

NEW APPLICATION

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COMMISSIONERS

RECEIVED

JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

2006 FEB -1 P 2: 52

AZ CORP COMMISSION
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

W-01445A-06-0059

IN THE MATTER OF THE APPLICATION)
OF ARIZONA WATER COMPANY, AN)
ARIZONA CORPORATION, TO EXTEND)
ITS EXISTING CERTIFICATE OF)
CONVENIENCE AND NECESSITY AT)
CASA GRANDE, PINAL COUNTY,)
ARIZONA)

DOCKET NO. W-01445A-06-

APPLICATION TO EXTEND
EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
INCLUDE ADDITIONAL TERRITORY

ARIZONA WATER COMPANY, an Arizona corporation, ("AWC") through its undersigned counsel, presents the following Application to extend its existing Certificate of Convenience and Necessity ("CC&N") for its Casa Grande system. This Application is based on the following:

1. AWC presently holds CC&Ns issued by the Arizona Corporation Commission (the "Commission") in various decisions beginning in 1955 for the purpose of providing water service in the City of Casa Grande and the surrounding area in Pinal County, Arizona.

2. The areas that AWC seeks to add to its CC&N are described in Exhibit 1 hereto. The areas described in Exhibit 1 are adjacent to areas presently certificated to and served by AWC as shown in Exhibit 2 hereto.

The following property owners or property owner representatives have requested AWC to provide water service to their properties, which are included within the areas to be added to AWC's CC&N as described in Exhibit 1 and shown in Exhibit 2

1 and to apply to the Commission for authority to include their properties within AWC's
2 CC&N:

- 3 1. Casa Grande Acquisitions, LLC, the owner of the property (Villago) in
4 Parcel One.
- 5 2. CG 8 LLC, the owner of property in Parcel Two.
- 6 3. Cornerstone Homes & Development, Inc., the owner of property (Saddle
7 Creek III), in Parcel Three.
- 8 4. Rose Law Group, the representative of the owners of property in Parcels
9 Three and Four.
- 10 5. Cambridge Business Insurance, Ltd., the owner of property in Parcel
11 Four.
- 12 6. Eagle Meadows of Casa Grande I, II, III and IV, the owner of property in
13 Parcel Five.

14 Copies of letters and plats from, or on behalf of the foregoing property
15 owners are attached as Exhibits 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6 respectively. AWC
16 presently owns and operates water system facilities in the vicinity of the areas described
17 in Exhibit 1 that are used to serve existing customers, and will be used to provide
18 service to future customers.

19 3. AWC estimates the total number of customers to be served in the areas
20 described in Exhibit 1 will be approximately 1,000 within five years following the date of
21 the filing of this Application.

22 4. A list of the owners of all of the properties described in Exhibit 1 is
23 attached as Exhibit 4 hereto. All of the property owners listed will be mailed the public
24 notice attached as Exhibit 5 hereto.

25 5. AWC is financially able to construct, operate, and maintain the facilities
26 necessary to provide service to the areas described in Exhibit 1. AWC's latest financial
27 statement is attached as Exhibit 6 hereto.

1 6. Portions of the areas described in Exhibit 1 are located within the
2 municipal boundaries of the City of Casa Grande and the remainder of the areas are
3 located within unincorporated areas of Pinal County. AWC has a Casa Grande City
4 Franchise for the areas within municipal boundaries and a Pinal County franchise for
5 the areas located within unincorporated areas for which it is proposing to extend its
6 CC&N. Copies of the franchises are attached as Exhibits 7 and 8 hereto.

7 7. AWC's By-Laws do not require a corporate resolution on behalf of AWC in
8 conjunction with this Application.

9 8. Public convenience and necessity will be served by having AWC extend
10 its CC&N to include the areas described in Exhibit 1.

11 9. AWC proposes to utilize its currently authorized Casa Grande system
12 rates and charges for service to the areas described in Exhibit 1. AWC will continue to
13 charge these rates until the Commission changes the rates.

14 WHEREFORE, AWC respectfully requests that the Commission hold a hearing
15 on this Application, and enter an order, or, in the alternative, that it enter an order
16 without the necessity of a hearing, which order shall provide for the following:

- 17 1. Issuing to AWC a Certificate of Convenience and Necessity for the areas
18 described in Exhibit 1 hereto.
- 19 2. Granting such other further and general relief as appropriate in the
20 premises.

21 RESPECTFULLY SUBMITTED this 1st day of February, 2006.

22 ARIZONA WATER COMPANY

23
24
25 By: Robert W. Geake
26 Robert W. Geake
27 Vice President and General Counsel
28 ARIZONA WATER COMPANY
Post Office Box 29006
Phoenix, Arizona 85038-9006

1 Original and thirteen (13) copies of the foregoing filed this 1st day of February, 2006 with:

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

6 A copy of the foregoing was mailed this 1st day of February, 2006 to:

7 Christopher Kempley, Chief Counsel
8 Legal Division
9 Arizona Corporation Commission
10 1200 West Washington Street
11 Phoenix, Arizona 85007

12 Ernest G. Johnson
13 Director, Utilities Division
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17 By: Robert W. Gaska

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EXHIBIT 1

CC&N Application

PARCEL ONE

The Northwest quarter of the Northwest quarter of Section 27; The Southwest quarter and the East half of Section 28; Section 33; The East half of the Southeast quarter of the Southeast quarter of Section 34, all in Township 5 South, Range 6 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPTING THEREFROM any portion currently certificated to Arizona Water Company.

PARCEL TWO

The West half of Section 14 and the East half of Section 15, Township 7 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

PARCEL THREE

The East half of Section 35, Township 5 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona; And

The Northeast quarter and The Southwest quarter and the South half of the Southeast quarter of Section 3; The Northeast quarter of Section 4; All of Section 9, Except that portion presently certificated to Signal Peak Water Company; Sections 10, 15, & 16, all in Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

PARCEL FOUR

BEGINNING at the North quarter corner of Section 34, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Thence S00°12'07"W, coincident with the North-South mid-section line of said Section 34, a distance of 1778.63 feet to the southeasterly line of the Florence-Casa Grande Canal, per A.L.T.A. Survey created by B & R Engineering, Inc., Project #919500, Casa Grande 1800 Acres, as evidenced by the southeasterly edge of the southerly dirt access road that abuts said Canal;

Thence along said Southeasterly line, N40°11'45"E, a distance of 1111.79 feet to the beginning of a tangent curve, concave to the southeast, having a radius of 285.00 feet;

Thence northeasterly along the said curve, through a central angle of 45°44'36", an arc distance of 227.54 feet;

Thence N85°56'21"E, a distance of 100.95 feet;

Thence N88°25'57"E, a distance of 988.19 feet to the beginning of a tangent curve, concave to the northwest, having a radius of 344.00 feet;

Thence northeasterly along the said curve, through a central angle of 51°58'23", an arc distance of 312.04 feet;

Thence N36°27'34"E, a distance of 75.32 feet to the beginning of a tangent curve, concave to the northwest, having a radius of 520.00 feet;

Thence northeasterly along the said curve, through a central angle of 23°44'47", an arc distance of 215.51 feet;

Thence N12°42'47"E, a distance of 411.06 feet to the North line of said Section 34;

Thence S89°59'00"W, coincident with the North line of said Section 34, a distance of 2488.82 feet to the POINT OF BEGINNING; And

All of Section 35, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

PARCEL FIVE

Section 31; The West half of Section 32, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

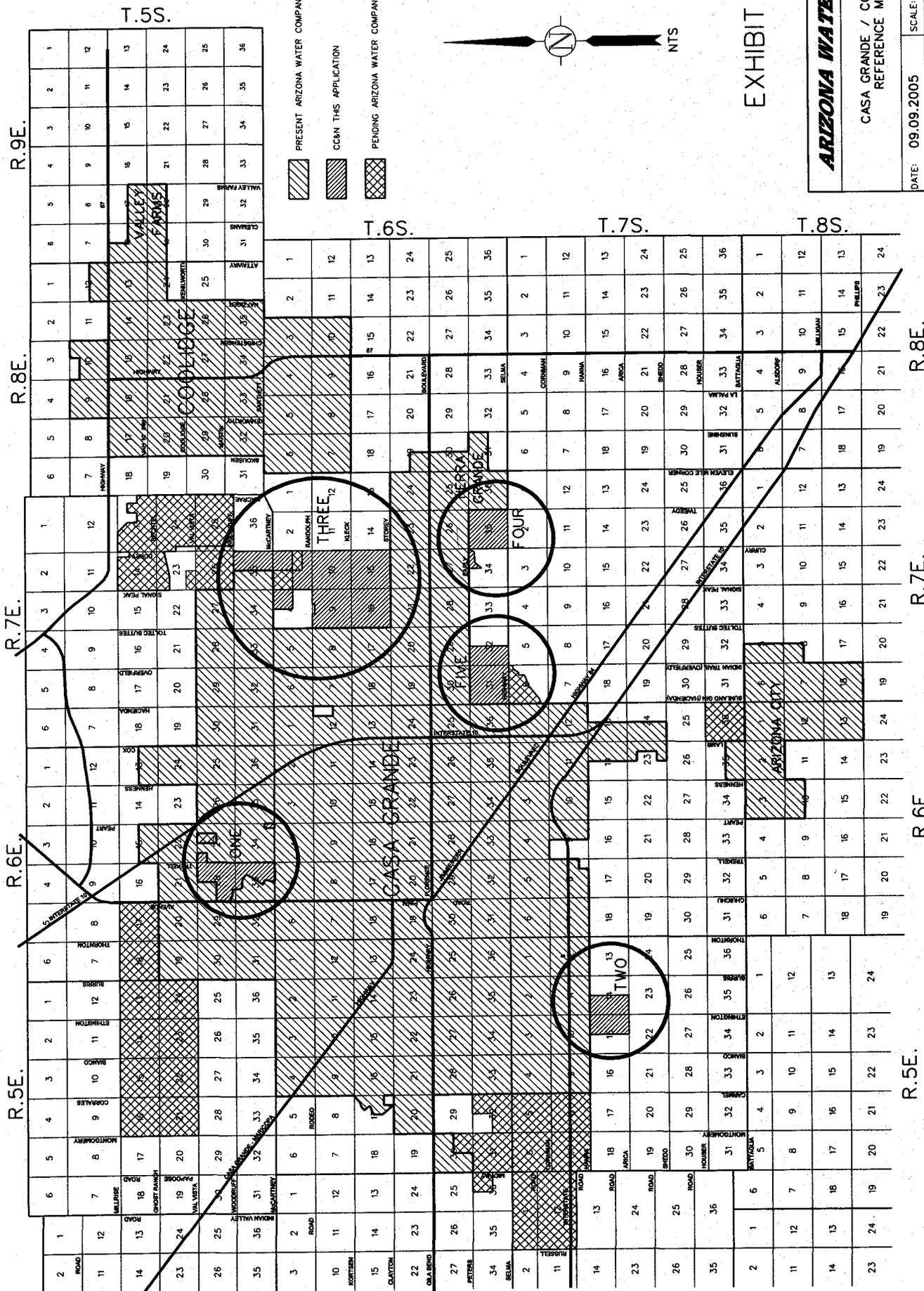


EXHIBIT 2

ARIZONA WATER COMPANY	
CASA GRANDE / COOLIDGE REFERENCE MAP	
DATE: 09.09.2005	SCALE: NONE

EXHIBIT 3.1

**DIAMOND
VENTURES**

August 12, 2005

Mr. Bill Garfield
President
Arizona Water Company
3805 N. Black Canyon Highway
Phoenix, Az 85038-9006

Re: Extension of the AWC CC&N to serve Villago

Dear Bill:

On behalf of Casa Grande Acquisitions, LLC, I would like to herein request that Arizona Water Company file an application for approval to extend its Certificate of Convenience and Necessity in the City of Casa Grande with the Arizona Corporation Commission to include the entire master planned community known as Villago. The property to be served is more particularly described on Exhibit "A", attached to this letter. If you have any questions or require additional information, feel free to contact me at 602-224-2335.

