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Association

APPLICATION

O. Box 172

St. David, AZ 85630

Phone: (520) 720-4467 Fax: 720-9615

sdwater@ssvecnet.com

RECEIVED

2002 APR 29 A 11: 46

April 25, 2002

AZ CORP COMMISSION
DOCUMENT CONTROL

DOCKET CONTROL
ARIZONA CORPORATION COMMISSION
1200 W WASHINGTON STREET
PHOENIX AZ 85007

~~W-04107A-02-0314~~
W-02084A-02-0314

Attached is an application by the St. David Water Association for the Sale of Assets and the Cancellation of the Certificate of Convenience and Necessity. The St. David Water Improvement District will now become the sole provider of potable water in the service area formally provided by the Association.

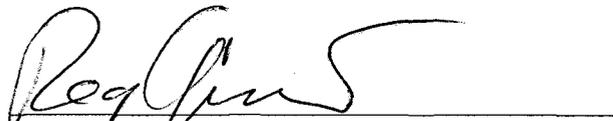
ST DAVID WATER ASSOCIATION


Reg Garavito
Board President

**CERTIFICATE OF RESOLUTION OF
BOARD OF DIRECTORS OF
ST. DAVID WATER IMPROVEMENT DISTRICT**

I, Reg Garavito, as President of (now doing business as) St. David Water Improvement District, do certify the following to be a true and correct Resolution adopted at the meeting of the Board of Directors of St. David Water Improvement District, held on the 23rd day of April, 2002 that said meeting was held in all respect in accordance with the laws of the State of Arizona, the Articles of Incorporation, and By-Laws of said District, and that a quorum was present.

“RESOLVED”, that Reg Garavito, President; Truman Thomas, Vice President and Laura Dupee, Secretary/Treasurer; are hereby authorized to execute all documents necessary in the financial operation of the District and further certify that said Resolution has not been amended or revoked and remains in full force and effect. IN WITNESS WHEREOF, I have herunto set my hand this 25th of April, 2002.



Reg Garavito, President
St. David Water Improvement District Board of Directors

ARIZONA CORPORATION COMMISSION

APPLICATION FOR APPROVAL OF THE SALE OF ASSETS
AND/OR FOR CANCELLATION OF THE CERTIFICATE OF
CONVENIENCE AND NECESSITY

WATER AND/OR SEWER

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

ST DAVID WATER ASSOCIATION PO BOX 172 ST DAVID AZ 85630

(520) 720-4467

B. If doing business under a name other than the Applicant name, specify

N/A St. David Water Improvement District

C. The Applicant is a:

<input checked="" type="checkbox"/> Corporation: <input type="checkbox"/> "C", <input type="checkbox"/> "S", <input checked="" type="checkbox"/> Non-Profit <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign	<input type="checkbox"/> Partnership <input type="checkbox"/> Limited, <input type="checkbox"/> General <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Company (LLC)
<input type="checkbox"/> Other (Specify)	

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

Cochise County Attorney
1415 W. Melody Lane, Building
Bisbee, AZ 85603 (1-800-690-2501)

E. List the name, address and telephone number of the management contact:

FRED KARTCHNER, OPERATIONS MANAGER PO BOX 172
ST DAVID AZ 85630 (520) 720-4467

F. The name, address and telephone number of the Purchaser is:

ST DAVID WATER IMPROVEMENT DISTRICT
PO BOX 172
ST DAVID AZ 85630
(520) 720-4467

G. List the name and telephone number of the purchaser's representative.

FRED KARTCHNER, OPERATIONS MANAGER (520) 720-4467

H. The Purchaser is a:

Municipality Improvement District Other _____

I. The purpose for the sale and/or cancellation is due to:

Negotiated Sale of Asset Condemnation Other
FORMATION OF AN IMPROVEMENT DISTRICT

J. Provide a copy of the following documents:

1. Sales or purchase agreement
2. Court order (if condemnation)
3. Corporate Resolution authorizing the liquidation of the assets, if required by the Articles of Incorporation

K. Have all customer security deposits been refunded? Yes ___ No . If no, mark the block below that describes the proposed disposition of security deposits.

