

**ORIGINAL**



0000073637

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

May 29, 2007

Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, Arizona 85007-2996  
Phone: 602-542-3477

Docket # W-04286A-04-0774  
Response: CC&N Kacy Parker

Dear Commission;

Attached are supporting documents in response to the Direct Testimony of Blessing Chukwu and the Staff Recommendations, dated May 14, 2007. Included in the supporting documents is a list of all requested documents that were docketed, which is not reflected in the Introduction information, page 1, paragraph 7.

Attached is a response document with line items listed by page and paragraph. We are seeking approval of the CC&N for Arroyo Water Company. We have docketed all the requested documentation, and are in full compliance with Arizona Department of Environmental Quality as of this date. (attached)

It is our full intentions to comply with Staff recommendations including their reasonable time frames and contingent upon the approval of the CC& N. As specified in the supporting response, we will provide the plans and specifications requested for the expansion and upgrading of the water system at Arroyo Water Company in Tonto Basin.

We wish to discuss with the Commission the Decision #67231. We did not know before what it really entailed to comply with this Decision. We have supporting documentation from ADEQ that states concern in regards to installing a storage tank at Jakes Corner Water System. (W-04249A-04-0249). We are positive that there can be a resolve to this issue with an alternative approach. We are asking for the Commission to allow us time to pursue an alternative plan that would be acceptable to the ACC and ADEQ.

Please feel free to contact us at any time for further information or any questions.

Sincerely,

Kacy Parker

Cc. ADEQ, Pat Fenton

Arizona Corporation Commission  
**DOCKETED**

JUN -5 2007

DOCKETED BY

RECEIVED  
2007 JUN -5 A 9:49  
AZ CORP COMMISSION  
DOCKET CONTROL

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

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May 29, 2007

Docket Control Center  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007-2996  
Phone: 602-542-3477

Docket # W-04286A-04-0774  
Re: Application for CC&N for  
Kacy Parker

Dear Commission;

We wish to respond to the Notice of Filing Direct Testimony of Blessing Chukwu, of the Utilities Division.

## **EXECUTIVE SUMMARY:**

### Page One

#1. Paragraph 3; states non compliance for a storage tank for Jakes Corner.

We realize the Decision #67231 was issued in June 2005. Since that date we have docketed proof that Jakes Corner Water System has been unregulated until the last inspection from ADEQ in April 27, 2007 and in that report it is also documented, we are a transient water system. In the Inspection Report provided by Mr. Patrick Fenton of ADEQ, he states we are a transient water system and there is not adequate or viable space for another storage tank at Jakes Corner Water System. He also is concerned about opening the system to install the storage tank which could compromise the integrity of the system.

#2. Paragraph 3; refers to Arroyo as non compliance with ADEQ with monitoring and reporting. We have submitted to ADEQ and docketed to ACC, all required monthly and yearly testing required by ADEQ.  
(attached)

#3. Paragraph 4; submittal of a Approval to Construct for Jakes Corner water storage tank, please refer to the Inspection Report dated May 21, 2007.

- # 4. Arroyo Water Company has submitted to ADEQ all required monitoring samples and have docketed with ACC.

**Section: Alternative, should the Commission grant:**

- #2. The Schedule of Approved Rates have been previously docketed.  
(original attached)
- #3. The Company and Kacy Parker do not wish to submit a rate increase at this time.
- #5. The Company and Kacy Parker will provide the ADEQ Approval of Construction for the storage tank and facilities improvements for Arroyo Water Company.
- #6. A meter will be installed at the well by September 30, 2007.
- #7. With the meter installed we will be able to comply with the required monitoring of water loss. 12 month monitoring will submitted on or before November 2008.
- #8 Arroyo is in compliance with ADEQ on all monitoring required including coliform and we have docketed to ACC. (test results attached)
- #9. The Company has the form and fee to submit to ADWR contingent upon the approval of the CC&N.
- #10. Curtailment Tariff has been docketed on 11-3-06 and re-docketed per Blessing's letter dated 12-6-06 (attached)
- #11. Backflow Tariff has been docketed on 11-3-06 and ricocheted (attached)
- #12 Gila County Treasurer's office will be contacted to compile total taxes due and will be submitted with certification within 45 days of the granting of the CC&N.

**INTRODUCTION SECTION:**

Page 1: Paragraph 7; states on dates of 11-15-06, 12-22-06, 2-7-07 and 2-15-07 were supporting documents from Arroyo docketed. Please see attached list of dockets and information.

Page 3: Paragraph 1; the Company has docketed on 12-20-06 a list of 24 potential customers. As of this date we are billing 103 customers.

Page 3: Footnotes; indicate the Company has failed to provide the quantity of metered connections for Arroyo. As of February 27, 2007 we have 103 meters. (attached)

Page 3 and 4: Non- Account Water:

A meter will be installed at the well site by September 30, 2007, per #6 under Alternative. At that time we will monitor water pumped and any loss and provided the required documentation to ACC by November 2008.

### **ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY**

Page 5: ADEQ monitoring is update and in compliance.

ADEQ "NOV": There were 9 compliance issues and we have meet all requirements except for one, the storage tank for Arroyo Water.

(1) Consumer Confidence Reports for 2002 to 2006 are attached and have been previously docketed on 2-15-07.

(2) and (3) Per letters from ADEQ (attached) we are in compliance and have submitted all required monitoring and have docketed to ACC.

### **ADWR COMPLIANCE:**

Page 6: Paragraph 2; The Company has filed the application and fees for name change with ADWR, Well Site # 55-805621.

Contact: Shannon 602-771-8642

### **ACC COMPLIANCE**

Page 6: Paragraph 1; states Arroyo Water Company has no past due compliance items.

Page 7: Refer to Inspection Report from ADEQ (attached)  
Curtailment Tariff and Backflow Tariff have been previously docketed (attached)

Page 8: Paragraph 2; General Rate Filing;

### **COUNTY FRANCHISE**

Page 8: Paragraph 3; Gila County Taxes will be paid within 30 days of the approval of the CC&N

**STAFF RECOMMENDATIONS**

- # 2 Arroyo Water Company has docketed previously our approved rate schedule. (attached)
  
- #3. General Rate Application

**MEMORANDUM**

Page 2: #1. Arroyo Water Company will provide Proposed Well Site Improvement Plan within 30 days of the approval of the CC&N.

- #2. Copper , Lead and Arsenic monitoring is in compliance with ADEQ (attached) Current Copper and Lead monitoring samples will be submitted the week of June 11, 2007.

**ARROYO WATER COMPANY**

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**DOCKETS/RESPONSES TO ARIZONA CORPORATION COMMISSION**

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**DOCKETS:**

- 9-13-04 ORIGINAL APPLICATION FOR CC&N
- 11-03-06 APPLICATION FOR CROSS CONNECTION/BACKFLOW TARIFF
- 11-14-06 RESPONSE TO STAFF REPORT DATED JUNE 5, 2005 ALL EIGHT ITEMS
- 12-5-06 RESPONSE TO 7 CUSTOMER COMPLAINTS FOR 2005/06
- 12-12-06 TARIFF SCHEDULE
- 12-15-06 AFFIDAVIT - ARROYO CUSTOMERS-INFORMED PER BLESSING
- 12-20-06 CUSTOMERS REQUESTS FOR WATER SERVICE PER BLESSINGS LETTER  
DATED 12-6-06 INCLUDING CROSS CONNECTION  
TARIFF/BACKFLOW TARIFF AND AFFIDAVIT AS REQUESTED
- 1-17-07 PLANT DESCRIPTION AND WATER USE DATA SHEET TO DEL SMITH  
FAXED AND DOCKETED 3 TIMES (11/14-2/05-2/7/07)
- 1-17-07 NEWSPAPER AD AND NOTICE FROM GILA COUNTY BOARD OF  
SUPERVISORS FOR FRANCHISE HEARING AND PROCESS
- 2-7-07 RE-DOCKET AND FAX TO DEL SMITH PLANT DESCRIPTION, ADEQ  
PLANT DESCRIPTION AND ACC'S PREVIOUS PLANT  
DESCRIPTION
- 2-12-07 GILA COUNTY BOARD OF SUPERVISORS FRANCHISE
- 2-15-07 CONSUMER CONFIDENCE REPORTS 2005/06
- 2-19-07 RESPONSE TO ADEQ PAT FENTON INSPECTION VIOLATIONS (12-15-07)  
COMPLIED WITH 8 OUT OF 9
- 2-28-07 ANNUAL REPORTS (HAND CARRIED) AND DOCKETED FOR 2005/06
- 3-1-07 NOTICE TO CUSTOMERS OF WATER REPORT AND CONSUMER  
CONFIDENCE REPORT NOTICE ON BULLENTIN BOARD PUNKIN  
CENTER

**3-2-07 LETTER TO JOHN GIBBON, ADEQ UPDATE ON COMPLIANCE AND TIME  
FRAME FOR STORAGE TANK**

**3-15-07 LETTER TO BRIAN BOZZO UPDATE ON DOCKETS, RESPONSES, CC& N  
STATUS**

**3-15-07 CORPORATE FILING FOR 2005/06**

**3-26-07 RESPONSE LETTER TO KIM BATTISTA FOR JAKES CORNER  
WATER SYSTEM REGARDS TO STORAGE TANK**

**4-16-07 PUBLIC NOTICE FOR NEWSPAPER & AFFIDAVIT FOR CC&N HEARING**

**4-18-07 APOLOGY LETTER TO KIM BATTISTA FOR MARCH 26 LETTER JAKE  
CORNER**

**5-2-07 ADEQ SITE VISIT & INSPECTION REPORT**

**5-9-07 ANNUAL REPORT 2006**

**COMMISSIONERS**  
MIKE GLEASON - Chairman  
WILLIAM MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE



**ARIZONA CORPORATION COMMISSION**

BRIAN C. MCNEIL  
Executive Director  
**RECEIVED**

2007 MAR 16 A 8:17

AZ CORP COMMISSION  
DOCUMENT CONTROL

March 16, 2007

Kacy Parker  
Tony Vlahopoulos  
Arroyo Water Company, Inc.  
HC 6 Box 1048 L  
Payson, Arizona 85541

RE: Arroyo Water Company – Application for Sale of Assets and Certificate of Convenience and Necessity (CC&N) in Docket No. W-04286A-04-0774  
SUFFICIENCY LETTER

Dear Sirs:

In reference to the above mentioned application filed on October 19, 2004, and the supporting documents filed on November 15, 2006, December 22, 2006, February 7, 2007, and February 15, 2007, this letter is to inform you that the application has met the sufficiency requirements as outlined in the Arizona Administrative Code (“A.A.C.”).

Pursuant to the A.A.C. (R14-2-411(C) for water), the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing a proposed Opinion and Order to present to the Commission at an Open Meeting.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0840 and Del Smith at 602-542-7277.

Very truly yours,

Blessing N. Chukwu  
Executive Consultant III

BNC

cc: Docket Control  
Del Smith  
Lyn Farmer  
Brian Bozzo  
Vicki Wallace

**ARROYO WATER COMPANY, INC.**

**HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541**

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November 13, 2006

Docket No. W-04286A-04-0774

Docket Control  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 850007

Attached is an application by Arroyo Water Company, for approval of a Cross-Connection Tariff. The purpose of this tariff is to protect Arroyo Water Company water from the possibility of contamination caused by the backflow of contaminants that may be present on the customer's premises.

Sincerely,



Kyle Parker

Company Name: ARROYO WATER COMPANY, Inc. Page 1 of 2

## CROSS-CONNECTION OR BACKFLOW TARIFF

### PURPOSE:

The purpose of this tariff is to protect ARROYO WATER COMPANY, Inc. ("Company") water from the possibility of contamination caused by the backflow of contaminants that may be present on the customer's premises by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code ("A.A.C.") R14-2-405.B.6 and A.A.C. R18-4-115.

### REQUIREMENTS:

In compliance with the Rules of the Arizona Corporation Commission ("Commission") and the Arizona Department of Environmental Quality ("ADEQ"), specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-115 relating to backflow prevention:

1. The Company may require a customer to pay for and to have installed a backflow-prevention assembly if A.A.C. R18-4-115.B or C applies.
2. A backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-115.D and E.
3. Subject to the provisions of A.A.C. R14-2-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate service or may deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff
4. The Company shall give any existing customer who is required to install a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is **not** applicable, the customer shall be given thirty (30) days from the time such written notice is received in which to comply with this notice. If the customer can show good cause as to why he cannot install the device within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.

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**\*\*FOR OFFICIAL USE ONLY\*\***

Effective Date: \_\_\_\_\_

5. Testing shall be in conformance with the requirements of A.A.C. R18-4-115.F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests.
6. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:
  - a. assembly identification number and description;
  - b. location
  - c. date(s) of test(s);
  - d. description of repairs and recommendations for repairs made by tester; and
  - e. the tester's name and certificate number.
7. In the event the backflow-prevention assembly does not function properly or fails any test, and an obvious hazard as contemplated under A.A.C. R14-2-410.B.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested.
8. In the event the backflow-prevention assembly does not function properly or fails any test, or in the event that a customer fails to comply with the testing requirement, and A.A.C. R14-2-410.B.1.a. is **not** applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency or dysfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C. R14-2-410.

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**\*\*FOR OFFICIAL USE ONLY\*\***

Effective Date: \_\_\_\_\_

**ARROYO WATER COMPANY, INC.  
HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812**

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November 14, 2006

**Docket Control Center**  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, Arizona 85007-2996  
Phone: 602-542-3477

**Docket No. W-04286A-04-0774**

**Re: Recommended Support Relief Response to Items No. 1 through 8**

Item 1. Attached current Water User Data Sheet

Item 2. Customer Service requests for outside the original area

Item 3. Proper notice to Arroyo Customers is attached

Item 4. The annual reports for Arroyo Water Company will follow for the years 2003 and 2004.

Item 5. Item 5 is addressed with the attached letter

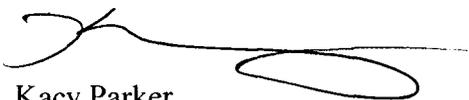
Item 6. Arsenic chemicals information is provided in the attached reports

Item 7. Franchise approval will follow

Item 8. Item 8 is addressed in the letter included with Item No. 5

Thank you for your assistance and patience in helping us remedy the issues Staff Report dated June 24, 2005, "Executive Summary".

Sincerely,



Kacy Parker  
Kyle Parker

*DOCKET No. W-04286 A-04-0774*

*#1*

**Arroyo Water Company**  
water use

MONTH	2003	2004	2005	2006
JAN	246010	303440	332090	354290
FEB	265600	274730	234310	423050
MAR	187490	328480	190950	473290
APR	192950	557990	272870	507410
MAY	493620	686200	632690	696520
JUN	758800	1028370	1015700	907510
JUL	949860	1160870	1028650	1046950
AUG	957040	1003460	1052750	1035900
SEP	665150	781630	873310	907290
OCT	657970	659660	854600	811520
NOV	680510	531400	672780	683310
DEC	347600	341310	499750	

**TOTALS 6404603 7659544 7662455 7849046**

*Replaced  
w/ Acc form*

WATER USE DATA SHEET

DOCKET NO. W-04286A-04-0774

Company Name: Arroyo Water Co.
ADEQ Public Water System Number: <u>A20404083</u>

MONTH/YEAR (Most recent 12 Months Available)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED* (Thousands)	GALLONS PURCHASED* (Thousands)
1. DEC '05	80	499750		
2. JAN '06	80	354290		
3. FEB '06	80	423050		
4. MAR '06	80	473290	NOT APPLICABLE	
5. APR '06	83	507410	There is no meter	
6. MAY '06	85	696520	on the well & we do	
7. June '06	86	907570	not purchase water	
8. July '06	86	1046950		
9. Aug. '06	86	1035900		
10. Sept. '06	86	907290		
11. Oct. '06	85	811520		
12. NOV '06	80	683310		
TOTAL	N/A	8,346,790		

Is the water utility located in an ADWR Active Management Area ("AMA")?

YES  NO

Does the Company have an ADWR gallons per capita day ("GPCD") requirement?

YES  NO

If Yes, please provide the GPCD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of any of the above, please contact the Engineering Supervisor at 602-542-7277.

\* The total of gallons pumped and gallons purchased should not equal or be less than the gallons sold.

Item 2

DOCKET # W-0428617-04-0774

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

## APPLICATION FOR SERVICE

APPLICATION DATE: \_\_\_\_\_

### CUSTOMER INFORMATION:

NAME: \_\_\_\_\_  
*(PLEASE PRINT CLEARLY)*

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_  
*(PLEASE INCLUDE LOT # AND SUBDIVISION, STREET NAME)*

HOME PHONE: \_\_\_\_\_ WORK PHONE \_\_\_\_\_ CELL# \_\_\_\_\_

BILLING ADDRESS: \_\_\_\_\_

SOCIAL SECURITY # \_\_\_\_\_ DRIVERS LICENSE# \_\_\_\_\_

*I, HEREBY APPLY FOR WATER SERVICE AT THE ABOVE ADDRESS UNDER THE TERMS & CONDITIONS AS APPROVED BY THE ARIZONA CORPORATION COMMISSION & AGREE TO PAY FOR THE SAME, AT THE APPROVED RATES.*

\_\_\_\_\_  
**APPLICANT'S SIGNATURE**

### FOR OFFICE USE ONLY:

### FEES:

SERVICE ID. # \_\_\_\_\_

ESTABLISHMENT \_\_\_\_\_

SEQUENCE# \_\_\_\_\_

DEPOSIT \_\_\_\_\_

BEGGING METER READ: \_\_\_\_\_

METER FEE \_\_\_\_\_

TOTAL FEES \_\_\_\_\_

Item  
#2

Docket # W-04286A-04-0714

List of Potential Customers.

These people are willing to pay their fair share in extending water lines to their property.

- Martin Fairbank, 929 E. Loma Vista, Gilbert, Az. 85296
- ✓ David Dail 4912 W. Bluefield, Glendale, Az 85308
- John Murphy, 2108 Magnum Ct. Elverta, Ca. 95626
- Gerhardt Hoehn 710 W. Alamo Dr. Chandler, Az. 85225
- Ted Miller, 3838 E. Hopi Ave. Mesa, Az. 85206
- ✓ Todd Graffa 9755 E. Del Monte Ave. Gold Canyon, Az. 85218
- ✓ John Royere 1014 W. 10<sup>th</sup> Pl. Tempe, Az. 85281
- Gerald Brownlow P.O. Box 129 Pinetop, Az 85935
- ✓ Joe Nielson 301 Mariana Dr. Holbrook, Az 86025
- ✓ Vipul Shah 7246 N. Via de la Montana, Scottsdale, Az 85258-4024 Paid for Service
- ✓ Mark Greinke 657 E. Kiowa, Flagstaff, Az. 86001
- ✓ Paul Jokilehto 1860 N. thunderbird Dr. Apache Junction, Az 85220
- Steve Lingenfelter 15361 N. 85<sup>th</sup> Ave. Peoria, Az. 85381
- ✓ Chris Hansel 15605 E. Scorpion Dr. Fountain Hills, Az. 85268
- Brad Edimison 500 S. 93<sup>rd</sup> Pl. Mesa, Az 85208
- Martin Fabritz P.O. Box 7116 Mesa Az 85216
- Tom Schold P.O. Box 1362 Camp Verde, Az 86322
- Lawrence Brogdon, P.O. Box 592, Camp Verde, Az 86322
- Nicholas Sheehan, P.O. Box 1242, Tonto Basin, Az. 85553
- Casey Hayes 10101 Stardust Trail Flagstaff, Az 86004
- Robert L. Palmer P.O. Box 555, Tonto Basin, Az 85553

✓ - Have application

- no application - sent form letter

*Item 2*  
 Docket # W-04286A-04-0774

**A PARTIAL LIST OF PROPERTY OWNERS NEEDING WATER FROM ARROYO WATER CO.**

**MICHAEL MCMEANS**  
 30 East Brown  
 Mesa, AZ 85201

**Robert Phoenix**  
 11212 Holliday Hills Dr  
 El Cajon, CA 92020

**WILLIAM FITZ**  
 902 N Wm Tell Circle  
 Payson, AZ 85541

**Jonnell Reno**  
 10555 S 3010 West  
 South Jordan, Utah 84095

**Michael Runzo**  
 HC1Box5267 M  
 Payson, AZ 85541

**Travis Williams**  
 P O Box 24  
 Tonto Basin, AZ 85553

**David Roberge**  
 2500 West Graff Dr.  
 Payson, AZ 85541

**Larry Romine**  
 14663 S 24th Place  
 Phoenix, AZ 85048

**Clyde London**  
 3820 West Camino Nuestro  
 Tucson, AZ 85745

**Charles Bottarin i**  
 344 East Pasedina  
 Phoenix, AZ 85012

**Robert Halenar**  
 1500 East Frontier  
 Payson, AZ 85541

**Allan Felten**  
 HC1 Box 5267 K  
 Payson, AZ 85541

**Greg Thalheimer**  
 815 Homestead  
 Flagstaff, AZ 86001

**Herbert Messer**  
 204 S. Kodz  
 Payson, AZ 85553

**Klaus Halmer**  
 P O Box 42  
 Tonto Basin, AZ 85553

**Steve Shouse**  
 808 East Sunburst  
 Oro Valley AZ 85704

**Paul Hodges**  
 6625 West Pershing  
 Glendale AZ 85304

**David Stogsdill**  
 368 No Evani Ave  
 Benson, AZ 85602

**Deborah Norton**  
 710- West Alamo Dr.  
 Chandler, AZ 85226

*Item #2*

**ARROYO WATER COMPANY, INC.**  
**HC 6 Box 1048 L** 1049  
**Payson, Arizona 85541**

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**Dear Tonto Basin Water Users!**

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**Please be advised:**

**As of this date: March 26, 2003, all payments, correspondence  
or questions will be addressed to:**

**ARROYO WATER COMPANY, INC.**  
**HC 6 Box 1048 L**  
**Payson, Arizona 85541**

**This address change takes effect immediately!**

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**Thank you for your prompt attention to this matter!**

Item 2

SOCKET # W-04286A-04-0774

Attachment: E

**ARROYO WATER COMPANY, INC.**  
**HC 6 BOX 1048 L**  
**PAYSON, ARIZONA 85541**

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ARROYO WATER COMPANY has filed with the Arizona Corporation Commission an application for authority to provide Water service to an area in which records indicate that you are a property owner. If the application is granted, ARROYO WATER COMPANY, would be the exclusive provider of Water service to the proposed area. ARROYO WATER COMPANY, will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property.

The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street, Phoenix, Arizona 85007, and at ARROYO WATER COMPANY, HC 6 Box 1048 L Payson, Arizona 85541.

The Commission will hold a hearing on this matter. As a property owner you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application, have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington St., Phoenix, Arizona 85007 or call 1-800-222-7000/400.

*Docket # W-04286A -04-0774*

*Item # 3*

**ARROYO WATER COMPANY INC.**  
**HC 6 BOX 1048-L**  
**PAYSON, ARIZONA 85541**

\*\*\*\*\*

**April 28, 2003**

Arroyo water customers,

As many of you may be aware the water system is in the process of changing ownership, pending the approval of the Arizona corporation commission (A.C.C.).

Upon final approval and transfer of ownership it is our intention to perform some much needed maintenance and upgrade to the system.

Local resident John Otton will continue operational functions on an uninterrupted bases.

Please make payment to Arroyo Water Company Inc. And mail to the above Payson address.

Thank you,

**Enclosure:**

- Current water bill

Item #6

Nov. 7. 2006 11:14AM

Docket # W04286A-04-0774

3294 P. 2/12

JTP All Data Query

1/17/2006

NUMBER	TINWSYS NAME	LAB ASGND ID	IDENTIFIED	TSANLYT NAME	CODE	COLLECT	CONC	UOM
AZ0404083	ARROYO WATER CO INC	2512190013V	EPDS001	O-DICHLOROBEZENE	2968	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013V	EPDS001	DICHLOROMETHAN	2964	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013V	EPDS001	XYLENES, TOTAL	2955	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013I	EPDS001	SODIUM	1052	12/19/2005	29	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013I	EPDS001	SELENIUM	1045	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013I	EPDS001	NICKEL	1036	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013I	EPDS001	MERCURY	1035	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013I	EPDS001	CHROMIUM	1020	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013I	EPDS001	CADMIUM	1015	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013I	EPDS001	BARIUM	1010	12/19/2005	0	1 MG/L
AZ0404083	ARROYO WATER CO INC	2512190013V	EPDS001	STYRENE	2996	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013V	EPDS001	ETHYLBENZENE	2992	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013V	EPDS001	TOLUENE	2991	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013V	EPDS001	BENZENE	2990	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013V	EPDS001	CHLOROBEZENE	2989	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013V	EPDS001	1,1,2-TRICHLOROET	2985	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013V	EPDS001	1,2-DICHLOROPROP	2983	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013V	EPDS001	CIS-1,2-DICHLOROE	2380	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013I	EPDS001	BERYLLIUM, TOTAL	1075	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013I	EPDS001	ARSENIC	1005	12/19/2005	0.002	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013V	EPDS001	1,2,4-TRICHLOROBE	2378	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	2512190013I	EPDS001	THALLIUM, TOTAL	1085	12/19/2005	0	MG/L
AZ0404083	ARROYO WATER CO INC	5111202-01	DS001	COLIFORM (TCR)	3100	11/28/2005	0	
AZ0404083	ARROYO WATER CO INC	5110041-01	DS001	COLIFORM (TCR)	3100	10/31/2005	0	
AZ0404083	ARROYO WATER CO INC	5091108-01	DS001	COLIFORM (TCR)	3100	9/20/2005	0	
AZ0404083	ARROYO WATER CO INC	5080864-01	DS001	COLIFORM (TCR)	3100	8/15/2005	0	
AZ0404083	ARROYO WATER CO INC	53694	DS001	COLIFORM (TCR)	3100	7/6/2005	0	
AZ0404083	ARROYO WATER CO INC	53148	DS001	COLIFORM (TCR)	3100	6/13/2005	0	
AZ0404083	ARROYO WATER CO INC	52490	DS001	COLIFORM (TCR)	3100	5/10/2005	0	
AZ0404083	ARROYO WATER CO INC	51910	DS001	COLIFORM (TCR)	3100	4/12/2005	0	
AZ0404083	ARROYO WATER CO INC	51389	DS001	COLIFORM (TCR)	3100	3/16/2005	0	
AZ0404083	ARROYO WATER CO INC	50743	DS001	COLIFORM (TCR)	3100	2/9/2005	0	
AZ0404083	ARROYO WATER CO INC	50420	DS001	COLIFORM (TCR)	3100	1/24/2005	0	

Docket # W-04286A-04-0774

Arroyo Water Company, Inc.  
Docket No. W-04286A-04-0774  
Addressing Page 7.

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**Item #5 & Item 8**

**Item 5**

Existing well site:

Currently has a 12,000 gallon storage capacity.

Proposed improvements are to add one each 24,000 gallon bulk storage and one 2,000 gallon pressure tank.

Well Site: Total anticipated storage: 38,000 gallons

East side site: (Refer to attached map)

Create new yard, complete with new 24,000 gallon tank and booster pump to maintain required pressure supplied by new 4" extension

East Side: Total Anticipated Storage 24,000 gallons

TOTAL EAST & WELL SITE	24,000 + 36,000 gallons =	62,000
TOTAL REQUESTED BY ADEQ + ACC		40,000
EXCESS RESERVE (EXTRA) STORAGE		22,000

**Item 8**

Addressing Gila County Treasurer's Office certification of paid liens

Will be provided when the CC & N is granted guaranteeing ownership to Kyle Parker

PARCEL 201-06-48D  
SEL 1 ROS 890

Docket # W-04286A-04-0774

COUNTY ARIZ

PARCEL A  
ROS 1170  
FEE No. 716844 G.C.R.

N89°52'29"E, 672.43'-R1  
N89°52'29"E, 672.40'-M  
BASIS OF BEARING  
N89°50'02"E, 672.35'-R.O.S. No. 522

Arroyo  
East side  
Storage Site

U.S. DEPARTMENT OF THE INTERIOR  
UNLAWFUL TO DISTURB  
S13  
C-N-S-NW  
1/256  
1981  
COASTAL SURVEY  
BUREAU OF LAND MANAGEMENT

U.S. DEPARTMENT OF THE INTERIOR  
UNLAWFUL TO DISTURB  
S13  
C-N-S-NW  
1/256  
1981  
COASTAL SURVEY  
BUREAU OF LAND MANAGEMENT

ASSESSOR PARCEL  
201-06-45  
FEE No. 93-639310, G.C.R.

66' WIDE R/W  
F.D.R. No. 423  
MAP No. 522-522A, G.C.R.  
DOCKET 910, PAGE 373, G.C.R.

PARCEL 1, R.O.S. NO. 1694, G.C.R.

PARCEL "B1"  
10.32 ACRES +/-

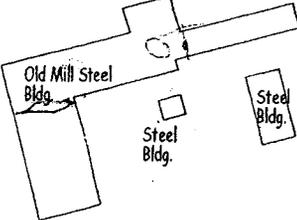
Owner  
Kyle Parker

25' WIDE  
INGRESS, EGRESS,  
& UTILITY EASEMENT  
R.O.S. #1694, G.C.R.

FOREST DEVELOPMENT ROAD No. 423  
66' WIDE EASEMENT  
Docket 910, Pages 361-368 G.C.R. (Parcel 1)

N 0°53'09"E, 990.83'-R1  
N 0°53'09"E, 990.89'-M

608.71'-M



N89°42'52"E, 105.01'-R1  
N89°43'52"E, 104.91'-M

N89°42'52"E, 230.00'-R1  
N89°43'54"E, 230.00'-M

PARCEL 3  
R.O.S. NO. 1750  
G.C.R.

