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 8 Telephone (602) 916-5000

Arizona Corporation Commission

DOCKETED

AZ CORP COMMISSION
DOCUMENT CONTROL

MAR 12 2007

DOCKETED BY	NR
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9 Attorneys for Northern Sunrise Water Company
 10 and Southern Sunrise Water Company

BEFORE THE ARIZONA CORPORATION COMMISSION

11 IN THE MATTER OF THE APPLICATION OF
 12 NORTHERN SUNRISE WATER COMPANY FOR A
 13 CERTIFICATE OF CONVENIENCE AND
 14 NECESSITY TO PROVIDE WATER UTILITY
 15 SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20453A-06-0247

16 IN THE MATTER OF THE APPLICATION OF
 17 SOUTHERN SUNRISE WATER COMPANY FOR A
 18 CERTIFICATE OF CONVENIENCE AND
 19 NECESSITY TO PROVIDE WATER UTILITY
 20 SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20454A-06-0248

21 IN THE MATTER OF THE JOINT APPLICATION
 22 OF NORTHERN SUNRISE WATER COMPANY
 23 AND SOUTHERN SUNRISE WATER COMPANY
 24 FOR THE APPROVAL OF SALE AND TRANSFER
 25 OF WATER UTILITY ASSETS, AND
 26 CANCELLATION OF CERTIFICATES OF
 CONVENIENCE AND NECESSITY, FOR
 MIRACLE VALLEY WATER COMPANY,
 COCHISE WATER COMPANY, HORSESHOE
 RANCH WATER COMPANY, CRYSTAL WATER
 COMPANY, MUSTANG WATER COMPANY,
 CORONADO ESTATES WATER COMPANY, AND
 SIERRA SUNSET WATER COMPANY, LOCATED
 IN COCHISE COUNTY, ARIZONA.

DOCKET NOS. W-20453A-06-0251
 W-20454A-06-0251
 W-01646A-06-0251
 W-01868A-06-0251
 W-02235A-06-0251
 W-02316A-06-0251
 W-02230A-06-0251
 W-01629A-06-0251
 W-02240A-06-0251

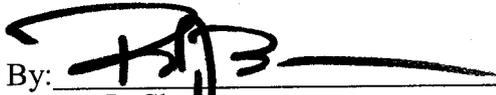
**NOTICE OF COMPLIANCE WITH
DECISION NO. 68826**

23 Pursuant to Ordering Paragraph number 9 of Decision No. 68826, dated June 29, 2006
 24 (“Order”), Northern Sunrise Water Company and Southern Sunrise Water Company (collectively,
 25 “Applicants”) submit this Notice of Compliance in the above-referenced matter. The purpose of
 26 this filing is to inform the Commission and Staff that on or about February 21, 2007 the

1 acquisition of the McLain Systems was completed. (See Report on Sale of Water Companies,
2 attached hereto as Exhibit A.) Consequently, Applicants are also hereby providing notice that the
3 approved rates and charges will be effective beginning April 1, 2007.

4 DATED this 12th day of March, 2007.

5 FENNEMORE CRAIG, P.C.

6
7 By: 

8 Jay L. Shapiro
9 Patrick J. Black
10 Attorneys for Applicants,
11 Northern Sunrise Water Company and
12 Southern Sunrise Water Company

11 ORIGINAL and 33 copies delivered
12 this 12th day of March, 2007 to:

13 Docket Control
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17 Copy hand-delivered
18 this 12th day of March, 2007, to:

19 Mike Gleason
20 Chairman
21 Arizona Corporation Commission
22 1200 West Washington
23 Phoenix, AZ 85007

24 Kristin K. Mayes
25 Commissioner
26 Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Jeff Hatch-Miller
Commissioner
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

1 William Mundell
Commissioner
2 Arizona Corporation Commission
1200 West Washington
3 Phoenix, AZ 85007

4 Gary Pierce
Commissioner
5 Arizona Corporation Commission
1200 West Washington
6 Phoenix, AZ 85007

7 Steve Olea, Assistant Director
Utilities Division
8 Arizona Corporation Commission
1200 W. Washington St.
9 Phoenix, AZ 85007

10 Chris Kempley, Chief Counsel
11 Legal Division
Arizona Corporation Commission
12 1200 W. Washington St.
13 Phoenix, AZ 85007

14 Brian Bozzo, Compliance
Utilities Division
15 Arizona Corporation Commission
1200 W. Washington St.
16 Phoenix, AZ 85007

17 Copy mailed
18 this 12th day of March, 2007, to:

19 Steven L. Wene, Esq.
MOYES STOREY
20 1850 North Central Avenue, #1100
Phoenix, AZ 85004

21 Johnny McLain
7110 East Jaxel Road
22 Hereford, AZ 85615

23 Johnny and Linda McLain
24 P.O. Box 2903
Sierra Vista, AZ 85636

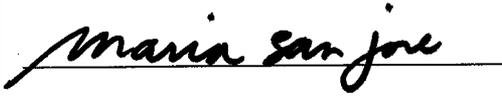
25

26

1 Arizona Small Utilities Association
2 210 North Central Avenue, Suite 6B
3 Avondale, AZ 85323

4 Copy emailed and mailed
5 this 12th day of March, 2007 to:

6 Jane Rodda, Administrative Law Judge
7 Hearing Division
8 Arizona Corporation Commission
9 400 West Congress
10 Tucson, AZ 85701
11 JRodda@azcc.gov

