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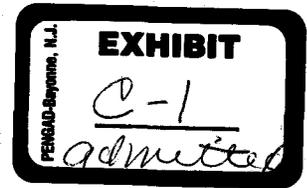
AZ CORP COMMISSION
DOCUMENT CONTROL

Transcript Exhibit(s)

Docket #(s): W-01646A-060010

Exhibit #: C-1, C-2, C-3, C-4, S-1,

Addendum to the Alternative Proposal in Re:
W-01646A-06-0010



February 28, 2006

The financial effect based upon the change in the minimum amount billed per connection is as follows:

Company	Current Amt	Connections	\$ Billed	Proposed	\$ Billed	Difference
Cochise	\$20.00	413	\$8,260.00	\$17.00	\$7,021.00	<\$1,239.00>
Horseshoe	\$17.00	220	\$3,740.00	\$17.00	\$3,740.00	\$0.00
Miracle	\$10.00	299	\$2,990.00	\$17.00	\$5,083.00	\$2,093.00
Crystal	\$12.00	63	\$756.00	\$17.00	\$1,071.00	\$315.00
Mustang	\$15.00	71	\$1,065.00	\$17.00	\$1,207.00	\$142.00
Coronado	\$12.00	209	\$2,508.00	\$17.00	\$3,553.00	\$1,045.00
Sierra Sunset	?	26	?	\$17.00	\$442.00	?
Totals	XXXXXX	1,301	\$19,319.00	XXX	\$22,117.00	\$2,798.00

Note: The above figures slightly skewed due to lack of information on Sierra Sunset Water Company.

The current minimum billing of \$19,319.00 annualized will equal \$231,828.00. The proposed minimum billing of \$22,117.00 will annualize at \$265,404.00, an increase of \$33,576.00 over the current billing or an increase of 14.5%.

The earlier analytical data has been based upon a usage of 7,500 gallons per month. To maintain a consistency throughout, with the understanding that, a.) The data is somewhat skewed because of the lack of information about Sierra Sunset, and b.) The results are variable as the usage increases or decreases; I have based my calculations on the assumption of all users of all of the system companies using an average of 7,500 gallons per month.

The monthly Rate Impact upon a 7,500 Gallon User

Company	@ Current Rate	@ Proposed Rate	\$ Change	% Change
Cochise	\$36.50	\$33.88	<\$2.62>	<7.2>
Horseshoe	\$36.50	\$33.88	<\$2.62>	<7.2>
Miracle	\$15.50	\$33.88	\$18.38	118.6
Crystal	\$24.38	\$33.88	\$9.50	39.0
Mustang	\$31.25	\$33.88	\$2.63	8.4
Coronado	\$24.38	\$33.88	\$9.50	39.0
Sierra Sunset	?	\$33.88	?	?

Comparative Revenue Creation, by Company, for a 7,500 Gallon User

Company	Connections	Current Rate	Totals Billed	X X	Connections	Proposed Rate	Totals Billed
Cochise	413	\$36.50	\$15,074.50	X X	413	\$33.88	\$13,992.44
Horseshoe	220	\$36.50	\$8,030.00	X X	220	\$33.88	\$7,453.60
Miracle	299	\$15.50	\$4,634.50	X X	299	\$33.88	\$10,130.12
Crystal	63	\$24.38	\$1,535.94	X X	63	\$33.88	\$2,134.44
Mustang	71	\$31.25	\$2,218.75	X X	71	\$33.88	\$2,405.48
Coronado	209	\$24.38	\$5,095.42	X X	209	\$33.88	\$7,080.92
Sierra Sunset	26	?	?	X X	26	\$33.88	\$880.88
Totals	1301	XX	\$36,589.11	X X	1301	XX	\$43,197.00
Difference	XX	XX	XX	X	XX	XX	+\$6,607.89

If this difference of \$6,608.00 per month were annualized, then the increased amount of revenue would equal \$79,296.00. Combined with the increase created by the adjustment in the minimum billing the total increase in revenues should equal approximately \$112,872.00.

Because the actual amount of revenue to be created is based upon a number of factors that are highly variable, I would suggest a complete review of the entire program at the end of approximately 6 full months of operation (or sooner if conditions require it) and consider making whatever necessary changes might be considered reasonable and prudent.

Summary & Conclusions

- 1.) Significant disparity currently exists between the rate structures of the various companies.
- 2.) The proposal to impose a surcharge on each subscriber account may look like the most expedient solution; however, it is the equivalent, in my opinion, of putting a bandage on a wound that refuses to heal. If the underlying problem is not dealt with, the problem continues to exist.
- 3.) There is a lack of public confidence in both the current Operator and the Corporation Commission. This confidence must be restored. This can only occur as a result of complete openness concerning the operation of these companies. There must exist a "transparency", and a willingness to divulge information, whether positive or negative.
- 4.) This plan will assist in "bridging the gap" between the current situation and the ultimate outcome that will be recognized under new ownership and following the anticipated infrastructure investments and further possible rate adjustments.

- 5.) This plan will correct a long-standing injustice that has had both positive and negative effects on the customers of the system companies.
- 6.) This plan will, in the near term, restore stability to the operations of these companies and will help to restore diminished property values that have resulted from the uncertainty of a safe, consistent water supply.

11:49:39AM
 COCHISE WATER COMPANY

SALES AND RECEIVABLES REPORT

Month	Water	Late F	Supert	Adjust	Reconn	Tax	Total Sales	Total Past Due	Overpay Prepays	Total Receivables
01-05	8,672.56		56.38	(191.55)		529.02	9,066.41	9,393.38	(\$1,361.86)	17,097.93
02-05	12,787.22		82.97	314.97		780.09	13,965.25	6,078.44	(\$1,716.25)	18,327.44
03-05	10,163.81		66.06	65.54		619.98	10,915.39	4,475.43	(\$1,659.42)	13,731.40
04-05	12,981.11		84.44	56.24	60.00	795.56	13,977.35	5,140.43	(\$1,366.84)	17,750.94
05-05	13,545.20		88.09	878.95	(10.00)	825.65	15,327.89	6,126.73	(\$2,143.58)	19,311.04
06-05	13,470.87		87.57	(606.98)		821.74	13,773.20	6,941.19	(\$2,068.09)	18,646.30
07-05	16,540.99		107.48	1,150.60		1,009.00	18,808.07	8,668.69	(\$2,719.88)	24,756.88
08-05	11,724.68		76.22	624.02		791.46	13,216.38	11,282.03	(\$3,174.37)	21,324.04
09-05	10,610.27		69.03	1,347.40		716.13	12,742.83	9,541.08	(\$2,662.48)	19,621.43
10-05	14,688.27		95.47	312.24		991.42	16,087.40	7,534.49	(\$2,499.21)	21,122.68
11-05	13,827.76		89.97	1,274.25		933.32	16,125.30	9,057.47	(\$2,006.91)	23,175.86
12-05	11,580.56		75.35	(1,321.19)		781.72	11,116.44	9,442.05	(\$1,819.61)	18,738.88

12 Month Totals

Monthly Averages

Total Water	\$150,593.30	Average Water	\$12,549.44
Total Supert	\$979.03	Average Supert	\$81.59
Total Adjust	\$3,904.49	Average Adjust	\$325.37
Total Reconm	\$50.00	Average Reconm	\$4.17
Total Tax	\$9,595.09	Average Tax	\$799.59
	\$165,121.91		\$13,760.16

Qualified By: Qualified By: System Totals 01-05 to 12-0501-05 k

Arizona Small Utility Association



USAGE AND LOSS REPORT

Arizona Rural Utility Svcs (1)																	
Month	Water Pumped	Water Sold	Water Loss Pct	Average Use	Active Meters	Zero Use Meters	Over 50000	40001 50000	30001 40000	20001 30000	10001 20000	8001 10000	6001 8000	4001 6000	2001 4000	1001 2000	1
01-05	0	1,132,550	0.00	3,069	369	4	1	0	0	0	2	6	10	16	38	134	138
02-05	0	2,422,720	0.00	6,443	376	14	0	0	1	10	57	37	65	75	66	49	
03-05	0	1,492,210	0.00	4,011	372	15	0	0	0	2	17	15	35	86	113	92	
04-05	0	2,489,780	0.00	6,587	378	22	0	1	1	9	65	32	51	81	73	43	
05-05	0	12,272,840	0.00	31,878	385	23	4	3	4	14	71	20	46	73	77	47	
06-05	0	2,788,210	0.00	7,223	386	17	1	2	2	12	77	31	45	69	58	37	
07-05	0	3,621,830	0.00	9,010	402	29	9	2	7	12	84	24	43	59	66	49	
08-05	0	2,073,220	0.00	5,094	407	24	1	2	2	4	30	24	52	85	98	63	
09-05	0	1,705,910	0.00	4,151	411	22	1	0	0	3	21	17	39	77	105	89	
10-05	0	2,967,450	0.00	7,238	410	43	4	3	4	14	53	40	55	57	73	39	
11-05	0	13,713,730	0.00	32,887	417	28	5	2	4	6	36	42	59	77	87	43	
12-05	0	1,924,330	0.00	4,571	421	40	0	1	1	5	26	31	47	84	105	48	

12 Month Totals

Monthly Averages

Total Water Pumped	0	Average Water Pumped	0
Total Water Sold	48,604,780	Average Water Sold	4,050,398
Total Used for Fire/Flush	0	Average Used for Fire/Flush	0
Total Water Loss	-48,604,780	Average Water Loss	-4,050,398
Total Water Loss Percent	0.00%	Average Water Loss Percent	0.00%
		Average Customer Use	10,180

Qualified By: System Totals 01-05 to 12-05
 Arizona Small Utility Association

*Can be w/ Horse Run Ranch
 Max pumping thru G/Sofos = 223,200 GPD*

12:03:55PM
 **HORSESHOE RANCH WATER CO

SALES AND RECEIVABLES REPORT

Month	Water	Late F	Supert	Adjust	Reconn	Tax	Total Sales	Total Past Due	Overpay Prepays	Total Receivables
01-05	6,325.71		41.09	(573.58)		385.94	6,179.16	5,071.47	(\$304.15)	10,946.48
02-05	5,819.41		37.67	(263.05)		353.44	5,947.47	4,345.75	(\$719.66)	9,573.56
03-05	5,949.93		38.64	231.39		363.03	6,582.99	2,185.87	(\$583.59)	8,185.27
04-05	6,447.65		41.95	(108.24)		393.35	6,774.71	2,462.93	(\$410.27)	8,827.37
05-05	6,020.84		39.12	(82.27)		367.38	6,345.07	2,602.53	(\$479.55)	8,468.05
06-05	7,297.10		47.47	(1,149.48)		445.25	6,640.34	3,367.19	(\$366.81)	9,640.72
07-05	7,415.11		48.26	285.94		452.41	8,201.72	3,829.98	(\$719.38)	11,312.32
08-05	6,591.18		42.86	(15.44)		438.23	7,056.83	4,565.40	(\$395.97)	11,226.26
09-05	5,872.41		38.21	1,272.25		396.41	7,579.28	5,453.88	(\$572.45)	12,460.71
10-05	7,349.89		47.79	(205.61)		496.15	7,688.22	5,255.87	(\$758.39)	12,185.70
11-05	6,335.25		41.19	215.05		427.73	7,019.22	5,121.00	(\$444.25)	11,695.97
12-05	5,268.78		34.23	(253.49)		355.64	5,405.16	4,365.84	(\$538.30)	9,232.70