N89°42'52"E, 335.01'-R1  
230.00'-R1

PARCEL 4  
R.O.S. NO. 1750  
G.C.R.

N89°42'52"E  
335.00'-R1

PARCEL 5  
R.O.S. NO. 1750  
G.C.R.

N89°42'52"E  
335.00'-R1

PARCEL 6  
R.O.S. NO. 1750  
G.C.R.

335.00'-R1  
334.96'-M

N 0°35'51"E, 988.86'-R1  
N 0°34'48"E, 988.80'-M

The top of this monument  
has been bent from previous  
position.

U.S. DEPARTMENT OF THE INTERIOR  
UNLAWFUL TO DISTURB  
EW 1/64  
S13  
C  
1981  
COASTAL SURVEY  
BUREAU OF LAND MANAGEMENT

N89°42'19"E  
116.02'-M

PARCEL  
"B2"  
1.01  
acres

N 0°53'09"E, 382.18'-M

10' WIDE  
UTILITY EASEMENT

226.74'-M

N89°42'52"E, 677.44'-R  
N89°42'19"E, 677.72'-M

50' ROADWAY AND UTILITY EASEMENT  
Docket 910, Pages 361-368 G.C.R. (Parcel 4)

NE Building is 33'  
South of boundary.

Steel Bldg.

N 0°35'48"E, 260.08'-R1  
N 0°32'13"E, 260.08'-M  
S0°41'24"W, 130.06'-M

Corral

Trailer

Corral

382.18'-M

116.02'-M

64.00'

S69°48'18"E  
68.23'-M

Cover Sheet  
 Arizona Corporation Commission  
 Docket Control Center

Company/Case Name ARROYO WATER Co., Inc  
 Doing Business As (d/b/a) \_\_\_\_\_  
 Docket Number (s) W-04286A-06-0399

Description of Document or Nature of Action  
 Please choose the item that best describes the nature of the case/filing.

**UTILITIES - NEW APPLICATION**

<input type="checkbox"/> New CC&N	<input type="checkbox"/> Main Extension
<input type="checkbox"/> Rates	<input type="checkbox"/> Contract/Agreements
<input type="checkbox"/> Interim Rates	<input type="checkbox"/> Formal Complaint
<input type="checkbox"/> Cancellation of CC&N	<input type="checkbox"/> Waiver/Rule Variance
<input type="checkbox"/> Deletion of CC&N	<input type="checkbox"/> Line Siting Committee Case
<input type="checkbox"/> Extension of CC&N	<input type="checkbox"/> Small Water Company - Surcharge
<input type="checkbox"/> Tariff (NEW)	<input type="checkbox"/> Sale of Assets & Transfer of Ownership
<input type="checkbox"/> Request for Arbitration	<input type="checkbox"/> Sale of Assets & Cancellation of CC&N
<input type="checkbox"/> Full or Partially Arbitrated	<input type="checkbox"/> Fuel Adjuster/PGA
<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Merger
<input type="checkbox"/> Voluntary Interconnection Agreement	<input type="checkbox"/> Financing
<input checked="" type="checkbox"/> Miscellaneous - Specify: <u>Customer Complaints 2005/06</u>	

**UTILITIES - REVISIONS/AMENDMENTS TO PENDING OR APPROVED MATTERS**

<input type="checkbox"/> Application:	<input type="checkbox"/> Tariff: (Promotional or Compliance)
	(Circle One)
Company _____	Decision No. _____
Docket Number _____	Docket No: _____

**SECURITIES or MISCELLANEOUS FILINGS**

<input type="checkbox"/> Affidavit (Publication, Public Notice)	<input type="checkbox"/> Request/Motion for Extension of Time
<input type="checkbox"/> Comments	<input type="checkbox"/> Request/Motion for a Hearing
<input type="checkbox"/> Exception	<input type="checkbox"/> Request/Motion for an Intervention
<input type="checkbox"/> Exhibit(s)	<input type="checkbox"/> Miscellaneous Request/Motion
<input type="checkbox"/> Notice of Appearance/Intent	<input type="checkbox"/> Request/Motion for a Re-hearing
<input type="checkbox"/> Notice of Errata	<input type="checkbox"/> Request/Motion to Continue Hearing
<input type="checkbox"/> Opposition	<input type="checkbox"/> Request/Motion to Strike
<input type="checkbox"/> Petition	<input checked="" type="checkbox"/> Response
	<input type="checkbox"/> Testimony
	<input type="checkbox"/> Waiver
	<input type="checkbox"/> Witness List
	<input type="checkbox"/> Intervention

OTHER: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

11-15-06  
 Date

KACY PARKER  
 Print the name of the person whose signature appears on the filing  
 (i.e. Contact Person, Respondent, Attorney, Applicant, etc.)

# ARROYO WATER COMPANY, INC.

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
(928) 474-7812

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November 15, 2006

**Docket Control**  
**Arizona Corporation Commission**  
1200 W. Washington  
Phoenix, Arizona 85007-2996  
Phone: 602-542-0848

**Docket No. W-04286A-06-0399**

*Re: Arroyo Water Company, Inc. response to Customer Complaints for 2005/2006*

Enclosed you will find documentation in response to customer complaints. Each response has the complaint number and has been addressed per each item in the complaint. A customer account summary has been included. There are nine complaints for the years 2005 and 2006.

Please feel free to contact us for further information. All documentation is all file at the Arroyo Water Company office.

Sincerely,

Kacy Parker  
Kyle Parker

# ARROYO WATER COMPANY, INC.

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
(928) 474-7812

---

November 15, 2006

**Docket Control**  
**Arizona Corporation Commission**  
1200 W. Washington  
Phoenix, Arizona 85007-2996  
Phone: 602-542-0848

**Docket No. W-04286A-06-0399**

*Re: Arroyo Water Company, Inc. response to Customer Complaints for 2005/2006*

---

The following are responses to Customer Complaints and are addressed per complaint number.

**#1. Complaint No. 2005-48593 Dated: 12/1/05**

**Mr. Donald Bennett**

1. Customers can contact the water company through the mail or by fax. We are installing a phone/answer system and we will have a secretary to address issues in a more timely manner.
2. We have provided through the mail, letters notifying and updating our customers on the status of the water company and the problems we have encountered.
3. Attached is the customer account summary which shows the \$68.23 is a balance and if the customer did pay by check, we need the cancelled check for verification.
4. Also the customer stated he only pays \$16.00 a month which is not possible when all Arroyo customer's base pay is \$17.06 a month which then is adjusted to their usage for that month. The account summary reflects the general monthly charge.
5. Payments are being posted as received.

\* Attachment: Customer Account Summary and copy of complaint

---

**#2. Complaint No. 2005-48465 Dated: 11/23/05**

**Ms. Loretta Putnam**

1. Customer stated she was not credited for her \$50.00 payment. The attached Customer Account Summary will reflect that payment and other payments as they are received.
  2. Meters are installed and accurate meter numbers are documented and on file. Our water company manager, John Otten stated that no one removed her water meter and re-installed it at another location.
  3. We will be sending out bills within the next week.
-

**#3. Complaint No. 2006-50847 Dated: 4/4/06**

**Ms. Loretta Putnam**

1. The customer stated they do not owe the water company. This is addressed on the Customer Account Summary. The last three months, meter reads were the same because they had not used over the 4,000 allotted. They were billed flat rate for those months at the base pay rate of \$17.06 per month.

2. The payments \$50.00 and \$61.50 as stated in complaint are reflected on the account summary.

3. The \$100 payment on 7/16/06 is reflected on the account summary. We have not received a check for \$100 dated 9/22/06.

3. Ms. Putnam stated she has Coliform in her water. Regular testing is still on-going and the results have been submitted to ADEQ.

---

**#4. Complaint No. 2005-47672 Dated 10/21/05**

**Richard Haddow**

**Service Id# 50**

1. The amount in question of \$69.03 is reflected on the Customer Account Summary which can be followed from his zero balance on 9/10/05.

2. In response to the letter to our customers on 10/5/05. Our billing has always been behind is true, that is how we received the accounts from Mr. Williamson. Also, we were hit by lightning and we had to replace all electrical equipment.

---

**#5 Complaint No. 2006-53160 Dated 6/21/06**

**Richard Haddow**

**Service ID #54H**

1. The balance of \$81.40 is a prior balance reflected on the Customer Account Summary. It reflects account activity from 9/10/06.

---

**#6 Complaint No. 2005-48634 Dated 12/5/05**

**Roberta Pauley**

1. The water company is addressing the communication problem with a phone/answering machine and a secretary will be available to assist our customers.

2. Customers have not received bills for the last 2 months. We will be sending bills out within the next week.

3. Customers are billed monthly whether they are on-or-off premise. We are not liable for "act of nature". If a meter is shut off due to any condition, the flat base rate of \$17.06 is still billed. She still resides at that residence and has not moved away or told us to discontinue service.

4. The meters are being read and the referred to meter reads, will be investigated.

5. The leaking water tank has already been addressed

6. Required water tests are still being performed and submitted to ADEQ

7. Moratorium on water connections has been addressed in previous documents

8. The low water pressure is due to Mr. Williamson providing meters to out-side Punkin Center Village area before we acquired the company.

9. Meters are owned by the water company and the fee charged is for the usage of that meter.

10. The company has no record of such request for installing an anti-siphon valve.

---

**#7. Customer Complaint No. 2006-46959 Dated: 2/2/06**

**Maria Rojas**

1. Customer has been billed, Customer Account Summary reflects activity
2. We will send a current account summary to the customer
3. Yes, customers are being served out side Punkin Center Village which happened prior to purchase of company from Mr. Williams.

---

**#8 Customer Complaint No. 2006-52388 Dated: 2/26/06**

**Dave Stogsdill**

1. Arroyo Water Company is reluctant to provide any out side area service until the CC & N is finalized and system is upgraded.

---

**#9. Customer Complaint No. 2006-55331 Dated: 9/18/06**

**George Azbill**

1. Customers will receive water bills within the next week.

\* Attachments: Customer Account Summary and copy of complaints

**End of Compaints**

Doc # W-04286A-06-0399 Village

*Jose V.*

#1

**ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM**

**Investigator:** Carmen Madrid

**Phone:** (602) 542-0848

**Fax:** (602) 542-2129

**Priority:** Respond Within Five Days

**Complaint No.** 2005 - 48593

**Date:** 12/1/2005

**Complaint Description:** 05F Quality of Service - Can't Reach Company  
N/A Not Applicable

**Complaint By:** **First:** Don **Last:** Bennett

**Account Name:** Don Bennett **Home:** (602) 992-9403

**Street:** 15225 N. 21st Place **Work:** (000) 000-0000

**City:** Phoenix **CBR:**

**State:** AZ **Zip:** 85022 **is:**

**Utility Company:** Kacy Parker d/b/a Arroyo Water, Company

**Division:** Water

**Contact Name:** Kacy Parker **Contact Phone:** (928) 474-1766

**Nature of Complaint:**

Customers cannot contact the water company. Customer states that his regular monthly bill is \$16.00 a month. He states that in August he received a bill for \$68.23 which he paid. He states that the check was cashed but that the company is not posting the payment to his account. It still appears on his bills. He states that he has tried and tried contacting company and no one can be found or contacted by telephone.

Why aren't these payments being posted? Why isn't there an active telephone number so that customers can contact the company? Why was this person overbilled in August?  
\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

12/1/05 e-mailed to Arroyo Water Company  
12/20/05 I received a call from Mr. Bennett wanting to know the status of his complaint.  
\*\*\*\*\*

2/2/06 I notified customer that this is still under investigation. He states that when he tried calling the company he could not get a live person to speak to. He states that the company will not give him a history of his account.  
\*\*\*\*\*

6/15/06 Call received from Mr. Bennett stating that payments are not being posted to account. He is still unable to contact company. I explained to Mr. Bennett that an OSC has been issued and will be heard on June 27, 2006. I will call him with exact information when the OSC has been filed.  
\*\*\*\*\*

10/18/06 Per Connie thru Brad, This company will be issued an OSC. Refer to complaint no. 53841. closed  
\*End of Comments\*

**Date Completed:** 10/18/2006

*Book Review  
PAINT  
3/20/06*

Arroyo Water Company  
Customer Transaction Summary

**Customer Information**

ACCT. NO : BENNETT D01  
BENNETT DON  
15225 N 21ST PLACE  
PHOENIX, AZ 85022-

**Location Information**

SERVICE ID : 42  
42  
TONTO BASIN, AZ 85553-

Date	Type	Read Date	Reading	Usage	Prior Balance	Transaction Amount	Balance
01/18/2006	Charge	01/10/2006	32150	40	68.24	17.06	85.30
02/01/2006	Charge	02/28/2006	32870	720	85.30	34.11	119.41
02/23/2006	Payment				119.41	-17.06	102.35
02/23/2006	Payment				102.35	-34.12	68.23
03/05/2006	Charge	03/29/2006	33020	150	68.23	17.06	85.29
04/10/2006	Charge	04/18/2006	33060	40	85.29	17.06	102.35
05/02/2006	Payment				102.35	-17.06	85.29
05/10/2006	Charge	05/10/2006	33120	60	85.29	17.06	102.35
06/10/2006	Charge	06/13/2006	33340	220	102.35	17.06	119.41
06/13/2006	Payment				119.41	-17.06	102.35
07/10/2006	Charge	07/10/2006	33340		102.35	17.06	119.41
07/25/2006	Payment				119.41	-17.06	102.35

*Docket # W-04286A-06-0399*

*Compliment # 2005-48593*

Docket # 04286A-06-0399 *Hillage*

*Jony V.*

#2

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

**Investigator:** Carmen Madrid

**Phone:** (602) 542-0848

**Fax:** (602) 542-2129

**Priority:** Respond Within Five Days

**Complaint No.** 2005 - 48465

**Date:** 11/23/2005

**Complaint Description:** 01B Billing - Disputed  
N/A Not Applicable

**Complaint By:** First: Loretta Last: Putnam

**Account Name:** Loretta Putnam **Home:** (928) 479-2950

**Street:** P. O. Box 1122 **Work:** (000) 000-0000

**City:** Tonto Basin **CBR:**

**State:** AZ **Zip:** 85553 **Is:**

**Utility Company:** Kacy Parker d/b/a Arroyo Water, Company

**Division:** Water

**Contact Name:** Kacy Parker **Contact Phone:** (928) 474-1766

**Nature of Complaint:**

Customer states that she made a payment of \$50 for her water bill. The check was cashed but the \$50 has not been credited to her account. She also states that 3 years ago she paid to have a new meter installed. She paid \$325 the new meter was installed and then removed and installed at another person's lot.

Why aren't the payment being posted to the accounts? Why was her new meter removed and installed at someone else's property?

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

11/23/05 faxed to Arroyo Water Co. @ 928-474-7812

2/2/06 Informed customer that this is still pending and under investigation. Customer wanted to be notified when a hearing is scheduled for the CC&N.

9/11/06 - \*\*\*\*\*NOTES BY LUPE\*\*\*\*\* - Customer Call:

Loretta Putnam called inquiring of the status of Compliant # 48465. Loretta indicated she wrote a check to the company on 7/19/2006 in the amount of \$100.00 for payment of her services, which as of date has not been cashed. Loretta also indicated that she has not received a bill for the last two months.

I left a message for the company to inquire of the billing statement.

\*End of Comments\*

*Check Statement*

*Donny U.*

*Docket # Village  
W-04286A-06-0399*

#3

**ARIZONA CORPORATION COMMISSION**

**UTILITY COMPLAINT FORM**

**Investigator:** John La Porta

**Phone:** (602) 542-0819

**Fax:** (602) 542-2129

**Priority:** Respond Within Five Days

**Complaint No.** 2006 - 50847

**Date:** 4/4/2006

**Complaint Description:** 01J Billing - Billing Unclear/confusing  
N/A Not Applicable

**Complaint By:** First: Loretta Last: Putnam

**Account Name:** Loretta Putnam **Home:** (928) 479-2950

**Street:** PO Box 1122 **Work:** (000) 000-0000

**City:** Tonto Basin **CBR:**

**State:** AZ **Zip:** 85553 **is:**

**Utility Company:** Kacy Parker d/b/a Arroyo Water, Company

**Division:** Water

**Contact Name:** Kacy Parker **Contact Phone:** (928) 474-1766

**Nature of Complaint:**

Customer states they just got their current bill from Arroyo Water Company. It reflects that they don't owe the company anything and they used zero gallons last month. In addition to that they have paid \$51 and \$61 a month the two previous months and that is not reflected on the bill.

Commission asks why customer is not being charged for water this month, and what about their previous payments, shouldn't this also be reflected on the current bill. Please look into this matter and advise both the customer and the Commission on your findings.

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

04/04/06-Complaint was faxed to Kacy Parker on this day.

\*\*\*\*\*

10/18/06

THROUGH COMMISSIONER WONG

Mrs calling Commissioner Wong at the suggestion of Don Bennett regarding billing problems with utility. Consumer not receiving proper water bills and two checks which she has sent company, both for \$100 dated 7/16/06 and 9/22/06 have yet to be cashed. She is also concerned because there is Coliform in her water.

Discussed issues for both parties with Connie Walczak who has been in touch with Mr Bennett. She referred me to Kim Battista/ Brian Bozzo because they have been able to contact company in the past while he does not answer the telephone for anyone else.

*Print copy of statement*

**ARIZONA CORPORATION COMMISSION**  
**UTILITY COMPLAINT FORM**

---

Discussed issues with Kim Battista and she advised OSC was pulled by Chairman Hatch-Miller but that Compliance will be going out with ADEQ, just waiting for date to be set. Update provided to VI in Commissioner Wong's office. Kim claims Deb Reagan has been working with her so I will advise Deb. (notes by Brad Morton)  
\*End of Comments\*

**Date Completed:**

**Complaint No. 2006 - 50847**

---

**Substantiated/Un-Substantiated not yet determined**

**Notes:**

Arroyo Water Company  
Customer Transaction Summary

**Customer Information**

ACCT. NO : PUTNAM R01  
PUTNAM RICHARD  
PO BOX 1122  
TONTO BASIN, AZ 85553-

**Location Information**

SERVICE ID : 09

Date	Type	Read Date	Reading	Usage	Prior Balance	Transaction Amount	Balance
11/15/2005	Charge	11/01/2005	1397020	1420	109.76	17.40	127.16
12/01/2005	Charge	12/01/2005	1398790	1770	127.16	17.67	144.83
12/19/2005	Misc				144.83	0.00	144.83
12/19/2005	Misc				144.83	9.26	154.09
12/22/2005	Payment				154.09	-50.00	104.09
01/18/2006	Charge	01/10/2006	1399350	560	104.09	17.06	121.15
02/01/2006	Charge	02/01/2006	1399350		121.15	17.06	138.21
03/05/2006	Charge	03/05/2006	1399350		138.21	17.06	155.27
03/14/2006	Payment				155.27	-61.15	94.12
04/10/2006	Charge	04/14/2006	9300	9300	94.12	23.70	117.82
05/10/2006	Charge	05/10/2006	9440	140	117.82	17.06	134.88
06/10/2006	Charge	06/02/2006	10310	870	134.88	17.06	151.94
07/10/2006	Charge	07/10/2006	13690	3380	151.94	18.96	170.90
07/25/2006	Payment				170.90	-100.00	70.90

*DOCKET # W-04286A-06-0399*

*Complaint # 2005-48465  
2006-50847*

SOCKET # 04286A-06-0399

EWING trail & Village

Jonny V.

ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

#4

Investigator: Janie Woller

Phone: (602) 542-0821

Fax: (602) 542-2129

Priority: Respond Within Five Days

Complaint No. 2005 - 47672

Date: 10/21/2005

Complaint Description: 01B Billing - Disputed  
N/A Not Applicable

Complaint By: Richard Haddow

Account Name: Richard Haddow

Home: (928) 479-2442

Street: P.O. Box 946

Work: (000) 000-0000

City: Tonto Basin

CBR:

State: AZ Zip: 85553

Is:

Utility Company: Kacy Parker d/b/a Arroyo Water, Company

Division: Water

Contact Name: Kacy Parker

Contact Phone: (928) 474-1766

Nature of Complaint:

Mr. Haddow sent a copy of the letter Arroyo Water Company sent him which reads as follows:  
"October 5, 2005  
To: Our valued water customers of Punkin Center  
Subject: Billing

As you know our billing has always been several months behind. Due to lightening hitting our building, our billing has gotten even further behind. Per numerous conversations with Reg Sanders of the Arizona Corporation Commission, this is the only legal way to catch it all up.

Your monthly meter reads were applied to your account and processed as if it were the current charges are for the October 1st meter reads which would be for this September's water consumption.

The due date for the previous balance is January 12th. However, the current charges for September are due as noted on your bill.

Thank you for your cooperation as I know this will finally get our billing program caught up to date.

Sincerely,  
Kacy, President"

Mr. Haddow wants to know how the previous balances were calculated.  
What makes up the \$81.40 previous balance and the \$69.03 previous balance?  
\*End of Complaint\*

Utilities' Response:

Investigator's Comments and Disposition:

10/21/05 12:15 p.m. Faxed to (928) 474-7812.

12/6 - Left v/m message for Kacy Parker requesting a return call.  
\*End of Comments\*

Print Statement

*Janey 2.*

*Docket # W-04286A-06-0399*

**ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM**

*#5*

**Investigator:** Deb Reagan

**Phone:** (602) 364-0236

**Fax:** (602) 542-2129

**Priority:** Respond Within Five Days

**Complaint No.** 2006 - 53160

**Date:** 6/21/2006

**Complaint Description:** 05E Quality of Service - Outage/Interruptions  
N/A Not Applicable

**Complaint By:** First: Richard

Last: Haddow

**Account Name:** Richard Haddow #54H

**Home:** (928) 479-2442

**Street:** 124 E. Haddow Ln.

**Work:**

**City:** Tonto Basin

**CBR:**

**State:** AZ Zip: 85553

**is:**

**Utility Company:** Kacy Parker d/b/a Arroyo Water, Company

**Division:** Water

**Contact Name:** Kacy Parker

**Contact Phone:** (928) 474-1766

**Nature of Complaint:**

Customer says he has had no pressure or low pressure for the past week.

Why is this customer experiencing no/low pressure? What are the company's plans to maintain minimum 20 psi to its customers in compliance with Rule 14-2-407.E? Is the company experiencing supply problems in its water system? Is the company planning to file a Curtailment Plan Tariff with the Commission?

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

Faxed to 928-474-7812.

9/20 - No response received from company. Customer called again to advise that he had not received a bill in 4 months.

\*End of Comments\*

**Date Completed:**

**Complaint No.** 2006 - 53160

**Substantiated/Un-Substantiated not yet determined**

**Notes:**

*When received of CC's  
Project will be up of  
OUT OF ORG SERVICE AREA*

Arroyo Water Company  
Customer Transaction Summary

**Customer Information**

ACCT. NO : HADDOW R01  
HADDOW RICHARD  
PO BOX 946  
TONTON BASIN, AZ 85553-

**Location Information**

SERVICE ID : 50

Date	Type	Read Date	Reading	Usage	Prior Balance	Transaction Amount	Balance
09/10/2005	Charge	06/01/2005	447640	1490	0.00	17.45	17.45
09/20/2005	Charge	07/01/2005	449040	1400	17.45	17.38	34.83
10/04/2005	Charge	08/01/2005	450150	1110	34.83	17.14	51.97
10/04/2005	Charge	09/01/2005	450260	110	51.97	17.06	69.03
10/07/2005	Charge	10/01/2005	450430	170	69.03	17.06	86.09
11/02/2005	Payment				86.09	-86.09	0.00
11/15/2005	Charge	11/01/2005	450610	180	0.00	17.06	17.06
12/01/2005	Charge	12/01/2005	450810	200	17.06	17.06	34.12
12/09/2005	Payment				34.12	-17.06	17.06
12/28/2005	Payment				17.06	-17.06	0.00
01/18/2006	Charge	01/10/2006	450920	110	0.00	17.06	17.06
02/01/2006	Charge	02/28/2006	451190	270	17.06	34.11	51.17
02/23/2006	Payment				51.17	-17.06	34.11
03/05/2006	Charge	03/29/2006	461400	10210	34.11	24.42	58.53
04/05/2006	Payment				58.53	-34.11	24.42
04/10/2006	Charge	04/14/2006	461580	180	24.42	17.06	41.48
05/10/2006	Charge	05/10/2006	461740	160	41.48	17.06	58.54
05/10/2006	Payment				58.54	-17.06	41.48
06/10/2006	Charge	06/13/2006	461940	200	41.48	17.06	58.54
07/10/2006	Charge	07/10/2006	462010	70	58.54	17.06	75.60
07/25/2006	Payment				75.60	-17.06	58.54
07/25/2006	Payment				58.54	-17.06	41.48

*DOCKET # W-04286A-06-0399*

*Complaint # 2005-47672*

*2006-53160*

Arroyo Water Company  
Customer Transaction Summary

**Customer Information**  
ACCT. NO : HADDOW R01  
HADDOW RICHARD  
PO BOX 946  
TONTON BASIN, AZ 85553-

**Location Information**  
SERVICE ID : 54 H

Date	Type	Read Date	Reading	Usage	Prior Balance	Transaction Amount	Balance
07/12/2005	Payment				20.69	-20.69	0.00
07/16/2005	Charge	05/15/2005	162680	3840	0.00	53.44	53.44
08/24/2005	Payment				53.44	-53.44	0.00
09/10/2005	Charge	06/01/2005	167230	4550	0.00	19.89	19.89
09/20/2005	Charge	07/01/2005	172470	5240	19.89	20.45	40.34
10/04/2005	Charge	08/01/2005	179990	7520	40.34	22.27	62.61
10/04/2005	Charge	09/01/2005	183160	3170	62.61	18.79	81.40
10/07/2005	Charge	10/01/2005	186490	3330	81.40	18.92	100.32
11/02/2005	Payment				100.32	-100.32	0.00
11/15/2005	Charge	11/01/2005	189300	2810	0.00	18.51	18.51
12/01/2005	Charge	12/01/2005	191850	2550	18.51	18.29	36.80
12/09/2005	Payment				36.80	-18.51	18.29
12/28/2005	Payment				18.29	-18.29	0.00
01/18/2006	Charge	01/10/2006	194420	2570	0.00	18.31	18.31
02/01/2006	Charge	02/28/2006	197630	3210	18.31	35.88	54.19
02/23/2006	Payment				54.19	-18.31	35.88
03/05/2006	Charge	03/29/2006	200030	2400	35.88	18.18	54.06
04/05/2006	Payment				54.06	-35.88	18.18
04/10/2006	Charge	04/14/2006	203060	3030	18.18	18.68	36.86
05/10/2006	Charge	05/10/2006	206200	3140	36.86	18.77	55.63
05/10/2006	Payment				55.63	-18.68	36.95
06/10/2006	Charge	06/02/2006	209910	3710	36.95	19.22	56.17
07/10/2006	Charge	07/10/2006	214010	4100	56.17	19.54	75.71
07/25/2006	Payment				75.71	-18.77	56.94
07/25/2006	Payment				56.94	-19.22	37.72

DOCKET # W-04286A-06-0399  
Complaint # 2005-47672

DOCKET # W-04286A-06-0399

Village / For Sale

Imey U.

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

6

Investigator: Carmen Madrid

Phone: (602) 542-0848

Fax: (602) 542-2129

Priority: Respond Within Five Days

Complaint No. 2005 - 48634

Date: 12/5/2005

Complaint Description: 05F Quality of Service - Can't Reach Company
N/A Not Applicable

Complaint By: Roberta Pauley

Account Name: Roberta Pauley Home: (928) 479-3067

Street: 221 E. Pumpkin Center Rd., Lot #14 Work: (000) 000-0000

City: Tonto Basin CBR:

State: AZ Zip: 85553 is:

Utility Company: Kacy Parker d/b/a Arroyo Water, Company

Division: Water

Contact Name: Kacy Parker Contact Phone: (928) 474-1766

Nature of Complaint:

Customer states that they can't reach the company. The telephone number given is for a fax machine and that there is no physical address for company. Customer states she had not received a bill for several months. Her water was cut off at the meter from January 3, 2005 to April 10, 2005 and the customers left because of flooding in the area. Yet they were still bill as if water had been turned on. She has now received a bill for \$347.44 which is due on December 15, 2005 or she will be disconnected. In June she was billed for 25,530 gallons, in July bill was for 13,670 gallons and in August bill was for 26,180 gallons. The meters are not being read. The company has a leaking water tank that needs to be repaired. The company is not testing the water quality with ADEQ. Also this company is suppose to have a moratorium on water connections in effect. Yet the company has connected 20 people to the system and is leaving the customers without any water pressure.

Why aren't the meters being read? Why haven't you been billing on a monthly basis? Why are you not getting the water tested by ADEQ? If you have a moratorium in effect why are still connecting homes to the system? Why don't you have an active telephone number for customers to contact you? Don't you have a physical location for the company?

\*End of Complaint\*

Utilities' Response:

Investigator's Comments and Disposition:

12/5/05 e-mailed to Arroyo Water Company

2/2/06 I contacted customer and notified her that this was still under investigation. Customer has been sending \$50 a month and doesn't know why bills aren't being received. Customer states that about 5 years ago the company was ordered not to add more connections and company is still doing it. Customer states that meters are bought by the customer and then the meter belongs to the customer. Customer states that company wanted her to install and anti-syphon valve on each faucet.