Sincerely,



Thomas M. Slout

Attachment

cc: Michael Whitehead (w/ attachment)
Jim Thompson (w/o attachment)

RECEIVED
AUG 16 2005

ARIZONA WATER COMPANY
PHOENIX - ENGINEERING

EXHIBIT 3.1

ATTACHMENT 'A'

Villago Legal Description

PARCEL NO. 1:

THE NORTHWEST QUARTER AND THE NORTH HALF OF THE SOUTH HALF OF SECTION 34, TOWNSHIP 5 SOUTH, RANGE 6 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL NO. 2:

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER AND THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 5 SOUTH, RANGE 6 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL NO. 3:

ALL OF SECTION 28, TOWNSHIP 5 SOUTH, RANGE 6 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

EXCEPT THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER THEREOF; AND

EXCEPT THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE STATE OF ARIZONA BY WARRANTY DEED RECORDED DECEMBER 10, 1971 IN DOCKET 650, PAGE 14.

PARCEL NO. 4:

ALL OF SECTION 33, TOWNSHIP 5 SOUTH, RANGE 6 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

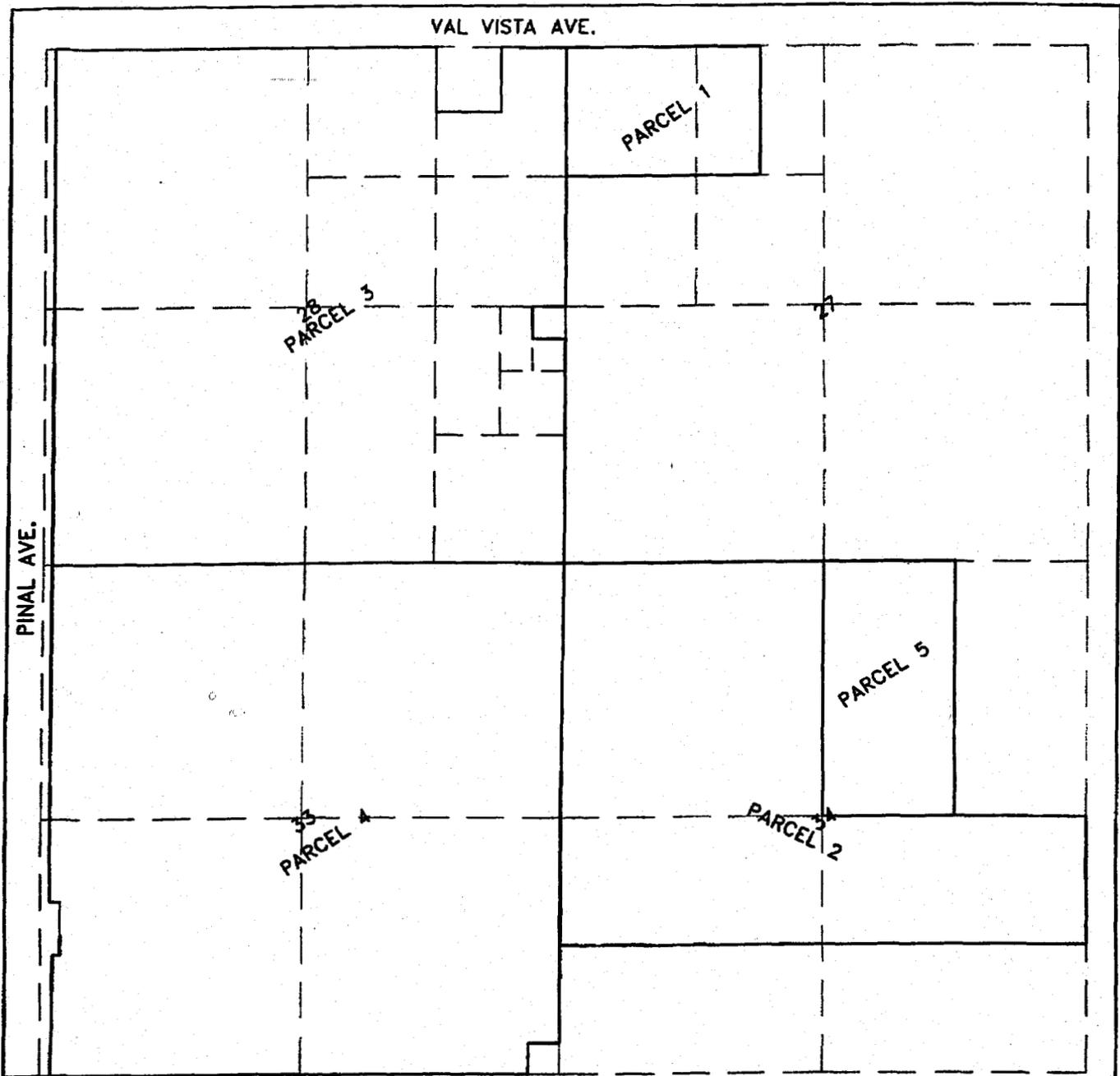
EXCEPT THE SOUTH 320 FEET OF THE EAST 320 FEET OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 5 SOUTH, RANGE 6 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN PINAL COUNTY, ARIZONA; AND

EXCEPT THAT PORTION CONVEYED TO THE STATE OF ARIZONA BY WARRANTY DEED RECORDED DECEMBER 10, 1971 IN DOCKET 650, PAGE 14.

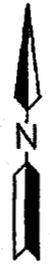
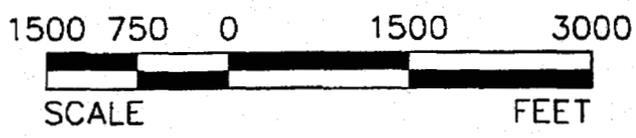
PARCEL NO. 5:

THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 5 SOUTH, RANGE 6 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

EXHIBIT 3.1
ATTACHMENT 'B'



McCartney Road



CMX PROJ.	6871.05
DATE:	4-6-05
SCALE:	1"=1500'
DRAWN BY:	CDK
CHECKED BY:	CDK

VILLAGO
PINAL AVE & McCARTNEY
CASA GRANDE, ARIZONA
SITE BOUNDARY

EAST VALLEY OFFICE
3100 WEST RAY RD. STE.201
CHANDLER, AZ 85226
PH (480) 648-1900
FAX (480) 648-1918
www.cmxinc.com



C:\Documents and Settings\CMX EMPLOYEE\My Documents\BNDRY CHECK-rev-4-5-05.dwg 04-06-2005 - 4:21pm

Omega Management Services, Inc.

LAND DEVELOPMENT MANAGEMENT CONSULTANTS

June 13, 2005

Mike Whitehead
Vice President, Engineering
Arizona Water Company
P.O. Box 29006
Phoenix, Arizona 85038-9006

Re: Extension Of CC&N for *CG 8 LLC.*, Scottsdale, AZ.

Dear Mr. Whitehead,

CG 8 LLC requests that Arizona Water Company file an application for approval to extend its Certificate of Convenience and Necessity in or near Casa Grande, Pinal County, Arizona with the Arizona Corporation Commission to include an overall area of 67 acres, which is more accurately described in Attachment 'A' and depicted on the map as Attachment 'B', both attached hereto. Please notify us when you have been issued a Procedural Order on this extension.

Sincerely,



David Wright / Project Manager
Omega Management Services

EXHIBIT 3.2

ATTACHMENT 'A'

That portion of the East half of Section 15, Township 7 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

COMMENCING at the Southeast corner of the Southeast quarter of said Section 15;
Thence along the Easterly line thereof North 00 degrees 01 minutes 12 seconds West, 715.86 feet to the intersection of the Northerly line of that certain strip of land, 60.00 feet wide, known as the El Paso Natural Gas Line Easement, the same being the POINT OF BEGINNING;
Thence leaving said Easterly line along said Northerly line North 61 degrees 02 minutes 29 seconds West, 754.46 feet to a line parallel with and distant 660.00 feet Westerly measured at right angles to said Easterly line;
Thence along said parallel line North 00 degrees 01 minutes 12 seconds West, 1563.65 feet to a line parallel with and distant 660.00 feet Westerly, measured at right angles to the Easterly line of the Northeast quarter of said Section 15;
Thence along said last mentioned parallel line North 00 degrees 01 minutes 56 seconds West, 2643.28 feet to the Northerly line of the Northeast quarter of said Section 15;
Thence along said last mentioned Northerly line North 89 degrees 48 minutes 11 seconds East, 660.00 feet to the Northeast corner of the Northeast quarter of said Section 15;
Thence along the Easterly line thereof South 00 degrees 01 minutes 56 seconds East, 2645.25 feet to the Northeast corner of the Southeast quarter of said Section 15;
Thence along the Easterly line thereof South 00 degrees 01 minutes 12 seconds East, 1929.25 feet to the POINT OF BEGINNING;

AND

That portion of the East half of Section 15, Township 7 South, Range 5 East of the Gila and Salt River Meridian, Pinal County, Arizona, described as follows:

Commencing at the Northeast corner of the Northeast quarter of said Section 15;
Thence along the Northerly line thereof South 89 degrees 48 minutes 11 seconds West, 660.00 feet to a line parallel with and distant, 660.00 feet Westerly, measured at right angles to the Easterly line of the Northeast quarter of said Section 15;
Thence along said parallel line South 00 degrees 01 minutes 56 seconds East, 2643.28 feet to a line parallel with and distant, 660.00 feet Westerly, measured at right angles to the Easterly line of the Southeast quarter of said Section 15;
Thence along said last mentioned parallel line South 00 degrees 01 minutes 12 seconds East, 1236.73 feet to the POINT OF BEGINNING;
Thence continuing South 00 degrees 01 minutes 12 seconds East, 361.21 feet to the intersection of the centerline of that certain strip of land, 60.00 feet wide, known as the El Paso Natural Gas Line Easement;
Thence along said centerline North 61 degrees 02 minutes 29 seconds West, 175.00 feet;
Thence leaving said centerline North 28 degrees 57 minutes 31 seconds East, 315.99 feet to the POINT OF BEGINNING.

EXHIBIT 3.2
ATTACHMENT 'B'

West Casa Grande - 2,194 Acres

LEGEND

-  Arterial
-  State Hwy
-  US Hwy
-  Interstate
-  Railroad
-  Government Land
-  State Trust
-  Private
-  BLM
-  San Carlos Indian Res.
-  Indian Allotments
-  National Forest
-  Bureau of Reclamation
-  Tonto NM
-  County Land
-  Parks & Recreation
-  Military
-  Gila River Indian Res.
-  Tohono O'odham Indian Res.
-  Ak-Chin Indian Res.
-  Game & Fish



© The Land Advisors Organization
The information contained here is from sources deemed reliable. We have no reason to doubt its accuracy, but do not guarantee it. It is the responsibility of the person reviewing this information to independently verify it.

