

**MOUNT
TIPTON
WATER CO., INC.**



0000068591

P.O. BOX 38 DOLAN SPRINGS, AZ 85711
RECEIVED
PHONE: -767-3298 FAX: -767-3053

Judge Stern & AZ Corporation Commissioners
1200 W. Washington Street
Phoenix, AZ 85007

2004 JAN -6 P 3:40

12-12-03

Re: Docket #W-02105A-03-805 Emergency Rate Increase Application

AZ CORP COMMISSION
DOCUMENT CONTROL

Dear Judge Stern & Commissioners:

It is our understanding that certain criteria need to be met for consideration of the above & to that end we respectfully submit the following for your review & consideration:

Arizona Corporation Commission
DOCKETED

"SITUATION WHERE THE COMPANY IS INSOVENT"

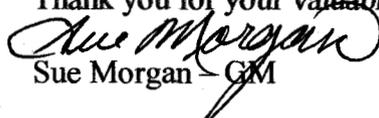
JAN - 6 2004

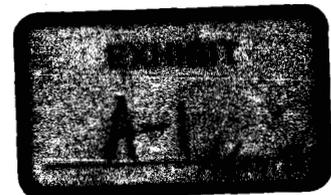
- Updated 12-12-03 December Fixed Payables Spreadsheet, 12-12-03 Complete Payables Spreadsheet & Quote from Insurance Agent to be added to above payables for 2004, DOCKETED BY 
- 12-12-03 Fax Correspondence to Rob Lanford & BOD of USDA-RD (whose reserves were utilized to pay WIFA – pleading to pay back @ 5% \$128.00mo. instead of \$256.00mo. if they will allow us – *please note that our bank balance as of this date without paying the remaining December WIFA, payroll, etc. is \$2,888.91!*)
- WIFA Default Forbearance Letter – **Foreclosure is still an option.**
- 12-05-03 Letter to WIFA requesting deferred payment for December payment,
- 11-17-03 Letter to WIFA to avoid foreclosure.

"SITUATION WHERE ABILITY OF COMPANY TO MAINTAIN SERVICE (PENDING A FORMAL RATE DETERMINATION) IS IN SERIOUS DOUBT"

Please see attached correspondence from The Sutherland Law Firm representing our **well servicing** agent (just today our tank well #55-601846 has gone down draining that distribution system to 50% requiring a service call from them; parts on order for repair Monday), Short's DBA Arthur's, Viking Office Supplies (our source for **office supplies**; paper, ink, etc.), RVS Utility Billing (our source for **billing forms** to generate revenue) & Hughes Supply (our water operator's **source for meters, parts**, etc.) – **ALL** four sources had put a **freeze on future orders** until the oldest invoices with them have been paid with the understanding that we continue to pay the oldest. We are operating this facility with only two employees in an effort to pay bills & need to hire another soon as our operator has not had a break for over a month – so, that would add additional salary to payroll. In addition, as of today, our 1989 Chevy service truck is now down (which is needed as back-up & used to read meters to generate revenue) – we are operating on a shoestring with no cushion for emergency – please review the attached & you will see that our situation speaks for itself. In addition, we have provided Mr. Charles Myhlhousen (one of your auditors on this case) with a zip drive back up of all financials should anyone have any further questions.

Thank you for your valuable time & consideration,


Sue Morgan - GM



INSURANCE CENTER OF AZ, INC.

2755 NORTHERN AVE.
KINGMAN, AZ 86401

Telephone (928)757-3191
Fax (928)757-9122

RECEIVED

~~2004 JAN -5 P 3:40~~

FAX COVER SHEET

AZ CORP COMMISSION
DOCUMENT CONTROL

DATE: DEC. 15, 2003

COMPANY: Mt Tipton Water Co., Inc.
ATTENTION: Sue Morgan

FROM: ROBERTA J. MARTIN

REGARDING: Insurance premiums for 2004
POLICY #:

#PAGES INCLUDING COVER SHEET: 2

ADDITIONAL COMMENTS:

Sue;

We do not have the exact figures for the renewal of your insurance policy for 2004, however the company advises it will be about a 25% increase. I have enclosed a finance quote for you with the estimated amount. This will require a downpayment of \$5,193.50 and then 8 monthly payments of \$2,042.13.

Thank you for patience and if you have any questions, please give me a call.

Dec-03

FIXED PAYABLES SPREADSHEET

A	B	C	E	G	I	K	M	O	Q	S
1										
2					12/12/03					
3										
4										
5										
6										
7	COMPANY NAME: D	INV #:	AMOUNT:	INV DATE:	AGE/ DAYS:	DATE PD:	AMT:	INV FOR:	SPECIFICS:	
8										
9										
10	AZ DEPT OF REV	941	\$ 1,866.55	11/11/03	31	12/11/03	\$ 1,490.70	PAYROLL TAXES	DUE 11/20/03	13-Nov
11	" TO STOCKMEN'S	TPT-1	\$ 1,129.04	11/11/03	31	12/11/03	\$ 1,129.04	SALES TAX	DUE 11/15/03	13-Nov
12	FRONTIER	9947001	\$ -	12/1/03	11			PHONE CO	PROBE LINE TO WELLS	
13	FRONTIER	9947002	\$ 19.10	12/1/03	11			PHONE CO	PROBE LINE TO WELLS	
14	FRONTIER	7673713	\$ 139.96	12/5/03	7			PHONE CO	OFFICE MAIN PHONE	
15	FRONTIER	3053/3298	\$ 163.70	12/5/03	7	12/11/03	\$ 322.76	PHONE CO	OFFICE FAX/ONLINE/SVC	
16	GRAVES PROPANE	19281	\$ 204.82	9/30/03					PF OFFICE	
17	MO ENV LAB	18947	\$ 51.00	12/5/03	7			SAMPLING COLL	WATER TESTING	
18	MO ENV LAB		\$ 160.00	12/9/03		11-Dec	\$ 160.00	SAMPLING NITRATES		4-Dec
19	MO COUNTY HRD	NOV	\$ 372.47	11/1/03		11/28/03	\$ 372.47	KT INSURANCE		
20	MO COUNTY HRD	DEC	\$ 372.47	12/1/03				KT INSURANCE		
21	MO WIRELESS		\$ 68.82	12/5/03	7	12/11/03	\$ 68.82	CELL PHONES	24 HR ON-CALL	
22	OLYMPIC CONCEPTS		\$ 40.00	9/19/03	84			BACK-UP SVC	ONLINE BACK-UP	
23	PAYROLL-TETER	2500.MO	\$ 625.00			4-Dec	\$ 589.30	PAYROLL	SALARY+STANDBY	
24	"		\$ 625.00			11-Dec	\$ 589.30			
25	"		\$ 625.00			18-Dec				
26	"		\$ 625.00			25-Dec				
27	PAYROLL-MORGAN	2500. MO	\$ 625.00			4-Dec	\$ 495.44	PAYROLL	MONTHLY APPROX	
28	"		\$ 625.00			11-Dec	\$ 592.05			
29	"		\$ 625.00			18-Dec				
30	"		\$ 625.00			25-Dec				
31	RVS UTIL BILLING		\$ 72.80			11-Dec	\$ 72.80	BILL FORMS	BILLS/FINAL NOTICES	
32	STAR		\$ 119.79	11/1/03	41	4-Dec	\$ 119.79	CONTRACTOR	SERVICE TRUCKS	
33	SUNFLOWER CONC		\$ 390.00	11/13/03	29	12/4/03	\$ 390.00	CONTRACTOR	LINE MAINTENANCE	
34	SUNFLOWER CONC	120303	\$ 200.00	12/3/03	9			CONTRACTOR	MET INSTALL	
35	UNISOURCE ENERG		\$ 625.41	11/18/03	24			ELECTRIC	WELL #1 IRONWOOD DR	
36	UNISOURCE ENERG		\$ 692.77	11/18/03	24			ELECTRIC	WELL #2/ 15901 N IRON	
37	UNISOURCE ENERG		\$ 118.08	11/18/03	24			ELECTRIC	WELL #3 PF RD	
38	UNISOURCE ENERG		\$ 193.95	11/18/03	24			ELECTRIC	WELL #5	
39	UNISOURCE ENERG		\$ 290.81	11/18/03	24			ELECTRIC	WELL #6/ FIELD WELL	
40	UNISOURCE ENERG		\$ 321.46	11/18/03	24			ELECTRIC	WELL #7	

COMPLETE PAYABLES SPREADSHEET

A	B	C	E	G	I	K	M	O	Q	S
1	AS OF 12/11/03									
2	NEW PMTS ENTERED				12/12/03					
3										
4										
5										
6	COMPANY NAME	INV #:	AMOUNT:	INV DATE:	AGE/DAYS:	DATE PD:	AMT:	INV FOR:	SPECIFICS:	
7										
8	ABBOTT, JACQUE	826	\$ 35.22	9/26/03	77			REFUND	SEC DEP BAL	
9	ACC TRIP BOD		\$ 40.00			11-Dec	\$ 40.00			
10	ACC TRIP GM		\$ 40.00			11-Dec	\$ 40.00			
11	ACTION BLDG/ACE		\$ 89.13	10/31/03	42	11-Dec	\$ 89.13	SVC SUP	PARTS	
12	ANDERSON, ERIC	9205	\$ 43.00	11/20/03	22	4-Dec	\$ 43.00	REPAIRS	TOYOTA SVC TRK	
13	AT&T	767-3713	\$ (7.91)	10/31/03	42			PHONE	LONG DISTANCE	
14	AZ DEPT OF REV	NOV TPT	\$ 1,129.04	11/7/03	35	11-Dec	\$ 1,129.04	TAXES	TPT NOV	
15	AZ STATE LAND DEPT	57197	\$ 1,500.00	10/31/03	42			WELL #3 LEASE	DUE BY 01-25-04	22-Jan
16	BLM	AZA-29467	\$ 500.00			11-Dec	\$ 500.00	DETRITAL WELL	ANNUAL RIGHT OF WAY	
17	BLM	AZA-6179	\$ 500.00	DUE JAN 1	70	11-Dec	\$ 500.00	DETRITAL WELL	ANNUAL RIGHT OF WAY	
18	CARROLL'S SVC	795	\$ 33.97	10/3/03	70	4-Dec	\$ 33.97	REFUND	SEC DEP BAL	
19	CARROT TOP IND	317536	\$ 53.50	9/10/03	93			FLAGS	EMERG CURTAIL FLAGS	
20	CERBAT GEM	101003	\$ 3.87	10/10/03	63			OFF SUP	ENV/COMPL MAILING	
21	COUNTY HRD	NOV	\$ 372.47	11/1/03	41	28-Nov	\$ 372.47	INSURANCE	K TETER HEALTH INS	28-Nov
22	COUNTY HRD	DEC	\$ 372.47	12/1/03	11			INSURANCE	K TETER HEALTH INS	
23	DOLPHIN CAPITOL	81103	\$ 101.13	8/11/03	123	28-Nov	\$ 100.00	XEROX	NEW CONTRACT \$50.00	28-Nov
24	DOLPHIN CAPITOL	101003	\$ 146.31	10/10/03	63			XEROX	COPIER	
25	DS SUPPLY	E102	\$ 110.00	11/22/03	20	4-Dec	\$ 110.00	COMP REPAIR	NETWORK 3 OFFICE PC'S	
26	FREIDAY'S CONST	42796	\$ 39.11	7/8/03	157			SVC SUP	HYDRANT WRENCHES	
27	FRONTIER	2110153-IN	\$ 1,013.58	12/27/02	350			PHONE CO	MRL BACKHOE DAMAGE	
28	FRONTIER	F 767-3713	\$ 139.96	12/5/03	7	11-Dec	\$ 139.96	PHONE CO	PF OFFICE	
29	FRONTIER	F 3298/3053	\$ 163.70	12/5/03	7	11-Dec	\$ 163.70	PHONE CO	PF SVC/FAX/ ONLINE	
30	FRONTIER	F 994-7001	\$ -	12/1/03		11-Dec		PHONE CO	PROBE LINE TO WELLS	
31	FRONTIER	F 994-7002	\$ 19.10	12/1/03		11-Dec	\$ 19.10	PHONE CO	PROBE LINE TO WELLS	
32	GRAVES PROPANE	F 19281	\$ 204.82	9/30/03	73			FUEL	PIERCE FERRY OFFICE	
33	HOUSE, LEWIS	232	\$ 35.59	10/10/03	63			REFUND	SEC DEP BAL	12-Dec
34	HUGHES SUPPLY	355958	\$ 818.85	9/18/03	85	4-Dec		SVC SUP	MISC SVC PARTS	
35	HUGHES SUPPLY	366759	\$ 185.34	9/25/03	78			SVC SUP	MISC SVC PARTS	
36	HUGHES SUPPLY	394950	\$ 223.16	10/16/03	57					
37	HUGHES SUPPLY	404247	\$ 20.09	10/25/03	48					
38	MAPS-ADEQ	* 60737	\$ 1,906.00	10/23/03	50					
39	MARS CO	V 123059	\$ 80.00	10/1/03	72			ADEQ MAP	ANNUAL FEES	
40	MO COUNTY FIN	2002	\$ 5,903.96	5/18/03	208			SVC SUP	PLASTIC METER LOCKS	
41	MO COUNTY TREAS	91741100	\$ 22.74	5/30/03	196			TAXES	COUNTY FRANCHISE TAX	
42	MO COUNTY TREAS	91741110	\$ 15,780.80	5/30/03	196			TAXES	PROPERTIES	
43	MO COUNTY TREAS	91741110	\$ 6,470.99	10/1/02	437			TAXES	2002 DELINQ PROP TAX	