12 Month Totals

Total Water	\$76,693.26	Average Water	\$6,391.11
Total Supert	\$498.48	Average Supert	\$41.54
Total Adjust	(\$646.53)	Average Adjust	(\$53.88)
Total Tax	\$4,874.96	Average Tax	\$406.25
	\$81,420.17		\$6,785.02

Monthly Averages

Total Water	\$76,693.26	Average Water	\$6,391.11
Total Supert	\$498.48	Average Supert	\$41.54
Total Adjust	(\$646.53)	Average Adjust	(\$53.88)
Total Tax	\$4,874.96	Average Tax	\$406.25
	\$81,420.17		\$6,785.02

Qualified By: Qualified By: System Totals 01-05 to 12-0501-05 to
 Arizona Small Utility Association

USAGE AND LOSS REPORT

Arizona Rural Utility Svcs (4)

Month	Water Pumped	Water Sold	Water Loss Pct	Average Use	Active Meters	Zero Use Meters	Over 50000	40001 50000	30001 40000	20001 30000	10001 20000	8001 10000	6001 8000	4001 6000	2001 4000	20000
01-05	0	1,199,200	0.00	5,996	200	1	2	0	1	2	16	18	31	39	57	27
02-05	0	930,770	0.00	4,540	205	8	0	0	0	0	11	14	35	37	66	33
03-05	0	1,032,780	0.00	5,088	203	12	0	0	1	2	16	13	31	38	62	26
04-05	0	1,198,740	0.00	6,024	199	11	0	0	1	2	29	23	23	43	49	22
05-05	0	5,589,820	0.00	27,401	204	12	6	0	1	1	5	9	26	24	71	47
06-05	0	1,463,390	0.00	7,209	203	24	0	0	0	10	44	24	19	32	35	13
07-05	0	1,510,390	0.00	7,261	208	10	2	2	0	4	34	22	16	41	50	23
08-05	0	1,212,130	0.00	5,828	208	13	1	2	0	2	12	19	26	44	52	37
09-05	0	1,003,590	0.00	4,825	208	11	0	0	1	2	13	16	25	41	50	43
10-05	0	1,476,590	0.00	7,099	208	18	2	0	1	7	38	9	23	35	44	25
11-05	0	1,153,090	0.00	5,544	208	12	1	0	2	2	17	23	23	38	52	30
12-05	0	801,710	0.00	3,818	210	11	0	0	0	0	9	13	14	42	77	35

12 Month Totals

Monthly Averages

Total Water Pumped	0	Average Water Pumped	0
Total Water Sold	18,572,200	Average Water Sold	1,547,683
Total Used for Fire/Flush	0	Average Used for Fire/Flush	0
Total Water Loss	-18,572,200	Average Water Loss	-1,547,683
Total Water Loss Percent	0.00 %	Average Water Loss Percent	0.00 %
		Average Customer Use	7,553

Qualified By: System Totals 01-05 to 12-05
 Arizona Small Utility Association

\$17.00/1000 \$3.00/1000

DATE	REPORTED CONNECTIONS	GALLONS SOLD	AVERAGE USAGE	GALLON ALLOWANCE	NET BILLABLE	MINIMUM BILLING	EXCESS BILLED	TOTAL BILLED	AVERAGE BILLING
2005/01	200	1,199,200	5996	<200,000>	999,200	3400.00	2997.60	6397.60	31.99
2005/02	205	930,770	4540	<205,000>	725,770	3485.00	2177.31	5662.31	27.62
2005/03	203	1,032,780	5088	<203,000>	829,780	3451.00	2489.34	5940.34	29.26
2005/04	199	1,198,740	6024	<199,000>	999,740	3383.00	2999.22	6382.22	32.07
2005/05	204	1,589,820	7793	<204,000>	1,385,820	3468.00	4157.46	7625.46	37.38
2005/06	203	1,463,390	7209	<203,000>	1,260,390	3451.00	3781.17	7232.17	35.63
2005/07									
2005/08									
2005/09									
2005/10									
2005/11									
2005/12									
TOTALS									

COMPANY: HORSE HOSE RADD

11:58:39AM
 ***MIRACLE VALLEY WATER CON

SALES AND RECEIVABLES REPORT

Month	Water	Late F	Supert	Adjust	Reconn	Tax	Total Sales	Total Past Due	Overpay Prepays	Total Receivables
01-05	2,538.72		15.49	(436.55)		154.85	2,272.51	6,022.07	(\$1,562.47)	6,732.11
02-05	4,219.77		27.20	(111.14)		257.45	4,393.28	5,153.70	(\$1,883.97)	7,663.01
03-05	3,593.73		23.07	192.78		219.22	4,028.80	4,757.01	(\$2,197.53)	6,588.28
04-05	4,796.28		30.77	(1.93)		291.43	5,116.55	5,458.39	(\$1,768.28)	8,806.66
05-05	5,300.91		34.14	364.17		322.68	6,021.90	6,214.57	(\$1,995.75)	10,240.72
06-05	5,260.21	58.00	33.89	(143.76)		320.81	5,529.15	7,118.18	(\$1,688.11)	10,959.22
07-05	6,176.68		39.92	(1,159.68)		376.80	5,433.72	9,232.34	(\$2,017.34)	12,648.72
08-05	3,971.85		25.45	(352.30)	80.00	273.32	3,998.32	8,466.14	(\$1,878.65)	10,585.81
09-05	3,657.86	6,567.82	23.30	208.51		246.89	10,704.38	7,897.79	(\$3,791.35)	14,810.82
10-05	4,712.97		30.34	(981.08)		317.92	4,080.15	11,126.29	(\$2,277.58)	12,928.86
11-05	3,944.67		25.25	1,825.07		264.74	6,059.73	11,437.13	(\$2,759.39)	14,737.47
12-05	3,223.42		20.51	(416.98)		217.93	3,044.88	11,250.59	(\$2,667.33)	11,628.14

12 Month Totals

Total Water	\$51,397.07	Average Water	\$4,283.09
Total Supert	\$6,625.82	Average Supert	\$552.15
Total Adjust	\$329.33	Average Adjust	\$27.44
Total Reconn	(\$1,012.89)	Average Reconn	(\$84.41)
Total Tax	\$80.00	Average Tax	\$6.67
Total	\$3,264.04	Average	\$272.00

Monthly Averages

Total Water	\$50,683.37	Average Water	\$5,056.94
Total Supert	\$6,625.82	Average Supert	\$552.15
Total Adjust	\$329.33	Average Adjust	\$27.44
Total Reconn	(\$1,012.89)	Average Reconn	(\$84.41)
Total Tax	\$80.00	Average Tax	\$6.67
Total	\$60,683.37	Average	\$5,056.94

Qualified By: Qualified By: System Totals 01-05 to 12-0501-05 to

Arizona Small Utility Association

USAGE AND LOSS REPORT

Arizona Rural Utility Svcs (5)

Month	Water Pumped	Water Sold	Water Loss Pct	Average Use	Active Meters	Zero Use Meters	Over 50000	40001 50000	30001 40000	20001 30000	10001 20000	8001 10000	6001 8000	4001 6000	2001 4000	1 2000
01-05	0	434,230	0.00	1,716	253	6	1	0	1	2	2	4	0	0	12	205
02-05	0	2,425,000	0.00	9,510	255	24	3	1	2	14	49	25	35	33	36	24
03-05	0	1,421,600	0.00	5,575	255	27	2	0	1	7	26	16	25	46	52	46
04-05	0	2,740,490	0.00	10,875	252	24	9	1	4	21	50	26	18	32	39	22
05-05	0	44,311,430	0.00	173,770	255	26	17	3	7	21	44	19	16	33	34	30
06-05	0	34,215,930	0.00	134,708	254	35	15	3	7	21	44	19	17	33	34	26
07-05	0	4,087,830	0.00	15,543	263	46	18	8	9	33	33	14	15	22	32	20
08-05	0	1,780,370	0.00	6,744	264	38	1	1	6	9	36	28	26	25	43	40
09-05	0	1,519,380	0.00	5,350	284	40	3	0	3	6	27	20	25	37	42	60
10-05	0	2,514,100	0.00	9,011	279	35	4	1	8	17	53	16	30	25	37	30
11-05	0	1,769,020	0.00	6,295	281	31	2	0	2	11	43	17	22	37	45	40
12-05	0	1,075,580	0.00	3,814	282	36	1	0	1	2	16	14	21	36	60	68

12 Month Totals

Monthly Averages

Total Water Pumped	0	Average Water Pumped	0
Total Water Sold	98,294,960	Average Water Sold	8,191,247
Total Used for Fire/Flush	0	Average Used for Fire/Flush	0
Total Water Loss	-98,294,960	Average Water Loss	-8,191,247
Total Water Loss Percent	0.00 %	Average Water Loss Percent	0.00 %
		Average Customer Use	31,909

Qualified By: System Totals 01-05 to 12-05
 Arizona Small Utility Association

Max pump capacity = 432,000 GPD

ATTACHMENT A

DATE	REPORTED MO/YR	CONNECTIONS	GALLONS SOLD	AVERAGE USAGE	GALLON ALLOWANCE	NET BILLABLE	MINIMUM BILLING	EXCESS BILLED	TOTAL BILLED	AVERAGE BILLING
COMPANY: Miracle Valley Water Company, Inc.										
2005/01	253	434,230 *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005/02	255	2,425,000	9,510	<510,000>	1,915,000	\$2,550.00	\$1,915.00	\$4,465.00	\$17.51	
2005/03	255	1,421,600	5,575	<510,000>	911,600	\$2,550.00	\$911.60	\$3,461.60	\$13.58	
2005/04	252	2,740,490	10,875	<504,000>	2,236,490	\$2,520.00	\$2,236.49	\$4,756.49	\$18.88	
2005/05	255	2,102,396	8,245	<510,000>	1,592,396	\$2,550.00	\$1,592.40	\$4,142.40	\$16.24	
2005/06	254	2,530,325	9,962	<508,000>	2,022,325	\$2,540.00	\$2,022.33	\$4,562.33	\$17.96	
2005/07										
2005/08										
2005/09										
2005/10										
2005/11										
2005/12										
TOTALS										

