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Arizona Corporation Commission

DOCKETED

MAR - 1 2004

DOCKETED BY

2004 MAR -1 P 3: 22

AZ CORP COMMISSION  
DOCUMENT CONTROL

Attorneys for Santa Cruz Water Company and Palo Verde Utilities Company

**BEFORE THE ARIZONA CORPORATION COMMISSION**

9 IN THE MATTER OF THE APPLICATION  
10 OF PALO VERDE UTILITIES COMPANY  
11 FOR AN EXTENSION OF ITS EXISTING  
12 CERTIFICATE OF CONVENIENCE AND  
13 NECESSITY.

DOCKET NO. SW-03575A-03-0167

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

DOCKET NO. W-03576A-03-0167

**NOTICE OF FILING MARCH  
MONTHLY STATUS REPORT IN  
COMPLIANCE WITH DECISION  
NO. 66394**

16 In compliance with Decision No. 66394 (October 6, 2003) governing the above-captioned  
17 matter, Palo Verde Utilities Company and Santa Cruz Water Company ("Utilities") hereby submit  
18 a Monthly Status Report (See attached Exhibit 1) for March, 2004. Decision No. 66394 states:

19 IT IS FURTHER ORDERED that Palo Verde Utilities  
20 Company, LLC, and Santa Cruz Water Company, LLC, shall file  
21 monthly status report, beginning November 1, 2003, until further  
22 order of the Commission, and copies of all subsequent pleadings  
23 related to Mr. Reinhold's Oregon Circuit Court judgment,  
24 including all appeals and related litigation, as well as any pleadings  
25 or correspondence of the pledge agreement signed by Mr.  
26 Reinhold, or related matters.

25 On February 5, 2004, Utilities provided notice of an Opinion by the Oregon Appellate  
26 Court in which Mr. Reinhold is an appellant/cross-appellant.



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Kent A. Hogan  
3799 E. Catamount Ridge Way  
Sandy, UT 84092

By: Jeanne Cribben

1518853/83326.001

# **EXHIBIT 1**

**SANTA CRUZ WATER COMPANY, LLC**  
**PALO VERDE UTILITIES COMPANY, LLC**  
 Monthly Status Report

	As of <u>12/31/01</u> *	As of <u>12/31/02</u> *	As of <u>9/30/03</u>	As of <u>10/31/03</u>	As of <u>11/30/03</u>	As of <u>12/31/03</u>	As of <u>1/31/03</u>
<b>Number of customers</b>							
Water, includes homes under construction	20	885	1,530	1,548	1,560	1,610	1,619
Sewer	0	636	1,120	1,206	1,235	1,297	1,377

	As of <u>12/31/01</u> *	As of <u>12/31/02</u> *	As of <u>9/30/03</u>	As of <u>10/31/03</u>	As of <u>11/30/03</u>	As of <u>12/31/03</u>	As of <u>1/31/03</u>
<b>Amount of plant installed, including amounts under construction</b>							
Santa Cruz Water Company	\$ 1,939,395	\$ 3,989,768	\$ 6,192,452	\$ 6,338,395	\$ 6,387,452	\$ 7,403,565	\$ 7,429,919
Palo Verde Utilities Company	\$ 2,459,988	\$ 6,121,108	\$ 12,033,760	\$ 12,477,799	\$ 12,590,118	\$ 13,586,852	\$ 13,688,766

	As of <u>12/31/01</u> *	As of <u>12/31/02</u> *	As of <u>9/30/03</u>	As of <u>10/31/03</u>	As of <u>11/30/03</u>	As of <u>12/31/03</u>	As of <u>1/31/03</u>
<b>Number of gallons sold for the period</b>							
	9,327,253	90,246,000	56,927,194	63,966,042	73,464,810	80,154,038	7,795,855
<b>Amount of revenue generated</b>							
Santa Cruz Water Company	\$ 32,998	\$ 537,678	\$ 674,940	\$ 813,077	\$ 923,481	\$ 1,103,947	\$ 93,474
Palo Verde Utilities Company	\$ -	\$ 250,625	\$ 371,504	\$ 425,403	\$ 479,478	\$ 588,482	\$ 57,378

**Sewer Master Plan**  
 Submitted 11/01/03 with Monthly Status Report.

**Water Master Plan**  
 Submitted 4/25/03 in response to April 14, 2003 letter from ACC for additional information prior to meeting sufficiency. Document is bound in blue and is 2" thick.

\* Data reported in Annual Reports filed with the ACC.

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2003 NOV -3 P 4: 22

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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

**NOTICE OF FILING NOVEMBER  
MONTHLY STATUS REPORT IN  
COMPLIANCE WITH DECISION  
NO. 66394**

In accordance with Decision No. 66394 (October 6, 2003) governing the above-captioned matter which states:

IT IS FURTHER ORDERED that Palo Verde Utilities Company, LLC, and Santa Cruz Water Company, LLC, shall file monthly status report, beginning November 1, 2003, until further order of the Commission, and copies of all subsequent pleadings related to Mr. Reinbold's Oregon Circuit Court judgment, including all appeals and related litigation, as well as any pleadings or correspondence of the pledge agreement signed by Mr. Reinhold, or related matters.