A	B	C	E	G	I	K	M	O	Q	S
44	MO COUNTY TREAS	31920110A	\$ 852.56	10/1/02	437			TAXES	2002 DELINQ PROP TAX	
45	MO COUNTY TREAS	3198390	\$ 25.06	10/1/02	437			TAXES	2002 DELINQ PROP TAX	
46	MO COUNTY TREAS	31913891	\$ 25.06	10/1/02	437			TAXES	2002 DELINQ PROP TAX	
47	MO ENGR	10137	\$ 728.75	11/17/03	35			ENGR SVC	CONTRACT 01-00-218 PMT	
48	MO ENV LAB	18801	\$ 315.00	11/11/03	31	11-Dec	\$ 315.00	LEAD & COPPER	LEAD & COPPER	
49	MO ENV LAB	18577	\$ 51.00	10/9/03	64	11-Dec	\$ 51.00	SAMPLING COLLIER	WATER TESTING	
50	MO ENV LAB	18769	\$ 51.00	11/10/03	32			SAMPLING COLLIER		
51	MO ENV LAB	18947	\$ 51.00	12/5/03	7			NITRATE SAMPLING		
52	MO ENV LAB	18981	\$ 160.00	12/9/03	3	11-Dec	\$ 160.00	CELL PHONES	24 HR ON-CALL	
53	MOHAVE WIRELESS	715-6422/24	\$ 68.82	12/5/03	7	11-Dec	\$ 68.82	BACK-UP SVC	MO CHG	11/26/03
54	OLYMPIC CONCEPT	43604	\$ 40.00	12/4/03						
55	PAYROLL TETER	\$2500MO	\$ 2,500.00	12/4/03						
56	PAYROLL \$625. WK			12/11/03						
57	"			12/18/03						
58	"			12/25/03						11/26/03
59	PAYROLL MORGAN	\$2500MO	\$ 2,500.00	12/4/03						
60	"									
61	"									
62	"									
63	RVS SOFTWARE	50627	\$ 72.80	8/14/03	120	12/12/03	\$ 72.80	OFF SUP	BILL/FINAL NOTICES	
64	RVS SOFTWARE	51309	\$ 151.35	9/19/03	84			OFF SUP	BILL/FINAL NOTICES	
65	SCF	A56375	\$ 42.00	10/21/03	52			STATE FUND	WORKERS COMP	
66	SHORT/ARTHURS	12588	\$ 1,370.00	7/17/03	148			WELL SVC	REPLACE #5 MOTOR	
67	STAR	110303	\$ 312.15	10/31/03	42	20-Nov	\$ 312.15	GASOLINE	SERVICE TRUCKS	
68	STAR	110303	\$ 119.79	11/1/03	66	4-Dec	\$ 119.79	GASOLINE		
69	STREET CONST	310	\$ 32.14	10/7/03	29	12/4/03	\$ 32.14	REFUND	LINE MAINTENANCE	
70	SUNFLOWER CONC	111103	\$ 390.00	11/13/03	7			CONTRACTOR		
71	SUNFLOWER CONC	120303	\$ 200.00	12/5/03	7					
72	SUPERIOR LAMP	V\$2052946	\$ 255.88	6/30/03	165					
73	TAXES 941	F NOV	\$ 1,490.70	11/1/03				OFF SUP	FLOURESCENT LIGHTS	
74	UNISOURCE ENERG	5588462	\$ 625.41	11/18/03	24	11-Dec	\$ 1,490.70	TAXES	PAYROLL NOV	
75	UNISOURCE ENERG	6642979	\$ 692.77	11/18/03	24			ELECTRIC	WELL #1 IRONWOOD DR	
76	UNISOURCE ENERG	6603377	\$ 118.08	11/18/03	24			ELECTRIC	WELL #2/15901 N IRON	
77	UNISOURCE ENERG	6603351	\$ 193.95	11/18/03	24			ELECTRIC	WELL #3 PF RD	
78	UNISOURCE ENERG	6603377	\$ 290.81	11/18/03	24			ELECTRIC	WELL #5	
79	UNISOURCE ENERG	6603393	\$ 321.46	11/18/03	24			ELECTRIC	WELL #6/ FIELD WELL	
80	UNISOURCE ENERG	5589601	\$ 12.77	11/18/03	24			ELECTRIC	WELL #7	
81	UNISOURCE ENERG	5592753	\$ 85.38	11/18/03	24			ELECTRIC	SPRING #8 & #9	
82	UNISOURCE ENERG	5589593	\$ 128.99	11/18/03	24			ELECTRIC	IRONWOOD OFF	
83	UNISOURCE ENERG	5588579	\$ 10.05	11/18/03	24			ELECTRIC	11TH ST LT	
84	UNISOURCE ENERG	6507495	\$ 74.91	11/18/03	24			ELECTRIC	11TH ST UT	
85	UNISOURCE ENERG	5588462	\$ 214.73	11/18/03	24			ELECTRIC	PF OFFICE	
86	UNISOURCE ENERG	6642979	\$ 33.56	11/18/03	24			ELECTRIC	PF PUMP HSE	
87	UNISOURCE ENERG	5672332	\$ 9.69	11/26/03	16	11-Dec	\$ 2,812.56	ELECTRIC	PF/ REAR	
88	USRDA LOAN PMT	F 1971/1996	\$ 1,250.00	12/1/03		1-Dec	\$ 1,250.00	RD MONTHLY	D/D LIGHT	1-Dec
									AUTOMATIC DEDUCTION	



PREMIUM FINANCING SPECIALISTS

4600 E. SHEA BLVD.

SUITE 200

PHOENIX, AZ 85028-3041

PHONE: (602) 494-6980

TOLLFREE: (800) 561-2612

FAX: (602) 494-6990

AZ CORP COMMISSION

INSURED DOCUMENT CONTROL

MT. TIPTON WATER CO., INC.

P O BOX 38

DOLAN SPRINGS, AZ 86441

AGENT:

INSURANCE CENTER

2765 NORTHERN AVE

KINGMAN, AZ 86401

PH: (928)757-3191

Date:	12/15/2003
Quote Number:	
Total Premium:	\$20,774.00
Down Payment:	\$5,193.50
Amount Financed:	\$15,580.50
Finance Charge:	\$766.54
Total of Payments:	\$16,337.04
8 MONTHLY Installments @	\$2,042.13
First Installment Due On:	2/15/2004
Annual Percentage Rate is:	12.790%

For further assistance, please contact the branch office listed above.

(This is not an offering, but is merely an example of repayment terms that might be available through Premium Financing Specialists. Actual quote may be contingent upon credit review and approval.)

FAX COVER SHEET

RECEIVED

Mount Tipton Water Company, Inc.
 15996 N. Ironwood Drive
 P.O. Box 38
 Dolan Springs, AZ 86441-0038

Mt. Tipton Water PWS ID #08-059

2004 JAN -6 P 3:41

AZ CORP COMMISSION
 DOCUMENT CONTROL

(928) 767-3713 PHONE
 (928) 767-3053 FAX

SEND TO	
Company name	From
USDA-RD	Sue Morgan - GM
Attention	Date
Rob Lanford	12-12-03
Office location	Office location
	Dolan Springs, AZ
Fax number	Phone number
928 782-0951	(928) 767-3713-office/ 767-3298-service

Urgent Reply ASAP Please comment Please review For your information

Total pages, including cover: 9

COMMENTS

Dear Mr. Lanford & Board of Directors:

Thank you for your recent 12-02-03 visit to our facility to address our questions. It was very enlightening (& a bit embarrassing as well - thank you for being so patient & understanding with us.

Please review attached item <1> "Notice of Intent to Terminate" from prior General Manager Ruhl who departed our Company 11-06-03. The newly elected (10-10-03 - all seven brand new members unfamiliar with any of the Company's true situation) reviewed the dire status of the Accounts Payable & questioned the remaining 3 employees, myself (who, up to that point had always done ONLY accounts receivable) & two field employees who also had no knowledge of payables). The Company was under option of foreclosure with WIFA (Water Infrastructure Finance Authority). They noticed two accounts, one marked "Construction" & one marked "Reserves" & approached our bank to inquire about the reason(s) for the separate accounts. The bank had no knowledge either. Since it appeared that we were in arrears largely due to over \$100,000.00 in GM & "consulting fees" to the prior GM (& it took us awhile to ascertain that in four separate accounts - please refer to item <2> 12-17-03 letter to WIFA) - without creating a liability issue which is the last thing we need - a thought may have occurred that these accounts were a possible additional "back-door" so-to-speak. Under the impression that all our loans were done like WIFA (maintaining their own reserves) & having asked the bank, this newly appointed Board acted in good faith (& desperation to save the Company from imminent foreclosure) & combined everything into one account & began to use the funds to save the Company (i.e. \$5,902.44 to Short Ent. DBA Arthur's well servicing who had placed us with their lawyer on a ten-day final demand, Hughes Supply \$818.35 so our water operator can order parts again, etc.) Item <3> is a copy of our account activity since then for your review. According to Rob, the amount that was being paid was not correct. We deeply apologize for spending your reserves & humbly request time to begin repayment @ 5% (\$128.00) until solvent enough to do more.

Sincerely,





Robert E. Ruhl



September 15, 2003

Mr. Dave Estenson, President, Mt. Tipton Water Co. Inc.
P.O. Box 38
Dolan Springs, AZ 86441

Subject: Interim General Management Agreement

Mr. Estenson,

In review of our current Agreement for Services, it has become apparent that the financial burden of contracted services for the Mt. Tipton Water Co. Inc. is not feasible at this time. To best accommodate the needs of the Mt. Tipton Water Co. Inc. I am submitting "Notice of Intent To Terminate" which is pursuant to our Services Agreement. This will be effective sixty (60) days after the above date.

We will be happy to finish our assigned work, other than General Management Services, which are paid out of funds normally not considered General Fund, (Project Admin, Grants, Loans, Etc.).

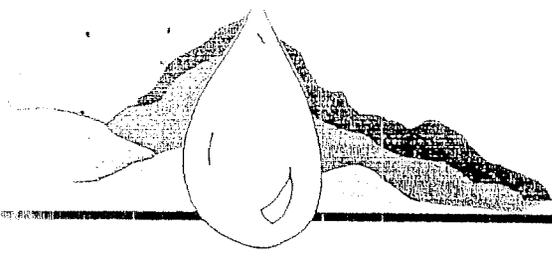
Please feel free to contact me concerning this issue.

Sincerely,

Robert E. Ruhl
Consultant

2303 N. 44th Street #14-1121 Phoenix, AZ 85008-2442
602-625-2216 Fax 509-461-6317
e-mail swcprof@earthlink.net

DEPARTURE DATE 11-06-03



MOUNT
TIPTON
WATER CO., INC.

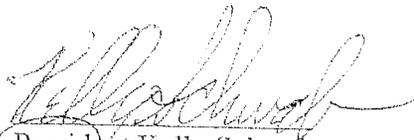
27

P.O. BOX 38 DOLAN SPRINGS, AZ 86443-0038

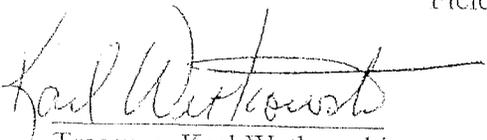
PHONE: -767-3298 FAX: -767-3053

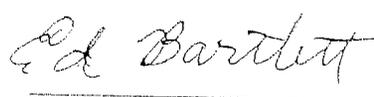
11-17-03

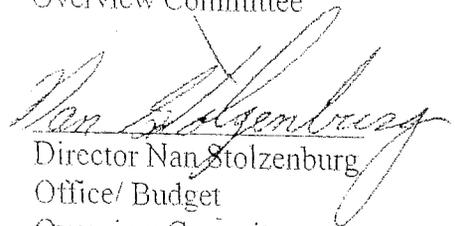
United in our commitment to strive as a team to bring this Company to a solid position including our obligatory payments to the Water Infrastructure Finance Authority, we, the undersigned governing Board of Directors endorse the following letter & information by our signatures below & affixed to by our Company Seal, to be true & accurate to the best of our combined abilities & knowledge.

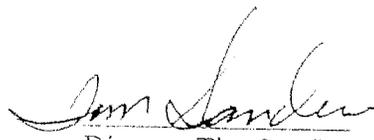

President Kelly Schwab

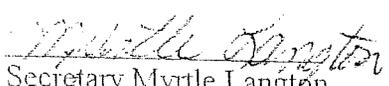

Vice-President Fred Tuttle
Field Operations Overview


Treasurer Karl Wetkowski
Field Operations &
Detrital Well Research
Overview Committee


Director Ed Bartlett
Detrital Well Research
Overview Committee


Director Nan Stolzenburg
Office/ Budget
Overview Committee


Director Tim Sanders
Office/ Budget
Overview Committee


Secretary Myrtle Langton

Corporate Seal

Mr. Jay Spector & Board of Directors
Water Infrastructure Finance Authority
1110 W. Washington, Suite #290
Phoenix, AZ 85007

Dear Jay (& WIFA BOD):

As you are aware, this Company has been in a deficit for two years & is in **complete** transition. Current Board (newly elected 10/10/03) has walked into a state of arrears (left by their predecessors) with total commitment to do everything possible to rectify the situation. Board & staff are in the process of gathering information to make changes necessary to that end. In a month's time, we've accomplished much & feel we are heading in a positive direction.

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It is our understanding that in a recent 10-22-03 meeting between yourself, Steve Olea, Assistant Director of ACC Utilities Division & also a member of WIFA's BOD, Charles Mylhousen & Claudio Fernandez of the *Arizona Corporation Commission* about our pending *Rate Increase Application, Docket #W-02105-03-0303* & our pending *Emergency Rate Increase Application, Docket #W-02105A-03-0805* - WIFA was assured by both Mr. Mylhousen & Mr. Fernandez that they were willing to cooperate in any way @ their staff level to prevent an unprecedented loan foreclosure & that their plan was to recommend some kind of Emergency Rate Relief. We submit Item <B1-6> to illustrate we are working diligently with them in that endeavor.