12 

13 1893340.1/10577.002

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25

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EXHIBIT

A

1 Michael M. Neal, Esq.
2 **LAW OFFICE OF MICHAEL M. NEAL, P.C.**
3 110 S. Church Avenue, Suite 4298
4 Tucson, Arizona 85701
5 Telephone: (520) 623-5686
6 Facsimile: (520) 623-5255
7 E-Mail: mmnealpc@qwest.net
8 State Bar No. 04331

9 and

10 Britt Hanson, Esq.
11 Office of the County Attorney
12 P.O. Box CA
13 Bisbee, AZ 85603
14 Telephone: (520) 432-8700
15 Facsimile: (520) 432-8778
16 E-mail: bhanson@co.cochise.az.us
17 State Bar No.: 012739

18 Co-Counsel for Cochise County

19 **IN THE UNITED STATES BANKRUPTCY COURT**
20 **FOR THE DISTRICT OF ARIZONA**

21 In re:

22 **JOHNNY A. MCLAIN and**
23 **LINDA M. MCLAIN,**
24 **husband and wife,**

25 Debtors.

Chapter 11 Proceeding

Case No. 4-03-bk-04125-EWH

REPORT ON SALE OF
WATER COMPANIES

26 Cochise County reports to the Court that on or about February 21, 2007, the Court
27 authorized and approved sale of water companies closed. Attached hereto is a true copy of the
Settlement Statement for the sale. The sales proceeds are being held by the escrow agent, Pioneer
Title Agency, subject to further Order of this Court. A sale of the Wireless System is expected
to Close in the near future. Upon that sale closing substantive assets of the estate will be

1 liquidated and the monies available for distribution under the confirmed Plan will be known. At
2 that time a distribution application will be filed.

3 RESPECTFULLY SUBMITTED this 28th day of February, 2007.

4 LAW OFFICE OF
5 MICHAEL M. NEAL, P.C.

6 By: /s/ Michael M. Neal
7 Michael M. Neal
8 Co-Counsel for Cochise County

8 Copy of the foregoing mailed this
9 28th day of February, 2007, to:

10 Office of the United States Trustee
11 230 N. First Ave., Ste. 204
12 Phoenix, AZ 85003-1706

13 Rob Charles, Esq.
14 Lewis and Roca, L.L.P.
15 1 S. Church Ave., #700
16 Tucson, AZ 85701-1611
17 Attorney for Buyer

18 Michael W. Baldwin, Esq.
19 Law Offices of Michael W. Baldwin
20 P.O. Box 35487
21 Tucson, AZ 85740-5487
22 Attorney for Debtors

23 Denise Faulk, Esq.
24 Arizona Attorney General's Office
25 1275 West Washington
26 Phoenix, AZ 85007
27 Attorney for Arizona Dept. of Revenue

Christopher C. Kempley
Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Britt Hanson, Esq.
Deputy County Attorney
Office of the County Attorney
P.O. Box CA
Bisbee, AZ 85603
Attorney for Cochise County

A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SETTLEMENT STATEMENT

Pioneer Title Agency, Inc.
P. O. Box 1900
580 E. Wilcox Dr.
Sierra Vista, AZ 85636-1900
FINAL

B. TYPE OF LOAN OMB No. 2502-0265

1. FHA 2. FMHA 3. CONV. UNINS.
4. VA 5. CONV. INS.

6. ESCROW FILE NUMBER: 00515132-001 FMM 7. LOAN NUMBER:
8. MORTGAGE INSURANCE CASE NUMBER:

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(P.O.C.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME OF BORROWER: NORTHERN SUNRISE WATER COMPANY, INC. and SOUTHERN SUNRISE WATER COMPANY, INC.

ADDRESS OF BORROWER: 2845 BRISTOL CIRCLE
OAKVILLE, ONTARIO CANADA L6H7H

E. NAME OF SELLER: JOHNNY A. MC LAIN and LINDA M. MC LAIN

This is to certify that this is a true and correct copy of this instrument
Fran Miliana

ADDRESS OF SELLER: 7110 E. JAXEL ROAD
HEREFORD, AZ 85615

F. NAME OF LENDER:
ADDRESS OF LENDER:

G. PROPERTY LOCATION: AZ
Cochise SEE ATTACHED
SEE ATTACHED

H. SETTLEMENT AGENT: Pioneer Title Agency, Inc.
PLACE OF SETTLEMENT: P.O. Box 1900, 580 E. Wilcox Dr., Sierra Vista, AZ 85636-1900