EXHIBIT 3.3

9/1/2005

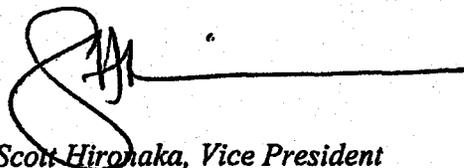
Mike Whitehead
Vice President, Engineering
Arizona Water Company
P.O. Box 29006
Phoenix, Arizona 85038-9006

Re: Extension Of CC&N for *Saddle Creek III*, Coolidge, AZ.

Dear Mr. Whitehead,

Cornerstone Homes & Development, Inc. requests that Arizona Water Company file an application for approval to extend its Certificate of Convenience and Necessity in or near Coolidge, Pinal County, Arizona with the Arizona Corporation Commission to include an overall area of ±160 acres, which is more accurately described in Attachment 'A' and depicted on the map as Attachment 'B', both attached hereto. Please notify us when you have been issued a Procedural Order on this extension.

Sincerely,

A handwritten signature in black ink, appearing to read 'SH', followed by a horizontal line extending to the right.

*Scott Hironaka, Vice President
Cornerstone Homes & Development, Inc.*

EXHIBIT 3.3

ATTACHMENT 'A'

Legal Description:

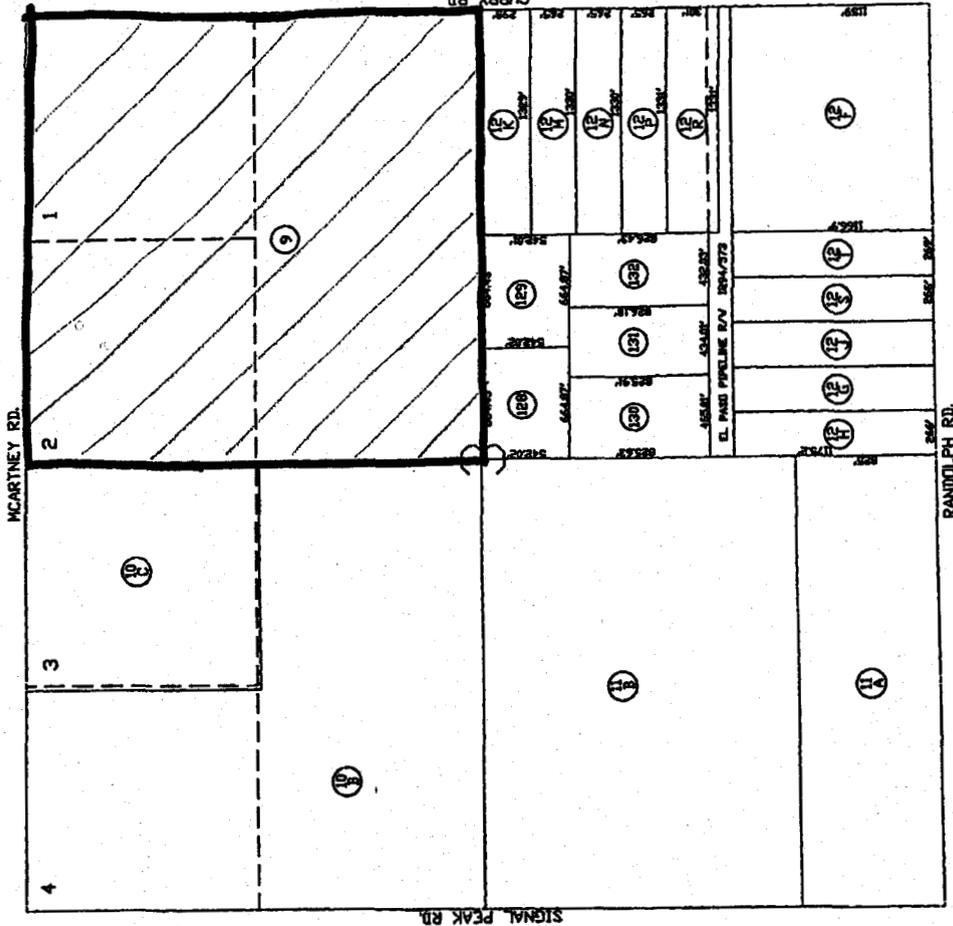
Lots 1 and 2 and the South half of the Northeast quarter of Section 3, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXHIBIT 3.3
ATTACHMENT 'B'

401-01
7/8

SEC. 03 TN.06S RG.07E

SEE BOOK 509



SEE MAP 401-01-1



SCALE: 1" = 600'

10-17-2003

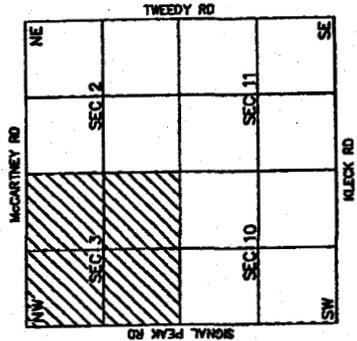
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SPECIAL DISTRICTS
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THIS MAP IS FOR TAX PURPOSES ONLY.
THIS OFFICE WILL NOT ASSUME LIABILITY FOR
REPRESENTATION, MEASUREMENTS OR ACREAGE.

SEE MAP 401-01-1

VICINITY MAP



PINAL COUNTY ASSESSORS MAP

SEE MAP 401-01-1

EXHIBIT 3.4

ROSE
LAW GROUP
pc

COURT S. RICH
7272 E. Indian School Road Suite 360
Scottsdale, AZ 85251
Phone 480.505.3937 Fax 480.505.3925
crich@roselawgroup.com
www.roselawgroup.com

October 26, 2005

VIA FACSIMILE and MAIL

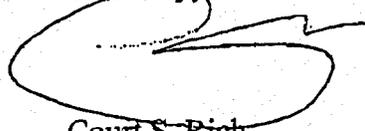
Mike Whitehead
Arizona Water Company
3805 N. Black Canyon Hwy
Phoenix, AZ 85015

Re: Request for CC&N Expansion

Dear Mike:

Please accept this correspondence as the official request for extension of Arizona Water Company's CC&N certificated area to include the properties depicted in the attached exhibits. We are hopeful that all or most of these properties can be included in Arizona Water Company's next CC&N extension request. Please contact this office to discuss this issue further and let us know if any additional information is required to process this request. While this office represents the landowner on these matters, a letter signed by the landowner will be delivered to your office in the very near future.

Sincerely,



Court S. Rich

EXHIBIT 3.4

401-01
8/8

SEE MAP 401-01-7

SEC. 10 TN.06S R5.07E

AREA CODE
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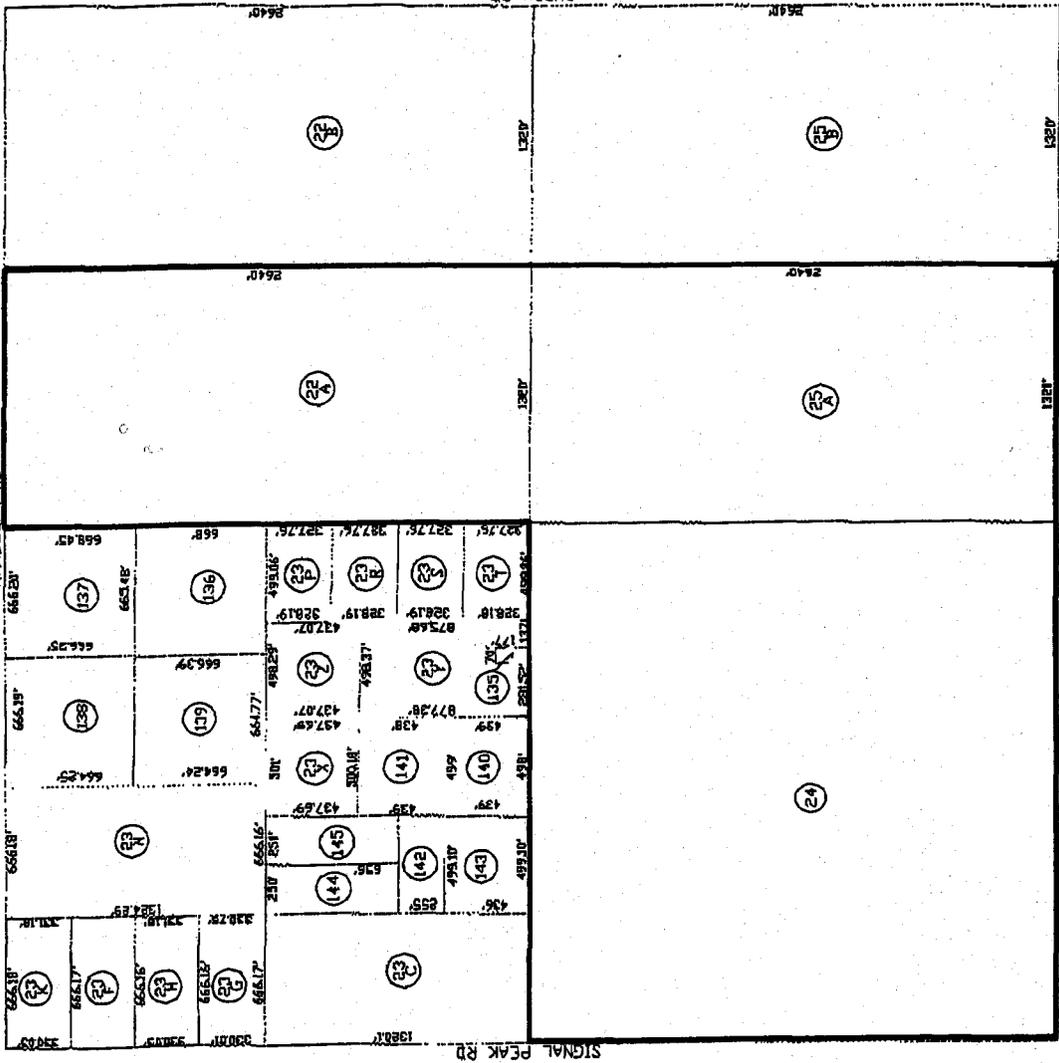
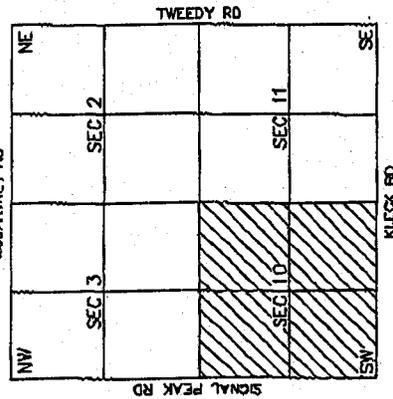
SPECIAL DISTRICTS

- 12662
- 15601
- 16683
- 16608
- 04739

THIS MAP IS FOR TAX PURPOSES ONLY.
THIS OFFICE WILL NOT ASSUME LIABILITY FOR
REPRESENTATION, MEASUREMENTS OR ACREAGE.