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We respectfully submit all of the foregoing for your review and ask you – what more can we do? If you see a stone unturned; a source of assistance untapped – please advise us.

We respectfully ask for WIFA's patience & again respectfully request any assistance you might provide us in our endeavors to save this Company & continue uninterrupted service to our people.

We would also appreciate a written response by mail from you indicating your thoughts &/or feelings in this matter.

With utmost sincerity & respect,

As indicated by our joint signatures & Corporate Seal affixed to the cover signature letter attached,

MTWC, Inc. Board of Directors & Staff

Letter & Data prepared @ BOD request by:



Sue Morgan – Assistant GM

cc: Ms. Janet Napolitano – Governor of the State of Arizona
Steve Olea, Claudio Fernandez & Charles Mylhousen- ACC
Steven Ahearn - RUCO
Rob Lanford – USDA-RD
Zelda Wright – Mohave County District Formation
Neal Whittle – Arizona Small Utilities Association

MT. TIPTON WATER CO, INC.

12/12/2003

[3]

Register: 104 · CASH IN BANK:104.02 · STOCKMENS CHECKING

From 11/01/2003 through 12/12/2003

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
11/01/2003		R.D.A. LOAN	-split-	020080860263...	1,250.00		-860.61
11/01/2003		U.S.RURAL DEVEL...	-split-	020080860263...	654.00		-1,514.61
11/01/2003		U.S.RURAL DEVEL...	-split-	020080860263...	654.00		-2,168.61
11/03/2003			-split-	Deposit		678.41	-1,490.20
11/03/2003			701 · OTHER INCOME	Deposit		495.00	-995.20
11/03/2003			-split-	Deposit		2,531.01	1,535.81
11/04/2003	4960	Robert E. Ruhl	690 · CONSULTING F...	VOID: Inv. 94...	X		1,535.81
11/04/2003	4961	Robert E. Ruhl	690 · CONSULTING F...	VOID: Inv. 95...	X		1,535.81
11/05/2003			402 · WATER SALES ...	Deposit		1,506.75	3,042.56
11/05/2003			402 · WATER SALES ...	Deposit		1,489.72	4,532.28
11/05/2003			-split-	Deposit		3,663.08	8,195.36
11/05/2003	4962	Water Infrastructure ...	235 · NOTES PAYAB...	Sept/03 Payme...	6,975.88		1,219.48
11/06/2003	4963	Lee, Wolfgang	-split-		441.50		777.98
11/06/2003	4964	MORGAN, SUE C	-split-		378.80		399.18
11/06/2003	4965	TETER, KEVIN	-split-		456.89		-57.71
11/07/2003			402 · WATER SALES ...	Deposit		254.84	197.13
11/07/2003			-split-	Deposit		1,108.30	1,305.43
11/07/2003	4966	PREMIUM FINANC...	654 · INSURANCE E...	Acct # AZP -7...	1,633.68		-328.25
11/07/2003			104 · CASH IN BANK...	Funds Transfer		949.54	621.29
11/07/2003			104 · CASH IN BANK...	Funds Transfer		20,551.28	21,172.57
11/10/2003			-split-	Deposit		2,433.06	23,605.63
11/12/2003	4967	STOCKMENS BANK	202 · ACCRUED TAX...	941 PAYROL...	1,866.55		21,739.08
11/12/2003	4968	ARIZONA DEPT. O...	202 · ACCRUED TAX...	TPT SALES T...	1,621.98		20,117.10
11/12/2003	4969	WIFA	235 · NOTES PAYAB...	Loan # 920044...	6,975.88		13,141.22
11/12/2003	4970	Lee, Wolfgang	-split-	VOID:	X		13,141.22
11/12/2003	4971	TETER, KEVIN	-split-		499.68		12,641.54
11/12/2003	4972	MORGAN, SUE C	-split-		391.28		12,250.26
11/13/2003			-split-	Deposit		2,726.09	14,976.35
11/13/2003	4974	VOID	101 · PETTY CASH				14,976.35
11/14/2003			-split-	Deposit		1,489.15	16,465.50
11/14/2003	4975	Lee, Wolfgang	-split-		328.71		16,136.79
11/20/2003			-split-	Deposit		4,321.75	20,458.54
11/20/2003	4973	FRONTIER	-split-	Telephone bill ...	213.70		20,244.84
11/20/2003	4976	UniSource	-split-	Electric	3,134.03		17,110.81
11/20/2003	4977	MOHAVE WIRELESS	-split-	Acct# 0001000...	85.37		17,025.44
11/20/2003	4978	WESTSIDE DISPOS...	698 · BUSINESS UTL...	Account # 260...	121.54		16,903.90
11/20/2003	4979	WESTSIDE DISPOS...	698 · BUSINESS UTL...	rental-Dr. office	33.50		16,870.40
11/20/2003	4980	TETER, KEVIN	-split-		499.69		16,370.71
11/20/2003	4981	MORGAN, SUE C	-split-		402.67		15,968.04

MT. TIPTON WATER CO, INC.

12/12/2003

Register: 104 · CASH IN BANK:104.02 · STOCKMENS CHECKING

From 11/01/2003 through 12/12/2003

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
11/20/2003	4982	STAR COUNTRY L...	656 · VEHICLE EXPE...	SEPT/Vehicle ...	312.15		15,655.89
11/20/2003	4983	ARTHUR'S SALES ...	676 · REPAIRS & MA...	INV #12469	5,902.44		9,753.45
11/26/2003			-split-	Deposit		2,634.13	12,387.58
11/26/2003	4984	MORGAN, SUE C	-split-		547.96		11,839.62
11/26/2003	4985	TETER, KEVIN	-split-		589.29		11,250.33
11/28/2003	4986	County Human Reso...	612 · SALARIES AND...	Health Insuran...	372.47		10,877.86
11/28/2003	4987	Water Infrastructure ...	235 · NOTES PAYAB...	Nov-03 Payme...	6,975.88		3,901.98
11/28/2003	4988	DOLPHIN CAPITA...	666 · OFFICE EXPEN...	CONTRACT 2...	100.00		3,801.98
12/01/2003			402 · WATER SALES ...	Deposit		3,048.62	6,850.60
12/01/2003	AUTO	R.D.A. LOAN	-split-	020080860263...	1,250.00		5,600.60
12/01/2003	AUTO	U.S.RURAL DEVEL...	-split-	020080860263...	654.00		4,946.60
12/01/2003	AUTO	U.S.RURAL DEVEL...	-split-	020080860263...	654.00		4,292.60
12/02/2003			-split-	Deposit		2,643.95	6,936.55
12/04/2003			-split-	Deposit		3,324.80	10,261.35
12/04/2003	4989	STAR COUNTRY L...	656 · VEHICLE EXPE...	NOV/Vehicle ...	199.79		10,061.56
12/04/2003	4990	SUNFLOWER CON...	676 · REPAIRS & MA...	Invoice #11-11...	390.00		9,671.56
12/04/2003	4991	ERIC ANDERSON	656 · VEHICLE EXPE...		43.00		9,628.56
12/04/2003	4992	DS SUPPLY (COM...	676 · REPAIRS & MA...	NETWORKIN...	110.00		9,518.56
12/04/2003	4993	HUGHES SUPPLY, ...	676 · REPAIRS & MA...	09-18-03 INV...	818.85		8,699.71
12/04/2003	4994	STREET CONSTRU...	227 · REFUNDABLE ...	REF BAL OF ...	32.14		8,667.57
12/04/2003	4995	Carroll's Service Cen...	227 · REFUNDABLE ...	REF SEC DEP...	33.97		8,633.60
12/04/2003	4996	VIKING OFFICE SU...	666 · OFFICE EXPEN...	Acct# 3106942...	602.61		8,030.99
12/04/2003	4997	TETER, KEVIN	-split-		589.30		7,441.69
12/04/2003	4998	MORGAN, SUE C	-split-		495.44		6,946.25
12/04/2003	4999	HENRY W. VARGA	617 · ACCOUNTING	Client ID: 802...	1,000.00		5,946.25
12/04/2003	5000	Water Infrastructure ...	235 · NOTES PAYAB...	Dec-03 Deferre...	436.00		5,510.25
12/08/2003			-split-	Deposit		3,462.27	8,972.52
12/08/2003			701 · OTHER INCOME	Deposit		495.00	9,467.52
12/10/2003			402 · WATER SALES ...	Deposit		548.73	10,016.25
12/10/2003			402 · WATER SALES ...	Deposit		3,670.80	13,687.05
12/11/2003	5001	ACTION BUILDER...	676 · REPAIRS & MA...	Misc Repair It...	89.13		13,597.92
12/11/2003	5002	RVS SOFTWARE	676 · REPAIRS & MA...	Acct #2090 In...	72.80		13,525.12
12/11/2003	5003	LEWIS HOUSE	227 · REFUNDABLE ...	REF BAL OF ...	35.59		13,489.53
12/11/2003	5004	Water Infrastructure ...	235 · NOTES PAYAB...	Dec-03 Deferre...	436.00		13,053.53
12/11/2003	5007	TETER, KEVIN	-split-		589.30		12,464.23
12/11/2003	5008	MORGAN, SUE C	-split-		592.05		11,872.18
12/11/2003	5009	KELLY SCHWAB	694 · TRAVEL EXPE...	TRAVEL STIP...	40.00		11,832.18
12/11/2003	5010	SUE MORGAN	694 · TRAVEL EXPE...	TRAVEL STIP...	40.00		11,792.18
12/11/2003	5012	ARIZONA DEPT. O...	202 · ACCRUED TAX...	TPT SALES T...	1,129.04	X	10,663.14

MT. TIPTON WATER CO, INC.

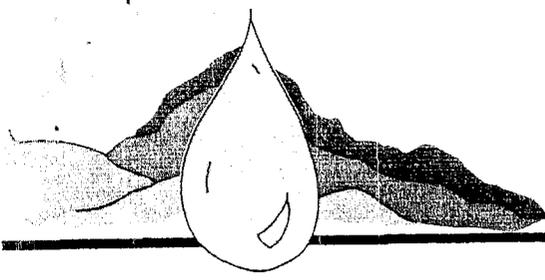
12/12/2003

Register: 104 · CASH IN BANK:104.02 · STOCKMENS CHECKING

From 11/01/2003 through 12/12/2003

Sorted by: Date, Type, Number/Ref

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12/11/2003	5013	STOCKMEN'S BANK	202 · ACCRUED TAX...	941 PAYROL...	1,490.70		9,172.44
12/11/2003	5014	FRONTIER	-split-	Telephone bill ...	322.76		8,849.68
12/11/2003	5015	UniSource	-split-	NOV 03 ELEC...	2,812.56		6,037.12
12/11/2003	5016	WESTSIDE DISPOS...	698 · BUSINESS UTL...	RUBBISH AC...	62.64		5,974.48
12/11/2003	5017	MOHAVE WIRELESS	-split-	Acct# 0001000...	68.82		5,905.66
12/11/2003	5018	Mohave Environmen...	-split-	INV #18577/1...	526.00		5,379.66
12/11/2003	5019	DEPARTMENT OF ...	-split-	BLM Tax # 84...	1,000.00		4,379.66
12/11/2003	5020	STOCKMEN'S BANK	202 · ACCRUED TAX...	941 PAYROL...	1,490.70		2,888.96



*MOUNT
TIPTON
WATER CO., INC.*

P.O. BOX 38 DOLAN SPRINGS, AZ 86441-0038
RECEIVED
PHONE: -767-3298 FAX: -767-3053

2004 JAN -6 P 3:41

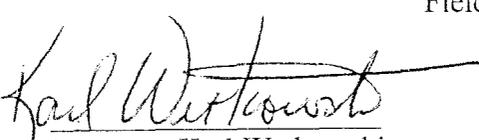
11-17-03

AZ CORP COMMISSION
DOCUMENT CONTROL

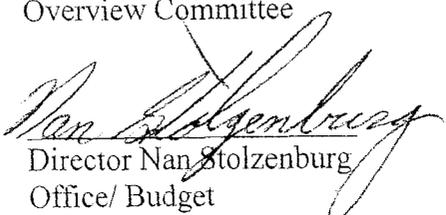
United in our commitment to strive as a team to bring this Company to a solid position including our obligatory payments to the Water Infrastructure Finance Authority, we, the undersigned governing Board of Directors endorse the following letter & information by our signatures below & affixed to by our Company Seal, to be true & accurate to the best of our combined abilities & knowledge.

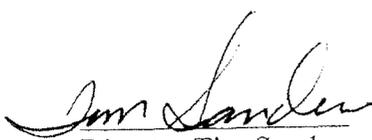

President Kelly Schwab

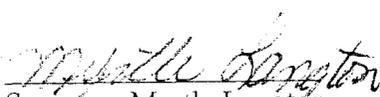

Vice-President Fred Tuttle
Field Operations Overview


Treasurer Karl Wetkowski
Field Operations &
Detrital Well Research
Overview Committee

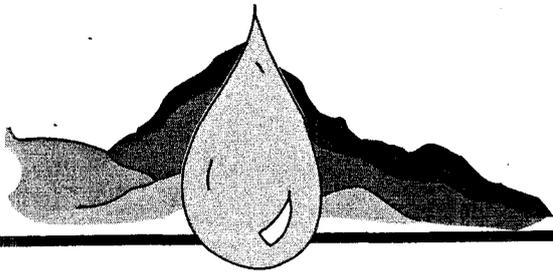

Director Ed Bartlett
Detrital Well Research
Overview Committee


Director Nan Stolzenburg
Office/ Budget
Overview Committee


Director Tim Sanders
Office/ Budget
Overview Committee


Secretary Myrtle Langton

Corporate Seal



MOUNT
TIPTON
WATER CO., INC.