Print II Copy

Arroyo Water Company  
Customer Transaction Summary

**Customer Information**

ACCT. NO : PAULEY D01  
PAULEY DAVID  
PO BOX 1083  
TONTON BASIN, AZ 85553-

**Location Information**

SERVICE ID : 14

Date	Type	Read Date	Reading	Usage	Prior Balance	Transaction Amount	Balance
12/30/2004	Charge	11/01/2004	3632500	9560	68.52	23.90	92.42
01/18/2005	Payment				92.42	-68.52	23.90
02/07/2005	Charge	12/01/2004	3635910	3410	23.90	18.99	42.89
03/01/2005	Charge	01/01/2005	3640370	4460	42.89	19.83	62.72
03/25/2005	Charge	02/02/2005	3645230	4860	62.72	20.15	82.87
06/17/2005	Charge	03/01/2005	3645350	120	82.87	17.06	99.93
07/16/2005	Charge	05/15/2005	3661020	15670	99.93	62.89	162.82
09/10/2005	Charge	06/01/2005	3686550	25530	162.82	36.67	199.49
09/20/2005	Charge	07/01/2005	3700220	13670	199.49	27.18	226.67
10/04/2005	Charge	08/01/2005	3726400	26180	226.67	37.19	263.86
10/04/2005	Charge	09/01/2005	3739290	12890	263.86	26.56	290.42
10/07/2005	Charge	10/01/2005	3762670	23380	290.42	34.95	325.37
11/15/2005	Charge	11/01/2005	3769940	7270	325.37	22.07	347.44
12/01/2005	Charge	12/01/2005	3777940	8000	347.44	22.65	370.09
12/08/2005	Payment				370.09	-50.00	320.09
01/05/2006	Payment				320.09	-50.00	270.09
01/18/2006	Charge	01/10/2006	3783210	5270	270.09	20.47	290.56
02/01/2006	Charge	02/28/2006	3791910	8700	290.56	40.27	330.83
03/05/2006	Charge	03/29/2006	3795520	3610	330.83	19.15	349.98
03/06/2006	Payment				349.98	-100.00	249.98
04/10/2006	Charge	04/14/2006	3800400	4880	249.98	20.16	270.14
05/10/2006	Charge	05/10/2006	3814940	14540	270.14	27.89	298.03
06/10/2006	Charge	06/02/2006	3838970	24030	298.03	35.47	333.50
07/10/2006	Charge	07/10/2006	3860900	21930	333.50	33.79	367.29

*Docket # W-0 4286 A-06-0399*  
*Complaint # 2005-48634*

*Village*

*Jany D.*

*Socket #W-04286A-06-0399*

**ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM**

*#7*

**Investigator:** Carmen Madrid

**Phone:** (602) 542-0848

**Fax:** (602) 542-2129

**Priority:** Respond Within Five Days

**Complaint No.** 2006 - 49659

**Date:** 2/2/2006

**Complaint Description:** 05F Quality of Service - Can't Reach Company  
N/A Not Applicable

**Complaint By:** First: Maria Last: Rojas

**Account Name:** Maria Rojas **Home:** (602) 717-2130

**Street:** P. O. Box 743 **Work:** (000) 000-0000

**City:** Tonto Basin **CBR:**

**State:** AZ **Zip:** 85553 **is:**

**Utility Company:** Kacy Parker d/b/a Arroyo Water, Company

**Division:** Water

**Contact Name:** Kacy Parker **Contact Phone:** (928) 474-1766

**Nature of Complaint:**

Customer states that she has tried contacting Kacy Parker @ Arroyo Water Company and they can't do it. She wanted to request a copy of her account history. She does not receive any bills and she has continued to send in payments that she feels would be about right. She does feel that she has over paid on this account. She states that the property in this area is selling in leaps and bounds. She states that the water company is connecting water to properties outside of the Pumpkin Center Village. She wanted to know if she should continue to keep paying the same amount.

Why can't she contact the company? Are customers in the area receiving monthly bills? Are you serving customers outside of your certificated area? Do you have enough water in the system to serve additional properties?

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

2/2/06 I explained that she should continue to pay but to keep a record of how much she paid. I gave her the rates that should be charged according to the Tonto Basin Water Company tariff. I explained that the CC&N has not actually been transferred to Kacy Parker yet and that it is still pending. (complaint faxed to Arroyo Water Co.)

\*End of Comments\*

**Date Completed:**

**Complaint No. 2006 - 49659**

*Print Acc. History*

Arroyo Water Company  
Customer Transaction Summary

**Customer Information**

ACCT. NO : ROJAS M01  
ROJAS MARIA  
PO BOX 743  
TONTON BASIN, AZ 85553-

**Location Information**

SERVICE ID : 12 N

Date	Type	Read Date	Reading	Usage	Prior Balance	Transaction Amount	Balance
11/14/2005	Payment				109.06	-109.06	0.00
11/15/2005	Charge	11/01/2005	564150	5170	0.00	20.39	20.39
12/01/2005	Charge	12/01/2005	568710	4560	20.39	19.90	40.29
12/14/2005	Payment				40.29	-20.39	19.90
01/18/2006	Charge	01/10/2006	573440	4730	19.90	20.04	39.94
02/01/2006	Charge	02/28/2006	578670	5230	39.94	37.49	77.43
02/23/2006	Payment				77.43	-39.94	37.49
03/05/2006	Charge	03/29/2006	583130	4460	37.49	19.83	57.32
04/10/2006	Charge	04/14/2006	587880	4750	57.32	20.05	77.37
05/10/2006	Charge	05/10/2006	593260	5380	77.37	20.56	97.93
06/10/2006	Charge	06/02/2006	598490	5230	97.93	20.44	118.37
07/10/2006	Charge	07/10/2006	604470	5980	118.37	21.04	139.41
07/25/2006	Payment				139.41	-21.02	118.39

*Docket # W-04286A-06-0399  
Complaint # 2006-49659*

Oockett # W-04286A-06-0389

Ewing trail

Jonny U.

ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

# 8

**Investigator:** John La Porta

**Phone:** (602) 542-0819

**Fax:** (602) 542-2129

**Priority:** Respond Within Five Days

**Complaint No.** 2006 - 52388

**Date:** 5/26/2006

**Complaint Description:** 03A New Service - Installation Delays  
N/A Not Applicable

**Complaint By:** **First:** Dave **Last:** Stogsdill

**Account Name:** Dave Stogsdill **Home:** (520) 221-0306

**Street:** 368 N Evani Ave **Work:** (000) 000-0000

**City:** Benson **CBR:**

**State:** AZ **Zip:** 85602 **is:**

**Utility Company:** Kacy Parker d/b/a Arroyo Water, Company

**Division:** Water

**Contact Name:** Kacy Parker **Contact Phone:** (928) 474-1766

**Nature of Complaint:**

Customer called stating that Arroyo Water refuses to supply him water service.

Commission asks why Arroyo will not provide this customer with water service. Please provide both customer and the Commission on a response.

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

**Date Completed:**

**Complaint No.** 2006 - 52388

**Substantiated/Un-Substantiated not yet determined**

**Notes:**

*OUT of HRS  
AKR John*

Village

Tracy V.

Docket # W-04286A-06-0399

ARIZONA CORPORATION COMMISSION  
UTILITY COMPLAINT FORM

# 9

**Investigator:** John La Porta

**Phone:** (602) 542-0819

**Fax:** (602) 542-2129

**Priority:** Respond Within Five Days

**Complaint No.** 2006 - 55331

**Date:** 9/18/2006

**Complaint Description:** 01Z Billing - Other  
N/A Not Applicable

**Complaint By:** First: George Last: Azbill

**Account Name:** George Azbill **Home:** (928) 479-2542

**Street:** PO Box 653 **Work:** (000) 000-0000

**City:** Tonto Basin **CBR:**

**State:** AZ **Zip:** 85553 **is:**

**Utility Company:** Kacy Parker d/b/a Arroyo Water, Company

**Division:** Water

**Contact Name:** Kacy Parker **Contact Phone:** (928) 474-1766

**Nature of Complaint:**

Customer states that he has not received a water bill for almost three full months. Complaint was forwarded or faxed to the company.

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

09/18/06-Advised customer that I would keep track of his call and advise him when I knew something.

\*End of Comments\*

**Date Completed:**

**Complaint No.** 2006 - 55331

**Substantiated/Un-Substantiated not yet determined**

**Notes:**

Arroyo Water Company  
Customer Transaction Summary

**Customer Information**

ACCT. NO : AZBILL G01  
AZBILL GEORGE  
PO BOX 653  
TONTON BASIN, AZ 85553-

**Location Information**

SERVICE ID : 69  
69  
TONTON BASIN, AZ 85553-

Date	Type	Read Date	Reading	Usage	Prior Balance	Transaction Amount	Balance
01/20/2005	Payment				17.97	-17.97	0.00
02/07/2005	Charge	12/01/2004	1249150	1170	0.00	17.19	17.19
02/16/2005	Payment				17.19	-17.19	0.00
03/01/2005	Charge	01/01/2005	1250200	1050	0.00	17.10	17.10
03/09/2005	Payment				17.10	-17.10	0.00
03/25/2005	Charge	02/02/2005	1251140	940	0.00	17.06	17.06
04/07/2005	Payment				17.06	-17.06	0.00
06/17/2005	Charge	03/01/2005	1253330	2190	0.00	18.00	18.00
07/12/2005	Payment				18.00	-18.00	0.00
07/16/2005	Charge	05/01/2005	1256440	3110	0.00	35.80	35.80
08/24/2005	Payment				35.80	-35.80	0.00
09/10/2005	Charge	06/01/2005	1259920	3480	0.00	19.04	19.04
09/20/2005	Charge	07/01/2005	1267660	7740	19.04	22.45	41.49
10/04/2005	Charge	08/01/2005	1272950	5290	41.49	20.49	61.98
10/04/2005	Charge	09/01/2005	1274970	2020	61.98	17.88	79.86
10/07/2005	Charge	10/01/2005	1277330	2360	79.86	18.14	98.00
11/14/2005	Payment				98.00	-36.28	61.72
11/15/2005	Charge	11/01/2005	1282260	4930	61.72	20.20	81.92
11/30/2005	Payment				81.92	-49.60	32.32
12/01/2005	Charge	12/01/2005	1284240	1980	32.32	17.84	50.16
01/10/2006	Payment				50.16	-50.16	0.00
01/18/2006	Charge	01/10/2006	1285700	1460	0.00	17.43	17.43
02/01/2006	Charge	02/28/2006	1287170	1470	17.43	34.49	51.92
02/23/2006	Payment				51.92	-17.84	34.08
03/05/2006	Charge	03/29/2006	1288600	1430	34.08	17.40	51.48
04/10/2006	Charge	04/14/2006	1290280	1680	51.48	17.60	69.08
04/10/2006	Payment				69.08	-17.43	51.65
05/09/2006	Payment				51.65	-49.95	1.70
05/10/2006	Charge	05/10/2006	1291370	1090	1.70	17.13	18.83
06/10/2006	Charge	06/02/2006	1296380	5010	18.83	20.26	39.09
06/13/2006	Payment				39.09	-18.83	20.26
07/10/2006	Charge	07/10/2006	1301220	4840	20.26	20.13	40.39
07/25/2006	Payment				40.39	-20.26	20.13

*Docket # W-04286A-06-0399  
Complaint # 2006-55231*

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541

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December 12, 2006

Docket Control Center  
Deborah Regan  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, Arizona 85001  
Phone: 602-364-0236

Docket # W-04286A-04-0774

Dear Ms. Regan;

Attached is the Tariff Schedule for Arroyo Water Company as requested on Item # 4 of the Proposed Rates and Charges in Staff recommendations.

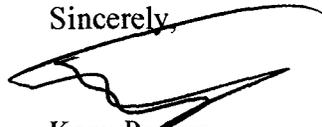
\*This attachment (Exhibit I) addresses numbers, 1, 2, and 3.

Arroyo has no plans to increase the rates until the CC&N has been finalized and all issues are resolved.

We are operating under general practice accrual accounting principals.

Thank you for your assistance.

Sincerely,



Kacy Parker

TARIFF SCHEDULE

UTILITY: TONTO BASIN WATER CO.  
DOCKET NO: U-2337-91-052

PAGE 1 OF 2  
DECISION NO. 57512  
EFFECTIVE: SEPT. 1, 1991

RATES AND CHARGES

CUSTOMER/MINIMUM CHARGE  
PER MONTH

METER	CHARGE	GALLONS
5/8 X 3/4"	\$ 16.00	FOR 1,000
3/4"	\$ 16.00	FOR 1,000
1"	\$ 20.00	FOR 1,000
1 1/2"	\$ 75.00	FOR 1,000
2"	\$120.00	FOR 1,000
3"	\$225.00	FOR 1,000
4"	\$375.00	FOR 1,000
5"	\$562.50	FOR 1,000
6"	\$750.00	FOR 1,000

SERVICE LINE & METER  
INSTALLATION CHARGES

METER	CHARGE
5/8 X 3/4"	\$ 265.00
3/4"	\$ 295.00
1"	\$ 345.00
1 1/2"	\$ 520.00
2"	\$ 725.00
3"	\$ 975.00
4"	\$1550.00
5"	\$2338.00
6"	\$3125.00

COMMODITY CHARGE (EXCESS OF MINIMUM):

\$0.75 PER 1,000 GALLONS

SERVICE CHARGES:

1. ESTABLISHMENT (R14-2-403.D.1)	\$15.00
2. ESTABLISHMENT/AFTER HOURS (R14-2-403.D.2)	\$30.00
3. RECONNECTION/DELINQUENT (R14-2-403.D.1)	\$15.00
4. NSF CHECK (R14-2-409)	\$10.00
5. METER REREAD/IF CORRECT (R14-2-408.C.2)	\$10.00
6. METER TEST/IF CORRECT (R14-2-408.F.1)	\$25.00
7. DEFERRED PAYMENT (R14-2-409.G.6)	1% PER MONTH
8. DEPOSIT INTEREST (R14-2-403.B.3)	PER RULE
9. DEPOSIT (R14-2-403.B.7)	PER RULE
10. LATE FEE (\$0-\$30) 15+ DAYS POST BILLING	1.5% PER MONTH
11. LATE FEE (\$30.01-\$60) 15+ DAYS POST BILLING	1.5% PER MONTH
12. TEMPORARY TURNOFF	1.5% PER MONTH
13. REESTABLISHMENT W/N 12 MOS (R14-2-403.D.1)	MONTHS OFF THE SYSTEM TIMES THE MINIMUM

OTHER RATES AND CHARGES APPROVED BY ORDER:

IN ADDITION TO THE COLLECTION OF ITS REGULAR RATES AND CHARGES, THE COMPANY SHALL COLLECT FROM ITS CUSTOMERS THEIR PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES OR USE TAX IN ACCORDANCE WITH R14-2-409.D.5.

DOCKET #  
W-04286A-04-0774

TARIFF SCHEDULE

TONTO BASIN WATER CO.  
DECISION #57512  
EFFECTIVE SEPT. 1, 1991  
PAGE 2

MONTHLY SERVICE CHARGE FOR FIRE SPRINKLERS:

4" OR SMALLER	\$ 16.00
6"	20.00
8"	75.00
10"	120.00
LARGER THAN 10"	225.00

## TARIFF SCHEDULE

UTILITY: ARROYO WATER COMPANY  
DOCKET # U-2337-91-052

PAGE 1 OF 2  
DECISION #57512

EFFECTIVE: SEPT 1, 1991

**CUSTOMER/MINIMUM CHARGE  
PER MONTH**

**SERVICE LINE & METER  
INSTALLATION CHARGES**

METER	CHARGE	GALLONS	METER	CHARGE
5/8 X 3/4"	\$ 16.00 for	1,000	5/8 x 3/4"	\$265.00
3/4"	\$ 16.00 for	1,000	3/4"	\$295.00
1"	\$ 20.00 for	1,000	1"	\$345.00
1 1/2"	\$ 75.00 for	1,000	1 1/2"	\$520.00
2"	\$120.00 for	1,000	2"	\$725.00
3"	\$225.00 for	1,000	3"	\$975.00
4"	\$375.00 for	1,000	4"	\$1550.00
5"	\$562.50 for	1,000	5"	\$2338.00
6"	\$750.00 for	1,000	6"	\$3125.00

**COMMODITY CHARGE (EXCESS OF MINIMUM):**

\$0.75 PER 1,000 GALLONS

**SERVICE CHARGES:**

1.	ESTABLISHMENT (R14-2-403.D.1)	\$15.00
2.	ESTABLISHMENT/AFTER HOURS (R14-2-403.D.1)	\$30.00
3.	RECONNECTION/DELINQUENT (R14-2-403.D.1)	\$15.00
4.	NSF CHECK (R14-2-409)	\$10.00
5.	METER REREAD/IF CORRECT (R14-2-408.C.2)	\$10.00
6.	METER TEST/IF CORRECT (R14-2-408.F.1.)	\$25.00
7.	DEFERRED PAYMENT (R14-2-409.G.6)	1% PER MONTH
8.	DEPOSIT INTEREST (R14-2-403.B.3)	PER RULE
9.	DEPOSIT (R14-2-403.B.7)	PER RULE
10	LATE FEE (\$0-\$30) 15+ DAYS POST BILLING	1.5% PER MONTH
11.	LATE FEE(\$30.01-\$60.00) 15+ DAYS POST BILLING	1.5% PER MONTH
12	TEMPORARY TURNOFF	1.5% PER MONTH
13.	RE-ESTABLISHMENT W/N 12 MOS. (R14-2-403.D1)	MONTHS OFF THE SYSTEM TIMES THE MINIMUM

**OTHER RATES AND CHARGES APPROVED BY ORDER:**

IN ADDITION TO THE COLLECTION OF IT'S REGULAR RATES AND CHARGES, THE COMPANY SHALL COLLECT FROM IT'S CUSTOMERS, THEIR PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES OR USE TAX IN ACCORDANCE WITH (R14-2-409.D.5)

**TARRIF SCHEDULE**

**ARROYO WATER COMPANY**

**DECISION #57512**

**EFFECTIVE SEPT. 1, 1991**

**PAGE 2**

**MONTHLY SERVICE CHARGE FOR FIRE SPRINKLERS:**

<b><u>4' OR SMALLER</u></b>	<b><u>\$16.00</u></b>
<b><u>6"</u></b>	<b><u>\$20.00</u></b>
<b><u>8"</u></b>	<b><u>\$75.00</u></b>
<b><u>10"</u></b>	<b><u>\$120.00</u></b>
<b><u>LARGER THAN 10"</u></b>	<b><u>\$225.00</u></b>

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

---

December 15, 2006

Docket No. W-04286A-04-0774  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, Arizona 85007  
Phone: 602-542-4251  
Fax: 602-542-2129

Arizona Corporation Commission,

Attached is the Affidavit as requested, by phone per Blessing Chukwu.

This Affidavit confirms that the customers for Arroyo Water Company have been notified by mail that the water company is in the process of filing for their CC&N status.

Sincerely,

  
Kacy Parker

**ARROYO WATER COMPANY**  
HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

---

AFFIDAVIT

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I, [Signature], have hereby sworn before witnesses, that I have sent to all the Arroyo Water Company customers, Notices that state the water company is in the application process for their CC&N. The water company has provided letters to our customers keeping them informed of all activity pertaining to the application and status of the company.

**NOTARY:**

The foregoing instrument was acknowledged before me this 19 December, 2006; By Kacy Parker, who is personally known by me or has produced A2 DL, as identification and who did/did not take an oath.

[Signature]

Signature of person taking Acknowledgment of person

Joanna K Jones

Printed or Stamped name

Taking Acknowledgement

**NOTARY PUBLIC**

TITLE OR RANK

on:

My Commission expires



Attachment: E

Docket # W-04286A-04-0774

## **ARROYO WATER COMPANY, INC.**

**HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541**

---

ARROYO WATER COMPANY has filed with the Arizona Corporation Commission an application for authority to provide Water service to an area in which records indicate that you are a property owner. If the application is granted, ARROYO WATER COMPANY, would be the exclusive provider of Water service to the proposed area. ARROYO WATER COMPANY, will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property.

The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street, Phoenix, Arizona 85007, and at ARROYO WATER COMPANY, HC 6 Box 1048 L Payson, Arizona 85541.

The Commission will hold a hearing on this matter. As a property owner you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application, have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington St., Phoenix, Arizona 85007 or call 1-800-222-7000/400.

*Item #2*

**ARROYO WATER COMPANY, INC.**  
**HC 6 Box 1048 L** 1049  
**Payson, Arizona 85541**

---

**Dear Tonto Basin Water Users!**

---

**Please be advised:**

**As of this date: March 26, 2003, all payments, correspondence  
or questions will be addressed to:**

**ARROYO WATER COMPANY, INC.**  
**HC 6 Box 1048 L**  
**Payson, Arizona 85541**

**This address change takes effect immediately!**

---

**Thank you for your prompt attention to this matter!**

*Docket # W-04286A -04-0774*

**ARROYO WATER COMPANY INC.  
HC 6 BOX 1048-L  
PAYSON, ARIZONA 85541**

*Item # 3*

\*\*\*\*\*

**April 28, 2003**

Arroyo water customers,

As many of you may be aware the water system is in the process of changing ownership, pending the approval of the Arizona corporation commission (A.C.C.).

Upon final approval and transfer of ownership it is our intention to perform some much needed maintenance and upgrade to the system.

Local resident John Otton will continue operational functions on an uninterrupted bases.

Please make payment to Arroyo Water Company Inc. And mail to the above Payson address.

Thank you,

Enclosure:

- Current water bill

Cover Sheet  
 Arizona Corporation Commission  
 Docket Control Center

Company/Case Name ARROYO WATER CO., INC  
 Doing Business As (d/b/a) \_\_\_\_\_  
 Docket Number (s) W-04286A-04-0774

Description of Document or Nature of Action  
 Please choose the item that best describes the nature of the case/filing.

UTILITIES - NEW APPLICATION

- |                                                                                                                                                                         |                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <input type="checkbox"/> New CC&N                                                                                                                                       | <input type="checkbox"/> Main Extension                         |
| <input type="checkbox"/> Rates                                                                                                                                          | <input type="checkbox"/> Contract/Agreements                    |
| <input type="checkbox"/> Interim Rates                                                                                                                                  | <input type="checkbox"/> Formal Complaint                       |
| <input type="checkbox"/> Cancellation of CC&N                                                                                                                           | <input type="checkbox"/> Waiver/Rule Variance                   |
| <input type="checkbox"/> Deletion of CC&N                                                                                                                               | <input type="checkbox"/> Line Siting Committee Case             |
| <input type="checkbox"/> Extension of CC&N                                                                                                                              | <input type="checkbox"/> Small Water Company - Surcharge        |
| <input type="checkbox"/> Tariff (NEW)                                                                                                                                   | <input type="checkbox"/> Sale of Assets & Transfer of Ownership |
| <input type="checkbox"/> Request for Arbitration                                                                                                                        | <input type="checkbox"/> Sale of Assets & Cancellation of CC&N  |
| <input type="checkbox"/> Full or Partially Arbitrated                                                                                                                   | <input type="checkbox"/> Fuel Adjuster/PGA                      |
| <input type="checkbox"/> Interconnection Agreement                                                                                                                      | <input type="checkbox"/> Merger                                 |
| <input type="checkbox"/> Voluntary Interconnection Agreement                                                                                                            | <input type="checkbox"/> Financing                              |
| <input checked="" type="checkbox"/> Miscellaneous - Specify: <u>Customer requests for water &amp; applications of cross connection, backflow testing &amp; approval</u> |                                                                 |

UTILITIES - REVISIONS/AMENDMENTS TO PENDING OR APPROVED MATTERS

Application: \_\_\_\_\_  Tariff: (Promotional or Compliance)  
 (Circle One)  
 Company \_\_\_\_\_ Decision No. \_\_\_\_\_  
 Docket Number \_\_\_\_\_ Docket No: \_\_\_\_\_

SECURITIES or MISCELLANEOUS FILINGS

- |                                                                 |                                                               |
|-----------------------------------------------------------------|---------------------------------------------------------------|
| <input type="checkbox"/> Affidavit (Publication, Public Notice) | <input type="checkbox"/> Request/Motion for Extension of Time |
| <input type="checkbox"/> Comments                               | <input type="checkbox"/> Request/Motion for a Hearing         |
| <input type="checkbox"/> Exception                              | <input type="checkbox"/> Request/Motion for an Intervention   |
| <input type="checkbox"/> Exhibit(s)                             | <input type="checkbox"/> Miscellaneous Request/Motion         |
| <input type="checkbox"/> Notice of Appearance/Intent            | <input type="checkbox"/> Request/Motion for a Re-hearing      |
| <input type="checkbox"/> Notice of Errata                       | <input type="checkbox"/> Request/Motion to Continue Hearing   |
| <input type="checkbox"/> Opposition                             | <input type="checkbox"/> Request/Motion to Strike             |
| <input type="checkbox"/> Petition                               | <input type="checkbox"/> Response                             |
|                                                                 | <input type="checkbox"/> Testimony                            |
|                                                                 | <input type="checkbox"/> Waiver                               |
|                                                                 | <input type="checkbox"/> Witness List                         |
|                                                                 | <input type="checkbox"/> Intervention                         |

OTHER: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

12-20-06  
 Date

KACY PARKER  
 Print the name of the person whose signature appears on the filing  
 (i.e. Contact Person, Respondent, Attorney, Applicant, etc.)

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541

---

December 19, 2006

To Our Valued Customers,

We are asking for your cooperation in filing out an application for water service in Tonto Basin. Your name appears on a list from the realtor located in Punkin Center and it states you are requesting water service to your lot.

We need this application filled out and returned by **January 20, 2007, please.**

At this time we are requesting from the Arizona Corporation Commission, our CC&N and an extension of our service area which would cover outside the Punkin Center Village. We have submitted to the Commission our plans for upgrading and extending the existing water service.

Your cooperation and timely response will be advantageous to all of us.

Sincerely,

Arroyo Staff

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541

---

December 18, 2006

Docket # W-04286A-04-0774  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, Az. 85007  
Phone: 602-542-4251

Please find attached the required list of Customers waiting for water service in the Tonto Basin area, adjacent to our current area, Punkin Center Village. Clarification on customers in the Punkin Center Village (original area) consists of Lots 1 thru 91. Letters appear after any lot number that are located outside Village area.

This is a list that was docketed on November 14, but for more clarification and per Blessing Chukwu's request; we are submitting this list again to confirm customers that we have applications for and the ones we have sent a form letter to. You will notice at the bottom of each list is clarification as to who has an application on file (attached) and who we have sent a form letter to.

The applications that we have are attached. Also attached is the form letter we are sending the potential customers on both lists who do not have an application attached.

Hopefully, this will provide the added documentation as requested.

Sincerely,



Kacy Parker

Attachments: 2 lists from Realtors  
Form Letter to those requesting water  
Copies of applications

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541

---

## CURRENT LIST OF WATER APPLICATIONS

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- |    |                                                                                                                                      |                                                                               |
|----|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| 1. | <b>John C. Nolan</b><br>Lot 049F Forest Service Road #71<br>Tonto Basin, Arizona 85553<br>Phone: 928-595-6777                        | <b>App Date:10-17-05</b><br><b>Ck# 143 attached</b>                           |
| 2. | <b>Paul Jokilehto</b><br>Forest Rd. #423 Ewing Trail<br>1860 N. Thunderbird Dr.<br>Apache Junction, Az. 85220<br>Phone: 480-983-5089 | <b>Letter dated: 1-11-06</b><br><b>no application/no check</b>                |
| 3. | <b>David &amp; Kathleen Roberge</b><br>Picture Mt. View-off Ewing Trail<br>2500 W. Graff Drive<br>Payson, Az. 85541<br>928-468-2037  | <b>App Date: 3-6-06</b><br><b>No check attached as claimed</b>                |
| 4. | <b>David Stogshill</b><br>411 S Ewing Trail<br>Tonto Basin, Az. 85553<br>520-221-0306-C                                              | <b>Request for service 4-22-06</b><br><b>No check</b>                         |
| 5. | <b>Ed Jasper</b><br>220 N. Sitgreaves St.<br>Lot 49 Hohokum in PC<br>P. O. Box 293 Tonto Basin 85553<br>Flagstaff, Az. 86001         | <b>letter dated: 8-23-06</b><br><b>no app/no check</b>                        |
| 6. | <b>Terrence M. Bottesch</b><br>Parcel C,&E<br>P. O. Box 314<br>Tonto Basin, Az. 85553<br>928-479-2403                                | <b>App dated: 1-22-4</b><br><b>no lot # or PCV address</b><br><b>no check</b> |
-

7. **J. Christopher & Anne Hansel**  
**5605 E. Scorpion Dr.**  
**Ft. Hills, Az. 85268**  
**No phone # given**

**Letter dated: 3-23-06**  
**no app/no check**

---

8. **Diane B. Armstrong**  
**Parcel 2 B**  
**P. O. Box 1122**  
**Florence, Az. 85232**  
**520-868-8062**

**App dated: 1-14-04**  
**no check**

---

9. **Vipul C. Shah**  
**7246 Via e La Montana**  
**Parcel 201-06-046**  
**Scottsdale, Arizona 85258**  
**480-951-9354**

**App dated 7-19-06**  
**Check # 561 attached**

---

10. **Richard C. Besey**  
**8510 Shadow Creek Trails**  
**P. O. Box 1044**  
**Tonto Basin, Az. 85553**  
**928-460-2854**

**App dated: 10-18-06**  
**Check #0093 attached**

---

11. **Thomas F. Stockton**  
**Lot 78 PCV**  
**4904 S. Cactus Wren Ave**  
**Tucson, Az. 85746**  
**520-578-3858**

**App dated: 11-05-06**  
**Check # 4264 attached**

---

12. **Dennis Jordan**  
**20 Forest Dr. Lot # 20**  
**P. O. Box 1207**  
**Tonto Basin, Az. 85553**  
**643-0700 -?**

**App dated: 4-25-06**  
**Check # 2983 attached**

---

13. **Thomas Stonestreet**  
**Lot 37 PCV Hohokum Lane**  
**P. O. Box 2491**  
**St. Johns, Az. 85936**  
**928-245-0287**

**App dated: 12-8-05**  
**Check # 3670**

---

14. Adam Hannah  
47G Ewing Trail  
Parcel # 201-06-047G  
3600 N. Hayden Rd. Apt. 3417  
Scottsdale, Az. 85251  
480-634-6312

App dated: 12/30  
Check #1112

---

15. Joseph W. Diekemper  
Lot 6 PCV  
Zama Tribe Trust  
1708 Rolling Hills Dr.  
Prescott, Az. 86303  
928-776-7622

App dated: 6-04-05  
no check

---

16. Herbert H. Beach  
298 Old Mill Rd. 52C  
18604 E. Via De Arboles  
Queen Creek, Az. 85242-4034  
480-987-8987

App dated: 8-21-06  
check # 2592

---

17. Rodney A. Grimh  
Lot 88 PCV Rio Salado  
2164 7<sup>th</sup> St.  
Livermore, Ca. 94550  
925-447-0727

App dated: 5-5-05  
Check #1253

---

18. Herbert Messer/Sharon Gregory  
Parcel # 201-06-048N 48 Zimmer  
204 S. Kodz Rd  
Payson, Az. 85541  
928-474-4680

App dated: 4-7-05  
No Check

---

19. Richard Wilson  
Parcel # 210-06-047 2E & 2E2  
17226 N. 31<sup>st</sup> Ave.  
Phoenix, Az. 85053  
602-993-7596

No app  
No check

---

20. Todd E. Graffa  
Parcel # 210-06-170E  
9755 E. Del Monte Ave.  
Gold Canyon, Az. 85218  
480-982-6375 cell# 480-600-1310

Letter dated: 1-27-06  
no check

---

21. **John Royere**  
**1014 W. 10<sup>th</sup> Place**  
**Tempe, Arizona 85281**  
**602-909-4823**

**Letter dated: 1-24-06**  
**No check**

---

22. **Charles H. Thompson**  
**272 Ewing Trail**  
**P. O. Box 352**  
**Pine, Arizona 85554**  
**928-476-3347**

**App dated: 12-01-06**  
**No check**

---

23. **Lynn Steven Ahlman**  
**Lot 60 PCV Hohokam St.**  
**P. O. Box**  
**Tonto Basin, Az. 85553**  
**928-595-1496**

**App dated: 11-02-04**  
**no check**

---

24. **Deborah Norton**  
**Parcel # 210-06-048 X0**  
**Old Mill Rd.**  
**710 Alamo Dr.**  
**Tonto Basin, Az. 85553**

**App dated: 12-10-04**  
**no check**

Item  
#2

Docket # W-04286A-04-0774

List of Potential Customers.