___ All security deposits will be refunded prior to or at time of closing.

All security deposits will be transferred to the Purchaser for refund pursuant its terms and conditions.

___ Other (explain).

L. Are there any refunds due on Main Extension Agreements? Yes No ___. If Yes, mark the block below which describes the proposed disposition of the refunds.

___ Applicant will continue to refund after the transfer. (Explain method of refunding)

SAME

Purchaser will assume the refunding obligations in accordance with the terms of the main extension agreement.

___ Applicant will make a full refund will be made at closing.

___ Other (explain).

M. (WATER ONLY) Are there any refunds due on meter and service line installations?
Yes No ___ If Yes, mark the block below which describes the proposed disposition

of refunds.

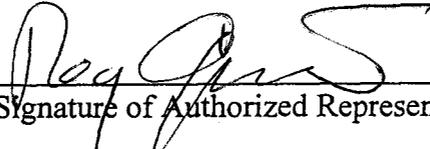
___ Applicant will continue to refund after the transfer pursuant to Commission Rules.

Purchaser will assume the refunding obligations in accordance with Commission Rules.

___ Applicant will make a full refund at closing.

___ Other (explain).

DATED the 25th day of April, 192002


(Signature of Authorized Representative of Applicant)

Reg Gararito
(Type or Print Name Here)

President of the Board
(Title)

SUBSCRIBED AND SWORN to before me on this 25th day of April, 192002

 Notary Public State of Arizona
Cochise County
Deborah Kaiser
Expires April 9, 2004


NOTARY PUBLIC

My Commission Expires April 9, 2004

PUBLIC NOTICE OF AN APPLICATION FOR THE SALE OF ASSETS
AND THE CANCELLATION OF THE CERTIFICATE OF
CONVENIENCE AND NECESSITY BY

ST DAVID WATER ASSOCIATION

St. David Water Association has filed with the Arizona Corporation Commission (“Commission”) an application for authority to sell its assets and cancel its Certificate of Convenience and Necessity to provide potable water service. St. David Water Association’s system has been sold to St. David Water Improvement District. If the application is granted, St David Water Improvement District would be the exclusive provider of potable water service to your area and will establish its own rates and charges.

If you have any claims against the St. David Water Association, including claims for refunds of security deposits, service line and meter installations or main extension agreements and you have not already been contacted by the Company, you must present your claim to the St. David Water Association on or before May 20, 2002. Direct your claims to the St. David Water Association, PO Box 172, St. David, AZ 85630 or call (520) 720-4467.

Approval of the application may be given without a hearing. If you have any questions or concerns about this application, have any objections to its approval or would like to request information on intervention in the proceeding, you may contact the Customer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000/400 West Congress, North Building, Room 218, Tucson Arizona 85701 or call 1-800-535-0148.

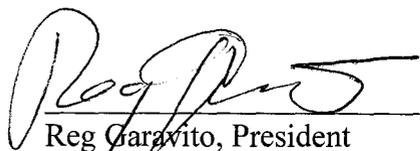
**CERTIFICATE OF RESOLUTION OF
BOARD OF DIRECTORS OF
ST. DAVID WATER ASSOCIATION**

I, Reg Garavito, as President of St. David Water Association, do certify the following to be a true and correct Resolution adopted at the meeting of the Board of Directors of St. David Water Association, held on the 23rd day of April, 2002 that said meeting was held in all respect in accordance with the laws of the State of Arizona, the Articles of Incorporation, and By-Laws of said District, and that a quorum was present.

“RESOLVED”, all assets be transferred to the St. David Water Improvement District and the Association cancel the Certificate of Convenience and Necessity with the Arizona Corporation Commission and further certify that said Resolution has not been amended or revoked and

remains in full force and effect. IN WITNESS WHEREOF, I have herunto set my hand this

25th of April, 2002.



Reg Garavito, President
St. David Water Improvement District Board of Directors