SEE MAP 401-06

VICINITY MAP



SEE MAP 401-01-6



SCALE 1" = 600'

09-11-2004

PINAL COUNTY ASSESSORS MAP

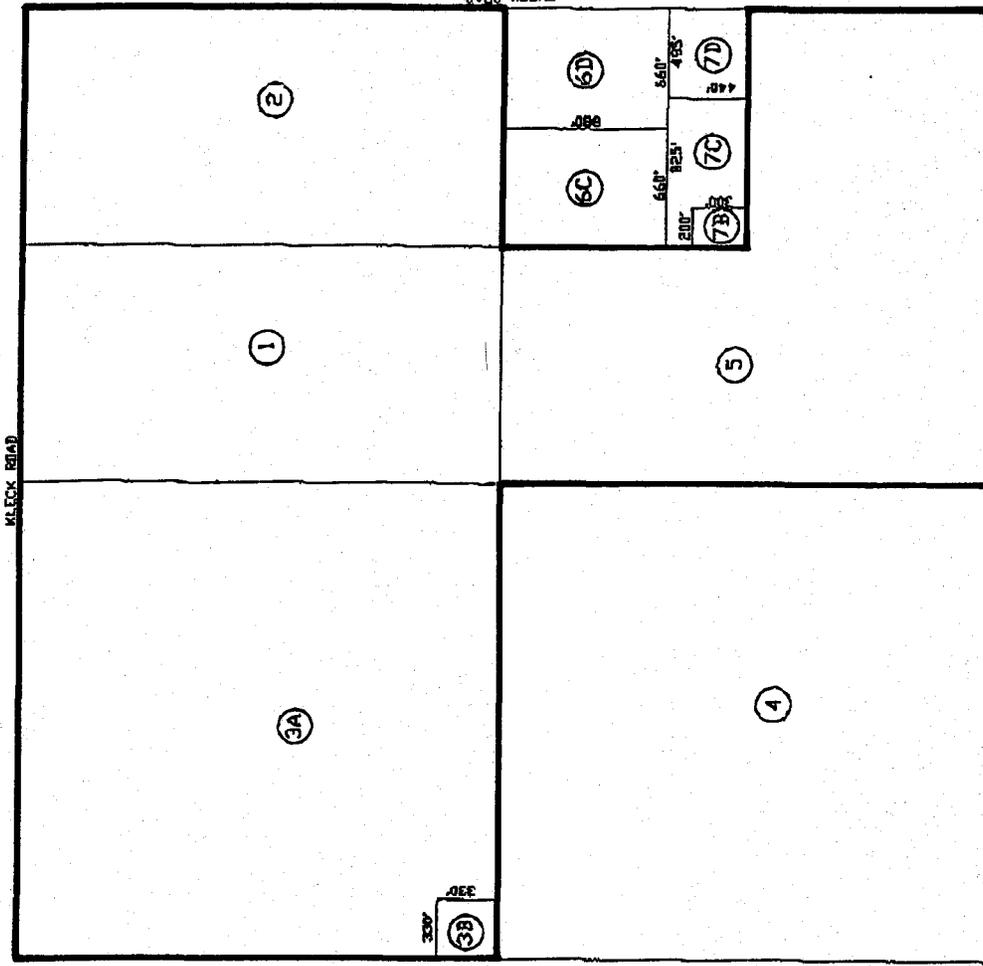
SEE MAP 401-07

EXHIBIT 3.4

401-07

SEC. 15 TN. 6S RG. 7E

SEE MAP 401-01



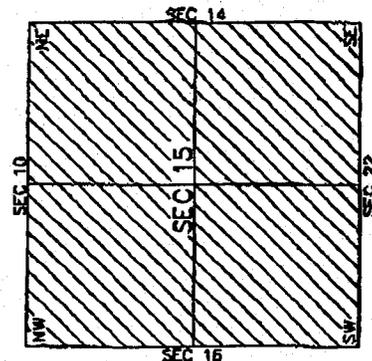
SEE MAP 401-01

AREA CODE
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0000

SPECIAL DISTRICT
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THIS MAP IS FOR YOUR INFORMATION ONLY.
THIS OFFICE WILL NOT ASSUME LIABILITY FOR
REPRESENTATION, MERCHANTABILITY OR FITNESS.

VICINITY MAP



THE ORIGINAL PLAT OF THIS INSTRUMENT IS
ON FILE WITH THE PRVAL COUNTY RECORDS
AND THE INSTRUMENT NUMBER IS 401-07
AND RECORDS CALL (800) 368-7666.



SCALE 1" = 600'

10-05-2001

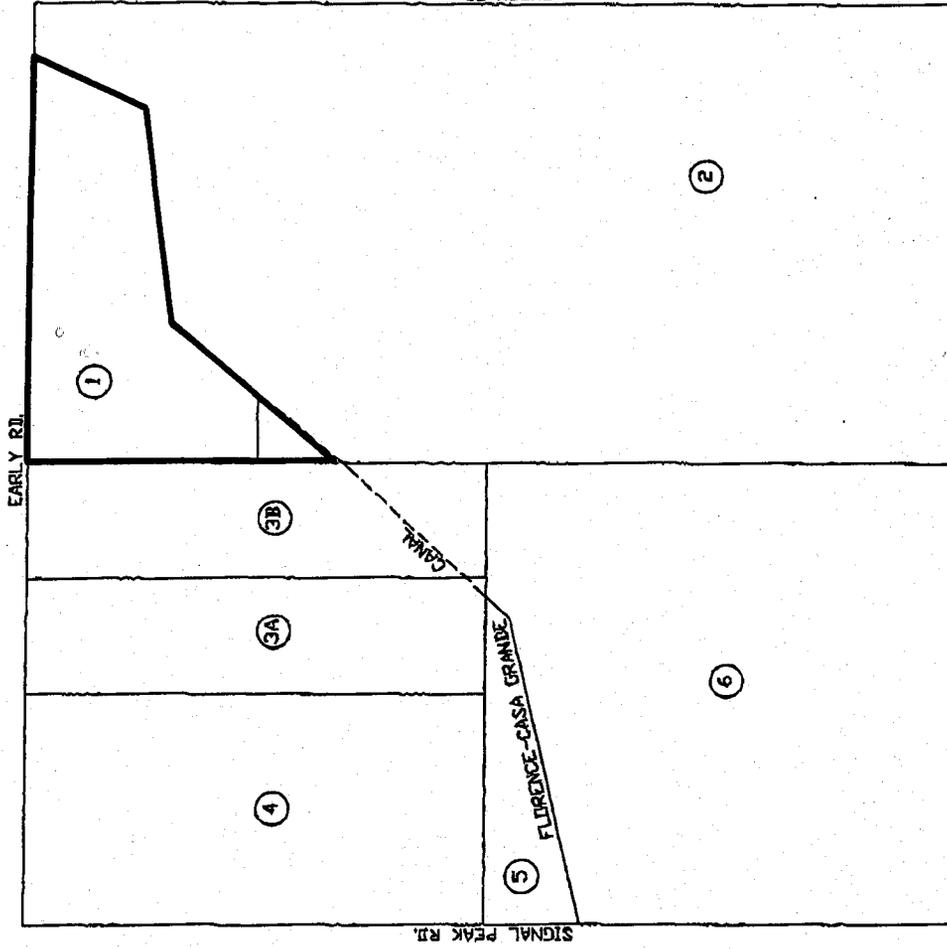
PRVAL COUNTY ASSESSORS MAP

EXHIBIT 3.4

401-19

SEC. 34 TN.6S RG.7E

SEE MAP 401-01



SEE MAP 401-01

CURRY RD.

EARLY RD.

SELMA HWY.

SIGNAL PEAK RD.

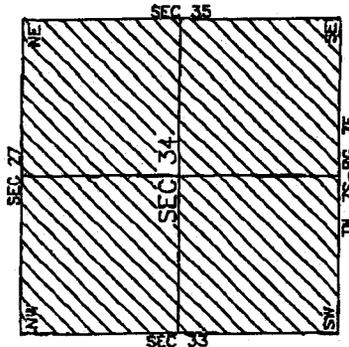
SEE MAP 401-01

AREA CODE
D404
D405
D438

SPECIAL DISTRICTS
1287
15828

THIS MAP IS FOR TAX PURPOSES ONLY.
THIS OFFICE WILL NOT ASSUME LIABILITY FOR
REPRESENTATION, MEASUREMENTS OR AREAS.

VICINITY MAP



SCALE: 1" = 800'

10-05-2001

PINAL COUNTY ASSESSORS MAP

SEE MAP 401-01

Cambridge Business Insurance, Ltd.

1819 East Southern Avenue
Suite B-10
Mesa, Arizona 85204
(480) 505-9500
Fax (480) 505-9501

VIA FACSIMILE and MAIL

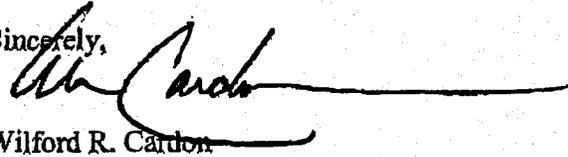
Mike Whitehead
Arizona Water Company
3805 N. Black Canyon Hwy
Phoenix, AZ 85015

Re: Request for CC&N expansion- 160 acres SEC Early and Overfield

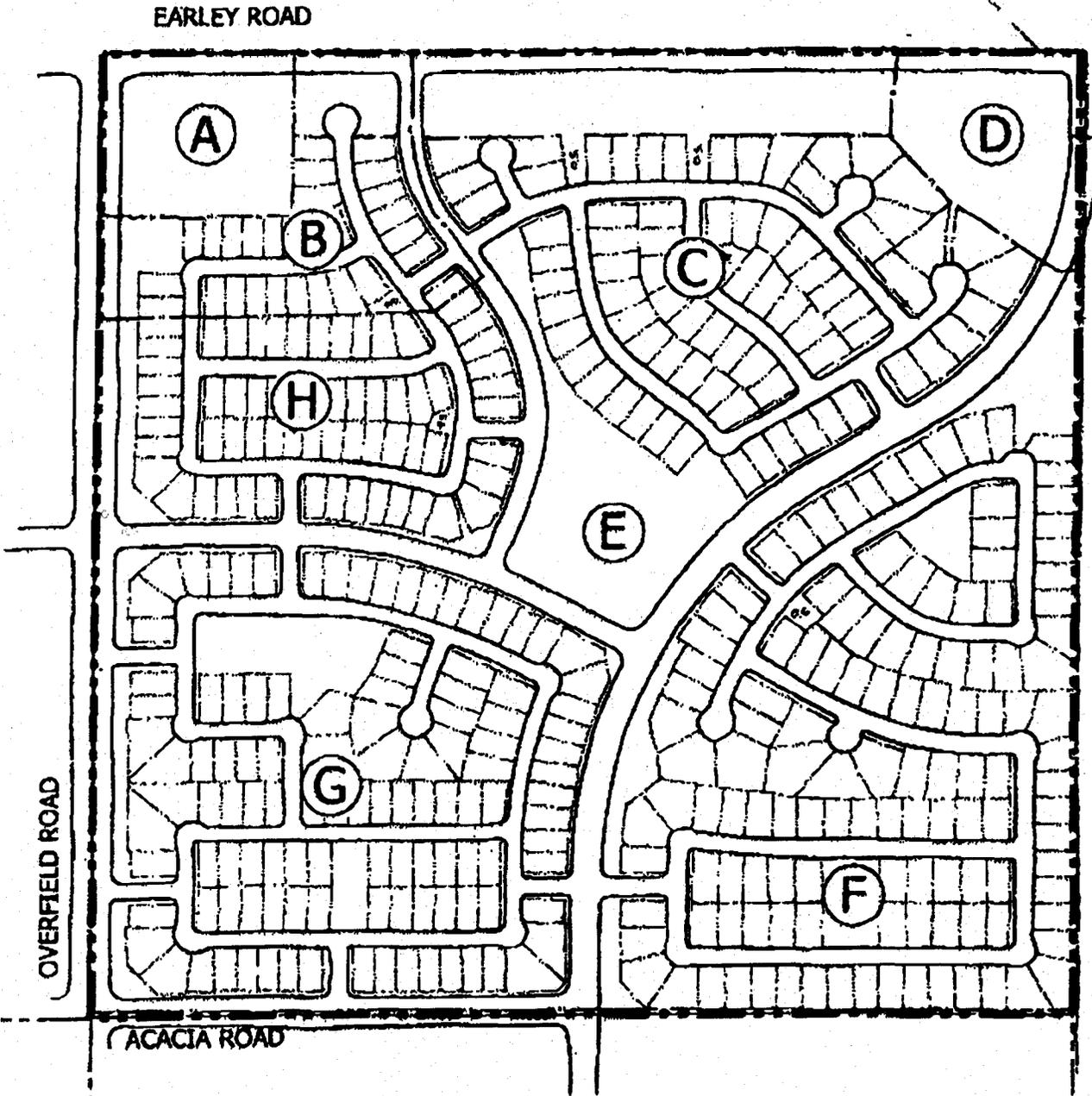
Dear Mr. Whitehead:

Please accept this correspondence as an official request for water service from Arizona Water Company to serve a 160 acre parcel of property located at the southeast corner of Early and Overfield Roads, bordered on the south by Acacia Road and the east by Evans Road. An exhibit depicting this location is attached to this letter for your convenience. As owner/developer of this parcel, Cambridge Business Insurance, Ltd., hereby requests to be included in your company's next Certificate of Convenience and Necessity expansion.