These people are willing to pay their fair share in extending water lines to their property.

- Martin Fairbank, 929 E. Loma Vista, Gilbert, Az. 85296
- David Dail 4912 W. Bluefield, Glendale, Az 85308
- John Murphy, 2108 Magnum Ct. Elverta, Ca. 95626
- Gerhardt Hoehn 710 W. Alamo Dr. Chandler, Az. 85225
- Ted Miller, 3838 E. Hopi Ave. Mesa, Az. 85206
- Todd Graffa 9755 E. Del Monte Ave. Gold Canyon, Az. 85218
- John Royere 1014 W. 10<sup>th</sup> Pl. Tempe, Az. 85281
- Gerald Brownlow P.O. Box 129 Pinetop, Az 85935
- Joe Nielson 301 Mariana Dr. Holbrook, Az 86025
- Vipul Shah 7246 N. Via de la Montana, Scottsdale, Az 85258-4024 Paid for Service
- Mark Greinke 657 E. Kiowa, Flagstaff, Az. 86001
- Paul Jokilehto 1860 N. thunderbird Dr. Apache Junction, Az 85220
- Steve Lingenfelter 15361 N. 85<sup>th</sup> Ave. Peoria, Az. 85381
- Chris Hansel 15605 E. Scorpion Dr. Fountain Hills, Az. 85268
- Brad Edimison 500 S. 93<sup>rd</sup> Pl. Mesa, Az 85208
- Martin Fabritz P.O. Box 7116 Mesa Az 85216
- Tom Schold P.O. Box 1362 Camp Verde, Az 86322
- Lawrence Brogdon, P.O. Box 592, Camp Verde, Az 86322
- Nicholas Sheehan, P.O. Box 1242, Tonto Basin, Az. 85553
- Casey Hayes 10101 Stardust Trail Flagstaff, Az 86004
- Robert L. Palmer P.O. Box 555, Tonto Basin, Az 85553

- Have applications  
 - no application - sent form letter & application

*Item 2*

*Docket # W-04286A-04-0774*

**A PARTIAL LIST OF PROPERTY OWNERS NEEDING WATER FROM ARROYO WATER CO.**

**MICHAEL MCMEANS**  
30 East Brown  
Mesa, AZ 85201

**Robert Phoenix**  
11212 Holliday Hills Dr  
El Cajon, CA 92020

**WILLIAM FITZ**  
902 N Wm Tell Circle  
Payson, AZ 85541

**Jonnell Reno**  
10555 S 3010 West  
South Jordan, Utah 84095

**Michael Runzo**  
HC1 Box 5267 M  
Payson, AZ 85541

**Travis Williams**  
P O Box 24  
Tonto Basin, AZ 85553

**David Roberge**  
2500 West Graff Dr.  
Payson, AZ 85541

**Larry Romine**  
14663 S 24th Place  
Phoenix, AZ 85048

**Clyde London**  
3820 West Camino Nuestro  
Tucson, AZ 85745

**Charles Bottarin i**  
344 East Pasedina  
Phoenix, AZ 85012

**Robert Halenar**  
1500 East Frontier  
Payson, AZ 85541

**Allan Felten**  
HC1 Box 5267 K  
Payson, AZ 85541

**Greg Thalheimer**  
815 Homestead  
Flagstaff, AZ 86001

**Herbert Messer**  
204 S. Kodz  
Payson, AZ 85553

**Klaus Halmer**  
P O Box 42  
Tonto Basin, AZ 85553

**Steve Shouse**  
808 East Sunburst  
Oro Valley AZ 85704

**Paul Hodges**  
6625 West Pershing  
Glendale AZ 85304

**David Stogsdill**  
368 No Evani Ave  
Benson, AZ 85602

**Deborah Norton**  
710- West Alamo Dr.  
Chandler, AZ 85226

*✓ - Have applications*  
*- no application - sent form letter*

Docket # W-04286A-04-0774

Arroyo Water Company, Inc.  
HC 6, Box 1048 L  
Payson, Arizona 85541  
or 928-474-1766

**APPLICATION FOR SERVICE**

Application Date: 12-5-06

**CUSTOMER INFORMATION:**

Mark or Linda Grinke

(Printed Name)

Gila A portion of 201-06-046D  
Parcel C-4

(Subdivision & Lot #) Lot 460 - Grimes Road

Tonto Basin, AZ

(City, State, Zip)

[Redacted]

(Work Phone)

[Redacted]

(Home Phone)

[Redacted] E. Kiowa

(Billing Address)

(Social Security #)

Flagstaff, AZ 86001

(City, State, Zip)

[Redacted]

(Driver's License #)

I (We) hereby apply for water service at the address above under the terms and conditions as approved by the Arizona Corporation Commission and agree to pay for same at the approved rates.

Linda Grinke  
(Applicant's Signature)

**(For Office Use Only)**

Service I.D. \_\_\_\_\_

Sequence # \_\_\_\_\_

Beginning Meter Read: \_\_\_\_\_

**Fees:**

Estab. Fee: \$15.00 \*

Deposit: \$50.00 \*

\*-Meter Fee: \$265.00

Total Fees: \$360.00

\* Meter Fee = "No. of meters installed" ...

January 11, 2006

To: Kacy Parker  
Arroyo Water Co.  
PO Box 1048L  
Payson, AZ 85541  
Phone: 928-978-1657  
FAX: 928-474-7812

From: Paul Jokilehto  
[REDACTED] N. Thunderbird Dr.  
Apache Junction, AZ 85220  
Phone: [REDACTED]

Re: Water service for Parcel 201-06-46W

Dear Mr. Parker,

I request that Arroyo Water Company provide domestic water services to the above mentioned 1-acre property, located along Forest Service Road 423 (Ewing Trail) near Punkin Center, in Gila County, AZ. It is my intention to reside full-time on the property.

Please advise me of any actions that you believe are my responsibility.

Thank you for your consideration in this matter.

*Paul Jokilehto*  
Paul Jokilehto, RLS

Parker Excavating  
HC6 Box 1048 - H  
Payson, AZ 85541

12/13/06

Mr. Kyle Parker,

It is my understanding that you will be meeting with the AZ Corporation Commission to investigate the possibility of effecting a line extension and an expansion of the present service area for your water company. My wife, Kathy, and I own some lots which are outside this area and in need of water service, and for that reason we applaud and encourage your efforts.

Some years ago Kathy and I acquired an easement which may be of interest to you. It is a 20' easement running East and West from FR 423 (Ewing Trail) to what I believe is the end of your water line in Punkin Center Village. On the East end, and bordering FR 423, there is a larger area of easement which is irregular in shape, but is roughly 50' by 75' in size. At the time we bought this easement the then owner of the water company, Rich Williamson, was unsuccessful with his petition for a line extension, and we considered buying the company to try our hand at improving and expanding it. That never happened, but our vision for the easement remains for it to be used as a storage/surge tank and booster pump site to support a line extension. I am not an engineer, and am only guessing at the suitability of the site. With that idea in mind, I asked the owner of a local construction company, who was doing some other work for me, to install a line in the easement, capped at each end, of the type used by you in servicing Punkin Center Village. I can't remember if it's a 4" or a 6" pipe. I think it was 2003 when we did it.

Kathy and I would be willing to make this area and the buried pipe available to you if the ACC allows the line extension to proceed. I'll send some maps with this letter to help you locate things, and would certainly be glad to meet with you or Tony if you have any questions.

I hope for a speedy resolution to the issues you are having with your company, and wish you the best of luck in your dealings with the ACC. There are a great many people in Tonto Basin who are counting on your success in this matter.

Sincerely,



Dave Desch  
PO Box 556  
Taylor, AZ 85939  
Home [REDACTED]  
Cell [REDACTED]  
[REDACTED]

Arroyo Water Company, Inc.  
HC 6, Box 1048 L  
Payson, Arizona 85541  
or 928-474-1766

**APPLICATION FOR SERVICE**

Application Date: 7-19-2006

**CUSTOMER INFORMATION:**

Vipul Shah  
(Printed Name)

In unsubdivided portion - Parcel # (201-06-046A) 01  
(Subdivision & Lot #) (201-06-046 C)

Tonto Basin, AZ 85553  
(City, State, Zip)

[Redacted]  
(Work Phone)

[Redacted]  
(Home Phone)

[Redacted] Via de la Montana  
(Billing Address)

[Redacted]  
(Social Security #)

Scottsdale, AZ 85258  
(City, State, Zip)

[Redacted]  
(Driver's License #)

I (We) hereby apply for water service at the address above under the terms and conditions as approved by the Arizona Corporation Commission and agree to pay for same at the approved rates.

[Signature]  
(Applicant's Signature)

**(For Office Use Only)**

Service I.D. \_\_\_\_\_  
Sequence # \_\_\_\_\_  
Beginning Meter Read: \_\_\_\_\_

**Fees:**

Estab. Fee: \$15.00 \*  
Deposit: \$80.00 \*  
\* Meter Fee: \$265.00  
Total Fees: \$360.00

\* Meter Fee - "N/A"

# Arroyo Water Company

HC6 BOX 1048-L • PAYSON • AZ • 85541

Phone • Fax • 928 • 474 • 7812



## Application for Service

Application Date: 11/05/06

### Customer Information:

Name: Thomas F and Melody J. Stockton  
(Please Print Clearly)

Address: [REDACTED] S. Cactus Wren Ave Tucson Az 85746  
Lot # 78 ; Pumpkin Center  
(Please include Lot #, Subdivision, Street Name)

Home Phone: [REDACTED] Work Phone: [REDACTED]

Billing Address: [REDACTED] S. Cactus Wren Ave Tucson Az 85746

Social Security : [REDACTED]

Drivers License Number : [REDACTED]

I / We Hereby Apply For Water Service At The Above Address Under The Terms & Conditions As Approved By The Arizona Corporation Commission & Agree to Pay For The Same, At The Approved Rates.

Melody J. Stockton  
Applicants Signature :

For Office Use Only :

Service I. D. \_\_\_\_\_

Sequence # \_\_\_\_\_

Beggining Meter Read : \_\_\_\_\_

New Meter Installation:  \_\_\_\_\_

Fees :

Establishment : 15.00

Deposit : 80.00

Meter Fee : 265.00

Total Fees : 360.00

J. Christopher & Anne Marie Hansel  
[REDACTED] East Scorpion Drive  
Fountain Hills, AZ 85268

*Need app*

March 23, 2006

Arroyo Water Company, Inc.  
HC 6, Box 1048L  
Payson, AZ 85541

Dear Sir or Madam:

My wife and I just purchased a piece of property in Tonto Basin and plan to put a manufactured home on the property. We are requesting that we get water service to our property and we will pay our fair share for that to happen. Right now, the water line is approximately 200 feet from our property. I know that there are other families around us that are also looking to get water and that the Arroyo Water Company, Inc. would be able to give us water as soon as the matter has been rectified.

Please be let us know what would be needed from us for this to happen.

Most appreciatively,

*J. Chris & Anne Marie Hansel*  
J. Chris & Anne Marie Hansel

Leave response  
Next to the Mill  
Tomb Basin

2 Application sent,  
Our neighbor McMeans also

**ARROYO WATER COMPANY** Applied.

HC 6 BOX 1048-L  
PAYSON, ARIZONA 85541

**APPLICATION FOR SERVICE**

What happened  
on this?

APPLICATION DATE: 12.10.2004

CUSTOMER INFORMATION: Deborah Norton  
NAME:

(PLEASE PRINT CLEARLY)

ADDRESS: [redacted] W. Alamo Dr (Old Mill Ronto Tomb Basin)

Parcel 201-06-048x0

(PLEASE INCLUDE LOT #, SUBDIVISION, STREET NAME)

HOME PHONE # [redacted] WORK PHONE # tot [redacted]

BILLING ADDRESS: [redacted] W. Alamo Dr Ext 1035

SOCIAL SECURITY [redacted]

DRIVERS LICENSE NUMBER \_\_\_\_\_

**I/WE HEREBY APPLY FOR WATER SERVICE AT THE ABOVE ADDRESS UNDER THE TERMS & CONDITIONS AS APPROVED BY THE ARIZONA CORPORATION COMMISSION & AGREE TO PAY FOR THE SAME, AT THE APPROVED RATES.**

[Signature]  
APPLICANTS SIGNATURE:

**FOR OFFICE USE ONLY:**  
SERVICE I.D. \_\_\_\_\_  
SEQUENCE# \_\_\_\_\_  
BEGINNING METER READ: \_\_\_\_\_

**FEES:**  
ESTABLISH 15.00  
DEPOSIT 80.00  
METER FEE \_\_\_\_\_  
TOTAL FEES: 65.00

IF New installation 270.00  
335.00

Junior Morris is willing to  
do the Trenching on our property line

To whom it may concern at the Az Corp Comm. Myself and a friend each purchased a lot to build on in Tonto Basin and Gila County will not issue a building permit unless we have water. All property owners are willing to pay their fair share to get the lines in. Please give this issue your attention as soon as possible. The parcel numbers are 201-06-170F and 201-06-170E

Thanks in advance,  
John Royere  
[REDACTED] West 10th Place  
Tempe AZ 85281  
[REDACTED]

John Royere 1-24-06

April 22, 2006

Arroyo Water Company  
HC Box 6 1048L  
Payson, AZ 85541  
Phone 928-474-1766  
Fax 928-474-7812

Dear Mr. Parker

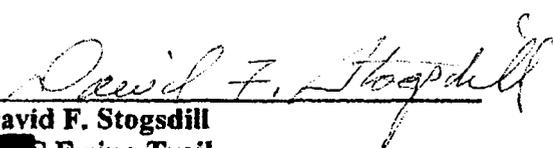
I talked to John Otton about installing my water meter. His answer from him after talking to you was, "No". I am very disappointed. I am planning to stay in temporary home, my trailer, throughout this summer and hopefully begin building my home here.

The water line has been in since July of 2003 or thereabouts. Plus I installed the ball valve on my property myself to facilitate meter installation. I don't see why this is a problem since the system has been in for so long. My neighbor adjoining my property to the South, Steve Shouse, has water on the same system. I would think I would be grandfathered in. I have no problem with water pressure, I can remedy this myself.

I do need this water in order to get my building permit from the planning and zoning. I have all my infrastructure installed and paid for. I sure could use your help on this matter. I wish you could reconsider your decision on the water.

If you would please, fax me at 520-586-4667, fax same number, or cell phone, 520-221-0306.

Yours truly

  
David F. Stogsdill  
S Ewing Trail  
Tonto Basin, AZ 85553

**ARROYO WATER COMPANY**  
BC BOX 1040-L  
PAYSON, ARIZONA 85541

*Handwritten note:* If you return ok

**APPLICATION FOR SERVICE**

APPLICATION DATE: 1-14-04

CUSTOMER INFORMATION:  
NAME: DIANE B. ARMSTRONG  
PLEASE PRINT CLEARLY

ADDRESS: PART OF PARCEL 2B - P.O.S 2038  
TOMHO BASIN, AZ. 85553  
PLEASE INCLUDE LOT I, SUBDIVISION, STREET NAME

HOME PHONE: [REDACTED] WORK PHONE: [REDACTED]

BILLING ADDRESS: P.O. Box 1132  
FLORENCE, AZ. 85292

SOCIAL SECURITY: [REDACTED]

DRIVERS LICENSE NUMBER: [REDACTED]

I/WE HEREBY APPLY FOR WATER SERVICE AT THE ABOVE ADDRESS UNDER THE TERMS & CONDITIONS AS APPROVED BY THE ARIZONA CORPORATION COMMISSION & AGREE TO PAY FOR THE SAME, AT THE APPROVED RATES.

Nina B. Armstrong  
APPLICANTS SIGNATURE:

FOR OFFICE USE ONLY:  
SERVICE I.D. \_\_\_\_\_  
SEQUENCE# \_\_\_\_\_  
BEGINNING METER READ: \_\_\_\_\_

FEES:  
ESTABLISH 15.00  
DEPOSIT 20.00  
METER FEE 215.00  
TOTAL FEES: 350.00  
360.10

*Handwritten date:* January 21, 2004

Arroyo Water Company, Inc.

HC 6, Box 1048 L

Payson, Arizona 85541

or 928-474-1766

**APPLICATION FOR SERVICE**

Application Date: 11-22-06

**CUSTOMER INFORMATION:**

TODD GRAFFA  
(Printed Name)

201-06-170E E side Tonto Basin Trail & Grimes  
(Subdivision & Lot #)

Tonto Basin, AZ, 85553  
(City, State, Zip)

[REDACTED]  
(Work Phone)

[REDACTED]  
(Home Phone)

[REDACTED] E Del Monte Ave  
(Billing Address)

[REDACTED]  
(Social Security #)

Gold Canyon AZ 85218  
(City, State, Zip)

[REDACTED]  
(Driver's License #)

I (We) hereby apply for water service at the address above under the terms and conditions as approved by the Arizona Corporation Commission and agree to pay for same at the approved rates.

Todd Graffa  
(Applicant's Signature)



**(For Office Use Only)**  
Service I.D. \_\_\_\_\_  
Sequence # \_\_\_\_\_  
Beginning Meter Read: \_\_\_\_\_

**Fees:**  
Estab. Fee: \$15.00 ★  
Deposit: \$80.00 ★  
\*-Meter Fee: \$265.00  
Total Fees: \$360.00

\* Meter Fee - "N"

**Todd E. Graffa  
Lisa R. Graffa  
[REDACTED] e. Del Monte ave  
Gold Canyon, Az., 85218**

**[REDACTED] fax# [REDACTED]  
cell # [REDACTED]**

**January 27, 2006**

**Arizona Corp. Commission  
Arroyo Water Co.  
HC 6 Box 1048 L  
Payson, Az., 85541**

**Re: parcel # 201-06-170E  
In regards to: Water Lines to Property**

**Az. Corporation Commission,**

**I purchased property in Tonto Basin and would like to build. Gila County will not issue a building permit unless I have water.**

**All property owners are willing to pay their fair share to get the lines in. Please give this issue your attention as soon as possible. I listed above my home address and phone numbers were I can be reached.**

**All the property owners in this area would really appreciate getting prompt attention in this matter.**

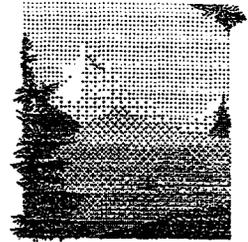
**Sincerely,**

*Todd Graffa*

# Arroyo Water Company

HC6 BOX 1048-L • PAYSON • AZ • 85541

Phone • Fax • 928 • 474 • 7812



## Application for Service

Application Date: MARCH 6, 2006

### Customer Information:

Name: ROBERGE, DAVID + KATHLEEN  
(Please Print Clearly)

Address: TONTO BASIN PARCEL # 201-06-176  
(PICTURE MOUNTAIN VIEW - OFF EWING TRAIL)  
- SEE ATTACHED PARCEL MAPS -  
(Please include Lot #, Subdivision, Street Name)

Home Phone: [REDACTED] Work Phone: N/A

Billing Address: [REDACTED] W. GRAFF DRIVE  
PAYSON, AZ 85541

Social Security : [REDACTED]

Drivers License Number : [REDACTED] (AZ)

I / We Hereby Apply For Water Service At The Above Address Under The Terms & Conditions As Approved By The Arizona Corporation Commission & Agree to Pay For The Same, At The Approved Rates.

Kathleen Roberge  
Applicants Signature :

For Office Use Only :

Service I. D. \_\_\_\_\_

Sequence # \_\_\_\_\_

Beggining Meter Read : \_\_\_\_\_

New Meter Installation ✓

### Fees :

Establishment : 15.00

Deposit : ~~80.00~~

Meter Fee : 265.00

Total Fees : 360.00

**ARROYO WATER COMPANY**  
HC 8 BOX 1048-L  
PAYSON, ARIZONA 85541

**APPLICATION FOR SERVICE**

APPLICATION DATE: 22 JAN 2004

\* CUSTOMER INFORMATION: TERRENCE M. BOTTESCH  
NAME: \_\_\_\_\_  
(PLEASE PRINT CLEARLY)

ADDRESS: PARCEL "C", D, 3/4 E OF MAP 1170  
\_\_\_\_\_  
(PLEASE INCLUDE LOT #, SUBDIVISION, STREET NAME)

HOME PHONE: [REDACTED] WORK PHONE: NONE

BILLING ADDRESS: P.O. Box 314  
TONTON BASIN, AZ. 85553

SOCIAL SECURITY ON REQUEST

DRIVERS LICENSE NUMBER \_\_\_\_\_

I/WE HEREBY APPLY FOR WATER SERVICE AT THE ABOVE ADDRESS UNDER THE TERMS & CONDITIONS AS APPROVED BY THE ARIZONA CORPORATION COMMISSION & AGREE TO PAY FOR THE SAME, AT THE APPROVED RATES.

Terrence Bottesch  
APPLICANTS SIGNATURE: \_\_\_\_\_

FOR OFFICE USE ONLY:  
SERVICE I.D. \_\_\_\_\_  
SEQUENCE# \_\_\_\_\_  
BEGINNING METER READ: \_\_\_\_\_

FEES:  
ESTABLISH 15.00  
DEPOSIT 80.00  
METER FEE 265.00  
TOTAL FEES: 360.00

\* REQUEST APPROVAL AT EARLIEST, DUE TO PURCHASE OF PROPERTY DEPENDENT ON ATTAINING WATER BY YOUR COMPANY

Terrence Bottesch

Arroyo Water Company, Inc.  
HC 6, Box 1048 L  
Payson, Arizona 85541  
or 928-474-1766

**APPLICATION FOR SERVICE**

Application Date: 12-2-02

**CUSTOMER INFORMATION:**

DAVE DAIL  
(Printed Name)

E GRIMES Rd. 170  
(Subdivision & Lot #)

PUMPKIN CENTER  
(City, State, Zip)

[REDACTED]  
(Work Phone)

[REDACTED]  
(Home Phone)

[REDACTED] W BLUEFIELD AVE  
(Billing Address)

[REDACTED]  
(Social Security #)

GLENDALIE AZ 85308  
(City, State, Zip)

[REDACTED]  
(Driver's License #)

I (We) hereby apply for water service at the address above under the terms and conditions as approved by the Arizona Corporation Commission and agree to pay for same at the approved rates.

Dave Dail  
(Applicant's Signature)

**(For Office Use Only)**

Service I.D. \_\_\_\_\_  
Sequence # \_\_\_\_\_  
Beginning Meter Read: \_\_\_\_\_

**Fees:**

Estab. Fee: \$15.00 ★  
Deposit: \$80.00 ★  
\*Meter Fee: \$265.00  
Total Fees: \$360.00

\* Meter Fee = "New meter installation"

Docket No. W-04286A-04-0774

**RAMBO Realty**  
and Investment

P.O. Box 760 • Tonto Basin, Arizona 85553  
(520) 479-2215 • (520) 479-2512  
FAX (520) 479-2309

Curt Rambo  
Crappies  
Margaret Rambo  
Broker



Item #2

NOVEMBER 10, 2006

**ARROYO WATER COMPANY**  
**ATTN KACY PARKER**  
HC6 Box 1048L  
PAYSON, AZ 85541

**TO WHOM IT MAY CONCERN:**

Enclosed please find a list of property owners who need water that can be supplied by Arroyo Water Co.

It is our understanding that the previous owner, Richard Williamson needs to complete the transfer of ownership of Arroyo Water Co. to you so that you can secure the equipment necessary to improve the system to be able to serve the property owners.

It is also our understanding that you have on hand the necessary storage equipment and improvements ready to install if you can get this transfer of ownership completed.

We ask that the Arizona Corporation Commission take action so that you can upgrade the water system and serve the property owners as quickly as possible.

We support your efforts to get this accomplished. Please let us know if we can be of assistance in any way in this matter.

Sincerely

*Margaret Rambo*  
Margaret Rambo  
Broker

*Item # 2*  
Docket # ~~W-04~~ 286A-04-0774

An Arizona Real Estate Co.  
**EWING LAND & CATTLE CO.**  
*Linda G. Ewing/Broker*  
Office:928-479-2411/Fax:928-479-2405  
www.tontobasinrealestate.com  
P.O. Box 146  
Tonto Basin, Arizona 85553

November 9, 2006

Arizona Corporation Commission

To Whom It May Concern:

Re: Arroyo Water Company

As the Real Estate Broker for the sales for most of the properties that are in the Arroyo Water Company District, I understand the problems that Arroyo Water Company has been going through. Kyle and Kacy Parker purchased Arroyo Water Co. from Mr. Richard Williamson and to date it still has not been transferred to their names.

I have known Kyle Parker for 30 years and he has always, to my knowledge, been honest and capable in his dealings as a business man.

It is my understanding that he has purchased all new water tanks and pumps to fulfill his obligations to his customers and also to serve the new buyers of property in Punkin Center, but is hesitant to install them due to the fact that Mr. Williamson has never signed off even though they have paid for the purchase of the Arroyo Water Co.

I certainly understand Mr. Parker's position on not wanting to put any money into the system until it is in his name.

Richard Williamson needs to transfer his ownership to Kyle and Kacy Parker, so that they can proceed with the improvements that are needed to serve the customers and also new owners of property in the area, as Arroyo Water Co. is the only source of water in the area.

We, as residents of the Tonto Basin area would greatly appreciate whatever the Arizona Corporation Commission can do to expedite this matter.

Attached is a list of perspective customers in the area waiting to improve their land according to Gila County they need a source of water to apply for a building permit.

Respectfully yours,

Linda G. Ewing/Broker

**ARROYO WATER COMPANY, INC.**  
**HC 6 BOX 1048 L**  
**PAYSON, ARIZONA 85541**

---

November 13, 2006

Docket No. W-04286A-04-0774

Docket Control  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

Attached is an application by Arroyo Water Company, for approval of a Cross-Connection Tariff. The purpose of this tariff is to protect Arroyo Water Company water from the possibility of contamination caused by the backflow of contaminants that may be present on the customer's premises.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kyle Parker', with a long horizontal stroke extending to the left.

Kyle Parker

Company Name: ARROYO WATER COMPANY, Inc. Page 1 of 2

## CROSS-CONNECTION OR BACKFLOW TARIFF

### PURPOSE:

The purpose of this tariff is to protect ARROYO WATER COMPANY, Inc. ("Company") water from the possibility of contamination caused by the backflow of contaminants that may be present on the customer's premises by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code ("A.A.C.") R14-2-405.B.6 and A.A.C. R18-4-115.

### REQUIREMENTS:

In compliance with the Rules of the Arizona Corporation Commission ("Commission") and the Arizona Department of Environmental Quality ("ADEQ"), specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-115 relating to backflow prevention:

1. The Company may require a customer to pay for and to have installed a backflow-prevention assembly if A.A.C. R18-4-115.B or C applies.
2. A backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-115.D and E.
3. Subject to the provisions of A.A.C. R14-2-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate service or may deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff
4. The Company shall give any existing customer who is required to install a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is **not** applicable, the customer shall be given thirty (30) days from the time such written notice is received in which to comply with this notice. If the customer can show good cause as to why he cannot install the device within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.