* Data Not Used Due To Apparent Error In Reporting

#10.00/2000 #1.00/1000

DATE MO/YR	REPORTED CONNECTIONS	GALLONS SOLD	COMPANY:		NET BILLABLE	MINIMUM BILLING	EXCESS BILLED	TOTAL BILLED	AVERAGE BILLING
			AVERAGE USAGE	GALLON ALLOWANCE					
2005/01	253	434,230*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005/02	255	2,425,000	9510	<510,000>	1,915,000	2550.00	1915.00	4461.00	17.57
2005/03	255	1,421,600	5575	<510,000>	911,600	2550.00	911.60	3461.60	13.52
2005/04	252	2,740,490	10,875	<504,000>	2,236,490	2520.00	2236.49	4956.49	18.22
2005/05	255	2,102,396	8,245	<510,000>	1,592,396	2550.00	1592.40	4142.40	16.24
2005/06	251	2,130,525	9262	<508,000>	2,022,525	2540.00	2022.33	4562.55	17.96
2005/07									
2005/08									
2005/09									
2005/10									
2005/11									
2005/12									
TOTALS									

* Data not used due to obvious error

11:57:22AM
 MUSTANG WATER COMPANY

SALES AND RECEIVABLES REPORT

Month	Water	Late F	Supert	Adjust	Reconn	Tax	Total Sales	Total Past Due	Overpay Prepays	Total Receivables
01-05	1,673.64		10.92	(37.90)		102.13	1,748.79	1,462.85	(\$301.12)	2,910.52
02-05	1,709.77		11.14	(222.26)		104.36	1,603.01	1,044.37	(\$410.36)	2,237.02
03-05	1,661.79		10.84	34.02		101.43	1,808.08	529.36	(\$213.37)	2,124.07
04-05	1,924.72		12.51			117.47	2,054.70	744.12	(\$192.74)	2,606.08
05-05	2,180.16		14.20	320.00		133.04	2,647.40	843.46	(\$145.85)	3,345.01
06-05	2,179.06		14.20	(327.64)		132.98	1,998.60	1,417.86	(\$130.87)	3,285.59
07-05	2,206.44		14.38	(138.47)		134.67	2,217.02	1,303.18	(\$210.80)	3,309.40
08-05	1,858.94		12.10			113.45	1,984.49	1,323.80	(\$221.70)	3,086.59
09-05	1,656.84		10.77	0.10		111.86	1,779.57	1,512.02	(\$544.34)	2,747.25
10-05	1,873.46		12.22	36.64		126.43	2,048.75	1,296.13	(\$376.72)	2,968.16
11-05	1,936.15		12.62	385.00		130.67	2,464.44	1,292.88	(\$593.82)	3,163.50
12-05	1,639.18		10.66	40.75		110.64	1,801.23	1,713.51	(\$370.50)	3,144.24

12 Month Totals

Total Water	\$22,500.15	Average Water	
Total Supert	\$146.56	Average Supert	
Total Adjust	\$90.24	Average Adjust	
Total Tax	\$1,419.13	Average Tax	
	\$24,156.08		

Monthly Averages

Total Water	\$1,875.01
Total Supert	\$12.21
Total Adjust	\$7.52
Total Tax	\$118.26
	\$2,013.00

Qualified By: Qualified By: System Totals 01-05 to 12-0501-05 to

Arizona Small Utility Association

USAGE AND LOSS REPORT

Arizona Rural Utility Svcs (6)

Month	Water Pumped	Water Sold	Water Loss Pct	Average Use	Active Meters	Zero Use Meters	Over 50000	40001	30001	20001	10001	8001	6001	4001	2001	1
01-05	0	334,730	0.00	5,072	66	2	1	0	0	0	3	1	5	16	26	12
02-05	0	284,410	0.00	4,309	66	6	0	0	0	0	4	1	8	20	17	11
03-05	0	332,800	0.00	5,120	65	5	0	0	0	0	6	3	15	14	15	7
04-05	0	440,090	0.00	6,668	66	4	0	0	1	3	6	5	14	15	10	7
05-05	0	1,534,040	0.00	22,896	67	2	2	1	1	2	10	5	10	14	11	8
06-05	0	1,531,780	0.00	23,209	66	4	2	1	1	2	10	5	10	14	11	6
07-05	0	541,070	0.00	8,076	67	9	2	0	1	3	10	5	7	9	9	11
08-05	0	409,910	0.00	6,118	67	8	0	1	1	0	7	5	7	15	15	6
09-05	0	334,360	0.00	4,917	68	7	0	0	1	1	5	3	6	13	18	10
10-05	0	411,110	0.00	5,958	69	10	0	2	0	1	6	8	6	11	14	8
11-05	0	434,740	0.00	6,211	70	8	1	1	0	2	6	3	11	12	13	10
12-05	0	307,990	0.00	4,338	71	7	0	0	1	0	2	4	7	17	19	11

12 Month Totals

Monthly Averages

Total Water Pumped	0	Average Water Pumped	0
Total Water Sold	6,897,030	Average Water Sold	574,753
Total Used for Fire/Flush	0	Average Used for Fire/Flush	0
Total Water Loss	-6,897,030	Average Water Loss	-574,753
Total Water Loss Percent	0.00%	Average Water Loss Percent	0.00%
		Average Customer Use	8,574

Qualified By: System Totals 01-05 to 12-05
Arizona Small Utility Association

Max pump capacity = 26,500 GPD

12:53:36PM
 CRYSTAL WATER COMPANY

SALES AND RECEIVABLES REPORT

Month	Water	Late F	Supert	Adjust	Reconn	Tax	Total Sales	Total Past Due	Overpay Prepays	Total Receivables
01-05	1,090.81		7.09	(42.60)		66.50	1,121.80	696.72	(\$502.80)	1,315.72
02-05	1,087.08		7.08	220.00	10.00	66.88	1,391.04	398.41	(\$458.25)	1,331.20
03-05	1,429.82		9.27	22.67	600.00	123.82	2,185.58	293.24	(\$412.62)	2,066.20
04-05	1,610.51		10.52	(176.01)	(270.00)	81.73	1,256.75	957.93	(\$400.45)	1,814.23
05-05	1,883.19		12.07	292.81		113.29	2,301.36	231.20	(\$678.86)	1,853.70
06-05	1,699.20		10.87	(219.64)		102.06	1,592.49	470.58	(\$516.78)	1,546.29
07-05	2,619.87		16.91	-	-	158.25	2,795.03	523.30	(\$463.36)	2,854.97
08-05	1,395.39		8.93	294.38	-	94.18	1,792.88	1,250.00	(\$518.86)	2,524.02
09-05	1,265.42		8.01	(70.49)	-	85.44	1,288.38	1,217.14	(\$207.56)	2,297.96
10-05	1,789.10		11.38	(256.88)		120.78	1,664.38	1,010.00	(\$276.60)	2,397.78
11-05	1,544.70		9.51	231.27		104.26	1,889.74	892.59	(\$303.55)	2,478.78
12-05	2,686.60		17.24	(116.26)		181.38	2,768.96	948.29	(\$222.17)	3,495.08

12 Month Totals

Monthly Averages

Total Water	\$20,101.69	Average Water	\$1,675.14
Total Supert	\$128.88	Average Supert	\$10.74
Total Adjust	\$179.25	Average Adjust	\$14.94
Total Reconn	\$340.00	Average Reconn	\$28.33
Total Tax	\$1,298.57	Average Tax	\$108.21
			\$1,837.36

Qualified By: Qualified By: System Totals 01-05 to 12-0501-05 to

Arizona Small Utility Association

USAGE AND LOSS REPORT

Arizona Rural Utility Svcs (3)

Month	Water Pumped	Water Sold	Water Loss Pct	Average Use	Active Meters	Zero Use Meters	Over 50000	40001 50000	30001 40000	20001 30000	10001 20000	8001 10000	6001 8000	4001 6000	2001 4000	2000	1
01-05	0	281,520	0.00	4,772	59	1	0	0	0	0	0	1	8	13	23		7
02-05	0	266,900	0.00	4,305	62	4	0	0	0	1	1	4	10	14	18		8
03-05	0	425,840	0.00	6,868	62	2	0	0	1	2	8	11	6	11	15		4
04-05	0	502,040	0.00	8,097	62	2	0	0	0	5	14	6	8	8	13		6
05-05	0	8,903,110	0.00	139,111	64	5	2	0	1	6	16	3	4	7	16		4
06-05	0	8,785,500	0.00	139,452	63	7	1	0	1	5	16	3	4	7	16		4
07-05	0	841,400	0.00	13,356	63	4	4	1	0	4	18	1	4	7	12		8
08-05	0	388,350	0.00	5,884	66	4	0	0	0	2	10	5	7	11	17		6
09-05	0	331,270	0.00	5,096	65	4	0	0	0	1	7	8	7	7	14		13
10-05	0	559,790	0.00	8,355	67	6	0	0	1	5	20	4	3	4	11		8
11-05	0	452,760	0.00	6,758	67	6	0	0	0	2	17	5	8	8	9		6
12-05	0	957,760	0.00	14,295	67	7	1	0	0	0	4	3	12	15	11		10

12 Month Totals

Monthly Averages

Total Water Pumped	0	Average Water Pumped	0
Total Water Sold	22,696,240	Average Water Sold	1,891,353
Total Used for Fire/Flush	0	Average Used for Fire/Flush	0
Total Water Loss	-22,696,240	Average Water Loss	-1,891,353
Total Water Loss Percent	0.00 %	Average Water Loss Percent	0.00 %
		Average Customer Use	29,696

Qualified By: System Totals 01-05 to 12-05
 Arizona Small Utility Association

More pumping capacity - \$3,200 (POD)