Sincerely,



Wilford R. Cardon
Director, Cambridge Business Insurance, Ltd.



OPTION 1

PARCEL	LOT SIZE	ACRES	YIELD	DU/AC	OPEN SPACE
A	COMMERCIAL	4.86			
B	55' X 115'	10.16	28	2.8	
C	70' X 120'	34.56	75	2.2	
D	COMMERCIAL	4.87			
E	PARK	5.58			
F	70' X 120'	44.33	125	2.8	
G	60' X 120'	39.63	116	2.9	
H	55' X 115'	16.88	61	3.6	
TOTAL		160.87	405	2.5	30.3 AC/18%

EXHIBIT 3.6

November 30, 2005

Mike Whitehead
Vice President, Engineering
Arizona Water Company
P.O. Box 29006
Phoenix, Arizona 85038-9006

Re: Extension Of CC&N for *Eagle Meadows of Casa Grande I, II, III, & IV, AZ.*

Dear Mr. Whitehead,

Eagle Meadows of Casa Grande I, II, III & IV requests to be included in your next application to extend its Certificate of Convenience and Necessity in or near Casa Grande, Pinal, Arizona with the Arizona Corporation Commission to include an overall area of 755 acres, which is more accurately described in Attachment 'A' and depicted on the map as Attachment 'B', both attached hereto. Please notify us when you have been issued a Procedural Order on this extension.

Sincerely,



Valerie Teixeira

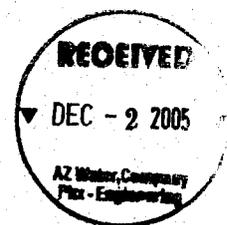
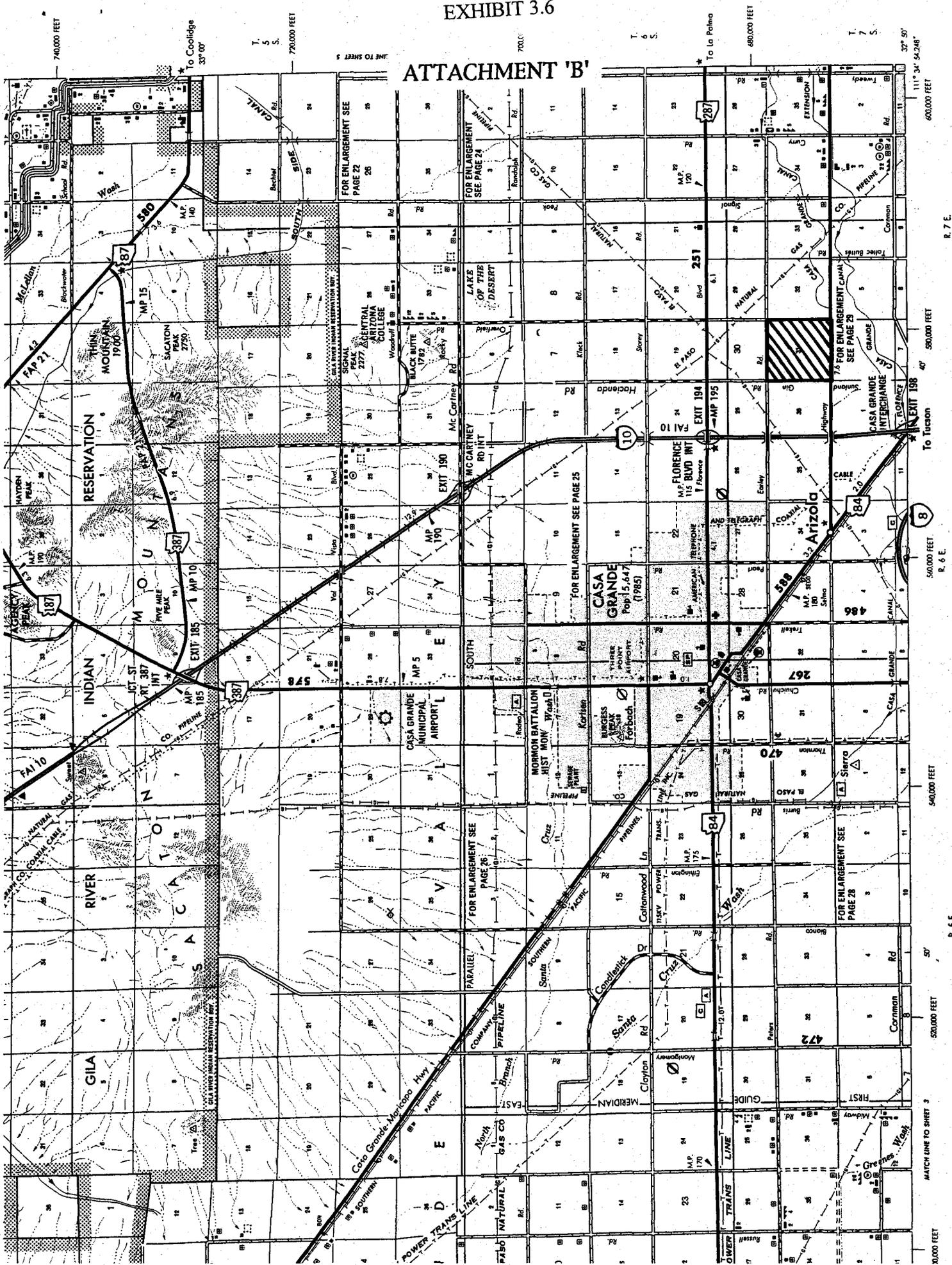


EXHIBIT 3.6
Attachment 'A'

**Section 31 of Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian,
Pinal County, Arizona.**

EXHIBIT 3.6

ATTACHMENT 'B'