Palo Verde Utilities Company and Santa Cruz Water Company hereby submits the following information as part of its Monthly Status Report, commencing November 1, 2003:

1. Letter dated October 1, 2003 from Special Assistant Attorney General, Lisa A. Kaner regarding Mr. Reinbold.

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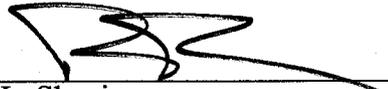
2. Information pertinent for Commission Staff's Certificate Review.

As of November 3, 2003 there is no other information to include for the Monthly Status Report at this time.

DATED this 3 day of November, 2003.

FENNEMORE CRAIG, P.C.

By:

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

ORIGINAL and 15 copies of the foregoing delivered this 3 day of October, 2003, to:

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

COPY hand-delivered this 3 day of October, 2003 to:

Dwight D. Nodes  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

COPY mailed this 3<sup>rd</sup> day of October, 2003 to:

Brent D. Butcher  
3975 S. Highland Drive, #6  
Salt Lake City, UT 84124

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3799 E. Catamount Ridge Way  
Sandy, UT 84092

By: Jeanne P. Pugh

# **EXHIBIT 1**

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October 1, 2003

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CYNDA L. HERBOLD  
BUSINESS MANAGER

Jeanne M. Chamberlain  
Tonkon Torp LLP  
888 SW Fifth Ave., Suite 1600  
Portland, OR 97204

**Re: Oregon Public Employees' Retirement Board v. Simat, Helliesen & Eichner  
Multnomah County Circuit Court No. 9610-08259**

Dear Jeanne:

We continue to be concerned that Mr. Reinbold may have violated the Order re: Undertaking on Appeal and his Pledge Agreement. We would appreciate Mr. Reinbold's cooperation in alleviating our concerns by providing sworn responses to the following list of questions. With regard to Phoenix Utility Management, LLC, please have Mr. Reinbold confirm under oath the information contained in your August 28, 2003 letter.

1. For the following companies, please indicate whether Mr. Reinbold has ever held interest in the company or its predecessor in interest, either directly or indirectly through another entity. If yes, please describe when his interest was acquired, the nature and percentage of his interest at the time it was acquired, and how his interest has changed, including, if applicable, how and when his interest was divested.
  - a. Pecan Valley Investments III, LLC
  - b. Pecan Valley investments IV, LLC
  - c. Rio Verde Properties 84, LLC
  - d. El Dorado Farmers, LLC
  
2. For the following list of companies, please indicate whether Mr. Reinbold has ever held an interest in the company or its predecessor in interest, either directly or indirectly through another entity. If yes, please describe when his interest was acquired, the nature and percentage of his interest at

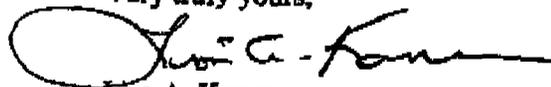
Jeanne M. Chamberlain  
October 1, 2003  
Page 2

the time it was acquired, how his interest has changed, including, if applicable, how and when his interest was divested, and whether any assets of Reinbold Investments, LLC, or RHS Properties, LLC, were used to form the companies or acquire Mr. Reinbold's interest in the companies.

- a. Rio Verde 832, LLC
  - b. Western Development Properties, LLC
  - c. Phoenix Capital Partners, LLC
  - d. Palo Verde Utilities Co., LLC
  - e. Infrastructure & Development Solutions, Inc.
  - f. Santa Cruz Water Co., LLC
  - g. Munich Holdings, LLC
  - h. Phoenix Utility Management, LLC
  - i. Rio Verde/Munich 640
3. When was Rio Verde/Munich 640, LLC established?
4. Pursuant to the Property Settlement Agreement in Mr. Reinbold's recent divorce from Sally Button, he transferred to Ms. Button 50% of Reinbold Investments, LLC's interest in Rio Verde Properties, LLC, and 50% of Reinbold Investments, LLC's interest in El Dorado Pecan, LLC. Please explain how these transfers did not dilute Mr. Reinbold's interest in, or waste the assets of, Reinbold Investments, LLC.

If Mr. Reinbold is unwilling to cooperate in the Department of Justice's investigation, we will formally seek the court's assistance.

Very truly yours,



Lisa A. Kaner  
Special Assistant Attorney General

## **EXHIBIT 2**

**SANTA CRUZ WATER COMPANY, LLC**  
**PALO VERDE UTILITIES COMPANY, LLC**  
Certificate Review

	<u>As of</u> <u>12/31/01 *</u>	<u>As of</u> <u>12/31/02 *</u>	<u>As of</u> <u>9/30/03</u>
<b>Number of customers</b>			
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**Sewer Master Plan (copy attached)**

**Water Master Plan**

Submitted 4/25/03 in response to April 14, 2003 letter from ACC for additional information prior to meeting sufficiency. Document is bound in blue and is 2" thick.

*\* Data reported in Annual Reports filed with the ACC.*