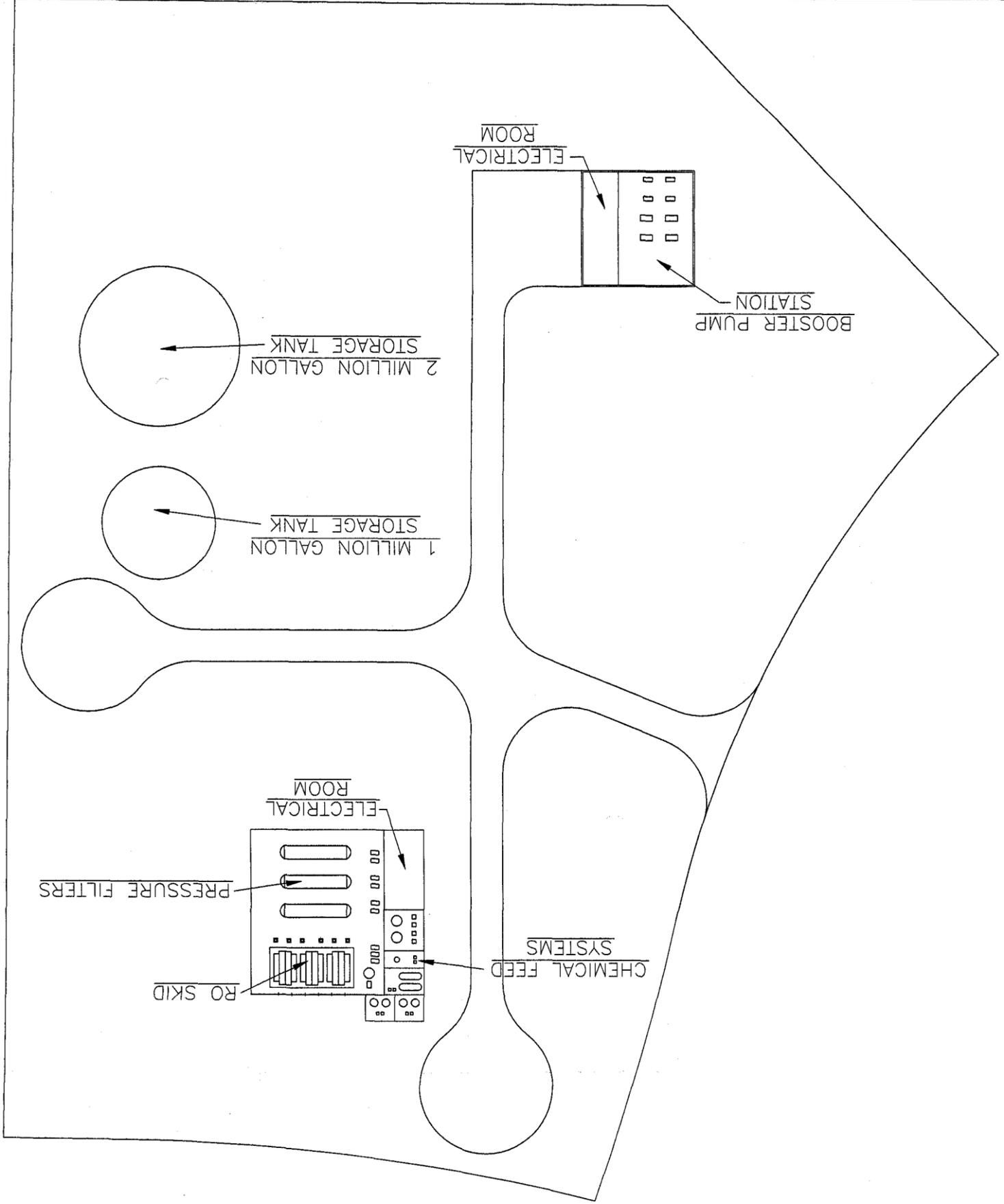
101 NORTH FIRST AVENUE, SUITE 3100
 PHOENIX, ARIZONA 85003-1902
 TEL: 602.253.1200 FAX: 602.253.1202

EXHIBIT 3

ESTIMATED 5-YEAR WATER BUILD OUT

EXHIBIT 4

5-YEAR WATER PURIFICATION FACILITY



N.T.S.