P.O. BOX 38 DOLAN SPRINGS, AZ 86441-0038

PHONE: 1-767-3298 FAX: 1-767-3053

11-17-03

Mr. Jay Spector & Board of Directors
Water Infrastructure Finance Authority
1110 W. Washington, Suite #290
Phoenix, AZ 85007

Dear Jay (& WIFA BOD):

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Sue Morgan – Assistant GM

cc: Ms. Janet Napolitano – Governor of the State of Arizona
Steve Olea, Claudio Fernandez & Charles Mylhousen- ACC
Steven Ahearn - RUCO
Rob Lanford – USDA-RD
Zelda Wright – Mohave County District Formation
Neal Whittle – Arizona Small Utilities Association

MT. TIPTON WATER CO., INC.

10/14/2003 **A** 6,975.88

Water Infrastructure Finance Authority of
235 - NOTES PAYABLE:235.03 - WIFA LOAN - Aug/03/Payment

STOCKMENS CHECKIN Aug/03 Payment

6,975.88

ABA # 122101706
WIFA Loan Collection Account # 252-453614
Ref. #: 920044-02

4962

11/5/2003

6,975.88

MT. TIPTON WATER CO., INC.

Water Infrastructure Finance Authority of
235 - NOTES PAYABLE:235.03 - WIFA LOAN - Sept/03/Payment

MT. TIPTON WATER CO., INC.

6,975.88

WIFA
235 - NOTES PAYABLE:235.03 - WIFA LOAN - WIFA Loan payment for OCT 03

11/12/2003

4969

6,975.88

STOCKMENS CHECKIN Loan # 920044-02 OCT 03 PMT

B 1-6
FAX COVER SHEET

Mount Tipton Water Company, Inc. **Mt. Tipton Water PWS ID #08-059**
 16055 N. Pierce Ferry Road
 P.O. Box 38
 Dolan Springs, AZ 86441-0038

(928) 767-3713 PHONE
 (928) 767-3053 FAX

SEND TO Company name ACC	From Sue C. Morgan - Assistant Gen Mgr
Attention Charles Mylhausen	Date 11-14-03
Office location	Office location Dolan Springs, AZ
Fax number 602 364-2270	Phone number (928) 767-3713-office/ 767-3298-service

Urgent
 Reply ASAP
 Please comment
 Please review
 For your information

Total pages, including cover: 6

COMMENTS

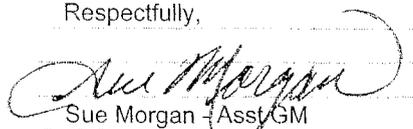
Hi Charles!

Attached pages are the updated Payables Spreadsheet & the new monthly FIXED Payables Spreadsheet per your request.

Please advise if you require anything further to process this Emergency Rate Application.

As always, we thank you for your patience & assistance.

Respectfully,


 Sue Morgan - Asst GM

PAYABLES PREADSHEET

COMPANY NAME:	INV #:	AMOUNT:	INV DATE:	AGE/ DAYS:	DATE PD:	AMT:	INV FOR:	SPECIFICS:	SCHEDULED PMT DAY:
				49	11/14/03		REFUND	SEC DEP BAL	
ABBOTT, JACQUE	826	\$ 35.22	9/26/03	14			SVC SUP	PARTS	
ACTION BLDRS/ACE	92283	\$ 38.55	10/31/03	14			PHONE	LONG DISTANCE	
AT&T	767-3713	\$ (7.91)	10/31/03	3	11/13/03	\$ 1,866.55	PAYROLL TAXES	DUE 11/20/03	13-Nov
AZ DEPT OF REV	941	\$ 1,866.55	11/11/03	3	11/13/03	\$ 1,621.98	SALES TAX	DUE 11/15/03	13-Nov
" TO STOCKMEN'S	F TPT-1	\$ 1,621.98	11/11/03	3	11/13/03	\$ 1,621.98	WELL #3 LEASE	DUE BY 01-25-04	22-Jan
AZ STATE LAND DEPT	57197	\$ 1,500.00	10/31/03	14			REFUND	SEC DEP BAL	
CARROLL'S SVC	795	\$ 33.97	10/3/03	42			FLAGS	EMERG CURTAIL FLAGS	
CARROT TOP IND	317536	\$ 53.50	9/10/03	65			OFF SUP	ENV/COMPL MAILING	
CERBAT GEM	101003	\$ 3.87	10/10/03	35			XEROX	COPIER	
DOLPHIN CAPITOL	81103	\$ 101.13	8/11/03	95			XEROX	COPIER	
DOLPHIN CAPITOL	101003	\$ 146.31	10/10/03	35			SVC SUP	HYDRANT WRENCHES	
FREIDAY'S CONST	42796	\$ 39.11	7/8/03	129			PHONE CO	MRL BACKHOE DAMAGE	
FRONTIER	2110153-IN	\$ 1,013.58	12/27/02	322			PHONE CO	PROBE LINE TO WELLS	20-Nov
FRONTIER	9947001	\$ 27.79	10/1/03	44	11/20/03	\$ 27.79	PHONE CO	PROBE LINE TO WELLS	20-Nov
FRONTIER	9947002	\$ 27.79	10/1/03	44	11/20/03	\$ 27.79	PHONE CO	PROBE LINE TO WELLS	20-Nov
FRONTIER	7673229	\$ 44.79	11/5/03	9	11/20/03	\$ 44.79	PHONE CO	11-10-03 DISCONNECT	20-Nov
FRONTIER	7673713	\$ (7.91)	11/5/03	9			PHONE CO	PF OFFICE	20-Nov
FRONTIER	3713/3053	\$ 80.50	12/5/03	-21	11/20/03	\$ 113.33	PHONE CO	ONE TIME TRANSFER FEE	20-Dec
FRONTIER	7673298	\$ 113.33	11/5/03	9	11/20/03	\$ 113.33	PHONE CO	IRONWOOD PHONE	
GRAVES PROPANE	19281	\$ 198.86	9/30/03	45			FUEL	PIERCE FERRY OFFICE	
HOUSE, LEWIS	232	\$ 35.59	10/10/03	35			REFUND	SEC DEP BAL	
HUGHES SUPPLY	283931	\$ 549.10	8/12/03	94			SVC SUP	MISC SVC PARTS	
HUGHES SUPPLY	355958	\$ 818.85	9/18/03	57			SVC SUP	MISC SVC PARTS	
HUGHES SUPPLY	366759	\$ 185.34	9/25/03	50			SVC SUP	MISC SVC PARTS	
MAPS-ADEQ	60737	\$ 1,906.00	10/23/03	22			ADEQ MAP	ANNUAL FEES	
MARS CO	123059	\$ 80.00	10/1/03	44			SVC SUP	PLASTIC METER LOCKS	
MO COUNTY FIN	2002	\$ 5,903.96	5/18/03	180			TAXES	COUNTY FRANCHISE TAX	
MO COUNTY TREAS	91741100	\$ 22.74	5/30/03	168			TAXES	PROPERTIES	
MO COUNTY TREAS	91741110	\$ 15,780.80	5/30/03	168			TAXES	PROPERTIES	
MO COUNTY TREAS	91741110	\$ 6,470.99	10/1/02	409			TAXES	2002 DELINQ PROP TAX	
MO COUNTY TREAS	31920110A	\$ 852.56	10/1/02	409			TAXES	2002 DELINQ PROP TAX	
MO COUNTY TREAS	3198390	\$ 25.06	10/1/02	409			TAXES	2002 DELINQ PROP TAX	
MO COUNTY TREAS	31913891	\$ 25.06	10/1/02	409			TAXES	2002 DELINQ PROP TAX	
MO ENGR	10137	\$ 728.75	11/7/03	7			ENGR SVC	CONTRACT 01-00-218 PMT	
MO ENV LAB	18243	\$ 68.00	8/7/03	99			SAMPLING	WATER TESTING	
MO ENV LAB	18251	\$ 51.00	8/8/03	98			SAMPLING	WATER TESTING	

10-2

B	C	E	G	I	K	M	O	Q	R	S
44	MO ENV LAB	18330	\$ 17.00	80			SAMPLING	WATER TESTING		
45	MO ENV LAB	18577	\$ 51.00	36			SAMPLING	WATER TESTING		11/20/03
46	MO WIRELESS	* 715-6424/22	\$ 85.37	9	11/20/03	\$ 85.37	CELL PHONES	24 HR ON-CALL		
47	OLYMPIC CONCEPTS	43558	\$ 10.00	56			BACK-UP SVC	ONLINE BACK-UP		
48	OLYMPIC CONCEPTS	43604	\$ 40.00	13			BACK-UP SVC	MO CHG		14-Nov
49	PAYROLL-LEE		\$ 361.25			\$ 361.25		WEEKLY PAYROLL		14-Nov
50	PAYROLL-TETER		\$ 499.68			\$ 499.68		WEEKLY PAYROLL		14-Nov
51	PAYROLL-MORGAN		\$ 391.28			\$ 391.28		WEEKLY PAYROLL		14-Nov
52	PREM FIN SPEC INC	6	\$ 1,715.36	86	8/22/03	\$ 1,715.36	INSURANCE	PROPERTIES/ D&O		
53	PREM FIN SPEC INC	8	\$ 1,715.36	45	9/12/03	\$ 1,715.36	INSURANCE	PROPERTIES/ D&O		
54	PREM FIN SPEC INC	FINAL 2003	\$ 1,633.68	25	11/7/03	\$ 1,633.68	INSURANCE	FINAL 2003 PMT		
55	QUICK BOOKS PRO	3094	\$ 179.95	183			OFF SUP	PAYROLL UPGRADE		
56	RVS SOFTWARE	50627	\$ 72.80	92			OFF SUP	BILLS/FINAL NOTICES		
57	RVS SOFTWARE	51309	\$ 151.35	56			OFF SUP	BILLS/FINAL NOTICES		
58	SCF	A56375	\$ 42.00	24			STATE FUND	WORKER'S COMP		
59	SHORT/ARTHUR'S	12469	\$ 5,902.44	151			WELL SVC	BOOSTER PUMPS		
60	SHORT/ARTHUR'S	12539	\$ 1,400.00	120			WELL SVC	REPLACE #5 MOTOR		
61	SHORT/ARTHUR'S	12541	\$ 780.00	119			WELL SVC	REPLACE #5 MOTOR		
62	STAR	110303	\$ 312.15	14			GASOLINE	SERVICE TRUCKS		
63	STREET CONST	310	\$ 32.14	38			REFUND	REF SEC DEP BAL		
64	SUNFLOWER CONC**	92603	\$ 1,030.00	49	10/27/03	\$ 1,030.00	CONTRACTOR	LINE MAINTENANCE		14-Nov
65	SUNFLOWER CONC	111103	\$ 390.00	1			CONTRACTOR	LINE MAINTENANCE		
66	SUPERIOR LAMP	V S2052946	\$ 255.88	137			OFF SUP	FLOURESCENT LIGHTS		
67	UNISOURCE ENERGY	6603328	\$ 270.14	26	11/20/03	\$ 270.14	ELECTRIC	WELL #5 CANYON		20-Nov
68	UNISOURCE ENERGY	6603351	\$ 97.50	26	"	\$ 97.50	ELECTRIC	OFFICE/ PIERCE FERRY		20-Nov
69	UNISOURCE ENERGY	6603377	\$ 27.63	26	"	\$ 27.63	ELECTRIC	WELL #8	 SPRING		20-Nov
70	UNISOURCE ENERGY	6603351	\$ 230.09	26	"	\$ 230.09	ELECTRIC	PUMP HSE-PF RD		20-Nov
71	UNISOURCE ENERGY	6603377	\$ 359.86	26	"	\$ 359.86	ELECTRIC	WELL #7/ TANK WELL		20-Nov
72	UNISOURCE ENERGY	6603393	\$ 313.12	26	"	\$ 313.12	ELECTRIC	WELL #6/ FIELD WELL		20-Nov
73	UNISOURCE ENERGY	5589601	\$ 10.05	26	"	\$ 10.05	ELECTRIC	11TH ST UPPER TANKS		20-Nov
74	UNISOURCE ENERGY	5592753	\$ 140.29	26	"	\$ 140.29	ELECTRIC	WELL #3 PF RD		20-Nov
75	UNISOURCE ENERGY	5589593	\$ 138.28	26	"	\$ 138.28	ELECTRIC	11TH ST LOWER TANKS		20-Nov
76	UNISOURCE ENERGY	5588579	\$ 58.13	26	"	\$ 58.13	ELECTRIC	SVC OFFICE		20-Nov
77	UNISOURCE ENERGY	6507495	\$ 51.46	26	"	\$ 51.46	ELECTRIC	REAR OFFICE		20-Nov
78	UNISOURCE ENERGY	5588462	\$ 636.50	26	"	\$ 636.50	ELECTRIC	WELL #1 IRONWOOD DR		20-Nov
79	UNISOURCE ENERGY	6642979	\$ 791.29	26	"	\$ 791.29	ELECTRIC	WELL #2/ 15901 N IRON		20-Nov
80	USRDA LOAN PMT***	1971/1996	\$ 1,250.00				RD MONTHLY	AUTOMATIC DEDUCTION		
81	USRDA LOAN PMT***	1999	\$ 654.00				RD MONTHLY	AUTOMATIC DEDUCTION		
82	USRDA LOAN PMT***	2000	\$ 654.00				RD MONTHLY	AUTOMATIC DEDUCTION		
83	USRDA 10% RES TRANSF		\$ 65.00				RD MONTHLY	10% RESERVES		
84	UTIL SVC/ DISPUTE	D 105697	\$ 8,500.00	98			SYSTEM MAINT	RENOVATE TANK/LEAK		
85	VARGA CPA*	F 6457	\$ 525.00	15			ACCOUNTANT	SEE INVOICE		
86	VARGA CPA	V 6211	\$ 1,325.00	75			ACCOUNTANT	SEE INVOICE		
87	VARGA CPA	V 5922	\$ 6,750.00	155			ACCOUNTANT	SEE INVOICE		
88	VIKING OFF PROD	V 563113	\$ 83.19	122			OFF SUP	SEE INVOICE		