R. 7. E.

R. 6. E.

R. 5. E.

10,000 FEET

20,000 FEET

30,000 FEET

40,000 FEET

50,000 FEET

60,000 FEET

70,000 FEET

80,000 FEET

90,000 FEET

100,000 FEET

110,000 FEET

120,000 FEET

130,000 FEET

140,000 FEET

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170,000 FEET

180,000 FEET

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EXHIBIT 4

Property Ownership List

PARCEL ONE

509-44-005

509-44-006

515-28-001 to 515-28-010 Inclusive

515-33-001

515-33-002

515-33-003

515-33-004

CASA GRANDE ACQUISITIONS, LLC
2730 EAST BROADWAY
SUITE 100
TUCSON, AZ 85716

509-48-007A

KENNETH R. JONES, JR.
12590 WEST WAVERLY DRIVE
CASA GRANDE, AZ 85222

509-48-007b

KG INVESTMENTS, LLC
2930 NORTH 7TH STREET
PHOENIX, AZ 85014

509-48-008

DAN & PATTY ANDERSON
550 EAST COTTONWOOD LANE
CASA GRANDE, AZ 85222

509-67-011b

(AKA 515-33-005)
ARIZONA PUBLIC SERVICE
PO BOX 53999
PHOENIX, AZ 85072

PARCEL TWO

511-47-001A

511-47-001G

CG8, LLC

16009 NORTH 81st STREET
SUITE 200
SCOTTSDALE, AZ 85260

511-47-001F
BIANCO FAMILY FARM TRUST
15610 W VAL VISTA BLVD
CASA GRANDE, AZ 85222

511-13-002
HATFIELD JEAN MARIE
4050 W RAY ROAD
SUITE 17-197
CHANDLER, AZ 85226

511-14-001
POLLOCK C A & NEVA
2820 BASIN ST
CHEYENNE, WY 82009

511-14-002
RICHARD R & BONNIE E DOWNEY
PO BOX 11746
PRESCOTT, AZ 86304

511-14-003
GIL IMELDA
2575 N VAL VISTA ROAD
GOLD CANYON, AZ 85219

511-14-004
511-14-006
BROWN MARY & OLANIE BEVERLEE A
1945 W VIA NUEVO LEON
GREEN VALLEY, AZ 85614

511-14-005
JAMES DAVIS
PO BOX 3490
ARIZONA CITY, AZ 85223

511-14-007
DONALD GRAF
740 SOUTHLAWN TERRACE
OELWEIN, IA 50662

511-14-008
MOON LAND & DEV. CO.
12721 W SHADOW HILLS DR
SUN CITY WEST, AZ 85375

511-14-009
RAIMONDI NINO M
9718 E ADOBE ROAD
MESA, AZ 85207

511-14-010
BIANCO WILLIAM T & CAROLE M
667 GREEN CIRCLE
VENICE, FL 34285

511-14-011
511-14-015
511-14-031
HISEL WANDA L
1583 S SIMCO RD
BOISE, ID 83716

511-14-012
JAMES RIVER II, INC
PO BOX 105681
ATLANTA, GA 30348

511-14-013
SWANSON NORMAN E & ALTA S
1975 N MCLEAN BLVD
WICHITA, KS 67203

511-14-014
RODRIGUEZ TRINIDAD & FRANCIS
9446 AVENIDA DEL YAQUI
GUADALUPE, AZ 85283

511-14-016
FERGUSON JACK C & SHIRLEY G
715 E MARYLAND AVE
NAMPA, ID 83686

511-14-017
FELLOWS MICHAEL & MARIAN
10 TOLEDO CT
TOWNSVILLE
QUEENSLAND 8414
AUSTRALIA

511-14-018
STAFFIERI ARDELL H
16650 N 44TH STREET
PHOENIX, AZ 85032

511-14-020
MURPHY JOHN W JR
2302 BEACON HILL DR
WILMINGTON, DE 19810

511-14-021
ROACH JAMES P & JOAN A
440 HILLTOP RD
BRIDGEPORT, CT 06605

511-14-022
PETERSON MAURICE K & ETHEL J
3828 N 32ND ST
#226
PHOENIX, AZ 85018

511-14-024
HAMILTON EDWARD H
2247 CANYON DRIVE
HOLLYWOOD, CA 90068

511-14-025A
511-14-030
511-14-037
ROYAL UNLIMITED LLC
312 A E AIRLINE
PAYSON, AZ 85541

511-14-25b
511-14-034
MEYERS ALAN & MELISSA
PO BOX 93688
PHOENIX, AZ 85070

511-14-026
FIGUEROA MANUEL H & ANA GRISELDA
2875 N TUCSON BLVD
APT 48
TUCSON, AZ 85716

511-14-027
O' CARROLL ROBERT E & RITA
1410 W BROWN ST
PHOENIX, AZ 85021

511-14-028
KEEL THOMAS H & BARBARA A
2682 S BLACK MOON DR
TUCSON, AZ 85730

511-14-029
SZAL MICHAEL J & VIRGINIA
998 STEPHEN FOSTER DR
LARGO, FL 33771

511-14-032
SHAWIL ADISON
15855 W RIMROCK ST
SURPRISE, AZ 85374

511-14-033
BATES DELMAR P
PO BOX 329
COLFAX, CA 95713

511-14-035
HEMINGWAY GUY, J
3970 LOBLOLLY DR
NAPLES, FL 34114

511-14-036
ARIAS MARCIANO
8183 S WAGNER RD
CASA GRANDE, AZ 85222

511-14-038
EBRIGHT EDWIN A & HELEN L
6829 RASPBERRY DR
EVERSON, WA 98247

PARCEL THREE

509-63-001b
COOPER TIMOTHY L
1557 E BARBARITA
GILBERT, AZ 85234

509-63-002G

509-63-002H

509-63-002J

509-63-002b

509-63-011A

509-63-011b

JADA ALI HASHEM
3948 WESTWOOD DR
PHOENIX, AZ 85029

509-63-002K

LE THANH NGOC & MAI THI
1238 W SEA SHELL DR
GILBERT, AZ 85233

509-63-002M

NGUYEN HOA VAN & BUI HIEN THI
5759 E FOUNTAIN ST
MESA, AZ 85205

509-63-002N

509-63-002R

ROWLEY TY M & MALINDA
2500 E SOUTHERN AVE
MESA, AZ 85204

509-63-002P

509-63-002S

SABRINA ROWLEY TRUST
353 E CENTRAL RD
EMMETT, ID 83617

509-63-007d

509-63-007F

CITY OF MESA
PO BOX 1466
MESA, AZ 85211

509-63-008d

ABELL WAYNE P & LISA L
388 N ARIZONA BLVD
COOLIDGE, AZ 85228

509-63-008E
FURRH SHANE
2428 E ENCANTO
MESA, AZ 85213

509-63-008F
SAENZ AARON K & YAHASMIN Y
748 W JOHNSON DR
GILBERT, AZ 85233

509-63-008G
VASQUEZ ANTONIO & ROBLES LUIS
6548 N SYLVESTER LN
COOLIDGE, AZ 85228

509-63-008H
ZECK WALTER S & BARBARA A
6480 N SYLVESTER LN
COOLIDGE, AZ 85228

509-63-008M
SENFTNER MICHAEL
1466 N ROSE CIRCLE
MESA, AZ 85213

509-63-008N
BRLRC PROPERTIES, LLC
PO BOX 30403
MESA, AZ 85275

509-63-008P
PURPLE SCORPION LLC
11430 N 27TH STREET
PHOENIX, AZ 85028

509-63-009
M&G FARMS
PO BOX 1241
COOLIDGE, AZ 85228

509-63-010b
509-63-010d
PEARCE JEFFREY M
PO BOX 805
HUMBILDT, AZ 86329

509-63-010E
DEGOLIER JAMES E & IRMA G
457 S DODGE ST
GILBERT, AZ 85233

509-63-012
GIES JOHN H
1322 E TREASURE COVE DR
GILBERT, AZ 85234

509-63-013
NGUYEN SON & VU ANTHONY
1409 W MEADOW GREEN LN
GILBERT, AZ 85233

509-63-014
BACCHUS BRETT
1012 CALLE CORVO NE
ALBUQUERQUE, NM 87113

509-63-015
509-63-016
BRAIDED CORD ENTERPRISES
1321 E CATCLAW
GILBERT, AZ 85296

509-63-017
HAMBY RONALD R
PO BOX 11222
CASA GRANDE, AZ 85222

509-63-018
BRANSCUM LESLIE G
16519 CHALMETTE ST
CYPRESS, TX 77429

509-63-019
WILLIAMS TODD
6800 N SYLVESTER LN
CASA GRANDE, AZ 85222

401-01-011A
401-01-011b
MANNING DON
PO BOX 7858
CHANDLER, AZ 85246

401-01-012F
TAYLOR LEON
1628 UNION ST
SAN FRANCISCO, CA 94123

401-01-012G
401-01-012H
401-01-012J
401-01-012S
401-01-012T
AGD INVESTMENTS LLC
25448 N 44TH DR
GLENDALE, AZ 85310

ARIZONA STATE LAND
1616 WEST ADAMS ST
PHOENIX, AZ 85007

401-01-009
ADCOX VENTURES, LLC
PO BOX 9602
CHANDLER HEIGHTS, AZ 85227

401-06-003C
BASSIL CHAOUKI & ANA ROSA
9880 SW 148TH TERRACE
MIAMI, FL 33176

401-06-009d
CASA GRANDE PINAL 190 LLC
20 IMA LOA CT
NEWPORT BEACH, CA 92663

401-06-003b
DU-BROOK INVESTMENTS
3730 N OVERFIELD RD
CASA GRANDE, AZ 85222

401-06-006A
EREMITA NINZIO & ANNA
2 RADCLIFF RD
STATEN ISLAND, NY 10305

401-06-006C
401-06-006b
KENNEDY RICHARD G & HEATHER R
5002 W KLECK RD
CASA GRANDE, AZ 85222

401-06-008
MARTIN DARYL R
5547 W RANDOLPH RD
CASA GRANDE, AZ 85222

401-06-003F
NGUYEN TONY CONG & KATHY PHAM
7050 W WETHERSFIELD RD
PEORIA, AZ 85381

401-06-003E
PHAM TRIEM V & HANH V
15365 N 77TH DR
PEORIA, AZ 85381

401-06-004
401-06-005A
401-06-005b
R C DAIRY INC
2481 S DOBSON RD
CHANDLER, AZ 85248

401-74-001A
ROBLES JOSE LUIS
2434 N SIGNAL PEAK RD
CASA GRANDE, AZ 85222

401-74-002b
TAWNEY DAVID ELWOOD & LINDA BRYAN
1202 E BARCELONA AVE
CASA GRANDE, AZ 85222

401-74-002C
JONES ALVIN EARL II & HYDE SHERI J
5041 W NIVEN RD
CASA GRANDE, AZ 85222

401-74-002d
JONES ALVIN EARL & GERTRUDE ARLENE
7950 W LAKE POWELL DR
CASA GRANDE, AZ 85222

401-74-003A
FIRST INDIANA BANK
3121 E CARDENAS ST
VAIL, AZ 85641

401-74-003b
KUKAWSKI WILLIAM
2898 N SIGNAL PEAK RD
CASA GRANDE, AZ 85222

401-74-003C
FIRST INDIANA BANK
135 N PENNSYLVANIA ST
INDIANAPOLIS, IN 46204

401-74-003E
401-74-003F
KENNEDY ROBERT G & ANITA M TRS
5125 W KLECK RD
CASA GRANDE, AZ 85222

401-74-004
RADEBACH LISA R
4889 W KLECK RD
CASA GRANDE, AZ 85222

401-74-008
SIDES OLLIE MAY DESCENDANTS TR
19965 E ELLIOT RD
MESA, AZ 85212

401-74-001b
401-74-006
401-74-007
401-74-009
401-74-010
401-74-011
401-07-004
BOYLE JIM & BARBARA A TRS
19965 E ELLIOT RD
MESA, AZ 85212

401-07-001

401-07-002

401-07-003A

401-07-003b

401-07-005

LONESOME VALLEY FARMS LTD PSHIP

1800 W HWY 287

CASA GRANDE, AZ 85222

401-07-006C

401-07-006d

MCKINLEY ARCHIE D & LINDA GAIL

12949 E CHANDLER HEIGHTS RD

CHANDLER, AZ 85249

401-07-007b

401-07-007C

401-07-007d

DEMARAY TIMOTHY W

2082 S CURRY RD

CASA GRANDE, AZ 85222

401-01-022b

401-01-025b

ALLIGATOR FARMS PROPERTIES LP

PO BOX 68

COOLIDGE, AZ 85228

401-01-145

APACHE CANYON LAND CO, LLC

18751 E PEARTREE LANE

QUEEN CREEK, AZ 85242

401-01-023Y

BOLEN BRENT & CYNTHIA

19633 W OCOTILLO RD

QUEEN CREEK, AZ 85242

401-01-023T

401-01-023P

BOYAJIAN MIKE

PO BOX 2606

GILBERT, AZ 85299

401-01-023M
BROWN JAY P & KRINDA L
18416 VIA DE PALMAS
QUEEN CREEK, AZ 85242

401-01-023C
CABANILLAS ALFRED
4039 N SIGNAL PEAK RD
CASA GRANDE, AZ 85222

401-01-023S
COPELAND KIRBY C & ANITA M
21830 S 195TH WAY
QUEEN CREEK, AZ 85242

401-01-041
GARRITANO SAMUEL E & MERLE
9833 SILICA RD
NORTH JACKSON, OH 44451

401-01-023R
HOLLIDAY TY W & KIRBY
1498 E ELGIN ST
GILBERT, AZ 85296

401-01-023K
JENSEN RICHARD S & RACHEL
4520 E LANTERN PL
GILBERT, AZ 85297

401-01-023X
JEWELL TIMOTHY W & BONNIE L
18506 E VIA DE PALMAS
QUEEN CREEK, AZ 85242

401-01-137
401-01-138
401-01-139
KNODL JAMES J
18575 LOLA DR
BROOKFIELD, WI 53045

401-01-024
401-01-025A
401-01-022A
LONESOME VALLEY FARMS LTD PSHIP
2306 W HWY 287
CASA GRANDE, AZ 85222

401-01-135
MAHONEY KENT & REBECCA F
PO BOX 2080
FLORENCE, AZ 85232

401-01-136
MEYER WARREN D & SYLVIA
12411 N 57TH ST
SCOTTSDALE, AZ 85254

401-01-023F
401-01-023G
401-01-023H
SHAMP ARCHIE P JR & SHERRIE L
PO BOX 1047
QUEEN CREEK, AZ 85242

401-01-040
VASQUEZ LYNN M
1704 E SANTA FIORE
QUEEN CREEK, AZ 85242

401-01-141
401-01-140
VASQUEZ FRANCISCO & ISABEL C
2145 W SILVER CREEK LANE
QUEEN CREEK, AZ 85242

PARCEL FOUR

401-18-003
SELMA & OVERFIELD LLC
212 N 76TH PL
MESA, AZ 85207

401-19-001
LONESOME VALLEY FARMS LTD PSHIP
2306 W HWY 287
CASA GRANDE, AZ 85222

401-01-086
401-01-087
ALLIGATOR FARMS PROPERTIES, LP
PO BOX 68
COOLIDGE, AZ 85228

401-01-088
ROBERTSON PATRICIA JO
PO BOX 68
COOLIDGE, AZ 85228

PARCEL FIVE

401-01-074
401-01-076
401-01-077
401-01-078
EAGLE MEADOWS OF CASA GRANDE III, LLC
4772 FRONTIER WAY
#400
STOCKTON, CA 95215