Carter-Burgess

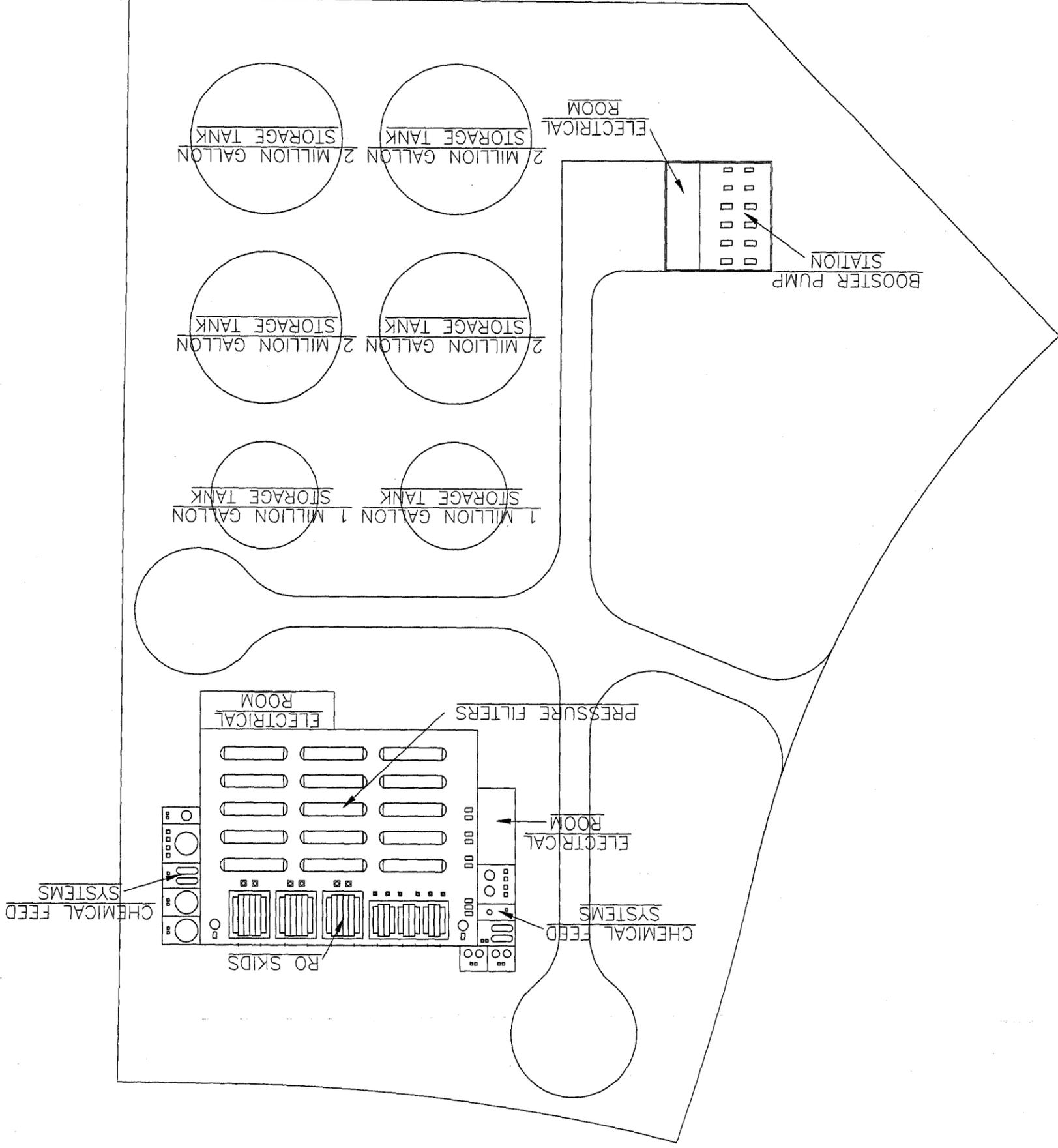
101 NORTH FIRST AVENUE, SUITE 3100
 PHOENIX, ARIZONA 85003-1902
 TEL: 602.253.1200 FAX: 602.253.1202

EXHIBIT 4

**5-YEAR WATER
 PURIFICATION FACILITY**

EXHIBIT 5

BUILD OUT WATER PURIFICATION FACILITY



N.T.S.

Carter-Burgess

101 NORTH FIRST AVENUE, SUITE 3100
 PHOENIX, ARIZONA 85003-1902
 TEL: 602.253.1200 FAX: 602.253.1202

EXHIBIT 5

BUILD OUT WATER PURIFICATION FACILITY