11:52:07AM
 **CORONADO WATER COMPANY

SALES AND RECEIVABLES REPORT

Month	Water	Late F	Supert	Adjust	Reconn	Tax	Total Sales	Total Past Due	Overpay Prepays	Total Receivables
01-05	3,787.14		24.71	(218.94)		231.00	3,823.91	3,895.83	(\$351.43)	7,368.31
02-05	4,163.44		27.14	57.26		253.96	4,501.80	2,408.22	(\$417.11)	6,492.91
03-05	4,990.13		32.47	580.36		304.30	5,907.26	1,644.66	(\$1,111.44)	6,440.48
04-05	5,658.90		36.91	604.61	10.00	345.72	6,656.14	3,302.93	(\$813.72)	9,145.35
05-05	8,661.90		56.40	(215.89)		528.37	9,030.78	3,058.19	(\$460.80)	11,628.17
06-05	6,222.96		40.55	(61.19)		379.60	6,581.92	4,998.01	(\$336.49)	11,243.44
07-05	6,027.22		39.27	450.16		367.54	6,884.19	6,382.17	(\$411.77)	12,854.59
08-05	5,514.09		35.87	(2,734.72)		372.21	3,187.45	7,287.05	(\$427.30)	10,047.20
09-05	4,604.37		30.09	31.86		310.84	4,977.16	5,818.24	(\$1,683.60)	9,111.80
10-05	26,986.46		175.45	(898.29)		1,821.64	28,085.26	4,459.26	(\$728.32)	31,816.20
11-05	5,602.80		36.54	(20,795.66)		378.27	(14,778.05)	26,161.52	(\$661.34)	10,722.13
12-05	4,826.91		31.37	(12.75)		325.77	5,171.30	4,686.12	(\$680.07)	9,177.35

12 Month Totals

Total Water	\$87,046.32	Average Water	
Total Supert	\$566.77	Average Supert	
Total Adjust	(\$23,213.19)	Average Adjust	
Total Reconm	\$10.00	Average Reconm	
Total Tax	\$5,619.22	Average Tax	

Monthly Averages

Total Water	\$7,253.86
Total Supert	\$47.23
Total Adjust	(\$1,934.43)
Total Reconm	\$0.83
Total Tax	\$468.27
Total	\$5,835.76

Qualified By: Qualified By: System Totals 01-05 to 12-0501-05 to
 Arizona Small Utility Association

USAGE AND LOSS REPORT

Arizona Rural Utility Svcs (2)

Month	Water Pumped	Water Sold	Water Loss Pct	Average Use	Active Meters	Zero Use Meters	Over 50000	40001 50000	30001 40000	20001 30000	10001 20000	8001 10000	6001 8000	4001 6000	2001 4000	2000	1
01-05	0	1,088,350	0.00	5,947	183	3	1	0	0	0	4	18	12	20	46	50	19
02-05	0	1,132,070	0.00	5,866	193	14	1	0	1	1	4	18	15	20	44	46	24
03-05	0	1,571,060	0.00	8,225	191	15	2	2	2	2	6	33	16	32	39	24	16
04-05	0	1,806,690	0.00	9,361	193	25	3	1	5	6	43	17	19	19	31	23	20
05-05	0	4,035,660	0.00	20,696	195	8	6	1	7	13	49	15	26	26	22	25	21
06-05	0	3,053,320	0.00	15,820	193	11	5	1	7	13	49	15	26	26	22	25	19
07-05	0	1,943,360	0.00	10,017	194	27	4	1	8	7	44	10	16	16	24	30	24
08-05	0	1,764,010	0.00	9,046	195	19	5	0	2	5	39	19	17	17	29	29	24
09-05	0	1,338,120	0.00	6,691	200	18	2	4	0	3	26	12	25	25	19	38	46
10-05	0	11,274,770	0.00	55,816	202	22	5	6	2	11	39	17	20	20	26	27	20
11-05	0	1,788,240	0.00	8,897	201	15	3	2	5	9	35	18	27	27	34	30	19
12-05	0	1,448,270	0.00	7,205	201	16	4	1	0	2	24	14	31	31	43	39	20

12 Month Totals

Monthly Averages

Total Water Pumped	0	Average Water Pumped	0
Total Water Sold	32,243,920	Average Water Sold	2,686,993
Total Used for Fire/Flush	0	Average Used for Fire/Flush	0
Total Water Loss	-32,243,920	Average Water Loss	-2,686,993
Total Water Loss Percent	0.00 %	Average Water Loss Percent	0.00 %
		Average Customer Use	13,632

Qualified By: System Totals 01-05 to 12-05
 Arizona Small Utility Association

MWA Pump Capital \$ = \$32,000 GRD

11:55:40AM
 **SIERRA SUNSET WATER COMP.

SALES AND RECEIVABLES REPORT

Month	Water	Late F	Supert	Adjust	Tax	Total Sales	Total Past Due	Overpay Prepays	Total Receivables
01-05	800.00		5.14		48.93	854.07	400.21	(\$53.84)	1,200.44
02-05	325.00		2.10	(53.06)	19.86	293.90	399.59	(\$0.69)	692.80
03-05	1,300.00		8.54	(106.76)	79.33	1,281.11	106.76	(\$214.35)	1,173.52
04-05	800.00		5.14		48.93	854.07	293.13	\$0.00	1,147.20
05-05	800.00		5.14		48.93	854.07	186.52	(\$106.76)	933.83
06-05	800.00		5.14	(106.76)	48.93	747.31	212.90	(\$26.69)	933.52
07-05	800.00	2.1	5.14		48.93	854.07	159.21	(\$0.20)	1,013.08
08-05	800.00	2.1	5.14		48.93	854.07	346.96	(\$54.77)	1,146.26
09-05	800.00	2.6	5.14	(160.13)	49.73	694.74	533.47	(\$26.69)	1,201.52
10-05	650.00		4.16	(320.26)	43.94	377.84	507.41	(\$1.08)	884.17
11-05	650.00		4.16	60.00	43.94	758.10	107.24	(\$55.17)	810.17
12-05	625.00		4.00		42.25	671.25	274.80	(\$27.17)	918.88

12 Month Totals

Total Water	\$9,150.00	Average Water	\$762.50
Total Superf	\$58.94	Average Superf	\$4.91
Total Adjust	(\$686.97)	Average Adjust	(\$57.25)
Total Tax	\$572.63	Average Tax	\$47.72
			<u>\$757.88</u>

Monthly Averages

Total Water	\$762.50
Total Superf	\$4.91
Total Adjust	(\$57.25)
Total Tax	\$47.72
	<u>\$757.88</u>

Qualified By: Qualified By: System Totals 01-05 to 12-0501-05 to

Arizona Small Utility Association

USAGE AND LOSS REPORT

Arizona Rural Utility Svcs (7)																
Month	Water Pumped	Water Sold	Water Loss Pct	Average Use	Active Meters	Zero Use Meters	Over 50000	40001 50000	30001 40000	20001 30000	10001 20000	8001 10000	6001 8000	4001 6000	2001 4000	1 2000
01-05	0	0	0.00	0	28	27	0	0	0	0	0	0	0	0	0	0
02-05	0	0	0.00	0	28	8	0	0	0	0	0	0	0	0	0	0
03-05	0	0	0.00	0	27	27	0	0	0	0	0	0	0	0	0	0
04-05	0	0	0.00	0	27	27	0	0	0	0	0	0	0	0	0	0
05-05	0	0	0.00	0	27	27	0	0	0	0	0	0	0	0	0	0
06-05	0	0	0.00	0	27	27	0	0	0	0	0	0	0	0	0	0
07-05	0	0	0.00	0	27	27	0	0	0	0	0	0	0	0	0	0
08-05	0	0	0.00	0	27	27	0	0	0	0	0	0	0	0	0	0
09-05	0	0	0.00	0	26	26	0	0	0	0	0	0	0	0	0	0
10-05	0	0	0.00	0	26	26	0	0	0	0	0	0	0	0	0	0
11-05	0	0	0.00	0	25	25	0	0	0	0	0	0	0	0	0	0
12-05	0	0	0.00	0	25	25	0	0	0	0	0	0	0	0	0	0

12 Month Totals

Monthly Averages

Total Water Pumped	0	Average Water Pumped	0
Total Water Sold	0	Average Water Sold	0
Total Used for Fire/Flush	0	Average Used for Fire/Flush	0
Total Water Loss	0	Average Water Loss	0
Total Water Loss Percent	0.00 %	Average Water Loss Percent	0.00 %
		Average Customer Use	0

Qualified By: System Totals 01-05 to 12-05
 Arizona Small Utility Association

Max Pump capacity = 43,200 GPD

ATTACHMENT A

DATE MO/YR	REPORTED CONNECTIONS	GALLONS SOLD	COMPANY: AVERAGE USAGE	Sierra Sunset Water Company GALLON ALLOWANCE	NET BILLABLE	MINIMUM BILLING	EXCESS BILLED	TOTAL BILLED	AVERAGE BILLING
2005/01	28	*	*	*	*	*	*		
2005/02	28	*	*	*	*	*	*		
2005/03	27	*	*	*	*	*	*		
2005/04	27	*	*	*	*	*	*		
2005/05	27	*	*	*	*	*	*		
2005/06	27	*	*	*	*	*	*		
2005/07		*	*	*	*	*	*		
2005/08		*	*	*	*	*	*		
2005/09		*	*	*	*	*	*		
2005/10		*	*	*	*	*	*		
2005/11		*	*	*	*	*	*		
2005/12		*	*	*	*	*	*		
TOTALS		*	*	*	*	*	*		

* This System Is Unmetered and Data Is Not Available

DATE MO/YR	REPORTED CONNECTIONS	GALLONS SOLD	COMPANY: <i>PICARD DUNSET</i>						
			AVERAGE USAGE	GALLON ALLOWANCE	NET BILLABLE	MINIMUM BILLING	EXCESS BILLED	TOTAL BILLED	AVERAGE BILLING
2005/01	28	*							
2005/02	28	*							
2005/03	27	*							
2005/04	27	*							
2005/05	27	*							
2005/06	27	*							
2005/07									
2005/08									
2005/09									
2005/10									
2005/11									
2005/12									
TOTALS									

* This system is downgraded with no data available

Case Number: H: 03-b/c - 0475- EWH

INCOME STATEMENT

(Accrual Basis)

*Debtor's own form may be substituted if (1) it is prepared in accordance with generally accepted accounting principals, (2) year-to-date and filing-to-date information is provided, and (3) if reorganization expenses are segregated in the statement.