---

**\*\*FOR OFFICIAL USE ONLY\*\***

Effective Date: \_\_\_\_\_

Company Name: ARROYO WATER COMPANY, INC. Page 2 of 2

5. Testing shall be in conformance with the requirements of A.A.C. R18-4-115.F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests.
6. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:
  - a. assembly identification number and description;
  - b. location
  - c. date(s) of test(s);
  - d. description of repairs and recommendations for repairs made by tester; and
  - e. the tester's name and certificate number.
7. In the event the backflow-prevention assembly does not function properly or fails any test, and an obvious hazard as contemplated under A.A.C. R14-2-410.B.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested.
8. In the event the backflow-prevention assembly does not function properly or fails any test, or in the event that a customer fails to comply with the testing requirement, and A.A.C. R14-2-410.B.1.a. is **not** applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency or dysfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C. R14-2-410.

---

**\*\*FOR OFFICIAL USE ONLY\*\***

Effective Date: \_\_\_\_\_

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

---

December 15, 2006

Docket No. W-04286A-04-0774  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, Arizona 85007  
Phone: 602-542-4251  
Fax: 602-542-2129

Arizona Corporation Commission,

Attached is the Affidavit as requested, by phone per Blessing Chukwu.

This Affidavit confirms that the customers for Arroyo Water Company have been notified by mail that the water company is in the process of filing for their CC&N status.

Sincerely,

  
Kacy Parker

**ARROYO WATER COMPANY**  
**HC 6 BOX 1048 L**  
**PAYSON, ARIZONA 85541**  
**928-474-1766**  
**FAX: 928-474-7812**

AFFIDAVIT

I, *[Signature]*, have hereby sworn before witnesses, that I have sent to all the Arroyo Water Company customers, Notices that state the water company is in the application process for their CC&N. The water company has provided letters to our customers keeping them informed of all activity pertaining to the application and status of the company.

**NOTARY:**

The foregoing instrument was acknowledged before me this 19 December, 2006; By Kacy Parker, who is personally known by me or has produced AZ DL, as identification and who did/did not take an oath.

*[Signature]*

Signature of person taking Acknowledgment of person

Joanna K Jones

Printed or Stamped name

Taking Acknowledgement

**NOTARY PUBLIC**

**TITLE OR RANK**

**on:**

My Commission expires



Attachment: E

DOCKET # W-04286A-04-0774

**ARROYO WATER COMPANY, INC.**  
HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541

---

ARROYO WATER COMPANY has filed with the Arizona Corporation Commission an application for authority to provide Water service to an area in which records indicate that you are a property owner. If the application is granted, ARROYO WATER COMPANY, would be the exclusive provider of Water service to the proposed area. ARROYO WATER COMPANY, will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property.

The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street, Phoenix, Arizona 85007, and at ARROYO WATER COMPANY, HC 6 Box 1048 L Payson, Arizona 85541.

The Commission will hold a hearing on this matter. As a property owner you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application, have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington St., Phoenix, Arizona 85007 or call 1-800-222-7000/400.

Cover Sheet  
Arizona Corporation Commission  
Docket Control Center

Company/Case Name Arroyo Water Company  
Doing Business As (d/b/a) \_\_\_\_\_  
Docket Number (s) W-04286A-04-0774

Description of Document or Nature of Action  
Please choose the item that best describes the nature of the case/filing.

UTILITIES - NEW APPLICATION

- |                                                                                                     |                                                                 |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <input type="checkbox"/> New CC&N                                                                   | <input type="checkbox"/> Main Extension                         |
| <input type="checkbox"/> Rates                                                                      | <input type="checkbox"/> Contract/Agreements                    |
| <input type="checkbox"/> Interim Rates                                                              | <input type="checkbox"/> Formal Complaint                       |
| <input type="checkbox"/> Cancellation of CC&N                                                       | <input type="checkbox"/> Waiver/Rule Variance                   |
| <input type="checkbox"/> Deletion of CC&N                                                           | <input type="checkbox"/> Line Siting Committee Case             |
| <input type="checkbox"/> Extension of CC&N                                                          | <input type="checkbox"/> Small Water Company - Surcharge        |
| <input type="checkbox"/> Tariff (NEW)                                                               | <input type="checkbox"/> Sale of Assets & Transfer of Ownership |
| <input type="checkbox"/> Request for Arbitration                                                    | <input type="checkbox"/> Sale of Assets & Cancellation of CC&N  |
| <input type="checkbox"/> Full or Partially Arbitrated                                               | <input type="checkbox"/> Fuel Adjuster/PGA                      |
| <input type="checkbox"/> Interconnection Agreement                                                  | <input type="checkbox"/> Merger                                 |
| <input type="checkbox"/> Voluntary Interconnection Agreement                                        | <input type="checkbox"/> Financing                              |
| <input checked="" type="checkbox"/> Miscellaneous - Specify: <u>Plant Description per Del Smith</u> |                                                                 |

UTILITIES - REVISIONS/AMENDMENTS TO PENDING OR APPROVED MATTERS

Application: \_\_\_\_\_  Tariff: (Promotional or Compliance)  
(Circle One)  
Company \_\_\_\_\_ Decision No. \_\_\_\_\_  
Docket Number \_\_\_\_\_ Docket No: \_\_\_\_\_

SECURITIES or MISCELLANEOUS FILINGS

- |                                                                 |                                                               |
|-----------------------------------------------------------------|---------------------------------------------------------------|
| <input type="checkbox"/> Affidavit (Publication, Public Notice) | <input type="checkbox"/> Request/Motion for Extension of Time |
| <input type="checkbox"/> Comments                               | <input type="checkbox"/> Request/Motion for a Hearing         |
| <input type="checkbox"/> Exception                              | <input type="checkbox"/> Request/Motion for an Intervention   |
| <input type="checkbox"/> Exhibit(s)                             | <input type="checkbox"/> Miscellaneous Request/Motion         |
| <input type="checkbox"/> Notice of Appearance/Intent            | <input type="checkbox"/> Request/Motion for a Re-hearing      |
| <input type="checkbox"/> Notice of Errata                       | <input type="checkbox"/> Request/Motion to Continue Hearing   |
| <input type="checkbox"/> Opposition                             | <input type="checkbox"/> Request/Motion to Strike             |
| <input type="checkbox"/> Petition                               | <input type="checkbox"/> Response                             |
|                                                                 | <input type="checkbox"/> Testimony                            |
|                                                                 | <input type="checkbox"/> Waiver                               |
|                                                                 | <input type="checkbox"/> Witness List                         |
|                                                                 | <input type="checkbox"/> Intervention                         |

OTHER: \_\_\_\_\_  
\_\_\_\_\_

1-17-07  
Date

NACY PARKER  
Print the name of the person whose signature appears on the filing  
(i.e. Contact Person, Respondent, Attorney, Applicant, etc.)

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541

## FAX COVER SHEET

DATE: 1-17-07 NO. PAGES INCLUDING COVER 7

TO: Del Smith FAX# 602-542-0766  
ACC - Engineer PHN# 602-542-7277

FROM: Nancy FAX# 928-474-7812  
PHN# 928-474-1766

RE: Plant Description + Water Use Data Sheet

COMMENTS/INSTRUCTIONS: Please review & advise!

Thanks!

Docket # W-04286A-04-0774

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541

---

January 17, 2007

Mr. Del Smith  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, Arizona 85007  
Phone: 602-542-7277  
Fax: 602-542-0766

Docket # W-04286A-04-0774

Dear Del;

Thank you for your call this am. Attached is the information you requested. Our current Water Use Data Sheet and the Plant Description.

Nancy

WATER USE DATA SHEET

DOCKET NO. W-04286A-04-0774

Company Name: Arroyo Water Co.
ADEQ Public Water System Number: <u>A20404083</u>

MONTH/YEAR (Most recent 12 Months Available)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED* (Thousands)	GALLONS PURCHASED* (Thousands)
1. DEC '05	80	499750		
2. JAN '06	80	354290		
3. FEB '06	80	423050		
4. MAR '06	80	473290	NOT APPLICABLE	
5. APR '06	83	507410	There is no meter	
6. MAY '06	85	696520	on the well & we do	
7. June '06	86	907510	not purchase water	
8. July '06	86	1046950		
9. Aug. '06	86	1035900		
10. Sept. '06	86	907290		
11. Oct. '06	85	811520		
12. NOV '06	80	683310		
TOTAL	N/A	8,346,790		

Is the water utility located in an ADWR Active Management Area ("AMA")?

YES  NO

Does the Company have an ADWR gallons per capita day ("GPCD") requirement?

YES  NO

If Yes, please provide the GPCD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of any of the above, please contact the Engineering Supervisor at 602-542-7277.

\* The total of gallons pumped and gallons purchased should not equal or be less than the gallons sold.

**WATER COMPANY PLANT DESCRIPTION  
 (CONTINUED)**

MAINS		
Size	Material	Length (feet)
2"	PVC	2000
3"		
4"	PVC	6,900
5"		
6"		
7"		
8"		
10"		
12"		

includes J.M. Line Ext.

*Verify with today*

METERS	
Size	Quantity (how many)
5/8" X 3/4"	54
3/4"	
1"	
1-1/2"	
2"	
Comp. 3"	
Turbo 3"	
Comp. 4"	
Turbo 4"	
Comp. 6"	
Turbo 6"	
Comp. 8"	
Turbo 8"	

FIRE HYDRANTS	
Standard (quantity)	Other (quantity)
NA	

STRUCTURES (buildings, fences, etc.): Fence around well site. (Chain link)

OTHER (laboratory equipment, tools, vehicles, power generators, etc.) Operations Company provides Backhoe, Tractors & standby generator (portable)

# WATER USE DATA SHEET

NAME OF COMPANY	Arroyo Water Company, Inc. dba Tonto Basin Water Company, Sheer Speed, Inc.
ADEQ Public Water System No.	04-083

MONTH/YEAR (Last 13 Months)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)
11/98	43	970
12/98	43	673
1/99	44	328
2/99	42	352
3/99	42	391
4/99	42	432
5/99	42	450
6/99	42	461
7/99	45	450
8/99	47	391
9/99	52	895
10/99	52	463
11/99	54	1,216

update for today

STORAGE TANK CAPACITY (Gallons)	NUMBER OF EACH	ARIZONA DEPT. OF WATER RESOURCES WELL I.D. NUMBER	WELL PRODUCTION (Gallons per Minute)
11,000	1	55-805621	55 90?
2500 gal Pressure Tank	1		

Other Water Sources in Gallons per Minute	EXTRA Pump Installed	35 GPM
Fire Hydrants on System	Yes	(No)
Total Water Pumped Last 13 Months (Gallons in Thousands)		7,512

Avg. GPM Required = 13.2 gpm  
 Total Well Production = 90 gpm.

Company Name: Arroyo Water Co.
ADEQ Public Water System Number: <b>120404083</b>

*Re-submit on current forms sent by Date*

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-805621	5HP <del>3HP</del>	90	61'	19"	*	12/96

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
		N/A

**BOOSTER PUMPS**

Horsepower	Quantity
3	1

**FIRE HYDRANTS**

Quantity Standard	Quantity Other
N/A	

**STORAGE TANKS**

Capacity	Quantity
12,000 GALS	1

*10,000*

**PRESSURE TANKS**

Capacity	Quantity
2,000 GALS	1

*\* Currently NO METER.*

Cover Sheet  
 Arizona Corporation Commission  
 Docket Control Center

Company/Case Name ARROYO WATER Co., LLC

Doing Business As (d/b/a) \_\_\_\_\_

Docket Number (s) W-042867-04-0774

Description of Document or Nature of Action  
 Please choose the item that best describes the nature of the case/filing.

UTILITIES - NEW APPLICATION	
<input type="checkbox"/> New CC&N	<input type="checkbox"/> Main Extension
<input type="checkbox"/> Rates	<input type="checkbox"/> Contract/Agreements
<input type="checkbox"/> Interim Rates	<input type="checkbox"/> Formal Complaint
<input type="checkbox"/> Cancellation of CC&N	<input type="checkbox"/> Waiver/Rule Variance
<input type="checkbox"/> Deletion of CC&N	<input type="checkbox"/> Line Siting Committee Case
<input type="checkbox"/> Extension of CC&N	<input type="checkbox"/> Small Water Company - Surcharge
<input type="checkbox"/> Tariff (NEW)	<input type="checkbox"/> Sale of Assets & Transfer of Ownership
<input type="checkbox"/> Request for Arbitration	<input type="checkbox"/> Sale of Assets & Cancellation of CC&N
<input type="checkbox"/> Full or Partially Arbitrated	<input type="checkbox"/> Fuel Adjuster/PGA
<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Merger
<input type="checkbox"/> Voluntary Interconnection Agreement	<input type="checkbox"/> Financing
<input checked="" type="checkbox"/> Miscellaneous - Specify: <u>Supplies Notice &amp; invoice for Arroyo Water Company fasting for CC&amp;N Notice</u>	

UTILITIES - REVISIONS/AMENDMENTS TO PENDING OR APPROVED MATTERS	
<input type="checkbox"/> Application:	<input type="checkbox"/> Tariff: (Promotional or Compliance) (Circle One)
Company _____	Decision No. _____
Docket Number _____	Docket No: _____

SECURITIES or MISCELLANEOUS FILINGS	
<input type="checkbox"/> Affidavit (Publication, Public Notice)	<input type="checkbox"/> Request/Motion for Extension of Time
<input type="checkbox"/> Comments	<input type="checkbox"/> Request/Motion for a Hearing
<input type="checkbox"/> Exception	<input type="checkbox"/> Request/Motion for an Intervention
<input type="checkbox"/> Exhibit(s)	<input type="checkbox"/> Miscellaneous Request/Motion
<input type="checkbox"/> Notice of Appearance/Intent	<input type="checkbox"/> Request/Motion for a Re-hearing
<input type="checkbox"/> Notice of Errata	<input type="checkbox"/> Request/Motion to Continue Hearing
<input type="checkbox"/> Opposition	<input type="checkbox"/> Request/Motion to Strike
<input type="checkbox"/> Petition	<input type="checkbox"/> Response
	<input type="checkbox"/> Testimony
	<input type="checkbox"/> Waiver
	<input type="checkbox"/> Witness List
	<input type="checkbox"/> Intervention

OTHER: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

5-3-07  
 Date

KACY S. PARKER  
 Print the name of the person whose signature appears on the filing  
 (i.e. Contact Person, Respondent, Attorney, Applicant, etc.)

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

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May 3, 2007

Arizona Corporation Commission  
Docket Control-Utilities  
1200 W. Washington St.  
Phoenix, Arizona 85007

Docket #: W-04286A-04-0774

Attached documentation is submitted for docket in regards to the Procedural Order, dated, April 4, 2007.

We have complied with the Procedural Order with the following documents:

1. Public Notice posted in a local newspaper a certified copy will follow within next week . (Invoice attached)
2. Public Notice was personally handed by our on site manager on April 13, 2007, to our customers and mailed on same date to those who have out of town addresses.
3. Letter to Blessing Chukwu, Executive Consultant acknowledging Procedural Order with a copy of Public Notice.

Thank you for your time and assistance.

Sincerely,



Kacy Parker

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

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April 16, 2007

Arizona Corporation Commission  
Ms. Blessing Chukwu  
Executive Consultant III  
1200 W. Washington St.  
Phoenix, Arizona 85007-2927  
Phone: 602-542-0840

RE: Sufficiency Letter & Procedural Order  
Arroyo Water Company  
Docket # w-04286A-04-0774

Dear Blessing;

We are very pleased to address the Procedural Order, date April 4, 2007!

Per the Procedural Order, we have mailed or hand delivered to all of our customers, the Public Notice for the CC&N hearing for June 12, 2007 at the Commission's office. The certification of publication is enclosed.

Please feel free to call if there are any further questions.

Sincerely,

Kacy Parker  
Kyle Parker

Affidavit of Publication

State of Arizona  
County of Gila

PUBLIC NOTICE OF THE HEARING FOR  
ARROYO WATER COMPANY FOR SALE OF  
ASSETS AND FOR TRANSFER OF CERTIFICATE  
OF CONVENIENCE AND NECESSITY DOCKET  
NO. W-04286A-040774

On September 13, 2004, a Procedural Order was issued in Docket No. W-03672A-01-0474. (In the Matter of the Complaint of Utilities Division Staff v. Arroyo Water Co., Inc.) directing Kyle and Kacy Parker to file an application for Sale of Assets and for Transfer of the current Certificate of Convenience and Necessity ("CC&N") for Arroyo Water Company, Inc. ("Arroyo Water" or "Company"). Based on an investigation in that docket, the Commission's Utilities Division Staff ("Staff") indicated that Kyle and Kacy Parker appear to have purchased the assets of Arroyo Water from Richard Williamson, the prior owner, yet no application for authority to transfer assets or CC&N had been filed with the Commission.

On October 19, 2004, Kacy Parker dba Arroyo Water Company filed an application in the above-captioned docket for a new CC&N and for approval of the sale of assets to Kacy Parker. If the application is approved, Kacy Parker dba Arroyo Water Company, would be the authorized and exclusive provider of water service within its designated service area.

The application, report of the Commission's Utilities Division Staff, and any other documents filed in this docket are available at the Company's office: Snyder Way, Oxbow Estates, Payson, Arizona, 928-474-1766 and at the Commission's offices at 1200 W. Washington, Phoenix, Az. 85007, for public inspection during regular business hours, and on the internet via the Commission website ([www.azcc.gov](http://www.azcc.gov)) using the e-docket function.

The Commission will hold a hearing on this matter beginning June 12, 2007 at 10:00 a.m. at the Commission's offices, 1200 W. Washington, Phoenix, AZ. Public comments will be taken on the first day of the hearing. Written public comments may be submitted via email (visit <http://www.azcc.gov/utility/cons/index/htm> for instructions). Or by mailing a letter referencing Docket No. W-04246A-04-07744 to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter, will be permitted to intervene. If you would like to intervene, you must file a written motion to intervene with the Commission, and you must send copies of the motion to the Company or its counsel, and to all parties of record in the case. Your motion to intervene must contain the following:

1. Your name, address and telephone number, and the name, address and telephone number of any party upon whom documents are to be served in your place, if desired
2. A short statement of your interest in the proceeding (e.g., a customer of the Company, a shareholder of the Company, etc.).
3. A statement certifying that a copy of your motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motion to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before May 14, 2007. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witness. However, failure to intervene will not preclude any customer from appearing at the hearing and making a statement on such customer's own behalf.

If you have any questions about this application, you may contact the Company at 928-474-1766. If you wish to file written comments on the application or want further information on interventions you may contact the Consumer Services Section of the Commission at 1200 W. Washington St., Phoenix, AZ 85007, or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Linda Hogan; E-mail [Lhogan@azcc.gov](mailto:Lhogan@azcc.gov), voice phone number 602-542-3931. Request should be made as early as possible to allow time to arrange the accommodations.

John D. Bennett, or his authorized representative, \_\_\_\_\_ being first duly sworn deposes and says: That he is the publisher of the Arizona Silver Belt, San Carlos Apache Moccasin, and the Gila County Advantage newspapers, located at 298 North Pine Street, Globe, Arizona 85501, or mail: P.O. Box 31, Globe, Arizona 85502.

The above stated newspapers are published weekly in Globe, in the State of Arizona, County of Gila and that the following described  legal, or  advertising was duly published.

Public notice on hearing for Arroyo Water Company

A printed copy of said legal or advertising is attached hereto and was published in a regular weekly edition of said newspaper (and not a supplement thereof) for 1 consecutive weeks in the  Arizona Silver Belt newspaper, and/or the  San Carlos Apache Moccasin newspaper, and/or the  Gila County Advantage. The dates of publication being as follows, to wit:

April 18, 2007

*John D. Bennett*  
John D. Bennett, Publisher  
or authorized representative

State of Arizona  
County of Gila

The foregoing instrument was acknowledged before me this

April 18, 2007 (date)

by John Bennett

*Jennifer Alvarez*  
Jennifer Alvarez, Notary Public  
My Commission Expires:

July 15, 2007

**PUBLIC NOTICE OF THE HEARING FOR**  
**ARROYO WATER COMPANY FOR SALE OF ASSETS AND FOR TRANSFERE**  
**OF CERTIFICATE OF CONVENIENCE AND NECESSITY**  
**DOCKET NO. W-04286A-040774**

On September 13, 2004, a Procedural Order was issued in Docket No. W-03672A-01-0474 (In the Matter of the Complain of Utilities Division Staff v. Arroyo Water Co., Inc.) directing Kyle and Kacy Parker to file an application for Sale of Assets and for Transfer of the current Certificate of Convenience and Necessity ("CC&N) for Arroyo Water Company, Inc. ("Arroyo Water" or "Company"). Based on an investigation in that docket, the Commission's Utilities Division Staff ("Staff") indicated that Kyle and Kacy Parker appear to have purchased the assets of Arroyo Water from Richard Williamson, the prior owner, yet no application for authority to transfer the assets or CC&N had been filed with the Commission.

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The Commission will hold a hearing on this matter beginning **June 12, 2007 at 10:00 am**, at the Commission's offices, 1200 W. Washington, Phoenix, Az. Public comments will be taken on the first day of the hearing. Written public comments may be submitted via email (*visit <http://www.azcc.gov/utility/cons/index/htm> for instructions*). Or by mailing a letter referencing Docket No. W-04246A-04-0774 to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007.

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ARIZONA SILVER BELT  
SANCARLOS APACHE MOCCASIN  
298 N PINE ST/PO BOX 31  
GLOBE AZ 85502-

04/19/07

107934-21  
ARROYA WATER CO  
HC 6  
BOX 1048L  
PAYSON AZ 85541

INVOICE

DUE UPON RECEIPT - SERVICE CHARGE OF 1.5% CHARGED ON  
BALANCES 30 DAYS AND OVER PAST DUE - 18% ANNUALLY

DATE	DESCRIPTION	PAPER	UNITS	RATE	CHG/CR	BALANCE
04/19/07	LEGAL 4/18 NOTICE 6116	SB	9.00	L		51.30
04/19/07	CITY TAX 4/18 NOTICE 6116	SB		2.000		1.03

*Pd*  
*4-30*  
*1181*

INVOICE TOTAL

52.33

ARIZONA SILVER BELT

(928) 425-7121

Cover Sheet  
 Arizona Corporation Commission  
 Docket Control Center

Company/Case Name ARROYO WATER Co., Inc  
 Doing Business As (d/b/a) \_\_\_\_\_  
 Docket Number (s) U2-04286-A-04-0774

Description of Document or Nature of Action  
 Please choose the item that best describes the nature of the case/filing.

**UTILITIES - NEW APPLICATION**

- |                                                                                                |                                                                 |
|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <input type="checkbox"/> New CC&N                                                              | <input type="checkbox"/> Main Extension                         |
| <input type="checkbox"/> Rates                                                                 | <input type="checkbox"/> Contract/Agreements                    |
| <input type="checkbox"/> Interim Rates                                                         | <input type="checkbox"/> Formal Complaint                       |
| <input type="checkbox"/> Cancellation of CC&N                                                  | <input type="checkbox"/> Waiver/Rule Variance                   |
| <input type="checkbox"/> Deletion of CC&N                                                      | <input type="checkbox"/> Line Siting Committee Case             |
| <input type="checkbox"/> Extension of CC&N                                                     | <input type="checkbox"/> Small Water Company - Surcharge        |
| <input type="checkbox"/> Tariff (NEW)                                                          | <input type="checkbox"/> Sale of Assets & Transfer of Ownership |
| <input type="checkbox"/> Request for Arbitration                                               | <input type="checkbox"/> Sale of Assets & Cancellation of CC&N  |
| <input type="checkbox"/> Full or Partially Arbitrated                                          | <input type="checkbox"/> Fuel Adjuster/PGA                      |
| <input type="checkbox"/> Interconnection Agreement                                             | <input type="checkbox"/> Merger                                 |
| <input type="checkbox"/> Voluntary Interconnection Agreement                                   | <input type="checkbox"/> Financing                              |
| <input checked="" type="checkbox"/> Miscellaneous - Specify: <u>Resubmit PLANT DESCRIPTION</u> |                                                                 |

**UTILITIES - REVISIONS/AMENDMENTS TO PENDING OR APPROVED MATTERS**

Application: \_\_\_\_\_  Tariff: (Promotional or Compliance)  
 \_\_\_\_\_ (Circle One)  
 Company \_\_\_\_\_ Decision No. \_\_\_\_\_  
 Docket Number \_\_\_\_\_ Docket No: \_\_\_\_\_

**SECURITIES or MISCELLANEOUS FILINGS**

- |                                                                 |                                                               |
|-----------------------------------------------------------------|---------------------------------------------------------------|
| <input type="checkbox"/> Affidavit (Publication, Public Notice) | <input type="checkbox"/> Request/Motion for Extension of Time |
| <input type="checkbox"/> Comments                               | <input type="checkbox"/> Request/Motion for a Hearing         |
| <input type="checkbox"/> Exception                              | <input type="checkbox"/> Request/Motion for an Intervention   |
| <input type="checkbox"/> Exhibit(s)                             | <input type="checkbox"/> Miscellaneous Request/Motion         |
| <input type="checkbox"/> Notice of Appearance/Intent            | <input type="checkbox"/> Request/Motion for a Re-hearing      |
| <input type="checkbox"/> Notice of Errata                       | <input type="checkbox"/> Request/Motion to Continue Hearing   |
| <input type="checkbox"/> Opposition                             | <input type="checkbox"/> Request/Motion to Strike             |
| <input type="checkbox"/> Petition                               | <input type="checkbox"/> Response                             |
|                                                                 | <input type="checkbox"/> Testimony                            |
|                                                                 | <input type="checkbox"/> Waiver                               |
|                                                                 | <input type="checkbox"/> Witness List                         |
|                                                                 | <input type="checkbox"/> Intervention                         |

OTHER: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2-5-07  
 Date

KACIY PARKER  
 Print the name of the person whose signature appears on the filing  
 (i.e. Contact Person, Respondent, Attorney, Applicant, etc.)

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

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February 5, 2007

Docket # W-04286A-04-0774  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, Arizona 85007  
Phone: 602-542-4251

Att: Del Smith

Per your request, we are re-submitting the Plant Description on the three forms that you previously faxed to us.

Attached you will find a copy of page 2; Information Summary from the last inspection Arizona Department of Environmental Quality did in November, 2006, cover page included. It states the current Plant Description. This is the information that we have been submitting to you.

Also included is a Staff Report to Kacy from the Arizona Corporation Commission dated June 24, 2005; which states the Plant Description which includes the cover page.

We are looking forward to an expedient process for the CC&N.

Thank you for your assistance.

Sincerely,



Kacy Parker  
Kyle Parker



Janet Napolitano  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007  
(602) 771-2300 • www.azdeq.gov



Stephen A. Owens  
Director

CTS-144792  
December 15, 2006

CERTIFIED MAIL  
Return Receipt Requested  
7006-0100-0001-3360-2968

Kacy Parker  
Arroyo Water Company  
HC 6, Box 1048-L  
Payson, Arizona 85541

Re: Notice of Violation issued to Arroyo Water Company, Public Water System 04-083, ICE  
Inspection # 94677, Case # 76774

Dear Mr. Parker:

This letter constitutes the monthly update on the status of Arizona Department of Environmental Quality ("ADEQ") action resulting from ADEQ's inspection of the above-referenced site on November 3, 2006, as required by A.R.S. § 41-1009(H).

The attached Notice of violation ("NOV") is an informal compliance assurance tool used by ADEQ to put a responsible party (such as a facility owner or operator) on notice that the Department believes a violation of an environmental requirement has occurred. It describes the facts known to ADEQ at the time of issuance and cites the requirement that ADEQ believes the party has violated.

Although ADEQ has the authority to issue appealable administrative orders compelling compliance, an NOV has no such force or effect. Rather, an NOV provides the responsible party an opportunity to do any of the following before ADEQ takes formal enforcement action: (1) meet with ADEQ and discuss the facts surrounding the violation, (2) demonstrate to ADEQ that no violation has occurred, or (3) document that the violation has been corrected.

ADEQ reserves the right to take a formal enforcement action, such as issuing an administrative order or filing a civil lawsuit, regardless of whether the Department has issued an NOV. Neither ADEQ's issuance of an NOV nor its failure to do so precludes the Department from pursuing these remedies. However, the timeliness of a complete response to this notice will be considered by ADEQ in determining if and how to pursue such remedies.

Sincerely,

Patrick Finton  
Environmental Engineering Specialist  
Water Quality Field Services Unit

Northern Regional Office  
1801 West Route 66 • Suite 117 • Flagstaff, AZ  
86001  
(928) 779-0313

Southern Regional Office  
400 West Congress Street • Suite 433 • Tucson, AZ  
85701  
(520) 628-6733

### **Summary**

While the water system was able to close Consent Order DW-145-01 by meeting the compliance conditions in the order, the inadequate water storage violation continues to exist. As part of this inspection, a new Notice of Violation is being issued for the inadequate water storage, along with violations for failing to have a certified operator, failing to sample for nitrate, failing to have consumer confidence reports, failing to sample for lead and copper and for failing to maintain the pressure tank. An NOC is being issued for the monthly coliform violations. The water system needs to ensure that it can be contacted by State agencies and by its customers.

### **Facility Description**

Arroyo Water Company is a community water system serving a subdivision on the east side of Tonto Creek in the Punkin Center, Arizona area. The well and plant are located on Escondido Road, while the service area is located on top of the Mesa. The system consists of one (1) well with two (2) submersible pumps in the well, one (1) 11,000 gallon bolted storage tank, one (1) 2,500 gallon pressure tank, booster pump, and the distribution system. The Entry point to the Distribution system (EPDS) is at the discharge end of the pressure tank. The water system does not chlorinate.