401-18-002
CAMBRIDGE BUSINESS INSURANCE LTD
1819 E SOUTHERN AVE
SUITE B-10
MESA, AZ 85204

EXHIBIT 5

ARIZONA WATER COMPANY

3805 N. BLACK CANYON HIGHWAY, PHOENIX, ARIZONA 85015-5351 • P.O. BOX 29006, PHOENIX, ARIZONA 85038-9006
PHONE: (602) 240-6860 • FAX: (602) 240-6878 • WWW.AZWATER.COM

[Date]

«PropertyOwner»

«Address1»

«Address2»

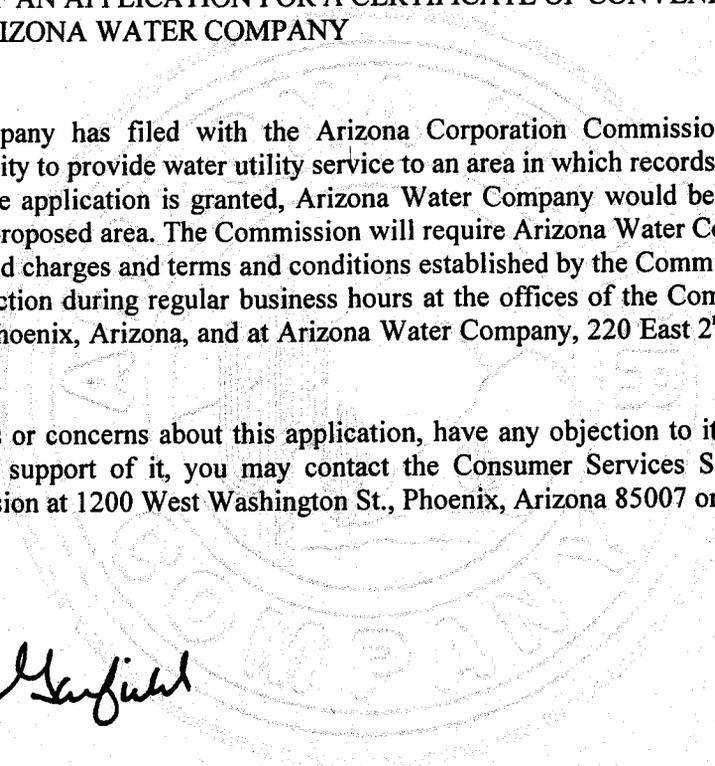
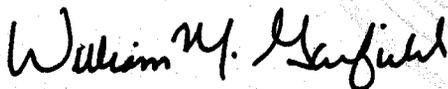
«City» «State» «PostalCode»

PINAL COUNTY ASSESSOR'S PARCEL NO.: «ParcelNumber»

**PUBLIC NOTICE OF AN APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND
NECESSITY BY ARIZONA WATER COMPANY**

Arizona Water Company has filed with the Arizona Corporation Commission ("Commission") an application for authority to provide water utility service to an area in which records indicate that you are a property owner. If the application is granted, Arizona Water Company would be the provider of water utility service to the proposed area. The Commission will require Arizona Water Company to provide this service under rates and charges and terms and conditions established by the Commission. The application is available for inspection during regular business hours at the offices of the Commission at 1200 West Washington Street, Phoenix, Arizona, and at Arizona Water Company, 220 East 2nd Street, Casa Grande, Arizona.

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



WILLIAM M. GARFIELD
President

E-MAIL: mail@azwater.com

EXHIBIT 6

ARIZONA WATER COMPANY
Comparative Statement of Income
November 30, 2005

	12 MONTHS TO DATE		NOVEMBER		11 Months to Date	
	2005	2004	2005	2004	2005	2004
OPERATING REVENUE	\$ 41,631,549	\$ 39,749,767	\$ 3,495,981	\$ 3,113,394	\$ 38,629,811	\$ 37,025,151
OPERATING EXPENSES						
Operation and Maintenance	20,181,747	18,550,051	1,599,692	1,488,006	18,701,155	17,147,687
Depreciation	5,343,823	4,705,564	445,285	397,585	4,892,058	4,406,695
Taxes Other Than Income Taxes	5,903,699	5,844,118	489,164	438,089	5,472,266	5,243,433
Income Taxes	3,205,704	3,466,723	260,911	194,935	3,279,556	3,547,104
Total Operating Expenses	34,634,973	32,366,456	2,795,052	2,518,615	32,345,035	30,344,919
OPERATING INCOME	6,996,576	7,383,311	700,929	594,779	6,284,776	6,680,232
OTHER (INCOME) AND DEDUCTIONS						
Other (Income) - Net	(3,699,760)	(475,866)	(38,180)	(15,715)	(440,648)	(463,384)
Interest on Long-Term Debt	1,815,466	1,852,467	149,233	152,317	1,663,150	1,697,067
Other Interest and Amortization	77,360	(90,545)	30,489	(8,769)	86,224	(85,092)
Total Other (Income) and Deductions	(1,806,934)	1,286,056	141,542	127,833	1,308,726	1,148,591
NET INCOME	8,803,510	6,097,255	559,387	466,946	4,976,050	5,531,641
Regular Common Dividends	3,966,300	3,677,400				
INCOME RETAINED	\$ 4,837,210	\$ 2,419,855				
Active Services	77,410	72,633				

EXHIBIT 6

ARIZONA WATER COMPANY
Comparative Statement of Income
November 30, 2005

	12 MONTHS TO DATE		NOVEMBER		11 Months to Date	
	2005	2004	2005	2004	2005	2004
OPERATING REVENUE	\$ 41,631,549	\$ 39,749,767	\$ 3,495,981	\$ 3,113,394	\$ 38,629,811	\$ 37,025,151
OPERATING EXPENSES						
Operation and Maintenance	20,181,747	18,550,051	1,599,692	1,488,006	18,701,155	17,147,687
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NET INCOME	8,803,510	6,097,255	\$ 559,387	\$ 466,946	\$ 4,976,050	\$ 5,531,641
Regular Common Dividends	3,966,300	3,677,400				
INCOME RETAINED	\$ 4,837,210	\$ 2,419,855				
Active Services	77,410	72,633				

COPY

Exhibit 7

735253

1268-263

FRANCHISE

BE IT RESOLVED by the Board of Supervisors, County of Pinal, State of Arizona:

THAT WHEREAS, Arizona Water Company, an Arizona corporation, has duly filed and presented its application that it be granted the right, privilege and franchise to construct, maintain and operate upon, over, along, across and under the present and future streets, avenues, alleys, highways, bridges, public roads and other public places in the County of Pinal, State of Arizona, water lines, plant and system, including mains, laterals, pumps, manholes, meters, regulator stations and related equipment, facilities and appurtenances, for the purpose of supplying water for all purposes in the County of Pinal, State of Arizona, for a period of twenty-five (25) years; and

WHEREAS, upon the filing of said application, the Board of Supervisors ordered that public notice of the intention of said Board to make such grant be given by publishing a notice in the Florence Reminder & Blade-Tribune newspaper of general circulation published in the City of Casa Grande, County of Pinal, State of Arizona, stating that at 10:00 o'clock A.M. on the 4th day of February, 1985, at the Courthouse in the City of Florence, County of Pinal, State of Arizona, was set for the time and place for the consideration of the granting of said right, privilege, and franchise; and

WHEREAS, said application coming on regularly for hearing on the 4th day of February, 1985, and it appearing by the affidavit of Florence Reminder of said newspaper that due and legal notice of said time and place set for the consideration of such action has been published for at least once a week for three weeks prior to the date set for said hearing;

NOW, THEREFORE,

SECTION 1. There is hereby granted to Arizona Water Company, a corporation organized and existing under and by virtue of the laws of the State of Arizona, its successors and assigns (hereinafter called "Grantee"), the right, privilege and franchise to construct, maintain and operate upon, over, along, across and under the present and future streets, avenues, alleys, highways, bridges, public roads and other public places in the County of Pinal, State of Arizona, water lines, plant and system, including mains, laterals, pumps, manholes, meters, regulator stations and related equipment, facilities and appurtenances, for the purpose of supplying water for all

1268-264

purposes in the County of Pinal, State of Arizona. Grantee's Application for Franchise is made a part hereof by reference thereto.

SECTION 2. All facilities to be constructed pursuant to this franchise shall be constructed and maintained in accordance with established practices with respect to such streets, avenues, alleys, highways, bridges and public places of the County of Pinal. Prior to such construction, a map showing the location of such facilities shall be submitted to such persons as may be designated by said Board of Supervisors.

SECTION 3. In the event that any lines or related facilities installed or constructed pursuant to this franchise shall at any time be found to interfere unduly with vehicular and pedestrian traffic over such streets, avenues, alleys, highways, bridges, public roads and other public places the Grantee hereby agrees that it will, at its own expense, and within a reasonable time after notice thereof by said Board of Supervisors, remove or relocate said lines, or related facilities so as to minimize said interference. In all other instances the costs incurred in relocating any lines or facilities shall be borne by and added to the cost of the public or private improvement causing or resulting in such relocation.

SECTION 4. In the event that said Board of Supervisors, acting on behalf of the County of Pinal, takes action to dispose of unnecessary public roadways in accordance with the provisions of Arizona Revised Statutes §28-1901, et seq., said Board of Supervisors agrees to recognize and preserve each of the Grantee's prior rights of way or easements and rights under this franchise which are affected thereby, as they existed prior to such disposition, by including specific and appropriate language for that purpose in any legal instrument utilized for the purpose of accomplishing such disposition.

SECTION 5. In case of any disturbance of pavement, sidewalk, driveway or other surfacing, planting or ground cover resulting from Grantee's action pursuant to this franchise, Grantee shall, in a manner entirely satisfactory to said Board of Supervisors and the department having appropriate jurisdiction, replace and restore the paving, sidewalk, driveway, surfacing, planting or ground cover of any street, alley or other public way or place so disturbed in as good condition as it was prior to said disturbance. All such work shall be completed with due diligence.

Further, to avoid duplication of effort and untimely destruction of the street, the Grantee shall coordinate its construction and replacement

1268-265

plans pursuant to this franchise with said department having appropriate jurisdiction.

SECTION 6. The Grantee shall save the County of Pinal harmless from expenses, claims and liability arising by reason of the exercise of this franchise by Grantee.

SECTION 7. The right, privilege and franchise hereby granted shall continue and exist for a period of twenty-five (25) years from the effective date hereof, and upon approval by said Board of Supervisors and acceptance by the Grantee, this franchise shall be deemed effective as of the date of approval of this Application.

SECTION 8. The right, privilege and franchise hereby granted shall inure to the benefit of, and be binding upon the Grantee, its successors and assigns.

SECTION 9. All resolutions and parts of resolutions in conflict with the provisions hereof are hereby repealed to the extent applicable to a franchised public service corporation.

SECTION 10. If any section, paragraph, subdivision, clause, phrase or provision of this resolution shall be adjudged invalid or unconstitutional, the same shall not affect the validity of this resolution as a whole or any part of the provisions hereof other than the part so adjudged to be invalid and unconstitutional.

SECTION 11. Upon the expiration of this franchise, if the Grantee shall not have acquired an extension or renewal thereof and accepted the same, it may continue operating its facilities and system within the County of Pinal until a new franchise can be effected with the County of Pinal.