	B	C	E	G	I	K	M	O	Q
89	VIKING OFF PROD	589341	\$ 44.46	7/25/03	11.			OFF SUP	SEE INVOICE
90	VIKING OFF PROD	643340	\$ 66.02	8/18/03	88			OFF SUP	SEE INVOICE
91	VIKING OFF PROD	649992	\$ 69.79	8/20/03	86			OFF SUP	SEE INVOICE
92	VIKING OFF PROD	684994	\$ 138.82	9/8/03	67			OFF SUP	SEE INVOICE
93	VIKING OFF PROD	689217	\$ 15.36	9/9/03	66			OFF SUP	SEE INVOICE
94	VIKING OFF PROD	696912	\$ 9.84	9/11/03	64			OFF SUP	SEE INVOICE
95	VIKING OFF PROD	722705	\$ 78.89	9/23/03	52			OFF SUP	SEE INVOICE
96	VIKING OFF PROD	724818	\$ 105.20	9/24/03	51			OFF SUP	SEE INVOICE
97	VIKING OFF PROD	756241	\$ 11.49	9/24/03	51			OFF SUP	SEE INVOICE
98	VIKING OFF PROD	759365	\$ 49.35	10/9/03	36			OFF SUP	SEE INVOICE
99	VIKING OFF PROD	765841	\$ 84.01	10/13/03	32			OFF SUP	SEE INVOICE
100	WESTSIDE DISP	34524	\$ 62.54	11/4/03	10			RUBBISH	DUMPS TER
101	WESTSIDE DISP	33718	\$ 59.00	10/1/03	44			RUBBISH	DUMPS TER
102	WIFA	F 92044-02	\$ 6,975.88	8/25/03	81	10/14/03	\$ 6,975.88	AUG LOAN PMT	PURCHASE DSWC
103	WIFA	92044-02	\$ 6,975.88	9/29/03	46	11/5/03	\$ 6,975.88	SEPT LOAN PMT	PURCHASE DSWC
104	WIFA	92044-02	\$ 6,975.88	10/29/03	16	11/13/03	\$ 6,975.88	OCT LOAN PMT	PURCHASE DSWC
105	WIFA	* 92044-02	\$ 6,975.88	11/1/03	13			NOV LOAN PMT	PURCHASE DSWC
106			\$ 109,132.32				\$ 35,186.19		
107	TOTALS:								
108	NEW BALANCE:		\$ 73,946.13						
109									
110									
111	NOTE: REG MONTHLY PAYROLL, TAXES (940/941/TPT/UNEMPLOY/ KT HEALTH INS-\$372.47								
112									
113	D= DISPUTE; TANK STILL LEAKS								
114	F= FIXED MONTHLY EXPENSES								
115	F*- MINIMUM MONTHLY FINANCIAL REPORT PREPARATION FROM CPA= \$175.00								
116	F**- SUNFLOWER CONCRETE IS OUR PRIMARY BACKHOE CONTRACTOR & IS USED EA MONTH PER FEE SCHEDULE ATTACHED								
117	F*** ONGOING RD LOAN PMTS AUTOMATICALLY DEDUCTED FROM CHECKING ACCT 1ST OF EA MO								
118	*URGENT TO PAY ASAP AFTER FIXED MONTHLY EXPENSES HAVE BEEN SATISFIED								
119	V- VERIFIED BY VENDORS AS TRUE BALANCES OWING								



RESIDENTIAL UTILITY CONSUMER OFFICE

(B-7)

1110 WEST WASHINGTON • SUITE 220 • PHOENIX, ARIZONA 85007 • (602) 364-4835 • FAX: (602) 364-4846

Jenai Napollitano
Governor

July 11, 2003

Stephen Ahearn
Director

Ms. Sue Morgan
Mount Tipton Water Company

Sent via fax # 928-767-3053

Dear Ms. Morgan:

I have more closely examined some office files today, and compared them against notes I've taken of conversations with some of Mt. Tipton Water Company's customers. I conclude that my office unfairly characterized some issues surrounding your water standpipe and the hauling customers that make use of it. Specifically, our review of a matter before the Corporation Commission ended with our writing a memo to our internal files that in part reads as follows:

"The Company is contemplating requesting a curtailment tariff to remove its standpipe, which provides service to customers outside the CC&N. The Company is concerned about maintaining its adequate water supply during the continuing drought conditions."

The purpose of this letter is to expressly state that such a conclusion is not supported by anything the Company has said or done or filed or anything. We incorrectly concluded that some drastic measures were likely in store for a rural water company in this time of drought, and that those measures would weigh most heavily on those taking water off the standpipe in order to protect actual customers of the company within its certificated territory. In short, RUCO concluded the sky was falling, without hard evidence of that actually occurring.

I apologize for the misunderstanding, and I deeply regret the unnecessary anxiety I may have caused the Company, its employees and management, and especially its customers. Please let me know how else I can be helpful straightening out the record on this one.

Sincerely,

Stephen Ahearn
Director

SA:hs

←-17

FAX COVER SHEET

Mount Tipton Water Company, Inc.
16055 N. Pierce Ferry Road
P.O. Box 38
Dolan Springs, AZ 86441-0038

Mt. Tipton Water PWS ID #08-059

(928) 767-3713 PHONE
(928) 767-3053 FAX

SEND TO Company name	From
USDA	Sue C. Morgan - Assistant Gen Mgr.
Attention	Date
Rob Lanford	11-14-03
Office location	Office location
	Dolan Springs, AZ
Fax number	Phone number
928 782-0951	(928) 767-3713-office/ 767-3298-service

Urgent Reply ASAP Please comment Please review For your information

Total pages, including cover: 2

COMMENTS

Hi Rob!

Attached is the list of current Board & Staff you requested.

We have you scheduled for Tues., Dec 2nd @ 5PM for a visit with us as discussed. I'll notify the Board Members & get with Nan as discussed.

I'd like to thank you again Rob for all your patience & caring with us; not only through this new transition, but throughout the years. Looking forward to doing that letter with you & having you meet with the new BOD. They're a sincere & earnest group truly trying to do things right to keep us afloat & affect a good change. We welcome your help, support & guidance.

Oh- you asked me to remind you that we've moved to our former office @ 15996 N Ironwood (& 11th Street).

Have a GREAT turkey day!


Sue



(C-7)

November 17, 2003

Mt. Tipton Water Company, Inc.
PO Box 38
Dolan Springs, AZ 86441

Dear Ms. Morgan:

The purpose of this letter is to assure the Board and staff that USDA Rural Development will work closely with the water company to maintain a safe and adequate water supply for the residents of Dolan Springs. All our authorities and financial assistance for which you qualify will be brought to bear in finding solutions for the current problems you face.

Our experience with the staff shows that they are dedicated to having the best water system possible with the resources available. As responsible members of their community the staff goes above and beyond the call of duty in their jobs at the water company. We are aware that it is very difficult to find and retain qualified system managers. We encourage you to begin a search and bring on to your staff a manger to oversee the day to day operations as soon as possible.

Through our technical assistance providers we can offer assistance with operational, financial and management problems. We are already in contact with Arizona Small Utilities Association to determine how they can best assist you.

We have set up a meeting with you and the Board of December 2, 2003 at 5:00 PM to review your current situation and offer any information from our files you may need to better assess the status of the company.

Respectfully yours,

ROBERT M. LANFORD
Rural Development Specialist

mptn.273.doc

MT. TIPTON WATER CO, INC.
Vendor QuickReport
January 1 through November 14, 2003

Type	Date	Num	Memo	Account	Clr	Split	Amount
SOUTHWEST CIVIC PROFESSIONALS							
Check	1/11/2003	4525	Invoice # 517 ...	104.02 · STOCKME...	X	690 · CONSUL...	-2,200.00
Check	1/26/2003	4566	Invoice # 518 ...	104.02 · STOCKME...	X	690 · CONSUL...	-2,200.00
Check	2/28/2003	4610	Invoice # 602 ...	104.02 · STOCKME...	X	690 · CONSUL...	-2,200.00
Check	2/28/2003	4612	Invoice # 603 ...	104.02 · STOCKME...	X	690 · CONSUL...	-1,520.00
Check	4/9/2003	4667	DBA, SWCP/...	104.02 · STOCKME...	X	690 · CONSUL...	-2,200.00
Check	4/9/2003	4668	DBA, SWCP/...	104.02 · STOCKME...	X	690 · CONSUL...	-1,040.00
Check	4/9/2003	4669	DBA, SWCP/...	104.02 · STOCKME...	X	690 · CONSUL...	-1,560.00
Check	4/9/2003	4713	DBA, SWCP/...	104.02 · STOCKME...	X	690 · CONSUL...	-1,560.00
Check	5/6/2003	4728	DBA, SWCP/...	104.02 · STOCKME...	X	690 · CONSUL...	-2,200.00
Check	5/28/2003	4729	Invoice 610 M...	104.02 · STOCKME...	X	690 · CONSUL...	-7,247.50
Check	5/28/2003	4749	DBA, SWCP/...	104.02 · STOCKME...	X	690 · CONSUL...	-9,165.00
Check	6/2/2003	4749	DBA, SWCP/...	104.02 · STOCKME...	X	690 · CONSUL...	-1,116.97
Check	6/12/2003	4758	Rural Dev Bo...	104.03 · CONSTRU...	X	676.02 · CONT...	-4,160.00
Check	6/18/2003	9029	DBA, SWCP/...	104.02 · STOCKME...	X	690 · CONSUL...	-2,200.00
Check	6/26/2003	4777	DBA, SWCP/...	104.02 · STOCKME...	X	690 · CONSUL...	-2,200.00
Check	6/26/2003	4779	DBA, SWCP/...	104.02 · STOCKME...	X	690 · CONSUL...	-2,200.00
Check	7/13/2003	4827	DBA, SWCP/...	104.02 · STOCKME...	X	690 · CONSUL...	-2,200.00
Check	8/1/2003	4831	DBA, SWCP/...	104.02 · STOCKME...	X	690 · CONSUL...	-2,200.00

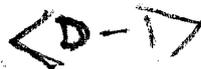
2003

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46,009.47 +
2,200.00 +
SWCP - 48,209.47 *

RUHL - 18,600.00 +
66,609.47 *



MT. TIPTON WATER CO, INC.

Vendor QuickReport

January 1 through November 14, 2003

Type	Date	Num	Memo	Account	Clr	Split	Amount
Southwest Civic Prof. Check	5/6/2003	4714	Invoice 608 M...	104.02 · STOCKME...	X	690 · CONSUL...	-2,200.00

<D-2>

#3

10-3

MT. TIPTON WATER CO, INC.
 Vendor QuickReport
 January 1 through November 14, 2003

05 PM
 11/14/03

Type	Date	Num	Memo	Account	Clr	Split	Amount
Robert E. Ruhl							
Check	8/14/2003	4854	Management ...	104.02 · STOCKME...	X	-SPLIT-	-728.69
Check	8/14/2003	4855	General Mana...	104.02 · STOCKME...	X	690 · CONSUL...	-2,200.00
Check	8/26/2003	4872	Management ...	104.02 · STOCKME...	X	-SPLIT-	-845.00
Check	8/26/2003	4873	Management ...	104.02 · STOCKME...	X	-SPLIT-	-2,200.00
Check	9/10/2003	4888	Management ...	104.02 · STOCKME...	X	-SPLIT-	-2,200.00
Check	9/10/2003	4889	Management ...	104.02 · STOCKME...	X	-SPLIT-	-592.15
Check	9/22/2003	4908	Management ...	104.02 · STOCKME...	X	-SPLIT-	-622.44
Check	9/22/2003	4909	General Mana...	104.02 · STOCKME...	X	-SPLIT-	-2,200.00
Check	10/1/2003	4917	G.M. Inv. 89	104.02 · STOCKME...		690 · CONSUL...	-2,200.00
Check	10/7/2003	4931	Inv. 90	104.02 · STOCKME...		690 · CONSUL...	-520.00
Check	10/14/2003	4934	Inv. 91	104.02 · STOCKME...		690 · CONSUL...	-1,040.00
Check	10/21/2003	4947	Inv. 92 GM S...	104.02 · STOCKME...		690 · CONSUL...	-2,200.00
Check	10/28/2003	4953	Inv. 93 GM S...	104.02 · STOCKME...		690 · CONSUL...	-1,100.00
Check	11/4/2003	4960	VOID: Inv. 94...	104.02 · STOCKME...	X	690 · CONSUL...	0.00
Check	11/4/2003	4961	VOID: Inv. 95...	104.02 · STOCKME...	X	690 · CONSUL...	0.00

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 592.15 +
 622.44 +
 2,200.00 +
 2,200.00 +
 520.00 +
 1,040.00 +
 2,200.00 +
 1,100.00 +
 18,648.28 *



MOHAVE COUNTY PUBLIC WORKS

PHONE (928) 757-0910
3675 E. Andy Devine, Suite C

FAX (928) 757-0912 or FAX (928) 757-0921
PO. Box 7000 Kingman, Arizona 86402-7000

TDD (928)753-0729
mcpw@co.mohave.az.us

Michael P. Hendrix, P.E.
Director/County Engineer

Nicholas S. Hont, P.E.
Assistant Director



November 17, 2003

To Whom It May Concern:

November 4, 2003 I met with Kelly Schwab, BOD President, concerning the boundaries for the Domestic Water District they wish to form. The board wants to only include the area where their pipelines are servicing.