	Current Month	Year to Date	Total Since Filing
REVENUES			
Gross Revenue	49,919.61	256,316.90	669,476.29
Less: Returns & Discounts	0	0	0
Net Revenue	49,919.61	256,316.90	669,476.29
COST OF GOODS SOLD			
Material	0	0	0
Direct Labor	20,538.46	68,246.76	190,127.12
Direct Overhead (attach detail)	0	0	0
Total Cost of Goods Sold	20,538.46	68,246.76	190,127.12
GROSS PROFIT	29,381.15	188,070.14	479,349.17
OPERATING EXPENSES			
Officer/Insider Compensation	0	0	0
Selling & Marketing (attach detail)	0	0	0
General & Administrative (attach detail)	26,916.63	159,314.37	416,139.73
Other Expenses (attach detail)	0	0	0
Total Operating Expenses	26,916.63	159,314.37	416,139.73
Income Before Non-operating Income and Expense	1,564.52	28,805.77	63,209.44
OTHER INCOME & EXPENSE			
Other Income (attach list)	0	0	0
Other Expense (attach list)	0	0	0
Interest Expense	0	0	0
Depreciation/Depletion	0	0	0
Amortization	0	0	0
Net Other Income & Expense	0	0	0
Income Before Reorganization Expense	1,564.52	28,805.77	63,209.44
REORGANIZATION EXPENSES			
Professional Fees	0	0	0
U.S. Trustee Fees	0	0	0
Other (attach list)	0	0	0
Total Reorganization Expenses	0	0	0
Income Tax	0	0	0
NET PROFIT OR (LOSS)	1,564.52	28,805.77	63,209.44

CURRENT MONTH'S RECEIPTS AND DISBURSEMENTS

Case Number: 4103-bk-04125-ENR

	BANK ACCOUNTS			Total
	Operating	Payroll	Tax	
	# 60252052	#	#	

Balance at Beginning of Period	61,644.92			
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RECEIPTS				
Cash Sales		42,997.19		
Accounts Rceivable - Prepetition		0		
Accounts Rceivable - Postpetition		5,932.42		
Loans and Advances		0		
Sale of Assets		0		
Transfers from Other DIP Accounts		0		
Other (attach list)		0		
TOTAL RECEIPTS		48,919.61		

DISBURSEMENTS				
Business - Ordinary Operations		47,355.09		
Capitol Improvements		0		
Pre-Petition Debt		0		
Transfers to Other DIP Accounts		0		
Other (attach list)		0		
Reorganization Expenses:				
Attorney Fees		0		
Accountant Fees		0		
Other Professional Fees		0		
U. S. Trustee Quarterly Fee		0		
Court Costs		0		
TOTAL DISMBURSEMENTS		47,355.09		

Balance at End of Month	63,209.44			
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**Information provided above should reconcile with balance sheet and income statement amounts*

DISBURSEMENTS FOR CALCULATING QUARTERLY FEES:	
Total Disbursements From Above	
Less: Transfers to Other DIP Accounts	
Plus: Estate Disbursements Made by Outside Sources (payments from escrow; 2-party check; etc.)	
Total Disbursements for Calculating Quarterly Fees	

Case Number: 4:03-bk-04125-EWH

COMPARATIVE BALANCE SHEET

(Accrual Basis)

*Debtor's own form may be substituted if (1) it is prepared in accordance with generally accepted accounting principals, (2) current and prior period information is provided, and (3) if pre-petition and post-petition liabilities are segregated.

Rec'd

ASSETS	SCHEDULE AMOUNT ¹	CURRENT MONTH	PRIOR MONTH
Unrestricted Cash		9,308.86	8,049.72
Restricted Cash		0	0
Total Cash		9,308.86	8,049.72
Accounts Receivable (net)		5,932.42	5,932.42
Inventory		0	0
Notes Receivable		0	0
Prepaid Expenses		0	0
Other (attach list)		15,241.28	0
Total Current Assets		0	13,981.14
Property, Plant & Equipment		0	0
Less: Accumulated Depreciation		0	0
Net Property, Plant & Equip.		0	0
Due From Insider(s)		0	0
Other Assets - net (attach list)		0	0
Other (attach list)		0	0
TOTAL ASSETS		15,241.28	13,981.14
POST-PETITION LIABILITIES			
Accounts Payable		109,391.07	76,615.57
Taxes Payable		22,341.43	22,341.43
Notes Payable		22,500.00	22,500.00
Professional Fees		0	0
Secured Debt		0	0
Other (attach list)		0	0
Total Post-Petition Liabilities		153,222.50	121,457.00
PRE-PETITION LIABILITIES			
Secured Debt		0	0
Priority Debt		0	0
Unsecured Debt		0	0
Other (attach list)		0	0
Total Pre-Petition Liabilities		0	0
TOTAL LIABILITIES		153,222.50	121,457.00
EQUITY			
Pre-petition Owner's Equity		-	-
Post-Petition Cumulative Profit/Loss		<137,981.22>	<107,475.86>
Direct Charges to Equity (explain)			
Total Equity			
TOTAL LIABILITIES & OWNER'S EQUITY			

317

¹ This column should reflect the information provided in Schedules A, B, C, D, E, and F filed with the Court

STATUS OF ASSETS

Information provided on this page should reconcile with balance sheet amounts

ACCOUNTS RECEIVABLE	TOTAL	0-30 Days	31-60 Days	60+ Days
Total Accounts Receivable	5,932.42	0	0	5,932.42
Less Amount Considered Uncollectible	0	0	0	0
Net Accounts Receivable	5,932.42	0	0	5,932.42

DUE FROM INSIDER	
Schedule Amount	
Plus: Amount Loaned Since Filing Date	
Less: Amount Collected Since Filing Date	
Less: Amount Considered Uncollectible	
Net Due From Insiders	

INVENTORY	
Beginning Inventory	
Plus: Purchases	
Less: Cost of Goods Sold	
Ending Inventory	

Date Last Inventory was taken: _____

FIXED ASSETS	SCHEDULE AMOUNT	ADDITIONS	DELETIONS	CURRENT AMOUNT
Real Property				
Buildings				
Accumulated Depreciation				
Net Buildings				
Equipment				
Accumulated Depreciation				
Net Equipment				
Autos/Vehicles				
Accumulated Depreciation				
Net Autos/Vehicles				

Provide a description of fixed assets added or deleted during the reporting period. Include the date of Court order.

Case Number: 4103-bk-DURS-EWH

**STATUS OF LIABILITIES
AND SENSITIVE PAYMENTS**

*Information provided on this page should reconcile with balance sheet and disbursement detail amounts

Li. 739.19

POST-PETITION LIABILITIES	TOTAL	+20,827 0-30 Days	4557 31-60 Days	+2003,007 61-90 Days	+12,197 91+ Days
Accounts Payable *	108,381.07	29,375.00	5,631.13	8,636.15	61,738.79
Taxes Payable	22,341.43	0	0	0	22,341.43
Notes Payable	22,500.00	0	0	0	22,500.00
Professional Fees Payable	0	0	0	0	0
Secured Debt	0	0	0	0	0
Other (attach list)	0	0	0	0	0
	0	0	0	0	0
Total Post-Petition Liabilities	153,222.50	29,375.00	5,631.13	8,636.15	106,540.22

31.7%

PAYMENTS TO INSIDERS AND PROFESSIONALS

Insiders			
Name	Reason for Payment	Amount Paid this Month	Total Paid to Date
Total Payments to Insiders			

Professionals				
Name	Date of Court Order Authorizing Payment	Amount Approved	Amount Paid this Month	Total Paid to Date
Total Payments to Professionals				

Case Number:

CASE STATUS

QUESTIONNAIRE

	YES	NO
Have any funds been disbursed from any accounts other than a Debtor-in-Possession account?		✓
Are any post-petition receivables (accounts, notes or loans) due from related parties?		✓
Are any wages past due?		✓
Are any U. S. Trustee quarterly fees delinquent?		?

Provide a detailed explanation of any "YES" answers to the above questions: (attach additional sheets if needed)

Current number of employees: 4

INSURANCE

Carrier & Policy Number	Type of Policy	Period Covered	Payment Amount & Frequency

What steps have been taken to remedy the problems which brought on the chapter 11 filing?

Identify any matters that are delaying the filing of a plan of reorganization:

NEW APPLICATION



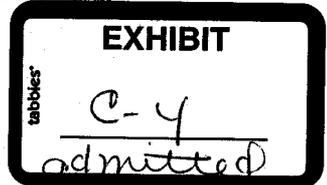
210 W. ...
Suite 6B
Avondale, AZ 85323
800-895-0426

Ste. 190
Tucson, AZ 85745
800-5649058



July 14, 2005

ORIGINAL



President
Curtis Winder
Town of Snowflake

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix Arizona 85007

W-01868A-05-05 17

Vice President
John Clayton
Valley Pioneers
Water Company

Subject: Cochise Water Company – Meter Installation Moratorium

Secretary
Don Miller
Tohono Oodham
Utility Authority

We respectfully request that the Arizona Corporation Commission consider a moratorium with respect to new meter installations at the above named water system. Currently, drinking water demand from the customers exceeds the water systems production capacity. Significant infrastructure improvement is needed to increase the reliability of drinking water delivery. Additionally, operators have found that there are several meters that are under reporting and have discovered multiple unmetered connections. Attached is the compiled Water Use Data Sheet for your review. Thank you for your deliberation of this matter.

Treasurer
Peter Kaleta
Golden Valley
Improvement Dist.

Sincerely,

Timothy A. Edwards
Executive Director

National Director
David Saddler
Tohono Oodham
Utility Authority

cc: Martin D. McCarthy, P.E., Manager, Compliance Programs Unit,
Arizona Department of Environmental Quality

Director
Ron Solomon
Town of Taylor
Pat Fitzgerald
Ponderosa Park

Flavio Gonzalez, Director of Operations, Arizona Rural Utility
Services

Director
Pat Fitzgerald
Ponderosa Park
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Water Use Data Sheet for Cochise Water Company

Month/Year	Number of Connections	Gallons Sold (Thousands)
10/2004	362	2,381,510
11/2004	362	2,381,510
12/2004	362	8,174,370
1/2005	369	1,132,550
2/2005	376	2,422,720
3/2005	372	1,492,210
4/2005	378	2,489,780
5/2005	385	2,272,840
6/2005	386	2,788,210

Storage Tank	Quantity	ADWR Well ID No.	Well Production (GPM)
160,000	1	55-630018	35
10,000	1	55-550951	60
		55-630887	30
		55-805546	30

155

Other water sources: 0 gallons per minute (GPM)

Number of fire hydrants: 0
 $155 \times 60 = 9,300 \text{ GPM} \times 24 = 223,200 \text{ GPD}$

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Tucson, AZ 85745
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AZ CORP COMMISSION
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President
Curtis Winder
Town of Snowflake

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix Arizona 85007 W-02235A-05-0513

Vice President
John Clayton
Valley Pioneers
Water Company

Subject: Horseshoe Water Company – Meter Installation
Moratorium

Secretary
Don Miller
Tohono Oodham
Utility Authority

We respectfully request that the Arizona Corporation Commission consider a moratorium with respect to new meter installations at the above named water system. Currently, drinking water demand from the customers exceeds the water systems production capacity. Significant infrastructure improvement is needed to increase the reliability of drinking water delivery. Additionally, operators have found that there are several meters that are under reporting and have discovered multiple unmetered connections. Attached is the compiled Water Use Data Sheet for your review. Thank you for your deliberation of this matter.