I. SETTLEMENT DATE: 02/16/2007 PRORATION DATE: 02/18/2007 FUNDING DATE: 02/18/2007

J. SUMMARY OF BORROWER'S TRANSACTION K. SUMMARY OF SELLER'S TRANSACTION

100. Gross Amount Due From Borrower:		400. Gross Amount Due To Seller:	
101. Contract Sales Price	696,752.14	401. Contract Sales Price	696,752.14
102. Personal Property		402. Personal Property	
103. Settlement charges to Borrower (line 1400)	1,030.00	403.	
104.		404.	
105.		405.	
Adjustments For Items Paid By Seller In Advance:		Adjustments For Items Paid By Seller In Advance:	
106. City/Town Taxes		406. City/Town Taxes	
107. County Taxes		407. County Taxes	
108. Assessments		408. Assessments	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
113.		413. FUNDS DEPOSITED FOR UCC SEARCH	250.00
114.		414.	
115.		415.	
120. Gross Amount Due from borrower:	697,782.14	420. Gross Amount Due to Seller	697,002.14
200. Amounts Paid by or in behalf of Borrower:		500. Reductions in Amount Due To Seller:	
201. Deposit or earnest money	200,000.00	501. Excess deposit (see instructions)	
202.		502. Settlement charges to Seller (line 1400)	694,149.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204. FUNDS DEPOSITED 9/11/06	498,000.00	504. Payoff of first mortgage loan	
205. INTEREST EARNED ON FUNDS DEP.	9,478.99	505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments For Items Unpaid By Seller:		Adjustments For Items Unpaid By Seller:	
210. City/Town Taxes		510. City/Town Taxes	
211. County Taxes 01/01/07 - 02/16/07	2,799.14	511. County Taxes 01/01/07-02/16/07	2,799.14
212. Assessments		512. Assessments	
213.		513. \$ PD TO OBTAIN UCC SEARCHES	54.00
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	710,276.13	520. Total Reductions in Amount Due Seller	697,002.14
300. Cash at Settlement from/to Borrower:		600. Cash at Settlement to/from Seller:	
301. Gross amount due from Borrower (line 120)	697,782.14	601. Gross amount due to Seller (line 420)	697,002.14
302. Less amount paid by/for Borrower (line 220)	710,276.13	602. Less reductions in amount due Seller (line 52)	697,002.14
303. Cash TO Borrower:	12,483.99	603. Cash TO Seller:	0.00

L SETTLEMENT CHARGES:

700. Total Sales/Broker's Commission:

	Paid from Borrower's Funds at Settlement	Paid from Seller's Funds at Settlement
Based on Price \$898,752.14 @ 1/2% =	0.00	
Division of Commission (line 700) follows:		
701. \$ 0.00 to		
702. \$ 0.00 to		
\$ 0.00 to		
703. Commission paid at settlement:		
704.		

800. Items Payable In Connection With Loan:

801. Loan Origination Fee		
802. Loan Discount Fee		
803. Appraisal Fee		
804. Credit Report		
805. Lenders inspection Fee		
806. Mortgage Insurance Application Fee		
807. Assumption Fee		
808.		
809.		
810.		
811.		

900. Items Required By Lender To Be Paid In Advance:

901. Interest		
902. Mortgage Insurance Premium		
903. Hazard Insurance Premium		
904.		
905.		

1000. Reserves Deposited With Lender:

1001. Hazard Insurance		
1002. Mortgage Insurance		
1003. City Property Taxes		
1004. County Property Taxes		
1005. Annual Assessments		
1006.		
1007.		
1008. Aggregate Adjustment months @ \$	0.00	

1100. Title Charges:

1101. Settlement or closing fee to Pioneer Title Agency, Inc.	355.00	355.00
1102. Abstract or title search		
1103. Title examination		
1104. Title insurance binder		
1105. Document preparation		
1106. Notary Fees		
1107. Attorney's Fees		
(includes above item numbers:)		
1108. Title Insurance		
(included above item numbers:)		
1109. Lender's Coverage		
1110. Owner's coverage \$ 350,000.00 to Pioneer Title Agency, Inc.		1,200.00
1111.		
1112.		
1113.		
1115. Courier-FED EXP TO/FR SELLER to Pioneer Title Agency, Inc.		50.00
1117. Addtl Wk Eac Fee 10 hrs @ \$75. to Pioneer Title Agency, Inc.	375.00	375.00
1118. Addtl Wk Title 10 hrs @ \$60. to Pioneer Title Agency, Inc.	300.00	300.00
1119. REC-DEEDS/HS ABAND/ORDERS to Pioneer Title Agency, Inc.		300.00

1200. Government Recording and Transfer Charges

1201. Recording Fees:		
1202. City/County tax/stamps		
1203. State tax/stamps		
1204. City Transfer Tax		
1205. County Transfer Tax		
1206.		
1207.		

1300. Additional Settlement Charges:

1301. Survey		
1302. Pest Inspection		
1303. 2004-2008 TX to COCHISE COUNTY TREASURER		82,612.19
1304. PROCEEDS REMAINING to TO BE DETERMINED BY BK COURT		608,881.81
1305. DEED SIGNING FEE to STEWART TITLE & TRUST		75.00
1306.		

INITIALS: _____

INITIALS: _____

1307.

1400. Total Settlement Charges (Enter on line 103, Section J - and- line 502, Section K)

1,030.00

894,149.00

INITIALS: _____

INITIALS: _____