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Arizona Corporation Commission

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Attorneys for Santa Cruz Water Company and Palo Verde Utilities Company

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION  
OF PALO VERDE UTILITIES COMPANY  
FOR AN EXTENSION OF ITS EXISTING  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY.

DOCKET NO. SW-03575A-03-0167

IN THE MATTER OF THE APPLICATION  
OF SANTA CRUZ WATER COMPANY,  
FOR AN EXTENSION OF ITS EXISTING  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY.

DOCKET NO. W-03576A-03-0167

**SUPPLEMENTAL NOTICE OF  
COMPLIANCE WITH DECISION  
NO. 66394**

In accordance with Decision No. 66394 (October 6, 2003), Palo Verde Utilities Company, LLC and Santa Cruz Water Company, LLC ("Utilities") hereby submit the following additional compliance item regarding management arrangements transferred to the LLC. Decision No. 66394 at ¶¶ 24 & 25.

On June 15, 2001, Santa Cruz Water Company, Inc. and Palo Verde Utilities Company, Inc. were individually merged from corporations to limited liability companies, now the Utilities. At that time, Mike Reinbold was the President and Larry Braund was the Vice-President of the Utilities. Neither the positions nor the responsibilities of these officers changed due to the change of legal entity status. However, in January 2002, prior to any individual customers (i.e., non-

1484000/83326.001

1 construction water customers) customers being served, Cindy Liles became a Vice-President and  
2 Chief Financial Officer of the Utilities. In that capacity Ms. Liles has been responsible for day-  
3 to-day management of the Utilities. Since that time, staff continues to be added for customer  
4 billing, meter installations and meter readings. No officer or employee affiliated with the Utilities  
5 has a written employment or related contract.  
6

7 Finally, Severn Trent Services is contracted to operate the water and wastewater plants.  
8 This contract was entered into on May 31, 2002, after the merger of the corporations into LLCs  
9 and remains in place today. A copy of this contract was included in the Utilities' October 29,  
10 2003 compliance filing.  
11

12 DATED this 19<sup>th</sup> day of November 2003.  
13

14 FENNEMORE CRAIG, P.C.  
15

16  
17 By: 

18 Jay L. Shapiro  
19 Patrick J. Black  
20 Attorney for Palo Verde Utilities Company and  
21 Santa Cruz Water Company

22 ORIGINAL and 15 copies of the  
23 foregoing delivered this 19<sup>th</sup>  
24 day of November, 2003, to:

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

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COPY hand-delivered this  
19<sup>th</sup> day of November, 2003 to:

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COPY mailed this  
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By 