### **Summary of Field Observations**

On March 15, 2000, Arroyo Water Company was issued a Notice of Violation for failing to meet the required minimum water storage capacity. The water system had 11,000 gallons of storage and needed to have 41,000 gallons of capacity. The Enforcement Unit combined the water capacity NOV with monitoring and reporting violations and issued Consent Order DW-145-01 to Arroyo Water Company, Inc. on December 5, 2001. The Consent Order required the water system to submit a complete Approval to Construct (ATC) application to ADEQ, which the water system did. The Consent Order was closed on July 3, 2002. After the Consent Order was closed, no further action occurred to increase the water storage capacity. Arroyo Water Company still does not meet the minimum water storage requirement. In 2000, the water system had 54 service connections. The water system now has 102 service connections, so the capacity deficiency is now greater than in 2000.

The water system is required to have a certified operator. The certified operator can be a remote operator, but the operator must live no more than 200 miles away and the remote operator must inspect the water system each month. Mr. Parker told the inspector that Mr. Williamson was not visiting the system each month and no other certified operator was associated with the water system. The water system needs to hire a competent certified operator that is knowledgeable in the drinking water rules and regulations.



ORIGINAL

MEMORANDUM RECEIVED

30

2005 JUN 24 P 12:41

TO: Docket Control  
FROM: Ernest G. Johnson  
Director  
Utilities Division

AZ CORP COMMISSION  
DOCUMENT CONTROL

Date: June 24, 2005

RE: STAFF REPORT FOR KACY PARKER DBA ARROYO WATER COMPANY, INC. - APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY AND FOR THE APPROVAL OF SALE OF ASSETS (DOCKET NO. W-04286A-04-0774)

Attached is the Staff Report for Kacy Parker dba Arroyo Water Company, Inc.'s application for Certificate of Convenience and Necessity and for the approval of sale of assets. Staff recommends that the Company provide additional information to Staff.

EGJ:BNC:lm

Originator: Blessing Chukwu

Arizona Corporation Commission

DOCKETED

JUN 24 2005

DOCKETED BY	
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Arroyo Water Company, Inc.  
Docket No. W-04286A-04-0774

fine of \$100 per day effective 91 days after the date of this Order and continuing until the problems are resolved.”

On or about May 5, 2003, Utilities Division Consumer Services Staff (“Consumer Services”) received information from a customer contact that led Consumer Services to believe that an ownership change had occurred for Tonto Basin via a flyer that accompanied the customer’s bill. The only information that was available to contact the new owners was a P.O. Box address. On May 14, 2003, Consumer Services sent a letter to the address requesting information relating to the new owner. The letter raised questions about the validity of the Company’s CC&N and requested the docket number of any existing application for approval of a sale of assets. On May 20, 2003, and June 24, 2003, Staff received responses from Mr. Kyle Parker who indicated that he and his son, Mr. Kacy Parker, had purchased the outstanding shares of stock in Tonto Basin from Mr. Richard Williamson, and that the Parkers would be filing a CC&N application.

On September 13, 2004, a Procedural Order was issued, in Docket No. W-03672A-01-0474, requiring Kyle and Kacy Parker to file, by no later than October 15, 2004, an application for sale of assets and for transfer of the current CC&N for Arroyo Water Company, Inc. Also, the Procedural Order required Staff to provide appropriate guidance to the Parkers to assist in filing the application, and that the Parkers cooperate fully with Staff’s requests for information related to the application. Further, the Procedural Order required Mr. Richard Williamson, on behalf of Arroyo Water Company, Inc., to cooperate fully with Staff’s requests for information given his status as the owner of record of Arroyo Water Company, Inc., which holds the CC&N, and as the Certified Operator of Arroyo Water system. Finally, the Procedural Order ordered that Docket No. W-03672A-01-0474 remain open until further order of the Commission and if the Parkers and/or Mr. Williamson fail to cooperate fully with Staff’s information requests, or fail to comply with the directive to file an application for sale or transfer of assets and transfer of CC&N, that Staff file a motion to renew its Complaint in Docket No. W-03672A-01-0474 and seek any and all appropriate remedies to ensure protection of the health, safety and welfare of Arroyo Water’s customers.

On October 19, 2004, Kacy Parker dba Arroyo Water Company, Inc. filed an application with the Commission for issuance of a new CC&N to provide water service in a portion of Gila County, Arizona, and for approval of the sale of assets to Kacy Parker.

### **The Water System**

Arroyo Water system’s assets consist of a Main Well that pumps 90 gallons per minute, a 12,000 gallon storage tank, a 1,000 gallon pressure tank, a 5 hp well pump, a 3 hp well pump, a 3 hp booster pump, controls and electrical service at well site, 91 metered connections, and assorted pipe valves and service lines.

**WATER USE DATA SHEET**

Company Name: Arroyo Water Co. <u>2006</u>
ADEQ Public Water System Number: <u>AZ 0404083</u>

*Revised 1-30-07*

MONTH/YEAR (Most recent 12 Months Available)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED* (Thousands)	GALLONS PURCHASED* (Thousands)
1. <u>12-05</u>	<u>80</u>	<u>499750</u>		
2. <u>1-06</u>	<u>80</u>	<u>354290</u>		
3. <u>2-06</u>	<u>80</u>	<u>423050</u>		
4. <u>3-06</u>	<u>80</u>	<u>473290</u>	<u>N/A</u>	
5. <u>4-06</u>	<u>83</u>	<u>507410</u>	<u>well has no water</u>	
6. <u>5-06</u>	<u>85</u>	<u>696520</u>	<u>we do not purchase</u>	
7. <u>6-06</u>	<u>86</u>	<u>907510</u>	<u>water</u>	
8. <u>7-06</u>	<u>86</u>	<u>1046950</u>		
9. <u>8-06</u>	<u>86</u>	<u>1035900</u>		
10. <u>9-06</u>	<u>86</u>	<u>907290</u>		
11. <u>10-06</u>	<u>85</u>	<u>811520</u>		
12. <u>11-06</u>	<u>80</u>	<u>683310</u>		
<b>TOTAL</b>	<b>N/A</b>	<b>8,346,790</b>		

Is the water utility located in an ADWR Active Management Area ("AMA")?

YES  NO

Does the Company have an ADWR gallons per capita day ("GPCD") requirement?

YES  NO

If Yes, please provide the GPCD amount: N/A

*Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of any of the above, please contact the Engineering Supervisor at 602-542-7277.*

\* The total of gallons pumped and gallons purchased should not equal or be less than the gallons sold.

Company Name: Arroyo Water Co.  
 ADEQ Public Water System Number: AZ 0404083

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-805621	5.3 hp	90	61'	19"		1994

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
	N/A	

**BOOSTER PUMPS**

Horsepower	Quantity
3	1

**FIRE HYDRANTS**

Quantity Standard	Quantity Other
N/A	

**STORAGE TANKS**

Capacity	Quantity
11,000	1

**PRESSURE TANKS**

Capacity	Quantity
2,500	1

Company Name: Arroyo Water Co.
ADEQ Public Water System Number:

**WATER COMPANY PLANT DESCRIPTION CONTINUED**

MAINS			CUSTOMER METERS	
Size (in inches)	Material	Length (in feet)	Size (in inches)	Quantity
2	PVC	2,000	5/8 x 3/4	103
3			3/4	
4	PVC	10,200 *	1	3
5			1 1/2	
6			2	1
8			Comp. 3	
10			Turbo 3	
12			Comp. 4	
			Turbo 4	
			Comp. 6	
			Turbo 6	

\* includes 2 Lm line extension

For the following three items, please list the utility owned assets in each category.

TREATMENT EQUIPMENT:

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STRUCTURES:

*Fence around well site (chain linked)*

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OTHER:

*Operations company provides equipment & materials - Backhoe - trenchers - generators, etc.*

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When recorded, deliver to:

Marian Sheppard, Chief Deputy Clerk  
Board of Supervisors

## RESOLUTION NO. 07-02-01

BEFORE THE BOARD OF SUPERVISORS

GILA COUNTY, STATE OF ARIZONA

In the Matter of:

Application of ARROYO WATER COMPANY, INC.

for a water franchise.

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)  
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)  
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)  
)

FRANCHISE

**BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF GILA COUNTY, STATE OF ARIZONA, THAT:**

**WHEREAS**, ARROYO WATER COMPANY, INC. ("Franchisee") on January 2, 2007, presented to the Gila County Board of Supervisors an application petitioning that the Board grant it a non-exclusive water franchise for public utility purposes pursuant to A.R.S. §40-283 to enter upon all present and future public highways, roads, streets, alleys, thoroughfares (except state highways and except within the present confines of any incorporated city or town) within the unincorporated area of Gila County known as Punkin Center Village to construct, operate and maintain water system facilities along, over, under and across said public highways, roads, streets, alleys and thoroughfares for the provision of water utility service; and,

**WHEREAS**, the proposed water service area is legally described as the East half of Section 11, all of Section 12, all of Section 13 and the East half of Section 14 of Township 6 North, Range 10 East, Gila and Salt River Base Meridian; and,

**WHEREAS**, the above named petitioner is an Arizona public service corporation that will operate its water utility service in Gila County pursuant to a Certificate of Convenience and Necessity granted by the Arizona Corporation Commission; and,

**WHEREAS**, upon filing of said application, the Board of Supervisors ordered the public notice of the intention of the Board to make such a grant by publication in the *Arizona Silver Belt*, once a week, three times consecutively on January 17, 2007, January 24, 2007, and January 31, 2007, and noticing that on Tuesday, February 6, 2007, the Gila County Board of Supervisors would consider the application at the courthouse at 1400 E. Ash Street in Globe; and,

**WHEREAS**, the *Arizona Silver Belt* has provided the Gila County Board of Supervisors with an affidavit that the notice had been published at least once a week for three consecutive weeks in the newspaper; and,

**WHEREAS**, notice was also regularly given pursuant to A.R.S. §38-431; and,

**WHEREAS**, this matter appeared before the Gila County Board of Supervisors on February 6, 2007, and no one appeared in opposition thereto; and,

**WHEREAS**, it appears that it will benefit the public safety, health or welfare in the granting of this franchise and that the Franchisee has complied with all necessary laws to enable it to receive such a franchise.

**NOW, THEREFORE, IT IS RESOLVED** that a franchise be granted to ARROYO WATER COMPANY, INC. for the purpose of entering all present and future

public highways, roads, streets, alleys, thoroughfares (except state highways and except within the present confines of any incorporated city or town) for the period of fifteen (15) years, unless earlier terminated, to construct, operate and maintain water service facilities within the unincorporated areas of Gila County, specifically providing, however, that:

1. All rights hereunder are granted under the express condition that the Board of Supervisors of Gila County shall have the power at any time to impose such restrictions and limitations and to make such regulations on such highways, roads, streets, alleys and thoroughfares as may be deemed best for the public safety, welfare and convenience.

2. All rights hereunder are granted on the express condition that the Franchisee shall bear all expenses, including damage and compensation, for any alteration of the direction, surface grade or alignment of a county road or any other such highway, road, street, alley, or thoroughfare occasioned by the exercise of its franchise rights. If such road improvements are necessary and the Franchisee fails to make such improvements or bear all expenses necessary within 45 days after notification by Gila County, this grant shall be immediately rescinded and without any force or effect. Franchisee shall erect and maintain all necessary safety precautions throughout the period of the improvements.

3. All rights hereby granted shall be exercised so as not to interfere or conflict with any easement or right-of-way heretofore granted by said Board of Supervisors. Before Franchisee enters upon any highway, road, street, alley or thoroughfare that requires a right-of-way permit from the Gila County Public Works

Division pursuant to Ordinance 97-3, Franchisee shall apply for and receive such a permit.

4. All water system facilities constructed, operated and maintained pursuant to this franchise shall be placed, removed or relocated, initially and throughout the term of this franchise, along, in, or, under, over and across the said highways, roads and thoroughfares in such manner and location as the Board of Supervisors or its duly authorized agents may approve. Such placement, removal or relocation shall be done at the sole expense of the Franchisee upon a determination by the Board of Supervisors of Gila County that such facilities interfere unduly with vehicular traffic over any such highway, road, street, alley, or thoroughfare. In all other instances, the costs incurred in relocating such facilities shall be borne by and added to the costs of the public or private improvement causing or resulting in such relocation.

5. Franchisee shall indemnify, defend, and save harmless Gila County from all costs, expenses and liabilities in connection with the grant of this franchise and exercise of the same by Franchisee.

6. The franchise granted herein shall not be deemed exclusive and the Board of Supervisors expressly reserves the right to grant from time to time similar franchises over the same territory, highways, roads, streets, alleys and thoroughfares.

7. The right, privilege and franchise granted herein shall be binding upon and inure to the benefit of Franchisee, its successors and assigns; provided, however, that no transfer or assignment shall be made without prior written notice to the Board of Supervisors.

8. In the event Gila County takes action to dispose of unnecessary public roadways in accordance with the provisions of Arizona Revised Statutes 28-7201, et seq., Gila County shall recognize and preserve each of Grantee's prior rights-of-way, easements, and rights under this Franchise which are affected thereby, as they existed prior to such disposition.

9. This franchise is granted upon the express condition that a Certificate of Convenience and Necessity be acquired from the Arizona Corporation Commission within twelve (12) months of the date of this franchise and all delinquent property taxes are paid to the Gila County Treasurer within 30 days of receiving the Certificate of Convenience and Necessity; and if such Certificate is not acquired within twelve (12) months from this date and the property taxes are not paid within the required time frame, this franchise shall be null and void.

10. A copy of the Certificate of Convenience and Necessity must be submitted to the Clerk of the Board of Supervisors within the twelve (12) month period along with proof of payment of the delinquent property taxes.

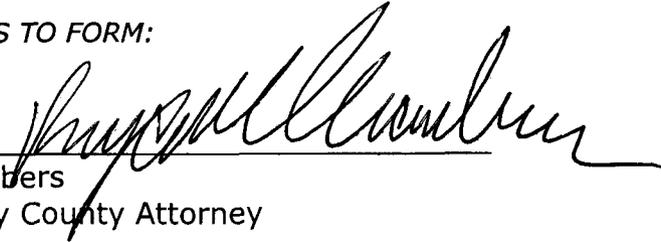
11. This franchise supercedes and revokes any other existing franchise between Gila County and Arroyo Water Company, Inc.

**IN WITNESS THEREOF** the Board of Supervisors of Gila County, State of Arizona, by its chairman and clerk, have hereunto set their hand and caused its official seal to be affixed this 6<sup>th</sup> day of February 2007.

  
\_\_\_\_\_  
Jose M. Sanchez, Chairman  
Gila County Board of Supervisors

  
\_\_\_\_\_  
Steven L. Besich, Clerk  
Gila County Board of Supervisors

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Bryan Chambers  
Chief Deputy County Attorney

The foregoing terms and conditions are hereby accepted by the Franchisee.

By  \_\_\_\_\_  
Rylee PARKER

Title owner

Date 2-6-07

JUN-13-2003 13:49

TUCSON WATER MAPPING/GIS

520 791 5288 P.09/09

**PROPOSED CCN AREA  
FOR  
ARROYO WATER COMPANY, INC.**

**JUNE, 2003**

**The East half of Section 11, all of Section 12, all of Section 13 and the East half of  
Section 14 of Township 6 North, Range 10 East, Gila and Salt River Base Meridian.**

TOTAL P.09

**KYLE PARKER**  
HC 6 BOX 1048 H  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

November 22, 2006

**Marian Sheppard**  
**Gila County Board of Supervisors**  
1400 E. Ash  
Globe, Arizona 85501  
Phone: 928-402-8757  
Fax: 928-402-8755

**Re: Arroyo Water Company, Inc.**  
**Franchise**

Dear Ms. Sheppard;

In response to our phone conversation and your letter written November 22, 2006, received via fax, we are attempting to provide you with the following request information.

It is the full intention of Kyle Parker upon receipt of the CC&N, granted by the Arizona Corporation Commission and Franchise issued by Gila County to within the 30 days to bring current the property taxes owed to Gila County Treasurer by Arroyo Water Company Inc.  
(Approximately \$10,000)

Sincerely,

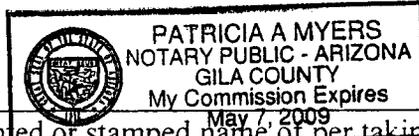


Kyle Parker  
Copy: Arizona Corporation Commission

**Notary:**

The foregoing instrument was acknowledged before me this 24th November day of 2006; By Kyle Parker, who is personally known by me or has produced AZED 001467541 x none, as identification and who did/did not take an oath.

Patricia A. Myers  
Signature of person taking acknowledgement



Printed or stamped name of per taking acknowledgement

Is my water safe?

Last year, as in years past, your tap water met all U.S. Environmental Protection Agency (EPA) and state drinking water health standards. Arroyo Water Company vigilantly safeguards its water supplies. This report is a snapshot of the last 2 year's water quality, what it contains, and how it compares to standards set by regulatory agencies. We are committed to providing you with information because informed customers are our best allies.

Do I need to take special precautions?

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Water Drinking Hotline (800-426-4791).

Why are there contaminants in my drinking water?

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's (EPA) Safe Drinking Water Hotline (800-426-4791). The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Microbial contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife. Inorganic contaminants, such as salts and metals, which can be naturally-occurring or result from urban stormwater runoff, industrial, or domestic wastewater discharges, oil and gas production, mining, or farming. Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses. Organic Chemical Contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, and septic systems. Radioactive contaminants, which can be naturally-occurring or be the result of oil and gas production and mining activities. In order to ensure that tap water is safe to drink, EPA prescribes regulations that limit the amount of certain contaminants in water provided by public water systems. Food and Drug Administration (FDA) regulations establish limits for contaminants in bottled water which must provide the same protection for public health.

Educational Statement for Lead:

Infants and young children are typically more vulnerable to lead in drinking water than the general population. It is possible that lead levels at your home may be higher than at other homes in the community as a result of materials used in your home's plumbing. If you are concerned about elevated lead levels in your home's water, you may wish to have your water tested and flush your tap for 30 seconds to 2 minutes before using tap water. Additional information is available from Safe Drinking Water Hotline (800-426-4791).

If your residence has copper plumbing or galvanized plumbing and has not been tested for lead or copper, call Arroyo Water Company at 928-474-1156, or call John Orten at 479-3157. Whenever a lead sample from a residence tests higher than it should the owner will be contacted with the information, by the Water Company.

Water Quality Data:

The table below lists all of the drinking water contaminants that we detected during the calendar year of this report. The presence of contaminants in the water does not necessarily indicate that the water poses a health risk. Unless otherwise noted, the data presented in this table is from testing done in the calendar year of the report. The EPA or the State requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants do not change frequently.

Contaminant (units)	MCLG	MCL	Your Water		Sample High	Date	Violation	Typical Source
			Low	Range				
<b>Inorganic Contaminants:</b>								
Antimony (ppb)	6	6	0	NA		12/1/02	No	Discharge from petroleum refineries; fire retardants; ceramics; electronics; solder; test addition.
Arsenic (ppb)	NA	50	0	NA		12/1/02	No	Erosion of natural deposits; Runoff from orchards; Runoff from glass and electronics production wastes
Asbestos (MPL)	7	7	0.2	NA		12/1/02	No	Decay of asbestos cement water mains; Erosion of natural deposits
Barium (ppm)	2	2	0.098	NA		12/1/02	No	Discharge of drilling wastes; Discharge from metal refiners;
Beryllium (ppb)	4	4	0	NA		12/1/02	No	Erosion of natural deposits
Cadmium (ppb)	5	5	0	NA		12/1/02	No	Discharge from metal refiners and coal-burning factories; Discharge from electrical, aerospace, and defense industries
Chromium [Total] (ppb)	100	100	0	NA		12/1/02	No	Corrosion of galvanized pipes; Erosion of natural deposits; Discharge from metal refineries; runoff from waste batteries and paints
Cyanide [as Free Co] (ppb)	200	200	0	NA		12/1/02	No	Discharge from steel and pulp mills; Erosion of natural deposits
Fluoride (ppm)	4	4	0.32	NA		12/1/02	No	Discharge from plastic and fertilizer factories; Discharge from steel/metal factories
Mercury [Inorganic] (ppb)	2	2	0	NA		12/1/02	No	Erosion of natural deposits; Water additive which promotes strong teeth; Discharge from fertilizer and aluminum factories
Nickel (ppb)	MNR	MNR	10	NA		12/1/02	No	Erosion of natural deposits; Discharge from refineries and factories; Runoff from landfills; Runoff from cropland
Nitrate [measured as Nitrogen] (ppm)	10	10	0.12	NA		01/02/02	No	Erosion of natural deposits; Leaching from septic tanks, sewage; Erosion of natural deposits
Nitrite [measured as Nitrogen] (ppm)	1	1	0.01	NA		12/01/02	No	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits
Selenium (ppb)	50	50	0	NA		12/01/02	No	Discharge from petroleum and metal refineries; Erosion of natural deposits;
Sodium (ppm)	MNR	MNR	35	NA		12/01/02	No	Discharge from mines
Thallium (ppb)	0.5	2	0	NA		12/01/02	No	Erosion of natural deposits; Leaching from electronics, glass, and drug factories; Leaching from ore-processing sites; natural deposits

Microbiological Contaminants:	WELC	MCL	Year		Sample	Date	Violation	Typical Source
			Enter	Low				
Fecal coliform/E. Coli (# of monthly positive samples)	0	NA	0	0	NA	2002	No	Human and animal fecal waste
Fecal coliform/B. Coli (# of monthly positive samples)	0	NA	0	0	NA	2003	No	Human and animal fecal waste
Fecal coliform/E. Coli (# of monthly positive samples)	0	NA	0	0	NA	2004 (To date)	No	Human and animal fecal waste
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0 (Negative)	0	NA	01/29/02 (Well, Poe) 02/28/02 05/02/02 05/23/02 10/02/02 11/08/02	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0 (Negative)	0	NA	01/29/03 (Well, Poe)	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	1 (Positive)	1	NA	02/20/03 (Well, Poe) 03/31/03 06/24/03	Yes	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0 (Negative)	0	NA	04/03/03 (Poe, 67, 88, 47) 04/29/03 (Poe) 05/28/03 (Poe) 06/30/03 (Poe, Callahan 47) 07/21/03 (Storage tank) 08/25/03 (Poe) 09/15/03 (B.OFF. # 1) 10/07/03 (B.OFF # 2) 12/17/03 (B.OFF # 4)	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0 (Negative)	0	NA	01/26/04 (Poe) 02/10/04 (B.OFF #5) 03/09/04 (B.OFF #6) 04/14/04 (47) 05/10/04 (51k) 06/09/04 (B.OFF #7)	No	Naturally present in the environment

## Synthetic organic contaminants including pesticides and herbicides:

Contaminants (units)	MDL	MCL	Year Water	Range Low	Sample High	Date	Violation	Typical Source
2,4,5-TP (Silver) (ppb)	50	50	0	NA		12/1/02	No	Residue of banned herbicide
2,4-D (ppb)	70	70	0	NA		12/1/02	No	Runoff from herbicide used on row crops
Alachlor (ppb)	0	2	0	NA		12/1/02	No	Runoff from herbicide used on row crops
Atrazine (ppb)	3	3	0	NA		12/1/02	No	Runoff from herbicide used on row crops
Benzo(a)pyrene (ppt)	0	200	0	NA		12/1/02	No	Leaching from linings of water storage tanks and distribution lines
Carbofuran (ppb)	40	40	0	NA		12/1/02	No	Leaching of soil fumigant used on rice and alfalfa
Chlordane (ppb)	0	2	0	NA		12/1/02	No	Residue of banned termiticide
Dalapon (ppb)	200	200	0	NA		12/1/02	No	Runoff from herbicide used on rights and alfalfa
Di (2-ethylhexyl) adipate (ppb)	400	400	0	NA		12/1/02	No	Discharge from chemical factories
Di (2-ethylhexyl) phthalate (ppb)	0	6	0	NA		12/1/02	No	Discharge from rubber and chemical and alfalfa
Dibromochloropropane (DBCP) (ppt)	0	200	0	NA		12/1/02	No	Runoff/leaching from soil fumigant used on soybeans, cotton, pineapples, and orchards
Dinoseb (ppb)	7	7	0	NA		12/1/02	No	Runoff from herbicide used on soybeans and vegetables
Diquat (ppg)	20	20	0	NA		12/1/02	No	Runoff from herbicide use
Endosulfan (ppb)	100	100	0	NA		12/1/02	No	Runoff from herbicide use
Endrin (ppb)	2	2	0	NA		12/1/02	No	Residue of banned insecticide
Ethylene dibromide (ppt)	0	50	0	NA		12/1/02	No	Discharge from petroleum refineries
Glyphosate (ppb)	700	700	0	NA		12/1/02	No	Runoff from herbicide use
Heptachlor (ppb)	0	600	0	NA		12/1/02	No	Residue of banned termiticide
Heptachlor epoxide (ppt)	0	200	0	NA		12/1/02	No	Breakdown of heptachlor
Hexachlorobenzene (ppb)	0	1	0	NA		12/1/02	No	Discharge from metal refineries and agricultural chemical factories
Hexachlorocyclopentadiene (ppb)	50	50	0	NA		12/1/02	No	Discharge from chemical factories
Lindane (ppt)	200	200	0	NA		12/1/02	No	Runoff/leaching from insecticide used on cattle, lumber, gardens
Methoxychlor (ppb)	40	40	0	NA		12/1/02	No	Runoff/leaching from insecticide used on fruits, vegetables, alfalfa, livestock
Orneryl [Vydate] (ppb)	200	200	0	NA		12/1/02	No	Runoff/leaching from insecticide used on apples, potatoes and tomatoes
Pentachlorophenol (ppb)	0	1	0	NA		12/1/02	No	Discharge from wood preserving factories
Picloram (ppb)	500	500	0	NA		12/1/02	No	Herbicide runoff
Simazine (ppb)	4	4	0	NA		12/1/02	No	Herbicide runoff
Toraphene (ppb)	0	3	0	NA		12/1/02	No	Runoff/leaching from insecticide used on cotton and cattle

Volatile Organic Contaminants:

Contaminants (units)	MSL	MCL	Year	Range	Sample	Date	Violation	Typical Source
			Water	Low	High			
1,1,1-Trichloroethane (ppb)	200	200	0	NA	NA	5/29/03	No	Discharge from metal degreasing sites and other factories
1,1,1-Trichloroethane (ppb)	200	200	0	NA	NA	5/29/03	No	Discharge from metal degreasing sites and other factories
1,1,1-Trichloroethane (ppb)	200	200	0	NA	NA	12/1/02	No	Discharge from metal degreasing sites and other factories
1,1,2-Trichloroethane (ppb)	3	5	0	NA	NA	12/1/02	No	Discharge from industrial chemical factories
1,1,2-Trichloroethane (ppb)	7	7	0	NA	NA	5/29/03	No	Discharge from industrial chemical factories
1,1-Dichloroethylene (ppb)	7	7	0	NA	NA	12/1/02	No	Discharge from industrial chemical factories
1,1-Dichloroethylene (ppb)	7	7	0	NA	NA	12/1/02	No	Discharge from industrial chemical factories
1,2,4-Trichlorobenzene (ppb)	70	70	0	NA	NA	5/29/03	No	Discharge from textile-finishing factories
1,2,4-Trichlorobenzene (ppb)	70	70	0	NA	NA	12/1/02	No	Discharge from textile-finishing factories
1,2,4-Trichlorobenzene (ppb)	70	70	0	NA	NA	5/29/03	No	Discharge from textile-finishing factories
1,2-Dichloroethane (ppb)	0	5	0	NA	NA	12/1/02	No	Discharge from industrial chemical factories
1,2-Dichloroethane (ppb)	0	5	0	NA	NA	5/29/03	No	Discharge from industrial chemical factories
1,2-Dichloroethane (ppb)	0	5	0	NA	NA	12/1/02	No	Discharge from industrial chemical factories
1,2-Dichloroethane (ppb)	0	5	0	NA	NA	5/29/03	No	Discharge from industrial chemical factories
1,2-Dichloropropane (ppb)	0	5	0	NA	NA	12/1/02	No	Discharge from industrial chemical factories
1,2-Dichloropropane (ppb)	0	5	0	NA	NA	5/29/03	No	Discharge from industrial chemical factories
1,2-Dichloropropane (ppb)	0	5	0	NA	NA	12/1/02	No	Discharge from industrial chemical factories
1,2-Dichloropropane (ppb)	0	5	0	NA	NA	5/29/03	No	Discharge from industrial chemical factories
Benzene (ppb)	0	5	0	NA	NA	12/1/02	No	Discharge from factories; leaching from gas storage tanks and landfills
Carbon Tetrachloride (ppb)	0	5	0	NA	NA	5/29/03	No	Discharge from chemical plants and other industrial activities
Carbon Tetrachloride (ppb)	0	5	0	NA	NA	12/1/02	No	Discharge from chemical plants and other industrial activities
Chlorobenzene (ppb)	100	100	0	NA	NA	12/1/02	No	Discharge from chemical plants and other industrial activities
Chlorobenzene (ppb)	100	100	0	NA	NA	5/29/03	No	Discharge from chemical plants and other industrial activities
Chlorobenzene (ppb)	100	100	0	NA	NA	12/1/02	No	Discharge from chemical plants and other industrial activities
cis-1,2-Dichloroethylene (ppb)	70	70	0	NA	NA	5/29/03	No	Discharge from chemical and agricultural chemical factories
cis-1,2-Dichloroethylene (ppb)	70	70	0	NA	NA	12/1/02	No	Discharge from chemical and agricultural chemical factories
cis-1,2-Dichloroethylene (ppb)	70	70	0	NA	NA	5/29/03	No	Discharge from chemical and agricultural chemical factories
Dichloromethane (ppb)	0	5	0	NA	NA	5/29/03	No	Discharge from pharmaceutical and chemical factories
Dichloromethane (ppb)	0	5	0	NA	NA	12/1/02	No	Discharge from pharmaceutical and chemical factories
Ethylbenzene (ppb)	700	700	0	NA	NA	5/29/03	No	Discharge from petroleum refineries
Ethylbenzene (ppb)	700	700	0	NA	NA	12/1/02	No	Discharge from petroleum refineries
o-Dichlorobenzene (ppb)	600	600	0	NA	NA	12/1/02	No	Discharge from industrial chemical factories
o-Dichlorobenzene (ppb)	600	600	0	NA	NA	5/29/03	No	Discharge from industrial chemical factories
o-Dichlorobenzene (ppb)	600	600	0	NA	NA	12/1/02	No	Discharge from industrial chemical factories
p-Dichlorobenzene (ppb)	75	75	0	NA	NA	5/29/03	No	Discharge from industrial chemical factories
p-Dichlorobenzene (ppb)	75	75	0	NA	NA	12/1/02	No	Discharge from industrial chemical factories
p-Dichlorobenzene (ppb)	75	75	0	NA	NA	5/29/03	No	Discharge from industrial chemical factories