Treasurer
Peter Kaleta
Golden Valley
Improvement Dist.

Sincerely,
Timothy A. Edwards
Timothy A. Edwards
Executive Director

National Director
David Saddler
Tohono Oodham
Utility Authority

Cc: Martin D. McCarthy, P.E., Manager, Compliance Programs Unit,
Arizona Department of Environmental Quality

Director
Ron Solomon
Town of Taylor
Pat Fitzgerald
Ponderosa Park

Flavio Gonzalez, Director of Operations, Arizona Rural Utility
Services

Director
Pat Fitzgerald
Ponderosa Park
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Water Use Data Sheet for Horseshoe Ranch Water Company

Month/Year	Number of Connections	Gallons Sold (Thousands)
10/2004	200	1,023,740
11/2004	200	1,023,740
12/2004	199	1,569,580
1/2005	200	1,199,200
2/2005	205	930,770
3/2005	203	1,032,780
4/2005	199	1,198,740
5/2005	204	1,589,820
6/2005	203	1,463,390

Storage Tank Capacity (gal.)	Quantity (how many)	ADWR Well ID No.	Well Production (GPM)
15,000	2	—	0

Other water sources: 110 gallons per minute (GPM)
 Number of fire hydrants: 0

NEW APPLICATION



210
Suite 00
Avondale, AZ 85323
800-895-0426

ste. 190
Tucson, AZ 85745
800-564-9058

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President
Curtis Winder
Town of Snowflake

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix Arizona 85007 W-01646A-05-0514

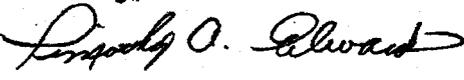
Vice President
John Clayton
Valley Pioneers
Water Company

Subject: Miracle Valley Water Company, Inc. – Meter Installation
Moratorium

Secretary
Don Miller
Tohono O'odham
Utility Authority

We respectfully request that the Arizona Corporation Commission consider a moratorium with respect to new meter installations at the above named water system. Currently, drinking water demand from the customers exceeds the water systems production capacity. Additionally, significant infrastructure improvement is needed to increase the reliability of drinking water delivery. Attached is the compiled Water Use Data Sheet for your review. Thank you for your deliberation of this matter.

Treasurer
Peter Kaleta
Golden Valley
Improvement Dist.

Sincerely,

Timothy A. Edwards
Executive Director

National Director
David Saddler
Tohono Oodham
Utility Authority

Cc: Martin D. McCarthy, P.E., Manager, Compliance Programs Unit,
Arizona Department of Environmental Quality

Director
Ron Solomon
Town of Taylor
Pat Fitzgerald
Ponderosa Park

Flavio Gonzalez, Director of Operations, Arizona Rural Utility
Services

Director
Pat Fitzgerald
Ponderosa Park
DWID



Water Use Data Sheet for Miracle Valley Water Company

Month/Year	Number of Connections	Gallons Sold (Thousands)
10/2004	253	2,310,720
11/2004	253	2,310,720
12/2004	252	2,646,090
1/2005	253	434,230
2/2005	255	2,425,000
3/2005	255	1,421,600
4/2005	252	2,740,490
5/2005	255	2,102,396
6/2005	254	2,530,325

Storage Tank Capacity (gal.)	Quantity (how many)	ADWR Well ID No.	Well Production (GPM)
0	0	55-527262	300

$300 \times 60 = 18,000 \text{ GPM}$
 $\times 24 = 432,000 \text{ GPD}$

NEW APPLICATION



21
Suite 6B
Avondale, AZ 85323
800-895-0426

JUL 17 2005
Tucson, AZ 85745
800-5649058

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July 14, 2005

President
Curtis Winder
Town of Snowflake

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix Arizona 85007

W-02230A-05-0515

Vice President
John Clayton
Valley Pioneers
Water Company

Subject: Mustang Water Company – Meter Installation Moratorium

Secretary
Don Miller
Tohono Oodham
Utility Authority

We respectfully request that the Arizona Corporation Commission consider a moratorium with respect to new meter installations at the above named water system. Currently, drinking water demand from the customers exceeds the water systems production capacity. Additionally, significant infrastructure improvement is needed to increase the reliability of drinking water delivery. Attached is the compiled Water Use Data Sheet for your review. Thank you for your deliberation of this matter.

Treasurer
Peter Kaleta
Golden Valley
Improvement Dist.

Sincerely,

Timothy A. Edwards
Executive Director

National Director
David Saddler
Tohono O'odham
Utility Authority

Cc: Martin D. McCarthy, P.E., Manager, Compliance Programs Unit,
Arizona Department of Environmental Quality

Director
Ron Solomon
Town of Taylor
Pat Fitzgerald
Ponderosa Park

Flavio Gonzalez, Director of Operations, Arizona Rural Utility
Services

Director
Pat Fitzgerald
Ponderosa Park
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Water Use Data Sheet for Mustang Heights Water Co.

Month/Year	Number of Connections	Gallons Sold (Thousands)
10/2004	66	457,200
11/2004	66	451,200
12/2004	66	
1/2005	66	334,930
2/2005	66	284,410
3/2005	65	332,800
4/2005	67	440,090
5/2005	66	534,040
6/2005	66	531,780

Storage Tank Capacity (gal.)	Quantity (how many)	ADWR Well ID No.	Well Production (GPM)
0	0	55-807770	60

Other water sources: 0 gallons per minute (GPM)

Number of fire hydrants: 0

$60 \times 60 = 3,600 \text{ GPM}$
 $24 = 86,400 \text{ GPD}$

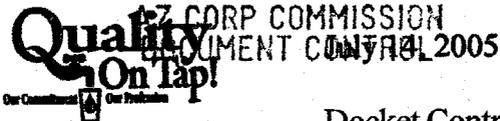
NEW APPLICATION

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21
Suite 6B
Avondale, AZ 85323
800-895-0426

Ste. 170
Tucson, AZ 85745
800-564-9058



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President
Curtis Winder
Town of Snowflake

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix Arizona 85007 W-023 16A-05-0512

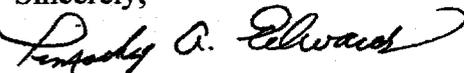
Vice President
John Clayton
Valley Pioneers
Water Company

Subject: Crystal Water Company – Meter Installation Moratorium

Secretary
Don Miller
Tohono Oodham
Utility Authority

We respectfully request that the Arizona Corporation Commission consider a moratorium with respect to new meter installations at the above named water system. Currently, drinking water demand from the customers exceeds the water systems production capacity. Additionally, significant infrastructure improvement is needed to increase the reliability of drinking water delivery. Attached is the compiled Water Use Data Sheet for your review. Thank you for your deliberation of this matter.

Treasurer
Peter Kaleta
Golden Valley
Improvement Dist.

Sincerely,


Timothy A. Edwards
Executive Director

National Director
David Saddler
Tohono Oodham
Utility Authority

Cc: Martin D. McCarthy, P.E., Manager, Compliance Programs Unit,
Arizona Department of Environmental Quality

Director
Ron Solomon
Town of Taylor
Pat Fitzgerald
Ponderosa Park

Flavio Gonzalez, Director of Operations, Arizona Rural Utility
Services

Director
Pat Fitzgerald
Ponderosa Park
DWID



Water Use Data Sheet for Crystal Water Company

Month/Year	Number of Connections	Gallons Sold (Thousands)
10/2004	60	477,030
11/2004	60	477,030
12/2004	60	323,650
1/2005	59	281,520
2/2005	62	266,900
3/2005	62	425,840
4/2005	62	502,040
5/2005	64	903,110
6/2005	63	785,500

Storage Tank Capacity (gal.)	Quantity (how many)	ADWR Well ID No.	Well Production (GPM)
			30

$30 \times 60 = 1800 \text{ GPH}$
 $\times 24 = 43,200 \text{ GPD}$

NEW APPLICATION

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2005 JUL 15 P 2: 01



210
Suite 6B
Avondale, AZ 85323
800-895-0426

.....
Ste. 190
Tucson, AZ 85745
800.5649058

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President
Curtis Winder
Town of Snowflake

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix Arizona 85007 W-01629A-05-0511

Vice President
John Clayton
Valley Pioneers
Water Company

Subject: Coronado Water Company – Meter Installation Moratorium

Secretary
Don Miller
Tohono O'odham
Utility Authority

We respectfully request that the Arizona Corporation Commission consider a moratorium with respect to new meter installations at the above named water system. Currently, drinking water demand from the customers exceeds the water systems production capacity. Additionally, significant infrastructure improvement is needed to increase the reliability of drinking water delivery. Attached is the compiled Water Use Data Sheet for your review. **Thank** you for your deliberation of this matter.

Treasurer
Peter Kaleta
Golden Valley
Improvement Dist

Sincerely,
Timothy A. Edwards

Timothy A. Edwards
Executive Director

National Director
David Saddler
Tohono O'odham
Utility Authority

Cc: Martin D. McCarthy, P.E., Manager, Compliance Programs Unit,
Arizona Department of Environmental Quality

Director
Ron Solomon
Town of Taylor
Pat Fitzgerald
Ponderosa Park

Flavio Gonzalez, Director of Operations, Arizona Rural Utility
Services

Director
Pat Fitzgerald
Ponderosa Park
DWID



Water Use Data Sheet for Coronado Water Company

Month/Year	Number of Connections	Gallons Sold (Thousands)
11/2004	183	1,550,180
12/2004	183	1,550,180
1/2005	183	1,088,350
2/2005	193	1,132,070
3/2005	191	1,571,060
4/2005	193	1,806,690
5/2005	195	2,035,600
6/2005	193	2,053,320

Storage Tank Capacity (gal.)	Quantity (how many)	ADWR Well ID No.	Well Production (GPM)
12	0	55-807773	300

Other water sources 0 gallons per minute (GPM)

Number of fire hydrants: 0 $300 \times 60 = 18,000 \text{ GPM}$
 $\times 24 = 432,000 \text{ GPD}$

NEW APPLICATION



Avondale, AZ 85323
800-895-0426

Tucson, AZ 85745
800-564-9058



July 14, 2005

ORIGINAL

President
Curtis Winder
Town of Snowflake

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix Arizona 85007

W-02240A-05-0516

Vice President
John Clayton
Valley Pioneers
Water Company

Subject: Sierra Sunset Water Company – Meter Installation
Moratorium

Secretary
Don Miller
Tohono Oodham
Utility Authority

We respectfully request that the Arizona Corporation Commission consider a moratorium with respect to new meter installations at the above named water system. Currently, drinking water demand from the customers exceeds the water systems production capacity. Additionally, significant infrastructure improvement is needed to increase the reliability of drinking water delivery. Attached is the compiled Water Use Data Sheet for your review. Thank you for your deliberation of this matter.