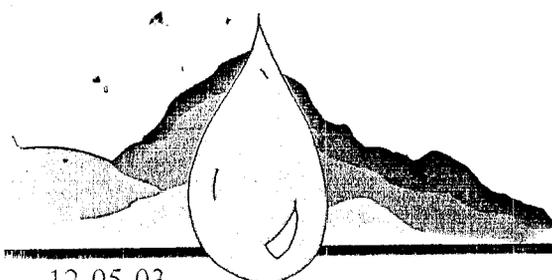
He gave us a list of the customers and a general description of the area; however, due to the time involved to breakdown the customer base into a legal description and parcel numbers, we suggested he take them to their engineer, Mohave Engineering.

When they have the boundaries and legal description sealed by their engineer, I will be glad to help them put a petition together.

If you have any questions, please contact me at 928/757-0914.

Sincerely,

Zelda D. Wright
Improvement District Supervisor



*MOUNT
TIPTON
WATER CO., INC.*

P.O. BOX 38 DOLAN SPRINGS, AZ 86441-0038
PHONE: 520-767-3298 FAX: 520-767-3053

12-05-03

Mr. Jay Spector, Executive Director
Water Infrastructure Finance Authority
1110 West Washington, Suite #290
Phoenix, AZ 85007

Mr. Spector:

We want to thank you for working with us in bringing our account with you out of arrears & respectfully submit the enclosed check #4987 in amount of \$6,975.88 in payment of our November installment to you.

Per our conversation of 12-02-03, we humbly submit the following request for a deferred payment plan for our December installment:

\$6,975.88 divided by 16 weeks = \$436.00 per week:

<u>DATE:</u>	<u>AMT:</u>	<u>BALANCE:</u>	<u>DATE:</u>	<u>AMT:</u>	<u>BALANCE:</u>
12-05-03	\$436.00	\$6,539.88	01-30-04	\$436.00	\$3,051.88
12-12-03	"	\$6,103.88	02-06-04	"	\$2,615.88
12-19-03	"	\$5,667.88	02-13-04	"	\$2,179.88
12-26-03	"	\$5,231.88	02-20-04	"	\$1,743.88
01-02-04	"	\$4,795.88	02-27-04	"	\$1,307.88
01-09-04	"	\$4,359.88	03-05-04	"	\$ 871.88
01-16-04	"	\$3,923.88	03-12-04	"	\$ 435.88
01-23-04	"	\$3,487.88	03-19-04	"	\$ -0-

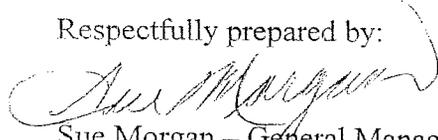
We agree to make said payments in addition to maintaining all current charges monthly beginning with the January 2004 installment.

Once we have an agreement with you on the above and are in good current standing with you, we are pursuing arrangements with Rob Lanford of USDA RD to begin recovery of their Reserve Account (normal 10% payment amount to them should have been approximately \$260.00) @ 5% per month (\$130.00) until we're able to do more.

We also pledge to you that if we are awarded a Rate Increase or obtain any additional revenues that would enable us to make these payments ahead of schedule to you &/or to Rural Development, we will certainly do so.

We hope this meets with your approval.

Respectfully prepared by:


Sue Morgan - General Manager


 WIFA

RECEIVED


 COPY

 Water Infrastructure Finance Authority of Arizona
 Janet Napolitano, Governor

2004 JAN -6 P 3:41

 December 8, 2003
 AZ 6022 COMMISSION
 DOCUMENT CONTROL

Mt. Tipton Water Company
 Attn: Sue Morgan, General Manager
 P.O. Box 38
 Dolan Springs, Arizona 86441-0038

**RE: Loan by Water Infrastructure Finance Authority of Arizona to
 Mt. Tipton Water Company in the Amount of \$887,756.45 (#920044-02)**

WIFA

1110 West Washington
 Suite 290
 Phoenix, AZ 85007
 Telephone (602) 364-1310
 Fax (602) 364-1327
 1-877-290-0425

Arizona's Water
 and Wastewater
 Funding Source



Ladies and Gentlemen:

Reference is made to that certain loan by the Water Infrastructure Finance Authority of Arizona ("**WIFA**") to the Mt. Tipton Water Company ("**Borrower**") in the original principal amount of \$887,756.45 ("**the Loan**") evidenced by the Loan Agreement dated as of August 23, 2001 and the other agreements referred to therein (collectively, the "**Loan Documents**").

A. Occurrence of Events of Default

The following Events of Default (collectively, the "**Forbearance Default**") have occurred and are continuing under the Lease:

1. Borrower has failed to make payments of principal, interest and other charges under the Loan Documents in the aggregate amount of \$13,951.76 as more specifically described below:

November 2003 payment of \$6,975.88¹
December 2003 payment of \$6,975.88

As a result of the Forbearance Default, WIFA has the right to declare that there has occurred an Event of Default under the Loan Documents.

¹ In transit per company correspondence dated December 5, 2003

Letter to Mt. Tipton Water Company, Inc.
 Loan No. 920044-02
 December 8, 2003

B. Agreements to Forbear

Subject to the terms and conditions of this letter, including without limitation the satisfaction of the conditions precedent described below, WIFA hereby agrees to forbear, during the Forbearance Period (as defined below), from exercising any remedy now or hereafter available to WIFA under the Loan Documents or at law or in equity solely with respect to the Forbearance Default. Nothing in this letter shall preclude WIFA from exercising any right, power, or remedy available to it with respect to any Event of Default (as defined in the Loan Documents) that is not also a Forbearance Default. The agreement of WIFA to forbear as stated in this paragraph shall not constitute a waiver of any Event of Default (including Forbearance Default), but shall only constitute WIFA's agreement to forbear during the Forbearance Period from exercising any remedy available to WIFA with respect to Forbearance Default.

The period (the "Forbearance Period") shall commence on the date that this letter is executed and acknowledged by Borrower and shall continue until the earliest of the following dates: (i) the date upon which the parties hereto agree in writing that the obligations under this letter are terminated; (ii) the date upon which Borrower is in default under or has breached any provision of the Loan Documents other than a Forbearance Default and such default or breach has become an Event of Default under the Loan Documents; and (iii) the date upon which Borrower fails to perform any of its obligations under this letter.

C. Covenants and Conditions

The agreement of WIFA to forbear with respect to the Forbearance Default under the Lease is expressly conditioned upon the full and timely satisfaction of each of the following conditions:

1. Borrower shall have executed and delivered to WIFA a copy of this letter.
2. WIFA confirms that WIFA has received from Borrower prior to the time of execution and delivery of this letter by Borrower \$13,951.76 which Borrower agrees shall be applied as follows: \$6,975.88 for September 2003 and \$6,975.88 for October 2003.
3. WIFA shall have received from Borrower each of the following amounts no later than the date set forth opposite each amount.

<u>Amount</u>	<u>Date</u>	<u>Amount</u>	<u>Date</u>
\$6,975.88	December 8, 2003 ²	\$436.00	January 30, 2003
\$436.00	December 5, 2003 ³	\$436.00	February 6, 2003
\$436.00	December 12, 2003	\$436.00	February 13, 2003
\$436.00	December 19, 2003	\$436.00	February 20, 2003
\$436.00	December 26, 2003	\$436.00	February 27, 2003
\$436.00	January 2, 2003	\$436.00	March 5, 2003
\$436.00	January 9, 2003	\$436.00	March 12, 2003
\$436.00	January 16, 2003	\$435.88	March 19, 2003
\$436.00	January 23, 2003		

² In transit per company correspondence dated December 5, 2003

³ In transit per company correspondence dated December 5, 2003

D. Acknowledgements and Release

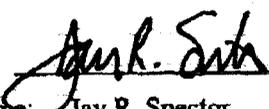
By executing in the space provided below, Borrower acknowledges that Borrower is in default under the Loan Documents by reason of the Forbearance Default and Borrower also hereby confirms and ratifies, as of the date of this letter, each of the terms and conditions of the Loan Documents and agrees that nothing in this letter is intended as a waiver of any default, or shall be deemed to release or discharge Borrower from any of its obligations under the Loan Documents or to modify any such obligations except as provided in this Letter.

Notwithstanding anything to the contrary contained herein or in any other instrument executed by the parties, and notwithstanding any other action or conduct undertaken by the parties on or before the date hereof, the agreements, covenants and provisions contained herein shall constitute the only evidence of WIFA's agreement to forbear or to modify the Loan Documents. Accordingly, no express or implied consent to any further forbearances or modifications shall be inferred or implied by this letter. This letter constitutes the entire agreement and understanding among the parties relating to the subject matter hereof, and supersedes all prior proposals, negotiations, agreements, and understandings relating to such subject matter. By executing the acknowledgment below, Borrower acknowledges that it is relying on no statement, representation, warranty, covenant, or agreement of any kind made by WIFA or any employee or agent of WIFA, except for the agreements of WIFA set forth herein.

Borrower hereby releases and forever discharges WIFA and WIFA's employees, agents, representatives, consultants, attorneys, officers, directors, successors and assigns, subsidiary corporations, parent corporations, and related corporate divisions (all of the foregoing hereinafter called the "Released Parties"), from any and all actions and causes of action, judgments, executions, suits, debts, claims, demands, liabilities, obligations, damages and expenses of any and every character, known or unknown, direct and/or indirect, at law or in equity, of whatsoever kind or nature, whether heretofore or hereafter arising, for or because of any matter or things done, omitted or suffered to be done by any of the Released Parties prior to and including the date of this letter, and in any way directly or indirectly arising out of or in any way connected to this letter, the Loan, and the other documents executed in connection therewith.

Sincerely,

**WIFA INFRASTRUCTURE FINANCE
AUTHORITY OF ARIZONA**

By: 

Name: Jay R. Spector

Its: Executive Director

Cc: Ms. Lori Faeth, Office of the Governor
Mr. Steve Olea, Arizona Corporation Commission
Mr. Rex Nolan, Arizona Attorney General's Office
Mr. Chuck James, Squire Sanders & Dempsey, L.L.P.
Mr. Mark W. Dalieri, Squire Sanders & Dempsey, L.L.P.

Letter to Mt. Tipton Water Company, Inc.
Loan No. 920044-02
December 8, 2003

AGREED AND ACKNOWLEDGED:

MT. TIPTON WATER COMPANY

By: _____

Name: _____

Its: _____



THE SUTHERLAND LAW FIRM

722 E. BEALE STREET, KINGMAN, ARIZONA 86401

(928) 753-6000 FAX (928) 753-2200

e-mail: sutherlandlaw@ctaz.com

RECEIVED

Douglas D. Sutherland

Admitted in Arizona
Missouri
Kansas

2004 JAN -6 P 3:41

AZ CORP COMMISSION
DOCUMENT CONTROL

November 12, 2003

Mt. Tipton Water Company
P.O. Box 38
Dolan Springs, AZ 86441

To Whom it May Concern:

I represent Short Enterprises LLC doing business as Arthur's Sales & Service concerning an outstanding invoice that Mt. Tipton Water Company has with my client. I have enclosed invoice statements for your review and consideration. Currently \$7,272.44 is owed to my client from Mt. Tipton. These invoices were for services and labor performed at the request of Mt. Tipton. Please remit payment to my client within ten days of the date of this letter. In the event you fail to do so, be advised that I will institute a lawsuit against you and seek attorney fees which will be recoverable pursuant to A.R.S. §12-301.01. Should you have any questions, please do not hesitate to contact me.

Sincerely,

DOUGLAS D. SUTHERLAND
For the Firm

DDS/mjc

WELL SVC



STATEMENT

MAIL REMITTANCE TO:
HUGHES SUPPLY, INC.
P.O. BOX 951023
DALLAS, TX 75395-1023

HUGHES SUPPLY INC.
P.O. BOX 951023
DALLAS, TX 75395-1023
(407) 254-2399

STATEMENT DATE	DUE DATE
10/25/03	11/10/03

CUSTOMER	JOB #	PAGE
16764!7767	0001	1
JOB NAME		
GENERAL ACCOUNT		

PLEASE EXPLAIN ANY DIFFERENCES BETWEEN
TOTAL AMOUNT DUE AND AMOUNT REMITTED
ON THE BACK OF THIS STUB.

CUSTOMER	JOB #	PAGE
16764!7767	0001	1
TELEPHONE NO.	DATE	
928-767-3713	10/25/03	

MC 7 - 1450

ENTERED NOV 20 2003

11-20 BRIDGET LIGHT
500 766-3400

MT TIPTON WATER CO INC-MASTER
16055 PIERCE FERRY RD
PO BOX 38
DOLAN SPRINGS AZ 86441-0038



11-20 BRIDGET HOME, USE FOR DALLAS

DATE MO DY YR	INVOICE NUMBER	PYMT CODE	BR. NO.	AMOUNT DUE	INVOICE NUMBER	DISPUTED ITEMS	AMOUNT DUE
09/18/03	355958		7	818.85	355958		818.85
09/25/03	366759		7	185.34	366759		185.34
10/16/03	394950		7	223.16	394950		223.16
10/25/03	404247		7	20.09	404247		20.09

12/04 OLDEST BAL PER BRIDGET

MT. TIPTON WATER CO., INC.