Contaminant(s) (units)	MDL	AL	Your Meter	# of Samples	Sample Date	Exceeds	Typical Source
				AL		AL	
Styrene (ppb)	100	100	0	NA	12/1/02	No	Discharge from rubber and plastic factories; leaching from landfills
Styrene (ppb)	100	100	0	NA	5/29/03	No	Discharge from rubber and plastic factories; leaching from landfills
Tetrachloroethylene (ppb)	0	5	0	NA	5/29/03	No	Discharge from factories and dry cleaners
Tetrachloroethylene (ppb)	0	5	0	NA	12/1/02	No	Discharge from factories and dry cleaners
Toluene (ppm)	1	1	0	NA	5/29/03	No	Discharge from petroleum factories
Toluene (ppm)	1	1	0	NA	12/1/02	No	Discharge from petroleum factories
trans-1,2-dichloroethylene	100	100	0	NA	5/29/03	No	Discharge from industrial chemical factories
trans-1,2-dichloroethylene	100	100	0	NA	12/1/02	No	Discharge from industrial chemical factories
Trichloroethylene (ppb)	0	5	0	NA	5/29/03	No	Discharge from metal degreasing sites and other factories
Trichloroethylene (ppb)	0	5	0	NA	12/1/02	No	Discharge from metal degreasing sites and other factories
Vinyl Chloride (ppb)	0	2	0	NA	5/29/03	No	Leaching from PVC piping; Discharge from plastics factories
Vinyl Chloride (ppb)	0	2	0	NA	12/1/02	No	Leaching from PVC piping; Discharge from plastics factories
Xylenes (ppm)	10	10	0	NA	12/1/02	No	Discharge from petroleum factories; Discharge from chemical factories
Xylenes (ppm)	10	10	0	NA	5/29/03	No	Discharge from petroleum factories; Discharge from chemical factories

Inorganic Contaminants:

Copper (ppm)	1.3	1.3	0.3	0	01/12/04	No	Erosion of natural deposits; Leaching from wood preservatives; Corrosion of household plumbing systems
(2 Highest samples)			Lot 37 = .3 ppm				
Copper (ppm)	1.3	1.3	0.76	0	01/1/02	No	Erosion of natural deposits; Leaching from wood preservatives; Corrosion of household plumbing systems
(2 Highest samples)			Lot 13 = 0.76 ppm				
			Lot 23 = 1.0				
Lead (ppb)	0	15	8	1	01/12/04	Yes	Corrosion of household plumbing Systems; Erosion of natural deposits
(2 Highest samples)			Lot 09 = 8 ppb				
			Lot 37 = 16				
Lead (ppb)	0	15	3.3	0	01/1/02	No	Corrosion of household Plumbing Systems; Erosion of natural deposits
(2 Highest samples)			Lot 13 = 3.3 ppb				
			Lot 55 = 10				

**Description:**

- NA: Not applicable
- ND: Not detected
- NR: Monitoring not required, but recommended.
- ppm: parts per million, or milligrams per liter {mg/l}
- ppb: parts per billion, or micrograms per liter {µg/l}
- ppt: parts per trillion, or nanograms per liter
- ppq: parts per quadrillion, or picograms per liter
- pc/lb: picocuries per liter (a measure of radioactivity)
- ML: million fibers per liter, used to measure asbestos concentration
- # of monthly positive samples: Number of samples taken monthly that were found to be positive
- # of monthly positive samples: Number of samples taken monthly that were found to be positive

**Important Drinking Water Definitions:**

- MCLG: Maximum Contaminant Level Goal: The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.
- MCL: Maximum Contaminant Level: The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.
- AL: Action Level: The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.
- MRDLG: Maximum residual disinfection level goal. The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
- MRDL: Maximum residual disinfectant level. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

**Other Educational Information:**

**Lead:**  
 Infants and young children are typically more vulnerable to lead in drinking water than the general population. It is possible that lead levels at your home may be higher than at other homes in the community as a result of materials used in your home's plumbing. If you are concerned about elevated lead levels in your home's water, you may wish to have your water tested and flush your tap for 30 seconds to 2 minutes before using tap water. Additional information is available from the Safe Drinking Water Hotline (800-426-4791).

**Map:**  
 Monitoring assistance Program: Provides for the collection, transportation, and analysis of certain baseline samples from small public water systems in a frequency sufficient to keep the system in compliance with the federal safe drinking water act requirements. Chemicals not covered by the Map Program (Nitrate, Lead, Copper, and total and fecal coliform) will still be monitored as required by existing state rules (Title 18 AAC, Chapter 4, Article 2), but they will be the responsibility of the water system. Map is responsible for sampling radiochemicals, inorganic chemicals, synthetic chemicals, and volatile organic chemicals.

**For more information contact:**  
 Arroyo Water Company 2002/2003/2004 Phone: 928-479-3153  
 Attn: John Orten  
 Box 535  
 Tonto Basin, Az 85553-0535

# ARROYO WATER COMPANY - 2004 / 2005 / 2006

## Is my water safe?

Last year, as in years past, your tap water met all U.S. Environmental Protection Agency (EPA) and state drinking water health standards. Local Water vigilantly safeguards its water supplies and once again we are proud to report that our system has never violated a maximum contaminant level or any other water quality standard.

## Do I need to take special precautions?

Some people may be more vulnerable to contaminants in drinking water than the general population.

Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers.

HPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the Safe Water Drinking Hotline (800-426-4791).

## Why are there contaminants in my drinking water?

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's (EPA) Safe Drinking Water Hotline (800-426-4791).

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Microbial contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife. Inorganic contaminants, such as salts and metals, which can be naturally-occurring or result from urban stormwater runoff, industrial, or domestic wastewater discharges, oil and gas production, mining, or farming. Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses. Organic Chemical Contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, and septic systems. Radioactive contaminants, which can be naturally-occurring or be the result of oil and gas production and mining activities. In order to ensure that tap water is safe to drink, EPA prescribes regulations that limit the amount of certain contaminants in water provided by public water systems. Food and Drug Administration (FDA) regulations establish limits for contaminants in bottled water which must provide the same

protection for public health.

**Educational Statement for Lead**

Infants and young children are typically more vulnerable to lead in drinking water than the general population. It is possible that lead levels at your home may be higher than at other homes in the community as a result of materials used in your home's plumbing. If you are concerned about elevated lead levels in your home's water, you may wish to have your water tested and flush your tap for 30 seconds to 2 minutes before using tap water. Additional information is available from Safe Drinking Water Hotline (800-426-4791).

**Water Quality Data Table**

The table below lists all of the drinking water contaminants that we detected during the calendar year of this report. The presence of contaminants in the water does not necessarily indicate that the water poses a health risk. Unless otherwise noted, the data presented in this table is from testing done in the calendar year of the report. The HPA or the State requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants do not change frequently.

Contaminant (units)	MCLG	MCL	Your		Date	Sample Violation	Typical Source
			Water	Range			
			Low	High			
<b>Inorganic Contaminants</b>							
Antimony (ppb)	6	6	0	0	12/19/05	No	Discharge from petroleum refineries; fire retardants; ceramic & electronics; solder, test addition.
Arsenic (ppb)	NA	50	2	2	12/19/05	No	Erosion of natural deposits; Runoff from orchards; Runoff from glass and electronics production wastes
Barium (ppm)	2	2	0.1	0.1	12/19/05	No	Discharge of drilling wastes; Discharge from metal refineries; Erosion of natural deposits
Beryllium (ppb)	4	4	0	0	12/19/05	No	Discharge from metal refineries and coal-burning factories; Discharge from electrical, aerospace, and defense industries
Cadmium (ppb)	5	5	0	0	12/19/05	No	Corrosion of galvanized pipes; Erosion of natural deposits; Discharge from metal refineries

Contaminants (units)	MCLG	MCL	Water	Range		Date	Sample Violation	Typical Source
				Low	High			
Chromium [Total] (ppb)	100	100	0	NA	NA	12/19/05	No	Discharge from steel and pulp mill; Erosion of natural deposits
Mercury [Inorganic] (ppb)	2	2	0	NA	NA	12/19/05	No	Discharge from refineries and factories; Runoff from landfills; Runoff from cropland
Nickel (ppb)	MNR	MNR	0	NA	NA	12/19/05	No	Erosion of natural deposits; Leaching
Nitrate [measured as Nitrogen] (ppm)	10	10	0.11	NA	NA	12/21/06	No	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits
Nitrate [measured as Nitrogen] (ppm)	10	10	<0.1	NA	NA	02/21/06	No	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits
Nitrite [measured as Nitrogen] (ppm)	1	1	<0.1	NA	NA	12/21/06	No	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits
Nitrite [measured as Nitrogen] (ppm)	1	1	<0.1	NA	NA	02/21/06	No	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits
Nitrite [measured as Nitrogen] (ppm)	1	1	<0.1	NA	NA	12/07/03	No	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits
Selenium (ppb)	50	50	0	NA	NA	12/19/05	No	Discharge from petroleum and metal refineries; Erosion of natural deposits
Sodium (ppm)	MNR	MNR	29	NA	NA	12/19/05	No	Discharge from mines
Thallium (ppb)	0.5	2	0	NA	NA	12/19/05	No	Erosion of natural deposits; Leaching Discharge from electronics, glass, and

\* runoff from waste batteries and  
paints





Constituents (units)	MCLG	MCL	Your Water	Range		Date	Sample Violation	Typical Source
				Low	High			
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	05/10/05	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	06/13/05	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	07/06/05	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	08/15/05	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	09/20/05	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	10/31/05	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	11/28/05	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	12/19/05	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	01/17/06	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	02/21/06	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	03/22/06	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	04/27/06	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	05/30/06	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	06/28/06	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA	High	06/28/06	No	Naturally present in the environment

Contaminants (units)	MCLG	MCL	Your		Date	Violation	Typical Source
			Water	Low High			
monthly positive samples) Total Coliform (# monthly) (Samples<=40/month) # monthly positive samples)	0	1	1	NA	07/11/06	Yes	Naturally present in the environment
monthly positive samples) Total Coliform (# monthly) (Samples<=40/month) # monthly positive samples)	0	1	0	NA	08/21/06	No	Naturally present in the environment
monthly positive samples) Total Coliform (# monthly) (Samples<=40/month) # monthly positive samples)	0	1	1	NA	08/21/06	Yes	Naturally present in the environment
monthly positive samples) Total Coliform (# monthly) (Samples<=40/month) # monthly positive samples)	0	1	0	NA	09/26/06	No	Naturally present in the environment
monthly positive samples) Total Coliform (# monthly) (Samples<=40/month) # monthly positive samples)	0	1	1	NA	09/26/06	Yes	Naturally present in the environment
monthly positive samples) Total Coliform (# monthly) (Samples<=40/month) # monthly positive samples)	0	1	0	NA	10/24/06	No	Naturally present in the environment
monthly positive samples) Total Coliform (# monthly) (Samples<=40/month) # monthly positive samples)	0	1	0	NA	10/24/06	No	Naturally present in the environment
monthly positive samples) Total Coliform (# monthly) (Samples<=40/month) # monthly positive samples)	0	1	0	NA	10/24/06	No	Naturally present in the environment
monthly positive samples) Total Coliform (# monthly) (Samples<=40/month) # monthly positive samples)	0	1	0	NA	12/21/06	No	Naturally present in the environment
monthly positive samples) Total Coliform (# monthly) (Samples<=40/month) # monthly positive samples)	0	1	0	NA	01/09/07	No	Naturally present in the environment
monthly positive samples) Total Coliform (# monthly) (Samples<=40/month) # monthly positive samples)	0	1	1	NA	01/09/07	Yes	Naturally present in the environment

P8

Contaminants (units) Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	MCLG	MCL	Year		Range		Sample		Typical Source
			Water	0	Low	High	Date	Violation	
Contaminants (units) Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA			01/17/07	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA			01/17/07	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA			01/17/07	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	1	NA			01/17/07	Yes	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA			01/30/07	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA			01/30/07	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA			01/30/07	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA			01/30/07	No	Naturally present in the environment
Total Coliform (# monthly) ((Samples<=40/month) # monthly positive samples)	0	1	0	NA			01/30/07	No	Naturally present in the environment

**Microbiological Contaminants : Fecal Coliform / E. Coli**

Contaminants (units) Fecal coliform/E. Coli (# of monthly positive samples)	MCLG	MCL	Year		Range		Sample		Typical Source
			Water	0	Low	High	Date	Violation	
Fecal coliform/E. Coli (# of monthly positive samples)	0	NA	0	NA			08/30/04	No	Human and animal fecal waste
Fecal coliform/E. Coli (# of monthly positive samples)	0	NA	0	NA			09/14/04	No	Human and animal fecal waste
Fecal coliform/E. Coli (# of monthly positive samples)	0	NA	0	NA			12/15/04	No	Human and animal fecal waste
Fecal coliform/E. Coli (# of monthly positive samples)	0	NA	0	NA			07/09/06	No	Human and animal fecal waste
Fecal coliform/E. Coli (# of monthly positive samples)	0	NA	0	NA			09/26/06	No	Human and animal fecal waste

Fecal coliform/E. Coli (# of monthly positive samples)	0	NA	0	NA	09/26/06	No	Human and animal fecal waste
Contaminants (units)	MCLG	MCL	Your Water	Range Low High	Date	Violation	Typical Source
Fecal coliform/E. Coli (# of monthly positive samples)	0	NA	1	NA	01/17/07	Yes	Human and animal fecal waste

**Note:**

The source for the positive result for fecal coliform/e.coli on 01/17/07 has yet to be determined. The other three samples taken on the same or following dates (01/17/07-01/30/07) were negative for total coliform. No other samples as yet have been positive for fecal coliform or e.coli, which indicates that the positive result may have been an error in sampling. Coliform monitoring will continue on a monthly basis according to State Requirements. For more information see Microbiologicals at the end of this report.

**Un regulated Contaminants**

Contaminants (units)	MCLG	MCL	Your Water	Range Low High	Date <th>Violation</th> <th>Typical Source</th>	Violation	Typical Source
1,1,1,2-Tetrachloroethane (ptb)	NA	NA	0	NA	12/19/05	No	1,1,1,2-Tetrachloroethane is a widely used industrial solvent.

**Yo latile Organic Contaminants**

Contaminants (units)	MCLG	MCL	Your Water	Range Low High	Date <th>Violation</th> <th>Typical Source</th>	Violation	Typical Source
1,1,2-Trichloroethane (ppb)	3	5	0	NA	12/19/05	No	Discharge from industrial chemical factories
1,1-Dichloroethylene (ppb)	7	7	0	NA	12/19/05	No	Discharge from industrial chemical factories
1,2,4-Trichlorobenzene (ppb)	70	70	0	NA	12/19/05	No	Discharge from textile-finishing factories
1,2-Dichloroethane (ppb)	0	5	0	NA	12/19/05	No	Discharge from industrial chemical factories
1,2-Dichloropropane (ppb)	0	5	0	NA	12/19/05	No	Discharge from industrial chemical factories
Benzene (ppb)	0	5	0	NA	12/19/05	No	Discharge from factories; Leaching from gas storage tanks and landfills
Carbon Tetrachloride (ppb)	0	5	0	NA	12/19/05	No	Discharge from chemical plants and other industrial activities

Contaminant	MCLG	MCL	Your		Date	Violation	Typical Source
			Water	Range Low High			
Chlorobenzene (ppb)	100	100	0	NA	12/19/05	No	Discharge from chemical and agricultural chemical factories
cis-1,2-Dichloroethylene (ppb)	70	70	0	NA	12/19/05	No	Discharge from industrial chemical factories
Dichloromethane (ppb)	0	5	0	NA	12/19/05	No	Discharge from pharmaceutical and chemical factories
Ethylbenzene (ppb)	700	700	0	NA	12/19/05	No	Discharge from petroleum refineries
o-Dichlorobenzene (ppb)	600	600	0	NA	12/19/05	No	Discharge from industrial chemical factories
p-Dichlorobenzene (ppb)	75	75	0	NA	12/19/05	No	Discharge from industrial chemical factories
Styrene (ppb)	100	100	0	NA	12/19/05	No	Discharge from rubber and plastic factories; Leaching from handfills
Tetrachloroethylene (ppb)	0	5	0	NA	12/19/05	No	Discharge from factories and dry cleaners
Toluene (ppm)	1	1	0	NA	12/19/05	No	Discharge from petroleum factories
trans-1,2-Dichloroethylene (ppb)	100	100	0	NA	12/19/05	No	Discharge from industrial chemical factories
Trichloroethylene (ppb)	0	5	0	NA	12/19/05	No	Discharge from metal degreasing sites and other factories
Vinyl Chloride (ppb)	0	2	0	NA	12/19/05	No	Leaching from PVC piping; Discharge from plastics factories
Xylenes (ppm)	10	10	0	NA	12/19/05	No	Discharge from petroleum factories; Discharge from chemical factories
<b>Inorganic Contaminants</b>							
Contaminant (units)	MCLG	MCL	Your		Sample	Violation	Typical Source
Copper (ppm)	1.3	1.3	Water	0	07/16/06	No	Erosion of natural deposits; Leaching from wood preservatives; Corrosion of household plumbing systems
Copper (ppm)	1.3	1.3	0.2	0	6/12/05	No	Erosion of natural deposits; Leaching from wood preservatives; Corrosion of household plumbing systems
Copper (ppm)	1.3	1.3	0.34	0	6/6/04	No	Erosion of natural deposits; Leaching from wood preservatives; Corrosion

Contaminants (units)	MCLG	MCL	Your		Range		Date	Sample		of household plumbing systems
			Water	Low	High	Violation		Typical Source		
Copper (ppm)	1.3	1.3	0.3	0	0	1/12/04	No	Erosion of natural deposits; Leaching from wood preservatives; Corrosion of household plumbing systems		
Lead (ppb)	0	15	6	0	0	07/16/05	No	Corrosion of household plumbing systems; Erosion of natural deposits		
Lead (ppb)	0	15	0	0	0	6/12/05	No	Corrosion of household plumbing systems; Erosion of natural deposits		
Lead (ppb)	0	15	15	1	1	6/6/04	No	Corrosion of household plumbing systems; Erosion of natural deposits		
Lead (ppb)	0	15	8	1	1	1/12/04	No	Corrosion of household plumbing systems; Erosion of natural deposits		

**Units Description:**

NA: Not applicable

ND: Not detected

NR: Not reported

MRR: Monitoring not required, but recommended

ppm: parts per million, or milligrams per liter (mg/L)

ppb: parts per billion, or micrograms per liter (ug/L)

# of monthly positive samples: Number of samples taken monthly that were found to be positive

# of monthly positive samples: Number of samples taken monthly that were found to be positive

**Important Drinking Water Definitions:**

**MCLG:** Maximum Contaminant Level Goal: The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

**MCL:** Maximum Contaminant Level: The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

**AL:** Action Level: The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

**MRDLG:** Maximum residual disinfection level goal. The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

**MRDL:** Maximum residual disinfectant level. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

**Violations:****Total Coliform (# monthly)**

Coliforms are bacteria that are naturally present in the environment and are used as an indicator that other, potentially-harmful, bacteria may be present. Coliforms were found in more samples than allowed and this was a warning of potential problems.

**Other Educational Information****Microbiologicals:**

Monitoring for microbiological contamination is necessary to determine the sanitary quality of drinking water. The numbers and types of disease causing organisms (pathogens) are so large and varied that testing for all of them is too costly; therefore, a single group of bacteria, called the "coliform" group, is used as an indicator of the presence of pathogens. Coliform bacteria are present in the normal intestinal tract of humans and other warmblooded animals, along with a number of disease causing organisms, and are released in large numbers in fecal wastes. Fecal coliforms are tested for when total coliform samples are positive to further define the nature of the contamination. Drinking water quality is based upon the presence or absence of total and/or fecal coliform bacteria. All compliance analyses must be conducted by a laboratory licensed by the Arizona Department of Health Services, Office of Laboratory Licensure and Certification at (602) 255-3454.

Other information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's (EPA) Safe Drinking Water Hotline (800-426-4791).

**Valves, Antisiphon and check valves:**

All hose bibs should have antisiphon valves installed and every water line to a residence should have a check valve installed. All installed meters should be installed at property line outside any fences. The property owner is to install his own water valve immediately after the meter box so as not to use the water company valve to shut off the water to his property.

**Fences:**

If a meter is inside of the property fence, it is the responsibility of the property owner to provide access for the water company personnel to be able to read the meter without having to climb a fence.

**Lead:**

Infants and young children are typically more vulnerable to lead in drinking water than the general population. It is possible that lead levels at your home may be higher than at other homes in the community as a result of materials used in your home's plumbing. If you are concerned about elevated lead levels in your home's water, you may wish to have your water

tested and flush your tap for 30 seconds to 2 minutes before using tap water. Additional information is available from the Safe Drinking Water Hotline (800-426-4791).

**MAP: Monitoring Assistance Program:**

Provides for the collection, transportation, and analysis of certain baseline samples from small public water systems at a sufficiency to keep the system in compliance with the federal safe drinking water act requirements. Chemicals not covered by the MAP Program (Nitrate, Lead, Copper, and Total and Fecal coliform) will still be monitored as required by existing state rules (Title 18 AAC, Chapter 4, Article 2), but they will be the responsibility of the water system. MAP is responsible for sampling radiochemicals, inorganic chemicals, synthetic chemicals, and volatile organic chemicals.

**Safe Water Drinking Act:**

Congress passed the Safe Drinking Water Act in 1974, and amended it in 1986. Its purpose is to assure that all drinking water which is provided to the public meets certain minimum standards of quality and safety. Arizona's drinking water rules are at least as stringent as the federal requirements. Compliance with Arizona's rules will assure that public health is protected in accordance with the Safe Drinking Water Act.

**For more information contact:**

**ARROYO WATER COMPANY**

Phone: 928-474-1766  
Fax: 928-474-7812

**Attn: KACY PARKER  
HC6 BOX 1048-L  
PAYSON, AZ, 85541-**

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
 WATER QUALITY DIVISION - WATER QUALITY COMPLIANCE SECTION  
 FIELD SERVICES UNIT  
 1110 W. Washington, Phoenix, AZ 85007

**INFORMATION SUMMARY - WATER**

Facility: Arroyo Water Company	System No: 04-083
Inspected By: Patrick Finton, Environ Engr. Spec.	Inspection Date: November 3, 2006
Previous Inspection: February 22, 2000	Time Arrived: 10 am
Accompanied By: Kacy Parker, Owner Tony V, Parker Excavating John Otten, On-site Operator Ron Otten, Observer Brian Bozzo, ACC Carmela Leon, ACC Deborah Reagan, ACC	Time Departed: 12:30 pm
Recommendations By: Patrick Finton	County: Gila
Number of Plants / Wells: 1 / 1	Report Date: December 15, 2006
Population / Service Connections: 200 / 102	System Grade: Grade 1 Treatment Grade 1 Distribution

Number of Employees: 1

The water system is in compliance with the following ADEQ requirements:

	YES	NO	N/A
1. Certified Operator .....None	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Physical Facilities .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Monitoring & Reporting .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### **Summary**

While the water system was able to close Consent Order DW-145-01 by meeting the compliance conditions in the order, the inadequate water storage violation continues to exist. As part of this inspection, a new Notice of Violation is being issued for the inadequate water storage, along with violations for failing to have a certified operator, failing to sample for nitrate, failing to have consumer confidence reports, failing to sample for lead and copper and for failing to maintain the pressure tank. An NOC is being issued for the monthly coliform violations. The water system needs to ensure that it can be contacted by State agencies and by its customers.

### **Facility Description**

Arroyo Water Company is a community water system serving a subdivision on the east side of Tonto Creek in the Punkin Center, Arizona area. The well and plant are located on Escondido Road, while the service area is located on top of the Mesa. The system consists of one (1) well with two (2) submersible pumps in the well, one (1) 11,000 gallon bolted storage tank, one (1) 2,500 gallon pressure tank, booster pump, and the distribution system. The Entry point to the Distribution system (EPDS) is at the discharge end of the pressure tank. The water system does not chlorinate.

### **Summary of Field Observations**

On March 15, 2000, Arroyo Water Company was issued a Notice of Violation for failing to meet the required minimum water storage capacity. The water system had 11,000 gallons of storage and needed to have 41,000 gallons of capacity. The Enforcement Unit combined the water capacity NOV with monitoring and reporting violations and issued Consent Order DW-145-01 to Arroyo Water Company, Inc. on December 5, 2001. The Consent Order required the water system to submit a complete Approval to Construct (ATC) application to ADEQ, which the water system did. The Consent Order was closed on July 3, 2002. After the Consent Order was closed, no further action occurred to increase the water storage capacity. Arroyo Water Company still does not meet the minimum water storage requirement. In 2000, the water system had 54 service connections. The water system now has 102 service connections, so the capacity deficiency is now greater than in 2000.

The water system is required to have a certified operator. The certified operator can be a remote operator, but the operator must live no more than 200 miles away and the remote operator must inspect the water system each month. Mr. Parker told the inspector that Mr. Williamson was not visiting the system each month and no other certified operator was associated with the water system. The water system needs to hire a competent certified operator that is knowledgeable in the drinking water rules and regulations.

The water system has failed to take yearly nitrate samples for 2004 and 2005. This is a major violation. The water system must take a nitrate sample at each EPDS each year.

The water system has failed to submit consumer confidence reports (CCR) for the years 2002, 2003, 2004 and 2005. The water system needs to compile the required reporting information and issue the CCRs for the missing years. The water system customers must be notified that the CCRs are available and a copy must be submitted to ADEQ.

The water system has failed to conduct baseline lead and copper monitoring for the water system. The water system will need the help of a competent certified operator to assist in performing the required sampling and to bring the water system into compliance.

The pressure tank has numerous holes. At the time of the inspection, the inspector observed five holes that were actively weeping water or had a spray coming out of the hole. The inspector did not count the number of holes that had either been screwed shut with rubber covered sheetmetal screws or had rusted shut. A.A.C. R18-4-124 requires a water system to maintain and keep in proper operating condition all facilities used in production, treatment, and distribution of the water supply. In addition to the small holes, on October 3, 2006, the inspector happened to drive by the water plant and observed a large stream coming out of the tank and digging a hole in the ground. At the time of the inspection, the inspector observed a six to eight inch hole that had recently been dug by a pressure tank hole.

Since December 2004, the water system has experienced a number of coliform violations. In this period, six of the 36 samples tested positive for coliform and the system failed to take any sample for two of the months. On two occasions, the water system failed to take repeats samples after a positive coliform sample. Again, the water system needs a competent certified operator to assist the system when the system runs into trouble.

Both ADEQ and the Arizona Corporation Commission have had trouble contacting the water system. As part of this inspection, the inspector was told by Kacy Parker that the on-site representative was John Otten, (928) 479-3153 and the office contact was Tony V, (928) 474-1766. With these new water system contacts, it is hoped that State agencies will be able to contact the water system.

The water system pressure at the pressure tank was 80 psi. The pressure at Mr. Otten's house was 42 psi. This pressure differential indicates that there is an elevation difference of about 100 feet between the plant and Mr. Otten's residence. Visually the elevation difference appeared to be about 50 feet. This means that line friction would account for about 50 feet of elevation. If this is the case, the water distribution line is too small and/or there are too many turns in the line. It also means that there is a good chance that the water pressure on the upper end of the distribution system drops below 20 psi. Anytime the pressure drops below 20 psi anywhere in the distribution system, this is a violation.

The system booster pump was running continuously, indicating a water system problem. There are several things that could be wrong. The high level kick-off switch could be set too high and not allowing the pump to shut down. The pump could be worn out and not generating enough pressure to trip the high level pressure switch. The water system could be calling for more water than the pump can deliver. Or, there could be another problem. In any case, the water system needs to inspect the system, determine the problem and make the necessary corrections.

In addition to the booster pump problem, the pressure tank was water logged. Normally this would cause the booster pump to chatter as the pump constantly started and stopped, but the booster pump had another problem that was discussed above. For proper operation, the pressure tank needs to be filled with about 40% air. The inspection found that the tank was full of water. In addition to the lack of air in the pressure tank, there was no way to add air to the tank. The new tank will need to have an air addition point in the tank.

The plant needs to be signed to indicate 1) No Trespassing, 2) the name of the water system (Arroyo Water Company), 3) the water system number (PWS 04-083), 4) the DWR well number (DWR # 55-805621) and 5) the emergency contact telephone number.

Gophers have dug a number of holes under the water storage tank. The gophers need to be removed and the holes filled in. The holes under the bottom of the storage tank can put stress on the bottom of the water tank, resulting in a premature failure in the tank bottom.

The water storage tank needs to have a mechanism to show the water level outside the water tank. This is normally accomplished with a target cable or a sight glass.