Treasurer
Peter Kaleta
Golden Valley
Improvement Dist.

Sincerely,

National Director
David Saddler
Tohono O'odham
Utility Authority

Timothy A. Edwards
Executive Director

Director
Ron Solomon
Town of Taylor
Pat Fitzgerald
Ponderosa Park

Cc: Martin D. McCarthy, P.E., Manager, Compliance Programs Unit,
Arizona Department of Environmental Quality

Director
Pat Fitzgerald
Ponderosa Park
DWID

Flavio Gonzalez, Director of Operations, Arizona Rural Utility
Services



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Water Use Data Sheet for Sierra Sunset Water Co.

Month/Year	Number of Connections	Gallons Sold (Thousands)
10/2004	29	Non-Metered
11/2004	29	
12/2004	29	
1/2005	28	
2/2005	28	
3/2005	27	
4/2005	27	
5/2005	27	
6/2005	27	

Storage Tank Capacity (gal.)	Quantity (how many)	ADWR Well ID No.	Well Production (GPM)
0	0	55-807772	30

Other water sources: 0 gallons per minute (GPM)

Number of fire hydrants: 0 $30 \times 60 = 1800 \text{ GPH}$
 $\times 24 = 43,200 \text{ GPD}$

FILE COPY

LI Jason

MEMORANDUM

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TO: THE COMMISSION

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2006 FEB -7 A 10:14

FROM: Ernest G. Johnson
Director
Utilities Division

FEB 7 2006

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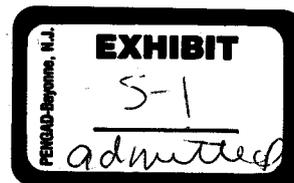
DATE: February 7, 2006

RE: IN THE MATTER OF THE APPLICATION FOR EMERGENCY INTERIM
RATE RELIEF FOR:

- Miracle Valley Water Company, Inc., Docket No. W-01646A-06-0010
- Cochise Water Company, Docket No. W-01868A-06-0010
- Horseshoe Ranch Water Company, Docket No. W-02235A-06-0010
- Crystal Water Company, Docket No. W-02316A-06-0010
- Mustang Water Company, Docket No. W-02230A-06-0010
- Coronado Estates Water Company, Docket No. W-01629A-06-0010
- Sierra Sunset Water Company, Docket No. W-02240A-06-0010

Each owned by Johnny A. McClain

Introduction



On January 6, 2006, the Arizona Small Utilities Association of Arizona ("ASUA") submitted an application for emergency interim rate relief for the captioned companies and collectively referred to as the McClain Systems ("McClain Systems" or "Systems"). The Systems serve approximately 1,300 customers.

Summary of the ASUA Justification for Emergency Rate Relief

The McClain Systems are plagued with serious financial and operational problems that jeopardize the Systems' ability to provide ongoing adequate and reliable water service to its customers. The McClain Systems are currently undergoing bankruptcy proceedings. The Systems are being operated by ASUA as the interim manager. Several of the Systems have experienced water outages, sometimes lasting several days. The Systems have also experienced severe cash flow problems, more adequately described below. From the beginning of its tenure as interim manager, ASUA has infused its own money to operate the Systems. The Systems' rates are not sufficient to properly operate the utilities or fix the problems.

ASUA believes that these circumstances create an emergency situation that places customers at risk and must be addressed and corrected as soon as possible. An interim rate increase is in the public interest and necessary to resolve the Systems' problems.

Background

There are seven water systems owned and/or operated by Johnny A. McClain. Each of the systems and its current customer count is summarized in Attachment A. The Systems have been the subject of much scrutiny by various regulatory authorities such as the Arizona Department of Revenue ("ADOR"), the Arizona Department of Environmental Quality ("ADEQ") and the Arizona Corporation Commission ("Commission"). Mr. McClain has failed to comply with numerous notices of violations issued by ADEQ, and has not paid property taxes or sales taxes for a number of years.

The McClain Systems are currently in bankruptcy proceedings. A purchase and sale agreement is in escrow pending an evaluation and establishment of a rate base valuation by the Commission. Commission Staff has completed an evaluation of the system assets in Docket No. W-01646A-05-0506 et al. A Recommended Opinion and Order was issued on December 14, 2005. Commission Decision No. 68412, dated January 23, 2006, set the rate base of the McClain Systems at \$696,752.

General Condition of the Water Systems

The McClain Systems are in serious disrepair. For the last 20 years little has been done to adequately maintain the Systems. Staff has described the physical inadequacies of the Systems in its report in Docket No. W-01646A-05-0506. The Commission established hook-up moratoriums for the McClain Systems in Decision No. 68272. It also describes the system improvements and capital investment needed to upgrade the Systems (capital expenditures between \$750,000 and \$1,250,000).

However, there is a short term financial need in order to permit timely repairs and improve water service to existing customers.

Financial Status

The McClain Systems have experienced negative cash flow at least since ASUA was appointed as interim manager in July, 2004. For the nine-month period ending September 30, 2005, there has been a negative cash flow of approximately \$30,000 and estimates are that for the year 2005 the total will approximate \$40,000. Meanwhile, the Systems' Accounts Payable is nearing \$100,000. See Attachment B for a summary of the cash loss and Accounts Payable situation. This negative financial situation must be addressed as quickly as possible, as several vendors will no longer offer materials or services to ASUA, thus hampering its ability to make needed repairs.

The McClain Systems have received a Water Infrastructure Financing Authority loan for \$12,500 and a ~~Final~~ ^{Cash} County loan of \$10,000 to assist in making emergency repairs. ASUA has forgone receipt of its interim management fees for several months and wishes to maintain the McClain Systems as financially viable as possible.

When ASUA became interim manager in July, 2004, its focus was primarily on repairing leaks and restoring service to customers. As such, the financial results of the operations through December 31, 2004 were atypical. Bill payment and expense recognition were primarily based upon available cash flow. For purposes of determining the current cash flow requirement, the expenses for the first nine months of 2005 are more consistent. Therefore, ASUA has prorated the first nine months of 2005 to estimate its annual cash flow needs. See Attachment B.

Clearly, the existing rates of each of the systems are inadequate to support either short-term or long-term financial viability.

Emergency Status

The Commission may order interim rate relief when there is an existing emergency. Staff believes that given the following facts, the need for emergency interim rate relief is appropriate and in the public interest:

1. The McClain Systems are currently in bankruptcy proceedings.
2. The McClain Systems are in a state of disrepair and significant amounts of capital are needed to upgrade the system.
3. The Systems are experiencing inadequate cash flow to sustain their operations.
4. The ability to maintain service to customers is in doubt and preparation and adjudication of a formal rate proceeding will not provide timely relief.

Emergency interim rates are a just and reasonable first step to remedy the McClain Systems' problems.

Surcharge Request

The McClain Systems will need to increase cash flow by approximately \$11,700 per month to sustain operations, make necessary System repairs, maintain adequate water supplies and make progress in eliminating the high level of Accounts Payable. A monthly per meter surcharge of \$9.00 would be adequate in the short-run. See Attachment C for the method used to determine the monthly surcharge.

Use of System Improvement Surcharge Proceeds

The System Improvement Surcharge ("SIS") amounts collected by ASUA shall be segregated in a separate bank account. Withdrawals shall be used to correct water outages as

they occur, pay debts to local vendors and make system improvements as prioritized in the "Proposed Capitol Improvements" in Attachment D. ASUA will file monthly reports to Docket Control detailing how such SIS funds were spent on each of the seven systems.

Conclusion

The McClain Systems current condition constitutes an emergency. Correction of the systems' problems will require significant capital expenditures over several years. The current McClain Systems' water rates are inadequate to meet even short-term cash flow needs.

The emergency interim SIS proposed by ASUA is reasonable and will allow it, as interim manager, to pay debts to local vendors, to make needed short-term system repairs and possibly make selected improvements. It is clearly in the best interests of the McClain Systems' customers to authorize this interim increase.

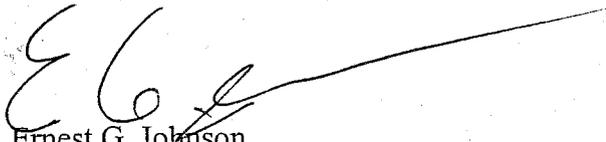
Recommendations

Therefore, Staff recommends that the Commission issue an order:

1. finding that the McClain Systems' problems constitute an emergency.
2. that concludes it is in the public interest to authorize the requested interim SIS of \$9.00 per meter.
3. allowing the ASUA to charge the interim surcharge requested herein pending a determination of a permanent rate case proceeding.
4. granting any additional and further relief as the Commission deems appropriate.
5. requiring ASUA to maintain the books and records of the McClain Systems in accordance with the National Association or Regulatory Utility Commissioner's Uniform System of Accounts.
6. requiring ASUA to maintain a separate bank account in which it will deposit and withdraw all funds received pursuant to its System Improvement Surcharge.
7. requiring ASUA to file monthly reports with Docket Control, in the docket (W-01642A-06-0010), as a compliance item in this matter, detailing how such System Improvement Surcharge funds were spent and on which of the seven Systems the money was spent.
8. requiring that, to the best of its ability, ASUA should apply the System Improvement Surcharge funds, on a pro rata basis to each of the systems to correct water outages as

they occur, pay debts to local vendors and make system improvements as prioritized in the "Proposed Capitol Improvements" in Attachment D.

9. requiring the ASUA to post a form of security in the amount of \$10 to the Utilities Division.¹
10. requiring the filing of a general rate case no later than March 15, 2007, using a 2006 test year.



Ernest G. Johnson
Director
Utilities Division

EGI:REL:red

Originated: Ronald E. Ludders

¹ See Naco Water Company, L.L.C., Decision 67984, dated July 18, 2005.