HUGHES SUPPLY, INC
676 · REPAIRS & MAINTENANCE:676.01 · MA 09-18-03 INVOICE

12/4/2003

4993

818.85

STOCKMENS CHECKIN 09-18-03 INVOICE

818.85

ADJUSTED TEST YEAR INCOME STATEMENT

LINE NO	DESCRIPTION	Test Year		Adjustment Label	Adjustments	Test Year		Proposed Rate Increase	Adjusted with Rate Increase
		Actual Results	Adjusted Results			Adjusted Results	Adjusted Results		
1	Operating Revenues								
2	Meter Sales	\$231,276	\$231,276						407,283
3	Standpipes	41,098	41,098				5,103	46,201	
4	Capital maintenance charge	0					11,337	11,337	
5	Development fees	0					15,350	15,350	
6	Regulator and filter income	22,824	22,824				5,706	28,530	
7	Total Operating Revenue	\$295,198	\$295,198	\$0	\$213,503			\$508,701	
8									
9	PUMPING EXPENSE								
10	Labor	0							
11	Utility Expense - /G.W.L.	26,893	26,893					26,893	
12	Maint & misc.	49,271	49,271					49,271	
13	DISTRIBUTION EXPENSE:								
14	Wages	76,963	76,963					76,963	
15	Testing	1,490	1,490					1,490	
16	Engineering/surveying	9,073	9,073					9,073	
17	ADMINISTRATIVE EXPENSE:								
18	Advertising	2,120	2,120					2,120	
19	Bad Debts	0							
20	Loan origination fees	30,029	30,029					30,029	
21	Continuing education	0							
22	Dues & Publications	113	113					113	
23	Employee benefits	0							
24	Freight	0							
25	Fuel and oil	2,376	2,376					2,376	
26	Insurance	15,013	15,013					15,013	
27	Legal & Accounting	4,975	4,975					4,975	
28	Maintenance and repairs	5,151	5,151					5,151	
29	Miscellaneous	861	861					861	

229,328



Sched Page 1

Pro forma adjustment to new test year income statement 10/11/02

ADJUSTED TEST YEAR INCOME STATEMENT

LINE NO	DESCRIPTION	Test Year Actual Results	Adjustment Label	Adjustments	Test Year Adjusted Results	Proposed Rate Increase	Adjusted with Rate Increase
30	Rate application expense	0	1	8,000	8,000		8,000
31	Rent	708			708		708
32	Supplies	7,587			7,587		7,587
33	Taxes	27,812			27,812		27,812
34	Telephone/Utilities	5,617			5,617		5,617
35	Uniforms	490			490		490
36	Wages	32,739			32,739		32,739
37	MAINTENANCE EXPENSE:						
38	Maintenance materials	6,311			6,311		6,311
39	Maintenance-sublet repairs	6,200			6,200		6,200
40	Depreciation	67,956			67,956		67,956
41	Total Operating Expenses	379,748		8,000	387,748	-	387,748
42							
43	Operating Income (Loss)	(84,550)		(8,000)	(92,550)	213,503	120,953
44	Other Income/Expense:						
45	Interest, Membership Fees, and Miscellaneous Income	530			530		530
46	Interest Expense	(56,042)	2.	(30,000)	(86,042)		(86,042)
47	Net Income (Loss)	V(\$140,062)		(\$38,000)	V(\$178,062)	\$213,503	V\$35,441
48							
49							
50							
51	Supporting Schedules						
52	C-2, H-1						

Recap Schedules
 A-1

WATER INFRASTRUCTURE FINANCE
AUTHORITY OF ARIZONA
RECEIVED



ALL-STATE LEGAL®
EXHIBIT
S-2
Admitted

2004 JAN -6 P 3:41 FACSIMILE TRANSMITTAL SHEET

AZ CORP COMMISSION
DOCUMENT CONTROL
TO: STEVE OLEA

FROM: JAY R. SPECTOR,
EXECUTIVE DIRECTOR

FAX NUMBER: 602-542-2129

DATE: MONDAY, DECEMBER 08, 2003

COMPANY: ACC

TOTAL NO. OF PAGES INCLUDING
COVER: 11.

PHONE NUMBER:

SENDER'S REFERENCE NUMBER:

RE: MT. TIPTON

YOUR REFERENCE NUMBER:

Attached, please find the workout agreement between Mt. Tipton and WIFA.
Please call me if you have any questions.

Thanks.

JRS



COPY

Water Infrastructure Finance Authority of Arizona
Janet Napolitano, Governor

December 8, 2003

Mt. Tipton Water Company
Attn: Sue Morgan, General Manager
P.O. Box 38
Dolan Springs, Arizona 86441-0038

**RE: Loan by Water Infrastructure Finance Authority of Arizona to
Mt. Tipton Water Company in the Amount of \$887,756.45 (#920044-02)**

WIFA
1110 West Washington
Suite 290
Phoenix, AZ 85007
Telephone (602) 364-1310
Fax (602) 364-1327
1-877-298-0425

Ladies and Gentlemen:

Reference is made to that certain loan by the Water Infrastructure Finance Authority of Arizona ("WIFA") to the Mt. Tipton Water Company ("Borrower") in the original principal amount of \$887,756.45 ("the Loan") evidenced by the Loan Agreement dated as of August 23, 2001 and the other agreements referred to therein (collectively, the "Loan Documents").

A. Occurrence of Events of Default

The following Events of Default (collectively, the "Forbearance Default") have occurred and are continuing under the Lease:

1. Borrower has failed to make payments of principal, interest and other charges under the Loan Documents in the aggregate amount of \$13,951.76 as more specifically described below:

- November 2003 payment of \$6,975.88¹**
- December 2003 payment of \$6,975.88**

As a result of the Forbearance Default, WIFA has the right to declare that there has occurred an Event of Default under the Loan Documents.

Arizona's Water
and Wastewater
Funding Source



¹ In transit per company correspondence dated December 5, 2003

Letter to Mt. Tipton Water Company, Inc.
 Loan No. 920044-02
 December 8, 2003

B. Agreements to Forbear

Subject to the terms and conditions of this letter, including without limitation the satisfaction of the conditions precedent described below, WIFA hereby agrees to forbear, during the Forbearance Period (as defined below), from exercising any remedy now or hereafter available to WIFA under the Loan Documents or at law or in equity solely with respect to the Forbearance Default. Nothing in this letter shall preclude WIFA from exercising any right, power, or remedy available to it with respect to any Event of Default (as defined in the Loan Documents) that is not also a Forbearance Default. The agreement of WIFA to forbear as stated in this paragraph shall not constitute a waiver of any Event of Default (including Forbearance Default), but shall only constitute WIFA's agreement to forbear during the Forbearance Period from exercising any remedy available to WIFA with respect to Forbearance Default.

The period (the "Forbearance Period") shall commence on the date that this letter is executed and acknowledged by Borrower and shall continue until the earliest of the following dates: (i) the date upon which the parties hereto agree in writing that the obligations under this letter are terminated; (ii) the date upon which Borrower is in default under or has breached any provision of the Loan Documents other than a Forbearance Default and such default or breach has become an Event of Default under the Loan Documents; and (iii) the date upon which Borrower fails to perform any of its obligations under this letter.

C. Covenants and Conditions

The agreement of WIFA to forbear with respect to the Forbearance Default under the Lease is expressly conditioned upon the full and timely satisfaction of each of the following conditions:

1. Borrower shall have executed and delivered to WIFA a copy of this letter.
2. WIFA confirms that WIFA has received from Borrower prior to the time of execution and delivery of this letter by Borrower \$13,951.76 which Borrower agrees shall be applied as follows: \$6,975.88 for September 2003 and \$6,975.88 for October 2003.
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<u>Amount</u>	<u>Date</u>	<u>Amount</u>	<u>Date</u>
\$6,975.88	December 8, 2003 ²	\$436.00	January 30, 2003
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\$436.00	January 2, 2003	\$436.00	March 5, 2003
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\$436.00	January 16, 2003	\$435.88	March 19, 2003
\$436.00	January 23, 2003		

² In transit per company correspondence dated December 5, 2003

³ In transit per company correspondence dated December 5, 2003

D. Acknowledgements and Release

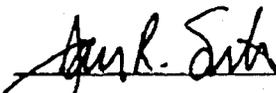
By executing in the space provided below, Borrower acknowledges that Borrower is in default under the Loan Documents by reason of the Forbearance Default and Borrower also hereby confirms and ratifies, as of the date of this letter, each of the terms and conditions of the Loan Documents and agrees that nothing in this letter is intended as a waiver of any default, or shall be deemed to release or discharge Borrower from any of its obligations under the Loan Documents or to modify any such obligations except as provided in this Letter.

Notwithstanding anything to the contrary contained herein or in any other instrument executed by the parties, and notwithstanding any other action or conduct undertaken by the parties on or before the date hereof, the agreements, covenants and provisions contained herein shall constitute the only evidence of WIFA's agreement to forbear or to modify the Loan Documents. Accordingly, no express or implied consent to any further forbearances or modifications shall be inferred or implied by this letter. This letter constitutes the entire agreement and understanding among the parties relating to the subject matter hereof, and supersedes all prior proposals, negotiations, agreements, and understandings relating to such subject matter. By executing the acknowledgment below, Borrower acknowledges that it is relying on no statement, representation, warranty, covenant, or agreement of any kind made by WIFA or any employee or agent of WIFA, except for the agreements of WIFA set forth herein.

Borrower hereby releases and forever discharges WIFA and WIFA's employees, agents, representatives, consultants, attorneys, officers, directors, successors and assigns, subsidiary corporations, parent corporations, and related corporate divisions (all of the foregoing hereinafter called the "Released Parties"), from any and all actions and causes of action, judgments, executions, suits, debts, claims, demands, liabilities, obligations, damages and expenses of any and every character, known or unknown, direct and/or indirect, at law or in equity, of whatsoever kind or nature, whether heretofore or hereafter arising, for or because of any matter or things done, omitted or suffered to be done by any of the Released Parties prior to and including the date of this letter, and in any way directly or indirectly arising out of or in any way connected to this letter, the Loan, and the other documents executed in connection therewith.

Sincerely,

**WIFA INFRASTRUCTURE FINANCE
AUTHORITY OF ARIZONA**

By:  _____

Name: Jay R. Spector

Its: Executive Director

Cc: Ms. Lori Faeth, Office of the Governor
Mr. Steve Olea, Arizona Corporation Commission
Mr. Rex Nolan, Arizona Attorney General's Office
Mr. Chuck James, Squire Sanders & Dempsey, L.L.P.
Mr. Mark W. Dalieri, Squire Sanders & Dempsey, L.L.P.

Letter to Mt. Tipton Water Company, Inc.
Loan No. 920044-02
December 8, 2003

AGREED AND ACKNOWLEDGED:

MT. TIPTON WATER COMPANY

By: _____

Name: _____

Its: _____

FAX COVER SHEET

Mount Tipton Water Company, Inc.
 16055 N. Pierce Ferry Road
 P.O. Box 38
 Dolan Springs, AZ 86441-0038

Mt. Tipton Water PWS ID #08-059

(928) 767-3713 PHONE
 (928) 767-3053 FAX

SEND TO Company name	From
WIFA	Sue Morgan - General Manager
Attention	Date
JAY SPECTOR	12-05-03
Office location	Office location
	Dolan Springs, AZ
Fax number	Phone number
802 364-1327	(928) 767-3713-office/ 767-3298-service

Urgent Reply ASAP Please comment Please review For your information

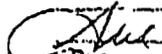
Total pages, including cover: 2

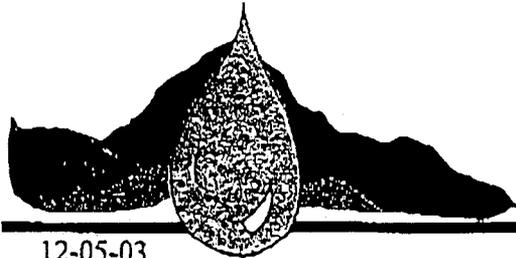
COMMENTS

Jay,

In checking with Rob Lanford, he asked me to change the last few paragraphs a little since he has not yet gotten his Board approval for this (oops!).

Thank you again,


 Sue



*MOUNT
TIPTON
WATER CO., INC.*

P.O. BOX 38 DOLAN SPRINGS, AZ 86441-0038

PHONE: 520-767-3298 FAX: 520-767-3053

12-05-03

Mr. Jay Spector, Executive Director
Water Infrastructure Finance Authority
1110 West Washington, Suite #290
Phoenix, AZ 85007

Mr. Spector:

We want to thank you for working with us in bringing our account with you out of arrears & respectfully submit the enclosed check #4987 in amount of \$6,975.88 in payment of our November installment to you.

Per our conversation of 12-02-03, we humbly submit the following request for a deferred payment plan for our December installment:

\$6,975.88 divided by 16 weeks = \$436.00 per week:

<u>DATE:</u>	<u>AMT:</u>	<u>BALANCE:</u>	<u>DATE:</u>	<u>AMT:</u>	<u>BALANCE:</u>
12-05-03	\$436.00	\$6,539.88	01-30-04	\$436.00	\$3,051.88
12-12-03	"	\$6,103.88	02-06-04	"	\$2,615.88
12-19-03	"	\$5,667.88	02-13-04	"	\$2,179.88
12-26-03	"	\$5,231.88	02-20-04	"	\$1,743.88
01-02-04	"	\$4,795.88	02-27-04	"	\$1,307.88
01-09-04	"	\$4,359.88	03-05-04	"	\$ 871.88
01-16-04	"	\$3,923.88	03-12-04	"	\$ 435.88
01-23-04	"	\$3,487.88	03-19-04	"	\$ -0-

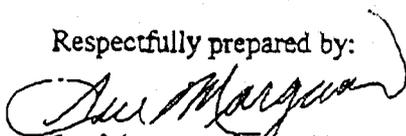
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Once we have an agreement with you on the above and are in good current standing with you, we are pursuing arrangements with Rob Lanford of USDA RD to begin recovery of their Reserve Account (normal 10% payment amount to them should have been approximately \$260.00) @ 5% per month (\$130.00) until we're able to do more.