Upon motion by Supervisor Mathieson

seconded by Supervisor Weatherly

the foregoing Resolution granting a Franchise to Arizona Water Company in the County of Pinal, State of Arizona, was duly passed and adopted by the Board of Supervisors, County of Pinal, State of Arizona, at a regular session of said Board held on the 4th day of February, 1985.

1268-266



PINAL COUNTY BOARD OF SUPERVISORS

By *[Signature]*
Chairman

ATTEST:

Charles A. Green
Clerk of Board of Supervisors

FRANCHISE AGREEMENT
BETWEEN
ARIZONA WATER COMPANY
AND THE
CASA GRANDE, ARIZONA, CITY COUNCIL

Section 1. –Grant of Franchise. There is hereby granted to Arizona Water Company, a corporation organized and existing under and by virtue of the laws of the State of Arizona, its successors and assigns (hereinafter called “Grantee”), the right, privilege and franchise to construct, maintain and operate upon, over, along, across and under the present and future public streets, avenues, alleys, highways, bridges and other public places in the City of Casa Grande, Pinal County, Arizona, (hereinafter called “Municipality”), water lines, plant and system, including mains, laterals, pumps, manholes, meters, fire hydrants, regulator stations and related equipment, facilities and appurtenances, for the purpose of providing water service for all purposes in Municipality.

Section 2. Construction and Maintenance in Accordance with Municipality’s Ordinances & Regulations. All facilities to be constructed and maintained pursuant to the Franchise shall be constructed and maintained in accordance with Municipality’s standards with respect to repairs and maintenance of such public streets, avenues, alleys, highways, and bridges and other public places of Municipality. Prior to construction, Grantee shall apply for a right-of-way work permit in accordance with all existing ordinances and regulations of Municipality and a map showing the location of such facilities shall be submitted to Municipality’s Director of Public Works, or his/her designee. If Grantee does not comply with any Municipal ordinance or regulation governing work in the public streets,

avenues, alleys, highways, and bridges and other public places of the Municipality, Grantee shall, within 30 days after written notice of non-compliance in accordance with Section 12, undertake action to achieve compliance.

Section 3. Removal or Movement of Facilities. In the event that facilities constructed pursuant to this Franchise shall at any time be found by Municipality to interfere unduly with Municipality's governmental functions over such public streets, avenues, alleys, highways or bridges or other public places, Grantee hereby agrees that it will, at its own expenses, and within a reasonable time after notice thereof by Municipality, remove or relocate said facilities so as to minimize said interference. In all other instances the costs incurred in relocating facilities shall be borne by and added to the costs of the public or private improvement causing or resulting in such relocation.

Section 4. Disposal of Unnecessary Rights-of-Way. In the event Municipality takes action to dispose of unnecessary public roadways in accordance with the provisions of the Arizona Revised Statutes, Municipality shall recognize and preserve each of Grantee's prior rights-of-way, easements, and rights under this Franchise which are affected thereby, as they existed prior to such disposition, by including specific and appropriate language for that purpose in any legal instrument utilized for the purpose of accomplishing such disposition.

Section 5. Franchise Fee.

(a) As a further consideration for the franchise hereby granted, Grantee will pay quarterly to Municipality a sum equal to 3% of the gross receipts of Grantee from the sale of all water for residential, commercial and industrial purposes, including connect or reconnect charges, service establishment or reestablishment charges, or other similar charges, within Municipality's corporate limits, as Grantee is notified from time to time by Municipality of the extent of such corporate limits. For the purpose of

verifying the amounts payable hereunder, Grantee's billing records shall be subject to inspection by duly authorized officials or representatives of Municipality, at reasonable times.

(b) Said payment shall be a franchise fee. Said payments shall only be in lieu of any and all permit fees or other fees, charges or exactions whatsoever otherwise assessed by Municipality for the construction and maintenance of Grantee's facilities within public streets, avenues, alleys, highways, and bridges and other public places of the Municipality hereunder or for inspections thereof up to the amount payable under the terms of this Section 5. Furthermore, the amount of such franchise fee may be lawfully and specifically added to customer bills.

(c) Payment as described in the preceding paragraphs shall be payable in quarterly amounts within 30 days after the end of each calendar quarter.

Section 6. Indemnity. Grantee shall save Municipality harmless from expenses, claims and liability arising by reason of the exercise of this Franchise by Grantee.

Section 7. Term. The right, privilege, and franchise hereby granted shall continue and exist for a period of twenty-five (25) years from the date that the last representative for the parties executes this Agreement (effective date), however, either party may terminate this Franchise on its tenth (10th) anniversary by giving written notice of its intention to do so not less than six (6) months before the tenth (10th) anniversary. While such notice may or may not result in a renegotiated Franchise, the party giving the notice of termination shall be responsible for the costs of any resulting franchise election to renew this franchise or adopt a new franchise.

Section 8. Assignability of Franchise by Grantee The right, privilege and franchise hereby granted may be assigned by Grantee in whole or in part.

Section 9. – Franchise; Non-Exclusive: This Franchise is not exclusive, and nothing herein contained shall be construed to prevent Municipality from granting other like or similar grants or privileges to any other person, firm or corporation.

Section 10. – Conflicting Ordinances: All ordinances and parts of ordinances in conflict with the provisions hereof are, to the extent applicable to a franchised water public service corporation, are hereby superseded by the terms of this Franchise.

Section 11. – Independent Provisions: If any section, paragraph, subdivision, clause, phrase or provision of this Franchise Agreement, other than Section 5, shall be adjudged invalid or unconstitutional, the same shall not affect the validity of this Franchise as a whole or any part of the provisions hereof other than the part so adjudged to be invalid or unconstitutional. If Section 5 shall be adjudged invalid or unconstitutional in whole or in part by a final judgment, this Franchise shall immediately terminate and shall be of no further force or effect.

Section 12. – Notices: Any notice required or permitted to be given hereunder shall be in writing, unless otherwise expressly permitted or required, and shall be deemed effective either (i) upon hand delivery to the person then holding the office shown below, or, if such office is vacant or no longer exists, to a person holding a comparable office, or (ii) on the third business day following its deposit with the United States Postal Service, first class and certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

(a) To the City: City Clerk
City of Casa Grande
510 East Florence Blvd
Casa Grande, Arizona 85222

With a copy to:

Casa Grande City Attorney
510 East Florence Blvd
Casa Grande, Arizona 85222

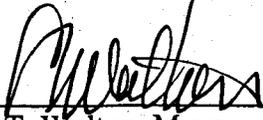
(b) To Arizona Water Company: P.O. Box 29006

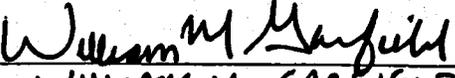
Phoenix, AZ 85038-9006

Section 13. Avowal. We, the undersigned, have executed this document in accordance with the results of the City of Casa Grande Special Election held on September 13th, 2005, on the dates below written.

CITY OF CASA GRANDE, an
Arizona Municipal Corporation

ARIZONA WATER COMPANY, an
Arizona Corporation

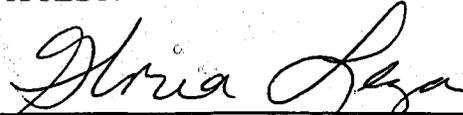
By 
Charles T. Walton, Mayor

By 
WILLIAM M. GARFIELD
PRESIDENT

On behalf of the City of Casa Grande
Date: May 18, 2005

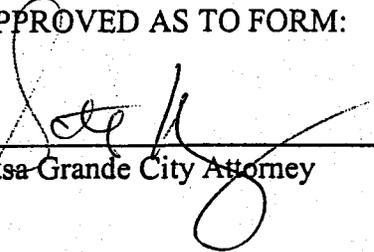
Date: 9-27-2005

ATTEST:


Gloria Leija, Casa Grande City Clerk



APPROVED AS TO FORM:


Casa Grande City Attorney

State of Arizona)
 maricopa) ss
County of ~~Pinal~~)

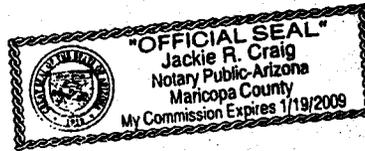
**Arizona Water Company
Acknowledgment**

On this 27th day of September, 2005, William M. Garfield, who acknowledged himself/herself to be the President of Arizona Water Company personally appeared before the undersigned and that he/she, as such officer, being authorized to do so, executed the document in the capacity therein stated and for the purposes therein contained by signing his/her name.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Jackie R. Craig
Notary Public

My commission expires: 1-19-2009



RESOLUTION NO. 3614

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF CASA GRANDE, PINAL COUNTY, ARIZONA, DECLARING THAT SAID COUNCIL DEEMS THAT GRANTING OF A CERTAIN WATER FRANCHISE BENEFICIAL FOR THE CITY OF CASA GRANDE; ORDERING A SPECIAL ELECTION TO BE HELD ON THE 13TH DAY OF SEPTEMBER, 2005, AT WHICH ELECTION THERE SHALL BE SUBMITTED TO THE VOTERS OF SAID CITY THE QUESTION AS TO WHETHER OR NOT SAID FRANCHISE SHALL BE GRANTED TO ARIZONA WATER COMPANY; DESIGNATING ELECTION TO BE BY MAIL BALLOT PROCESS.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CASA GRANDE, PINAL COUNT, ARIZONA, AS FOLLOWS:

Section 1. That the Mayor and City Council of the City of Casa Grande deem the granting of the Franchise Agreement (identified in City records as C.G. No. 505-13, which is incorporated by this reference herein as if fully set forth herein) is beneficial to the City of Casa Grande.

Section 2. That an election is hereby called and ordered to be held in the City of Casa Grande on the 13th day of September, 2005, for the purpose of submitting to a vote of the qualified electors of the City of Casa Grande, the question as to whether the franchise under the terms and conditions of the above-referenced agreement shall be granted to Arizona Water Company.

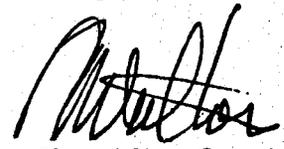
Section 3. That the notice of said election shall be given by the City of Casa Grande by causing a copy of the resolution to be published in full according to law in the proper publication, namely, the Casa Grande Dispatch, a daily newspaper of general circulation printed and published in the City of Casa Grande, Pinal County, State of Arizona, affording not less than thirty (30) days notice prior to the date of the election. The publication shall be in English and Spanish.

Section 4. The City shall utilize the mail ballot election process. Casa Grande City Hall, 510 E. Florence Boulevard, Casa Grande, shall be designated as a re-issue center and drop-off site.

Section 5. That the ballots to be used at said election shall be substantially in the form set forth in Exhibit A, attached hereto and incorporated herein by this reference.

Further, the voter shall indicate his of her vote "For the franchise" or "Against the franchise" by inserting an "X" or other proper indication of their vote in the square opposite the phrase.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Casa Grande, Arizona, by a majority of the members present and voting this 16th day of May 2005.



Mayor, City of Casa Grande

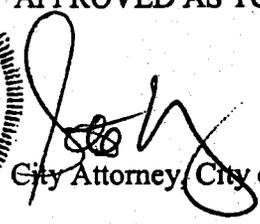
ATTEST:



City Clerk, City of Casa Grande



APPROVED AS TO FORM:



City Attorney, City of Casa Grande