Service List for: McClain Systems
Docket Nos. W-01646A-06-0010 et al

Mr. Timothy Edwards
Miracle Valley Water Company, Inc.
210 North Central Avenue, Suite 6B
Avondale, Arizona 85323-0000

Mr. Christopher Pattock
Office of the U.S. Trustee
Phoenix, Arizona 85067

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

Mr. Ernest G. Johnson
Director, Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Lyn Farmer
Chief Administrative Law Judge, Hearing Division
1200 West Washington Street
Phoenix, Arizona 85007

McClain Systems
Docket No. W-01646A-05-0010 et al
Customer Summary
As of November,30, 2005

ATTACHMENT A

<u>SYSTEM</u>	<u>Number of Customers</u>	<u>%</u>
Miracle Valley Water Company, Inc.	299	23.0%
Cochise Water Company	413	31.7%
Horseshoe Ranch Water Company	220	16.9%
Crystal Water Company	63	4.8%
Mustang Water Company	71	5.5%
Coronado Estates Water Company	209	16.1%
Sierra Sunset Water Company	26	2.0%
Total	<u>1,301</u>	<u>100.0%</u>

McClain Systems
 Docket No. W-01646A-05-0010 et al
 Income Statement - Cash Basis

PRO FORMA INCOME STATEMENT

	9 Months Ended 9/30/2005	Pro Forma 12 Months Ended 12/31/2005	
Revenues	<u>\$312,767</u>	<u>\$417,022</u>	
Expenses			
Salaries & Contract Labor	\$ 90,989	\$ 121,319	For Certified Operator (\$38,000 annually) and 3 laborers.
Repairs & Maintenance	62,437	83,250	Primarily for new pumps and leak repairs.
Interim Manager Fees	51,067	68,089	At \$6.60 per meter per month.
Utilities	48,622	64,829	Primarily Sulpher Springs Coop electricity.
Supplies	26,382	35,175	Significant amount of bottled water & other supplies.
Insurance	14,742	19,656	Hazard and Work Comp Insurance.
Outside Services	9,268	12,358	Primarily CPA and Arizona Blue Stake.
Office Expense	7,671	10,227	Bank charges, printing and postage.
Payroll Taxes	15,245	20,327	Fica, unemployment, etc.
Rent	2,800	3,733	
Miscellaneous	13,120	17,493	ADEQ fees, miscellaneous.
Total Expenses	<u>\$ 342,343</u>	<u>\$ 456,457</u>	
Cash Basis Operating Loss	<u>(\$29,576)</u>	<u>(\$39,435)</u>	
Current Accounts Payable Balance:			
Arizona Small Utilities Association- interim mgmt fees		\$31,447	
Arizona Department of Revenue - sales taxes		22,341	
Water Supply Wholesaler - water related repair supplies		9,455	
Back-hoe Repair		7,819	
Electrical Contractor - repairs		6,949	
All other Vendors		18,406	
		<u>\$96,417</u>	

	<u>Annual Amount</u>	<u>Monthly Amount</u>
Current Estimated Annual Operating Cash Shortfall	\$40,000	\$3,333
Amortization of Current Accounts Payable over 24 Months	\$100,000	4,167
Additional Allowance for System Improvements for 12 months	\$50,000	4,167
		<u>\$11,667</u>
Current Number of Metered Customers		<u>1,300</u>
Average cost per meter (1/2)		<u>\$8.97</u>
Proposed System Improvement Surcharge at \$9 per meter per month		<u>\$11,709</u>

Cochise Water Company Proposed Capital Improvements	
Naranja Well Site	
Project Description	Cost
Add meters to wells	\$10,000
Construct a minimum 6 ft. high chain link fence with barbed wire 800 L.F.	\$12,000
Construct 12 ft wide chain link gate	\$800
Repair 5 hp booster pump	\$500
Rebuild Electrical Control and wiring system	\$10,000
Replace Air Compressor and controls on Pressure Tank	\$1,000
Replace Guages on Booster and Transfer Pumps	\$1,000
Replace check valves on booster and transfer pumps	\$500
Build concrete pads to mount booster and transfer pumps	\$1,000
Install well pump high level shut off level contoller to storage tank	\$5,000
Install low level sensor in storage tank for booster & transfer pump shut off	\$5,000
Install telemetry system to start and stop transfer pumps filling Horseshoe storage	\$10,000
Add sampling taps to wells	\$500
Survey property to establish property boundaries of well site	\$1,000
Remove old storage tank and trash and grade well site	\$5,000
Total	\$63,300
Jaxell Road Well site	
Add Meter to well	\$3,500
Add additional booster pump	\$3,500
Survey property to establish property boundaries of well site	\$1,000
Total	\$8,000
Long Term Improvements	
Add additional Storage at Naranja Develop more well capacity at Naranja or elsewhere Add chlorination to both sites Build equipment storage facility at Naranja and remove building at Horseshoe Ranch. Replace Distribution system Reconnect customers that are being served directly off transmission line	

Horseshoe Ranch Water Company
Proposed Capital Improvements

Main Storage and Pressure Tank Site

Project Description	Cost
Replace 3 inch meter measuring transfer flow from Cochise	\$3,000
Replace fence with a minimum 6 ft. high chain link fence with barbed wire 200 L.F.	\$3,000
Construct 12 ft wide chain link gate	\$800
Replace 2 - 7.5 hp booster pumps	\$5,000
Rebuild Electrical Control and wiring system	\$10,000
Replace 3,000 gallon pressure tank	\$13,000
Design and construct interconnection with Bella Vista south system	\$10,000
Repair doors on storage building	\$1,000
Add air relief valve to transmission line from Cochise and grade and secure site	\$6,000
Survey property to establish property boundaries of storage & well sites	\$1,000
Total	\$52,800

Long Term Improvements

- Redisign entire main storage and booster site. Add storage capacity
- Determine if 38,000 gallon storage tank at secondary site is necessary. Either rebuild it or remove and sell land
- Add chlorination to both sites
- Build equipment storage facility at Naranja and remove building at Horseshoe Ranch.
- Abandon Sanks well and dispose of land
- Replace Distribution system

**Miracle Valley Water Company
Proposed Capital Improvements**

Main Well Site

Project Description	Cost
Add meter to well	\$3,500
Construct a minimum 6 ft. high chain link fence with barbed wire 400 L.F.	\$6,000
Construct 12 ft wide chain link gate	\$800
Add two 7.5 hp booster pumps	\$5,000
Rebuild Electrical Control and wiring system	\$10,000
Add storage tank Minimum 150,000 gallons	\$150,000
Replace 5,000 gallon pressure tank	\$20,000
Add sampling tap to well	\$500
Survey property to establish property boundaries of two well sites	\$2,000
Total	\$197,800

Note: If it is determined that the existing well site has no room for storage, construct storage and pressure tank at site two and pipe well to that site. Then develop second well

Long Term Improvements

- Add chlorination
- Add additional storage and well capacity
- Replace Distribution system

Mississippi Water Company Proposed Capital Improvements	
Main Well Site	
Project Description	Cost
Add meter to well	\$3,500
Construct a minimum 6 ft. high chain link fence with barbed wire 400 L.F.	\$6,000
Construct 12 ft wide chain link gate	\$800
Replace existing well with new well	\$25,000
Replace well pump & piping	\$7,500
New Electrical Control and wiring system	\$10,000
New 5,000 Gallon Pressure Tank	\$20,000
New 60,000 gallon storage tank (At least this size)	\$80,000
Survey property to establish property boundaries of at least two well sites	\$2,000
Total	\$154,800
<p>Note: As an alternative, determine if existing well can be rehabilitated If so, rehab well, and replace well pump instead of drilling new well</p>	
Long Term Improvements	
Develop more well capacity	
Interconnect to Crystal Water and make one system	
Add chlorination	
Replace Distribution system	

Crystal Water Company Proposed Capital Improvements	
Main Well Site	
Project Description	Cost
Add meter to well	\$3,500
Construct a minimum 6 ft. high chain link fence with barbed wire 400 L.F.	\$6,000
Construct 12 ft wide chain link gate	\$800
Replace existing well with new well	\$25,000
Replace well pump & piping	\$7,500
New Electrical Control and wiring system	\$10,000
New 5,000 Gallon Pressure Tank	\$20,000
New 60,000 gallon storage tank (At least this size)	\$80,000
Survey property to establish property boundaries of well site	\$1,000
Total	\$153,800
<p>Note: As an alternative, determine if existing well can be rehabilitated If so, rehab well, and replace well pump instead of drilling new well</p>	
Long Term Improvements	
Develop more well capacity	
Interconnect to Mustang Water and make one system	
Add chlorination	
Replace Distribution system	

Sierra Sunset Water Company Proposed Capital Improvements	
Main Well Site	
Project Description	Cost
Construct a minimum 6 ft. high chain link fence with barbed wire 400 L.F.	\$6,000
Construct 12 ft wide chain link gate	\$800
Survey property to establish property boundaries of well site	\$1,000
Install customer meters to 30 customers	\$15,000
Total	\$22,800
Long Term Improvements	
Develop more well capacity	
Interconnect to Coronado Estates to make one system	
Add chlorination	
Investigate connection to mobile home park	
Replace Distribution system	
Add Storage	

Coronado Estates Water Company Proposed Capital Improvements	
Main Well Site	
Project Description	Cost
Add meter to well	\$3,500
Construct a minimum 6 ft. high chain link fence with barbed wire 400 L.F.	\$6,000
Construct 12 ft wide chain link gate	\$800
Replace well pump & piping	\$7,500
New Electrical Control and wiring system	\$10,000
New 5,000 Gallon Pressure Tank	\$20,000
New 100,000 gallon storage tank	\$100,000
Survey property to establish property boundaries of well site	\$1,000
Total	\$148,800
 Long Term Improvements	
Develop more well capacity	
Interconnect to Sierra Sunset Water and make one system if possible	
Add chlorination	
Add more storage	
Replace Distribution system	



Project Description

Survey all land parcels obtained in bankruptcy sale - determine usefulness
 Identify areas being served outside of CC&N's and include areas in ACC filings
 Determine if there are customers that are not metered or not on the books.
 Map distribution systems

Summary of Costs for McLain Capital Improvements

Cochise Water Company	\$71,300
Horseshoe Ranch Water Company	\$52,800
Miracle Valley Water Company	\$197,800
Mustang Water Company	\$154,800
Crystal Water Company	\$153,800
Sierra Sunset Water Company	\$22,800
Coronado Estates Water Company	\$148,800
Total	\$802,100