We also pledge to you that if we are awarded a Rate Increase or obtain any additional revenues that would enable us to make these payments ahead of schedule to you &/or to Rural Development, we will certainly do so.

We hope this meets with your approval.

Respectfully prepared by:


Sue Morgan - General Manager

MOUNT

FAX COVER SHEET

Mount Tipton Water Company, Inc.
 16055 N. Pierce Ferry Road
 P.O. Box 38
 Dolan Springs, AZ 86441-0038

Mt. Tipton Water PWS ID #08-059

(928) 767-3713 PHONE
 (928) 767-3053 FAX

SEND TO Company name	WIFA	From	Sue Morgan - General Manager
Attention	JAY SPECTOR	Date	12-05-03
Office location		Office location	Dolan Springs, AZ
Fax number	602 364-1327	Phone number	(928) 767-3713-office/ 767-3298-service

Urgent
 Reply ASAP
 Please comment
 Please review
 For your information

Total pages, including cover: 5

COMMENTS

Hi Jay!

As promised, I'm checking in with you to brief you on our progress.

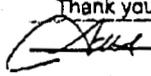
Attached is a copy of November's check to be mailed to you today, along with a proposal for a deferred payment plan for the December payment as discussed.

Also included is a copy of our bank account activity from 11-01-03 through today for your review as promised. We will also send the last two years or a zip disk copy of our entire quick books history since computerized in 1996 as we are doing for Charles Mylousen @ ACC if you like; any information you need - just please advise us & we will do our best to comply.

I'll probably give you a call later today to touch bases with you & address any question you may have. In your review of the attached register, you may notice we payed our fixed payables (payroll, Nov electric, insurance, salaries, gas for vehicles, loan payments, repairs, taxes, etc.); nothing unnecessary. We have payed the oldest invoices to Hughes Supply so that service can get parts (Kevin needs to order more parts soon) & the oldest to our office supply because they put a hold on any new orders until that is paid & we'll need paper & ink cartridges soon. As soon as I can find the time to update our payables spreadsheets, I'll send you a copy.

Oh- also copying Rob Lanford, ACC, etc. (all concerned parties) as discussed.

Thank you!



MT. TIPTON WATER CO., INC.
BOX 38, 18055 PIERCE FERRY ROAD
DOLAN SPRINGS, AZ 86441
(928) 767-3713

THE STOCKMENS BANK
DOLAN SPRINGS, AZ 86441
91-5047221

4987

11/28/2003

PAY TO THE ORDER OF Water Infrastructure Finance Authority of

\$ 6,975.88

Six Thousand Nine Hundred Seventy-five and 88/100 DOLLARS

Water Infrastructure Finance Authority of
1110 West Washington, Suite 290
Phoenix, Arizona 85007

Kelly Delwood
Fred Luttie

MEMO Nov-03 Payment, #920041-002

⑆004987⑆ ⑆122105045⑆ 1010000144⑆

MT. TIPTON WATER CO., INC.

Water Infrastructure Finance Authority of
235 - NOTES PAYABLE:235.03 - WIFA LOAN - Nov-03 Payment

11/28/2003

4987

6,975.88

STOCKMENS CHECKIN Nov-03 Payment, #920041-002

6,975.88

MT. TIPTON WATER CO., INC.
BOX 38, 18055 PIERCE FERRY ROAD
DOLAN SPRINGS, AZ 86441
(928) 767-3713

THE STOCKMENS BANK
DOLAN SPRINGS, AZ 86441
91-5047221

5000

12/4/2003

PAY TO THE ORDER OF Water Infrastructure Finance Authority of

\$ 436.00

Four Hundred Thirty-six and 00/100 DOLLARS

Water Infrastructure Finance Authority of
1110 West Washington, Suite 290
Phoenix, Arizona 85007

Kelly Delwood
Myrtle B. Hampton

MEMO Dec-03 Deferral Payment #1 of 16

⑆005000⑆ ⑆122105045⑆ 1010000144⑆

MT. TIPTON WATER CO., INC.

Water Infrastructure Finance Authority of
235 - NOTES PAYABLE:235.03 - WIFA LOAN - Dec-03 Deferral Payment

12/4/2003

5000

436.00

STOCKMENS CHECKIN Dec-03 Deferral Payment #1 of 16

436.00

MT. TIPTON WATER CO, INC.

12/4/2003

Register: 104 - CASH IN BANK:104.02 - STOCKMENS CHECKING

From 11/01/2003 through 12/04/2003

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
11/01/2003		R.D.A. LOAN	-split-	020080860263...	1,250.00			-860.61
11/01/2003		U.S.RURAL DEVEL...	-split-	020080860263...	654.00			-1,514.61
11/01/2003		U.S.RURAL DEVEL...	-split-	020080860263...	654.00			-2,168.61
11/03/2003			-split-	Deposit			678.41	-1,490.20
11/03/2003			701 - OTHER INCOME	Deposit			495.00	-995.20
11/03/2003			-split-	Deposit			2,531.01	1,535.81
11/04/2003	4960	Robert E. Ruhl	690 - CONSULTING F...	VOID: Inv. 94...		X		1,535.81
11/04/2003	4961	Robert E. Ruhl	690 - CONSULTING F...	VOID: Inv. 95...		X		1,535.81
11/05/2003			402 - WATER SALES ...	Deposit			1,506.75	3,042.56
11/05/2003			402 - WATER SALES ...	Deposit			1,489.72	4,532.28
11/05/2003			-split-	Deposit			3,663.08	8,195.36
11/05/2003	4962	Water Infrastructure ...	235 - NOTES PAYAB...	Sept/03 Paymc...	6,975.88			1,219.48
11/06/2003	4963	Lec. Wolfgang	-split-		441.50			777.98
11/06/2003	4964	MORGAN, SUE C	-split-		378.80			399.18
11/06/2003	4965	TETER, KEVIN	-split-		456.89			-57.71
11/07/2003			402 - WATER SALES ...	Deposit			254.84	197.13
11/07/2003			-split-	Deposit			1,108.30	1,305.43
11/07/2003	4966	PREMIUM FINANC...	654 - INSURANCE E...	Acct # AZP -7...	1,633.68			-328.25
11/07/2003			104 - CASH IN BANK...	Funds Transfer			949.54	621.29
11/07/2003			104 - CASH IN BANK...	Funds Transfer			20,551.28	21,172.57
11/10/2003			-split-	Deposit			2,433.06	23,605.63
11/12/2003	4967	STOCKMENS BANK	202 - ACCRUED TAX...	941 PAYROL...	1,866.55			21,739.08
11/12/2003	4968	ARIZONA DEPT. O...	202 - ACCRUED TAX...	TPT SALES T...	1,621.98			20,117.10
11/12/2003	4969	WIFA	235 - NOTES PAYAB...	Loan # 920044...	6,975.88			13,141.22
11/12/2003	4970	Lec. Wolfgang	-split-	VOID:		X		13,141.22
11/12/2003	4971	TETER, KEVIN	-split-		499.68			12,641.54
11/12/2003	4972	MORGAN, SUE C	-split-		391.28			12,250.26
11/13/2003			-split-	Deposit			2,726.09	14,976.35
11/13/2003	4974	VOID	101 - PETTY CASH					14,976.35
11/14/2003			-split-	Deposit			1,489.15	16,465.50
11/14/2003	4975	Lec. Wolfgang	-split-		328.71			16,136.79
11/20/2003			-split-	Deposit			4,321.75	20,458.54
11/20/2003	4973	FRONTIER	-split-	Telephone bill ...	215.70			20,244.84
11/20/2003	4976	UniSource	-split-	Electric	3,134.03			17,110.81
11/20/2003	4977	MOHAVE WIRELESS	-split-	Acct# 0001000...	85.37			17,025.44
11/20/2003	4978	WESTSIDE DISPOS...	698 - BUSINESS UTI...	Account # 260...	121.54			16,905.90
11/20/2003	4979	WESTSIDE DISPOS...	698 - BUSINESS UTI...	remal-Dr. office	33.50			16,870.40
11/20/2003	4980	TETER, KEVIN	-split-		499.69			16,370.71
11/20/2003	4981	MORGAN, SUE C	-split-		402.67			15,968.04

MT. TIPTON WATER CO, INC.

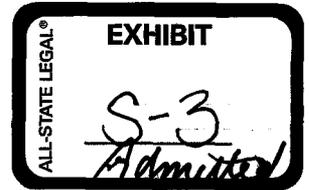
12/4/2003

Register: 104 - CASH IN BANK:104.02 - STOCKMENS CHECKING

From 11/01/2003 through 12/04/2003

Sorted by: Date, Type, Number/Rcd

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
11/20/2003	4982	STAR COUNTRY L...	656 - VEHICLE EXPE...	SEPT/Vehicle ...	312.15		15,655.89
11/20/2003	4983	ARTIUR'S SALES ...	676 - REPAIRS & MA...	INV #12469	5,902.44		9,753.45
11/26/2003			-split-	Deposit		2,634.13	12,387.58
11/26/2003	4984	MORGAN, SUF C	-split-		547.96		11,839.62
11/26/2003	4985	TETER, KEVIN	-split-		589.29		11,250.33
11/28/2003	4986	County Human Reso...	612 - SALARIES AND...	Health Insuran...	372.47		10,877.86
11/28/2003	4987	Water Infrastructure ...	235 - NOTES PAYAB...	Nov-03 Paymc...	6,975.88		3,901.98
11/28/2003	4988	DOLPHIN CAPITA...	666 - OFFICE EXPEN...	CONTRACT 2...	100.00		3,801.98
12/01/2003			402 - WATER SALES ...	Deposit		3,048.62	6,850.60
12/01/2003	AUTO	R.D.A. LOAN	-split-	020080860263...	1,250.00		5,600.60
12/01/2003	AUTO	U.S.RURAL DEVEL...	-split-	020080860263...	654.00		4,946.60
12/01/2003	AUTO	U.S.RURAL DEVEL...	-split-	020080860263...	654.00		4,292.60
12/02/2003			-split-	Deposit		2,643.95	6,936.55
12/04/2003			-split-	Deposit		3,324.80	10,261.35
12/04/2003	4989	STAR COUNTRY L...	656 - VEHICLE EXPE...	NOV/Vehicle ...	199.79		10,061.56
12/04/2003	4990	SUNFLOWER CON...	676 - REPAIRS & MA...	Invoice #11-11...	390.00		9,671.56
12/04/2003	4991	ERIC ANDERSON	656 - VEHICLE EXPE...		43.00		9,628.56
12/04/2003	4992	DS SUPPLY (COM...	676 - REPAIRS & MA...	NETWORKIN...	110.00		9,518.56
12/04/2003	4993	HUGHES SUPPLY, ...	676 - REPAIRS & MA...	09-18-03 INV...	818.55		8,699.71
12/04/2003	4994	STREET CONSTRU...	227 - REFUNDABLE ...	REF BAL OF ...	32.14		8,667.57
12/04/2003	4995	Carroll's Service Cen...	227 - REFUNDABLE ...	REF SEC DEP...	33.97		8,633.60
12/04/2003	4996	VIKING OFFICE SU...	666 - OFFICE EXPEN...	Acct# 3106942...	602.61		8,030.99
12/04/2003	4997	TETER, KEVIN	-split-		589.30		7,441.69
12/04/2003	4998	MORGAN, SUF C	-split-		495.44		6,946.25
12/04/2003	4999	HENRY W. VARGA	617 - ACCOUNTING	Client ID: 802...	1,000.00		5,946.25



Mount Tipton Water Company
Emergency Rate Application
Docket No. W--02105A-03-0805

RECEIVED

2004 JAN - 6 P 3: 41
Schedule of Surcharge Calculation

<u>Company proposed charges:</u>		AZ CORP COMMISSION DOCUMENT CONTROL
A	\$10.00 per month per connection times 740	7,400
B	Standpipe 478,550 gallons per month times \$3.00	1,436
C	Hydrant sales 332,258 month times \$5.00	1,661
	Monthly revenues from emergency rates	<u>10,497</u>
	Number of months (4) (Feb 04 to May 04)	<u><u>41,988</u></u>

<u>Staff recommended emergency rates surcharge:</u>	
Amount of WIFA monthly payment	<u><u>6,976</u></u>
Metered customers \$8.11 times 740 - 86%	5,999
Standpipe W/O assistance and	
Standpipe W/ assistance \$1.20 times 810,808 gallons - 14%	<u>977</u>
Total	<u>6,976</u>
Number of months (4) (Feb 04 to May 04)	<u><u>27,904</u></u>

Docket Prepared By _____

SUMMARY OF CASE

UTILITIES DIVISION

DOCKET NO. W-02105A-03-0805 TYPE OF CASE Emergency Rate Increase

RECEIVED
2004 JAN -6 P 3:40

APPLICANT
RESPONDENT
COMPLAINANT Mount Tipton Water Company

AZ CORP COMMISSION
DOCUMENT CONTROL

APPLICATION SUBMITTED BY _____

PLACE 1200 W. Washington, Phx., AZ DATE 12-17-2004

BEFORE: Chairman _____

Commissioner _____

Commissioner _____

Hearing Officer Marc E. Stern

APPEARANCES: (For Applicants) Ms. Sue Morgan, Assistant General
Manager, Mount Tipton Water Company

APPEARANCES: (In Opposition) _____

APPEARANCES: (Staff) Legal Division, by Ms. Lisa Vandenberg.

DISPOSITION OF CASE Taken under advisement.

Dawn J. Boswell
Official Reporter

COMMISSION REMARKS: _____