### **Inspector Recommendations**

An NOV is being issued to the drinking water system for failing to have adequate water storage, failing to have a certified operator, failing to take yearly nitrate samples, failing to submit consumer confidence reports, failing to take baseline lead and copper samples and failing to maintain the pressure tank. An NOC is being issued for the monthly coliform violations. In addition to these violations, the inspector recommends that the facility address the following conditions:

1. The water system needs to respond to calls from the regulators and its customers.
2. The water system must maintain 20 psi pressure in all parts of the distribution system.
3. Determine why the booster pump is running continuously and solve the problem.

Information Summary – Arroyo Water Company

December 15, 2006

Page 5

4. Install an air addition point to the pressure tank and add air to the tank.
5. Sign the plant area.
6. Remove the gophers that are under the water storage tank and fill in the holes.
7. Install a visual level indicator on the outside of the water storage tank.



Janet Napolitano  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street Phoenix, Arizona 85007  
(602) 771-2300 www.azdeq.gov



Stephen A. Owens  
Director

CERTIFIED MAIL  
Return Receipt Requested

Case ID #: 76774

December 15, 2006

Arroyo Water Company Inc  
Attention: Kacy Parker  
HC 6 Box 1048H  
Payson, AZ 85541-9736

Subject: Water System No. : AZ0404083, 16095  
LAT: 33d, 51', 46" N LNG: 111d, 18', 12.5" W

## NOTICE OF VIOLATION

The Arizona Department of Environmental Quality (ADEQ), has reason to believe that Arroyo Water Company Inc as the owner/operator of Water System No. : AZ0404083, has violated a requirement of the Arizona Revised Statutes (A.R.S.), a rule within the Arizona Administrative Code (A.A.C.), or an applicable permit/license, administrative order or civil judgment. ADEQ discovered the violations alleged below during an inspection completed on November 03, 2006.

### I. LEGAL AUTHORITY and NATURE OF ALLEGED SIGNIFICANT VIOLATION(S)

1. **A.A.C. R18-4-202(E)**

**Failure to conduct monthly monitoring to determine compliance with the MCL for total coliform bacteria**

The Arroyo Water Company, Inc. (AWC) failed to monitor for coliform during the months of December 2005 and January 2006.

2. **A.A.C. R18-4-702(A)**

**Failure of a community water system to deliver a consumer confidence report to each customer annually by July 1.**

After the end of the 2002, 2003, 2004 and 2005 calendar years, the AWC failed to deliver a consumer confidence report to its customers by July 1, of the following year.

3. **A.A.C. R18-5-503(A)**

**Failure to provide the required minimum storage capacity for a community water system or a noncommunity water system that serves a residential population or a school.**

The AWC has 11,000 gallons of water storage capacity. In a March 15, 2000, Notice of Violation (NOV), ADEQ notified AWC that 11,000 gallons of water storage was inadequate. Under a Consent Order issued December 5, 2001, AWC submitted an Application for Approval to Construct additional water storage. While the application was approved, the additional storage was never constructed. Since the March 2000, NOV the water system has grown from 54 to 102 service connections.

4. **A.A.C. R18-4-114**

**Failure to provide a certified operator of the proper type and grade to operate a water distribution system**

The AWC does not employ a certified operator with at least a grade 1 treatment and distribution certification. AWCs prior owner, Richard Williamson, was the certified operator.

Mr. Williamson's operator certification has expired. During the November 3, 2006, inspection, Mr. Parker stated that no other certified operator was associated with the water company.

5. **A.A.C. R18-4-208(D)(1)**

**Failure to monitor annually for nitrate at each groundwater sampling point**

The AWC has failed to monitor for nitrate during the 2004 and 2005 calendar years and submit the results to ADEQ.

6. **A.A.C. R18-4-124**

**Failure to maintain and keep in proper operating condition a facility used in the production, treatment, or distribution of a water supply.**

The AWC water pressure tank has numerous holes. At the time of the inspection, five holes were either leaking or spraying water.

7. **A.A.C. R18-4-202(H)**

**Failure to collect a repeat sample within 24 hours of receiving notice that a routine sample tested positive for total coliform**

The AWC failed to take repeat coliform samples in July and August 2006 after receiving a positive results for coliform.

II. LEGAL AUTHORITY and NATURE OF OTHER ALLEGED VIOLATION(S)

1. **A.A.C. R18-4-310(A)**

**Failure to conduct initial tap water monitoring for lead and copper**

The AWC has failed to monitor for lead and copper and submit the results to ADEQ.

III. DOCUMENTING COMPLIANCE

1. Within 30 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or documentation that AWC has completed the first round of the initial lead and copper tap monitoring, an explanation for AWCs failure to complete the required monitoring, and an acknowledgement that the second round of monitoring will be performed within the required six-month time frame. Monitoring documentation may include chain of custody and lab receipts. A brochure describing your lead and copper monitoring obligations has been enclosed for your reference.

2. Within 20 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or a plan that describes how AWC will meet the water storage requirements. The plan must include a calculation of the average daily demand during the peak month for water usage during the year. Storage capacity must be greater than the average daily demand during the peak month for water usage during the year.
3. Within 60 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or an administratively complete Approval to Construct (ATC) application for increasing water storage capacity.
4. Within 120 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or an Engineer's Certificate of Completion for the water storage project.
5. Within 20 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or documentation that AWC employs a operator that holds a grade 1 or greater, water treatment and distribution certification .
6. Within 20 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or nitrate monitoring results, along with and explanation of why the monitoring was missed and an assurance that it will be performed in the future.
7. Within 60 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or a complete consumer confidence report documenting water quality conditions for calendar year 2005, along with a description of how the AWC customers have received the report.
8. Within 60 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or documentation that the pressure tank has been repaired or replaced. The documenation must include pictures that show all aspects of the pressure tank.
9. Within 20 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or coliform monitoring results, along with and explanation of why the monitoring was missed and an assurance that it will be performed in the future.

#### IV. SUBMITTING COMPLIANCE DOCUMENTATION

Please send all compliance documentation and any other written correspondence regarding this Notice to ADEQ at the following address:

Arizona Department of Environmental Quality, Attention: Patrick C. (Pat) Finton, Water Quality Field Service Compliance Unit, 1110 W Washington St, Phoenix, AZ 85007 MC: 5415B-1

V. STATEMENT OF CONSEQUENCES

Significant Violations

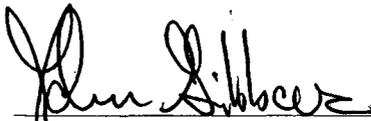
1. The time frames within this Notice for achieving and documenting compliance for the violation(s) alleged in Section I of this Notice are firm limits. Failure to achieve or document compliance for the violation(s) alleged in Section I of this Notice within the time frames established in this Notice will result in an administrative compliance order or civil action requiring compliance within a reasonable time frame, substantial civil penalties, and/or the suspension or revocation of an applicable permit/license. ADEQ will agree to extend the time frames for achieving and documenting compliance for the violation(s) alleged in Section I of this Notice only in a compliance schedule negotiated in the context of an administrative consent order or civil consent judgment.
2. Achieving compliance does not preclude ADEQ from seeking civil penalties, and/or suspending or revoking an applicable permit/license for the violation(s) alleged in Section I of this Notice as allowed by law.

Other Violations

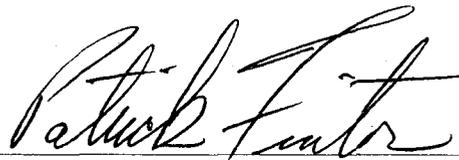
3. ADEQ may take any enforcement action authorized by law for the violation(s) alleged in Section II of this Notice, if the violation(s) are not corrected, or if ADEQ determines that the violation(s) have not been corrected in the time frames within this Notice.

VI. OFFER TO MEET

ADEQ is willing to meet regarding this Notice. To obtain additional information about this Notice or to schedule a meeting to discuss this Notice, please contact Patrick C. (Pat) Finton at (602) 771-7667.



John T. Gibbons, Manager  
Water Quality Field Service Compliance Unit



Patrick C. (Pat) Finton  
Water Quality Field Service Compliance  
Unit

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

AZ 0404083  
AKROYO WATER COMPANY  
P.O. BOX 1048L  
PRYSON, AZ 85541  
0230935-0

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
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FOR COMMISSION USE

ANN04	04
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**COMPANY INFORMATION**

Company Name (Business Name) KACY PARKER - ARROYO WATER COMPANY

Mailing Address HC6 Box 1048L  
(Street)  
Payson, AZ 85541  
(City) (State) (Zip)

928-474-1766 928-474-7812  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address arroyo@npgcable.com

Local Office Mailing Address Same as above  
(Street)  
(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address arroyo@npgcable.com

**MANAGEMENT INFORMATION**

Management Contact: KACY PARKER  
(Name) (Title)

HC6 Box 1048L Payson AZ 85541  
(Street) (City) (State) (Zip)

928-474-1766 928-474-7812  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

On Site Manager: KACY PARKER  
(Name)

HC6 Box 1048L Payson AZ 85541  
(Street) (City) (State) (Zip)

928-474-1766 928-474-7812  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address arroyo@npgcable.com

Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: NACY PARKER  
 (Name)

ACG B410482 Payson AZ 85341  
 (Street) (City) (State) (Zip)

928-474-1766 928-474-7812  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: \_\_\_\_\_  
 (Name)

\_\_\_\_\_  
 (Street) (City) (State) (Zip)

\_\_\_\_\_  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Please mark this box if the above address(es) have changed or are updated since the last filing.

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |                                              |                                                                                      |
|----------------------------------------------|--------------------------------------------------------------------------------------|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)     | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)      | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)    | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe)    |                                                                                      |

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

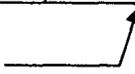
- |                                          |                                   |                                   |
|------------------------------------------|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE          | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO |
| <input checked="" type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ          | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO          | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ      | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE       |                                   |                                   |

COMPANY NAME

ARROYO WATER Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	40,000	5714.00	34286
302	Franchises	0		
303	Land and Land Rights			
304	Structures and Improvements	5000.00		
307	Wells and Springs	75000		
311	Pumping Equipment	10000.00		
320	Water Treatment Equipment	0		
330	Distribution Reservoirs and Standpipes	N/A		
331	Transmission and Distribution Mains	N/A		
333	Services	N/A		
334	Meters and Meter Installations	32850.00		
335	Hydrants	N/A		
336	Backflow Prevention Devices	3,000		
339	Other Plant and Misc. Equipment	1550		
340	Office Furniture and Equipment	1500		
341	Transportation Equipment	36000		
343	Tools, Shop and Garage Equipment	8000		
344	Laboratory Equipment	N/A		
345	Power Operated Equipment	N/A		
346	Communication Equipment	N/A		
347	Miscellaneous Equipment	0		
348	Other Tangible Plant	0		
	<b>TOTALS</b>			

This amount goes on the Balance Sheet Acct. No. 108 

COMPANY NAME

ARROYO WATER COMPANY

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	40,000		
302	Franchises	0		
303	Land and Land Rights	0.00		
304	Structures and Improvements	5000.00		
307	Wells and Springs	7500.00		
311	Pumping Equipment	10,000.00		
320	Water Treatment Equipment	0		
330	Distribution Reservoirs and Standpipes	N/A		
331	Transmission and Distribution Mains	N/A		
333	Services	N/A		
334	Meters and Meter Installations	32,850.00		
335	Hydrants	N/A		
336	Backflow Prevention Devices	3,000.00		
339	Other Plant and Misc. Equipment	1,550.00		
340	Office Furniture and Equipment	1,500.00		
341	Transportation Equipment	36,000.00		
343	Tools, Shop and Garage Equipment	8,000.00		
344	Laboratory Equipment	N/A		
345	Power Operated Equipment	N/A		
346	Communication Equipment	N/A		
347	Miscellaneous Equipment	0		
348	Other Tangible Plant	0		
	<b>TOTALS</b>			

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.

COMPANY NAME

*Arroyo Water Company***BALANCE SHEET**

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
<b>CURRENT AND ACCRUED ASSETS</b>			
131	Cash	\$ $\phi$	\$ 5236
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	$\phi$	2302
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ $\phi$	\$ $\phi$
<b>FIXED ASSETS</b>			
101	Utility Plant in Service	\$ $\phi$	\$ $\phi$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ $\phi$	\$ 56,466
	<b>TOTAL ASSETS</b>	\$ $\phi$	\$ 116,624 80,628.00

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

ARROGO WATER Company

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 0	\$
232	Notes Payable (Current Portion)	0	
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		320
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$	\$
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$	\$
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$ 1000.00
211	Paid in Capital in Excess of Par Value		79,308.00
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$	\$
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 0	\$ 80,628.00

COMPANY NAME

*Arroyo Water Company***COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ <del>0</del>	\$ 26802
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$ <del>0</del>	\$ 26802
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ <del>0</del>	\$ 1100.00
610	Purchased Water		
615	Purchased Power	<del>0</del>	3426.00
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense	<del>0</del>	1171.00
630	Outside Services	<del>0</del>	856.00
635	Water Testing	<del>0</del>	4140.00
641	Rents		
650	Transportation Expenses	<del>0</del>	3030.00
657	Insurance - General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	<del>0</del>	302.00
403	Depreciation Expense		
408	Taxes Other Than Income	<del>0</del>	4644
408.11	Property Taxes		
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ <del>0</del>	\$ 18,669.00
	<b>OPERATING INCOME/(LOSS)</b>	\$ <del>0</del>	\$ 8133.00
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ <del>0</del>	\$ 0
	<b>NET INCOME/(LOSS)</b>	\$ <del>0</del>	\$ 8133.00

COMPANY NAME

*Arroyo Water Company*

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate		%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

COMPANY NAME

*Arroyo Water Company*

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
<i>55-805621</i>	<i>5+3 hp</i>	<i>90</i>	<i>61'</i>	<i>19"</i>		<i>1996</i>

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
<i>N/A</i>		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
<i>3</i>	<i>1</i>		
			<i>N/A</i>

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
<i>14,000</i>	<i>1</i>	<i>2,500</i>	<i>1</i>

COMPANY NAME ARROYO WATER COMPANY

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	2,000
3		
4	PVC	6,200
5		
6		
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	160
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

**TREATMENT EQUIPMENT:**

N/A

**STRUCTURES:**

Fence around well site (chain link)

**OTHER:**

Operations company provides equipment & materials - backhoe - trenchers - generators, etc.

COMPANY NAME: Arroyo Water Company

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	80	354 290	
FEBRUARY	80	42 3050	
MARCH	80	47 3290	N/A
APRIL	83	507 410	
MAY	85	696 520	
JUNE	86	907 510	no meter on well
JULY	86	904 6950	We do not buy water
AUGUST	86	103 5900	
SEPTEMBER	86	907 290	
OCTOBER	85	811 520	
NOVEMBER	80	683 310	
DECEMBER			
TOTAL			

Is the Water Utility located in an ADWR Active Management Area (AMA)?

Yes                       No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

Yes                       No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. \_\_\_\_\_ mg/l  
*(If more than one well, please list each separately.)*

**Note: If you are filing for more than one system, please provide separate data sheets for each system.**

COMPANY NAME \_\_\_\_\_

YEAR ENDING 12/31/2004

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2004 was: \$ \_\_\_\_\_

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

N/A

COMPANY NAME Arroyo Water Company YEAR ENDING 12/31/2004

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported \_\_\_\_\_  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

2-21-07  
DATE

KACY PARKER  
PRINTED NAME

President  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

STATE OF ARIZONA

	COUNTY OF (COUNTY NAME) <u>Gila</u>
I, THE UNDERSIGNED	NAME (OWNER OR OFFICIAL) TITLE <u>Larry Parker</u>
OF THE	COMPANY NAME <u>Arroyo Water Company</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	200 <u>4</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>26802</u>

(THE AMOUNT IN BOX ABOVE INCLUDES \$ \_\_\_\_\_ IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL

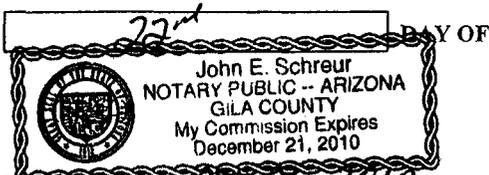
928-474-1764

TELEPHONE NUMBER

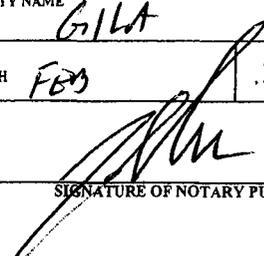
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



COUNTY NAME <u>GILA</u>	
MONTH <u>FEB</u>	YEAR <u>2007</u>



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES FEB 21, 2010

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <i>GILA</i>	
NAME (OWNER OR OFFICIAL) <i>KACY PARKER</i>	TITLE <i>President</i>
COMPANY NAME <i>Arroyo Water Company</i>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>216802</u>

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 1943.14 IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

*[Signature]*  
SIGNATURE OF OWNER OR OFFICIAL

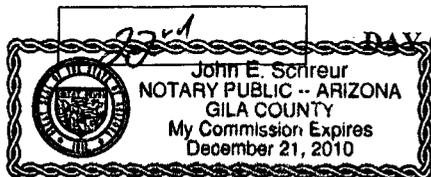
928-474-1766  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 27<sup>th</sup> DAY OF

(SEAL)



MY COMMISSION EXPIRES

*Dec 21, 2010*

NOTARY PUBLIC NAME <i>JOHN SCHREIER</i>	
COUNTY NAME <i>GILA</i>	
MONTH <i>FEB</i>	, 20 <i>07</i>

X

*[Signature]*  
SIGNATURE OF NOTARY PUBLIC

## FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

20065

Cover Sheet  
 Arizona Corporation Commission  
 Docket Control Center

Company/Case Name ARROYO WATER Co., Inc.  
 Doing Business As (d/b/a) \_\_\_\_\_  
 Docket Number (s) W-042860A-04-0774

Description of Document or Nature of Action  
 Please choose the item that best describes the nature of the case/filing.

UTILITIES - NEW APPLICATION

- |                                                                                        |                                                                 |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <input type="checkbox"/> New CC&N                                                      | <input type="checkbox"/> Main Extension                         |
| <input type="checkbox"/> Rates                                                         | <input type="checkbox"/> Contract/Agreements                    |
| <input type="checkbox"/> Interim Rates                                                 | <input type="checkbox"/> Formal Complaint                       |
| <input type="checkbox"/> Cancellation of CC&N                                          | <input type="checkbox"/> Waiver/Rule Variance                   |
| <input type="checkbox"/> Deletion of CC&N                                              | <input type="checkbox"/> Line Siting Committee Case             |
| <input type="checkbox"/> Extension of CC&N                                             | <input type="checkbox"/> Small Water Company - Surcharge        |
| <input type="checkbox"/> Tariff (NEW)                                                  | <input type="checkbox"/> Sale of Assets & Transfer of Ownership |
| <input type="checkbox"/> Request for Arbitration                                       | <input type="checkbox"/> Sale of Assets & Cancellation of CC&N  |
| <input type="checkbox"/> Full or Partially Arbitrated                                  | <input type="checkbox"/> Fuel Adjuster/PGA                      |
| <input type="checkbox"/> Interconnection Agreement                                     | <input type="checkbox"/> Merger                                 |
| <input type="checkbox"/> Voluntary Interconnection Agreement                           | <input type="checkbox"/> Financing                              |
| <input checked="" type="checkbox"/> Miscellaneous - Specify: <u>Annual report 2006</u> |                                                                 |

UTILITIES - REVISIONS/AMENDMENTS TO PENDING OR APPROVED MATTERS

Application: \_\_\_\_\_  Tariff: (Promotional or Compliance)  
 \_\_\_\_\_  
 (Circle One)  
 Company \_\_\_\_\_ Decision No. \_\_\_\_\_  
 Docket Number \_\_\_\_\_ Docket No: \_\_\_\_\_

SECURITIES or MISCELLANEOUS FILINGS

- |                                                                 |                                                               |
|-----------------------------------------------------------------|---------------------------------------------------------------|
| <input type="checkbox"/> Affidavit (Publication, Public Notice) | <input type="checkbox"/> Request/Motion for Extension of Time |
| <input type="checkbox"/> Comments                               | <input type="checkbox"/> Request/Motion for a Hearing         |
| <input type="checkbox"/> Exception                              | <input type="checkbox"/> Request/Motion for an Intervention   |
| <input type="checkbox"/> Exhibit(s)                             | <input type="checkbox"/> Miscellaneous Request/Motion         |
| <input type="checkbox"/> Notice of Appearance/Intent            | <input type="checkbox"/> Request/Motion for a Re-hearing      |
| <input type="checkbox"/> Notice of Errata                       | <input type="checkbox"/> Request/Motion to Continue Hearing   |
| <input type="checkbox"/> Opposition                             | <input type="checkbox"/> Request/Motion to Strike             |
| <input type="checkbox"/> Petition                               | <input type="checkbox"/> Response                             |
|                                                                 | <input type="checkbox"/> Testimony                            |
|                                                                 | <input type="checkbox"/> Waiver                               |
| OTHER: _____                                                    | <input type="checkbox"/> Witness List                         |
| _____                                                           | <input type="checkbox"/> Intervention                         |
| _____                                                           |                                                               |

5-9-07  
 Date

Kathy J. PARKER  
 Print the name of the person whose signature appears on the filing  
 (i.e. Contact Person, Respondent, Attorney, Applicant, etc.)

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

*Arroyo Water Company*  
*PO Box 1048L*  
*Fayson, AZ 85541*



**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2006</b>
-----------	-----------	-------------

FOR COMMISSION USE

<b>ANN 04</b>	<b>06</b>
---------------	-----------

PROCESSED BY:

SCANNED

**COMPANY INFORMATION**

Company Name (Business Name) ARROYO WATER COMPANY

Mailing Address 11061 Box 10482  
(Street)  
TAYSON AZ 85541  
(City) (State) (Zip)

928-474-1766 928-474-7812  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

Local Office Mailing Address Same AS Above  
(Street)  
(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

**MANAGEMENT INFORMATION**

Management Contact: KACY J. PARKER OWNER  
(Name) (Title)  
11061 Box 10482 TAYSON AZ 85541  
(Street) (City) (State) (Zip)

928-474-1766 928-474-7812  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

On Site Manager: KACY J. PARKER  
(Name)  
11061 Box 10482 TAYSON AZ 85541  
(Street) (City) (State) (Zip)

928-474-1766 928-474-7812  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Kacy S. PARKER  
 (Name)

1106 Bot 1048 L Payson AZ 85541  
 (Street) (City) (State) (Zip)

928-474-1766 928-474-7812 \_\_\_\_\_  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: \_\_\_\_\_  
 (Name)

\_\_\_\_\_  
 (Street) (City) (State) (Zip)

\_\_\_\_\_  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Please mark this box if the above address(es) have changed or are updated since the last filing.

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

Sole Proprietor (S)                       C Corporation (C) (Other than Association/Co-op)

Partnership (P)                               Subchapter S Corporation (Z)

Bankruptcy (B)                               Association/Co-op (A)

Receivership (R)                             Limited Liability Company

Other (Describe) \_\_\_\_\_

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

APACHE                                       COCHISE                                       COCONINO

GILA                                               GRAHAM                                       GREENLEE

LA PAZ                                            MARICOPA                                    MOHAVE

NAVAJO                                         PIMA                                            PINAL

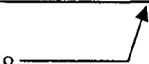
SANTA CRUZ                                 YAVAPAI                                       YUMA

STATEWIDE

COMPANY NAME

*Arroyo Water Company*UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	40,000.00	17,142.00	22,858.00
302	Franchises	0		
303	Land and Land Rights			
304	Structures and Improvements	5,000.00		5,000.00
307	Wells and Springs	75,000		75,000.00
311	Pumping Equipment	10,000.00		10,000.00
320	Water Treatment Equipment	0		
330	Distribution Reservoirs and Standpipes	N/A		
331	Transmission and Distribution Mains	N/A		
333	Services	N/A		
334	Meters and Meter Installations	32,850.00		32,850.00
335	Hydrants	N/A		
336	Backflow Prevention Devices	3,000		3,000.00
339	Other Plant and Misc. Equipment	1,550		1,550.00
340	Office Furniture and Equipment	1,500		1,500.00
341	Transportation Equipment	5,000.00 36,000	8,460.00	23,540.00
343	Tools, Shop and Garage Equipment	8,000		8,000.00
344	Laboratory Equipment	N/A		
345	Power Operated Equipment	N/A		
346	Communication Equipment	N/A		
347	Miscellaneous Equipment	0		
348	Other Tangible Plant	0		
	<b>TOTALS</b>	218,900.00	25,602.00	193,298.00

This amount goes on the Balance Sheet Acct. No. 108 

COMPANY NAME

*Mayo Water Company*

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	40,000. <sup>00</sup>		40,000. <sup>00</sup>
302	Franchises	0		
303	Land and Land Rights			
304	Structures and Improvements	5,000. <sup>00</sup>		5,000. <sup>00</sup>
307	Wells and Springs	7,500. <sup>00</sup>		7,500. <sup>00</sup>
311	Pumping Equipment	10,000. <sup>00</sup>		10,000. <sup>00</sup>
320	Water Treatment Equipment	0		
330	Distribution Reservoirs and Standpipes	n/a		
331	Transmission and Distribution Mains	n/a		
333	Services	n/a		
334	Meters and Meter Installations	32,850. <sup>00</sup>		32,850. <sup>00</sup>
335	Hydrants	n/a		
336	Backflow Prevention Devices	3,000. <sup>00</sup>		3,000. <sup>00</sup>
339	Other Plant and Misc. Equipment	1,550. <sup>00</sup>		1,550. <sup>00</sup>
340	Office Furniture and Equipment	1,500. <sup>00</sup>		1,500. <sup>00</sup>
341	Transportation Equipment	3,600. <sup>00</sup>		3,600. <sup>00</sup>
343	Tools, Shop and Garage Equipment	8,000. <sup>00</sup>		8,000. <sup>00</sup>
344	Laboratory Equipment	n/a		
345	Power Operated Equipment	n/a		
346	Communication Equipment	n/a		
347	Miscellaneous Equipment	0		
348	Other Tangible Plant	0		
	<b>TOTALS</b>	113,000. <sup>00</sup>		113,000. <sup>00</sup>

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.

COMPANY NAME

*Arroyo Water Company***BALANCE SHEET**

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 8179	\$ 2601
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2809 <sup>00</sup>	7465
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 10,988.00	\$ 10,066.00
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 218,900.00	\$ 193,298.00
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	14,688.00	25602.00
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 204,212.00	\$ 218,900.00
	<b>TOTAL ASSETS</b>	\$ 215,200.00	\$ 228,966.00

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME

*Arroyo Water Company***BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
<b>LIABILITIES</b>			
<b>CURRENT LIABILITES</b>			
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	240 <sup>00</sup>	320.00
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 240,00	\$ 320.00
<b>LONG-TERM DEBT (Over 12 Months)</b>			
224	Long-Term Notes and Bonds	\$ $\phi$	\$ $\phi$
<b>DEFERRED CREDITS</b>			
251	Unamortized Premium on Debt	\$ $\phi$	\$ $\phi$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ $\phi$	\$ $\phi$
	<b>TOTAL LIABILITIES</b>	\$	\$
<b>CAPITAL ACCOUNTS</b>			
201	Common Stock Issued	\$ 1,000.00	\$ 1,000 <sup>00</sup>
211	Paid in Capital in Excess of Par Value	213,960.00	227,646.00
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 214,960.00	\$ 228,646.00
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 215,200.00	\$ 228,966.00

COMPANY NAME

*Arroyo Water Company***COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 28,719.00	\$ 16,816.00
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$ 28,719.00	\$ 16,816.00
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 5,220.00	\$ 5,200.00
610	Purchased Water		
615	Purchased Power	4,876.00	4,921.00
618	Chemicals		
620	Repairs and Maintenance	393.00	863.00
621	Office Supplies and Expense	3,272.00	2,807.00
630	Outside Services	0	
635	Water Testing	2,150.00	600.00
641	Rents		
650	Transportation Expenses	6,889.00	4,135.00
657	Insurance - General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	462.00	495.00
403	Depreciation Expense		
408	Taxes Other Than Income	2,858.00	645.00
408.11	Property Taxes		
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 26,120.00	\$ 19,666.00
	<b>OPERATING INCOME/(LOSS)</b>	\$ 2,599.00	\$ <2,850.00>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 0	\$ 0
	<b>NET INCOME/(LOSS)</b>	\$ 2,599.00	\$ <2,850.00>

COMPANY NAME

*Arroyo Water Company*

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan		<i>N/A</i>		
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

COMPANY NAME	<i>Arroyo Water Company</i>
Name of System	ADEQ Public Water System Number (if applicable)

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
<i>55-805621</i>	<i>5+3</i>	<i>90</i>	<i>61'</i>	<i>19"</i>		<i>1996</i>

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
<i>N/A</i>	<i>A</i>	

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
<i>3</i>	<i>1</i>		
			<i>N/A</i>

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
<i>11,000</i>	<i>1</i>	<i>2,500</i>	<i>1</i>

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME	<i>Arroyo Water Company</i>
Name of System	ADEQ Public Water System Number (if applicable)

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	<i>PVC</i>	<i>2,000</i>
3		
4	<i>PVC</i>	<i>6,200</i>
5		
6		
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
<i>5/8 X 3/4</i>	<i>100</i>
<i>3/4</i>	
<i>1</i>	
<i>1 1/2</i>	
<i>2</i>	
<i>Comp. 3</i>	
<i>Turbo 3</i>	
<i>Comp. 4</i>	
<i>Tubo 4</i>	
<i>Comp. 6</i>	
<i>Tubo 6</i>	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

*N/A*

STRUCTURES:

*Fence around well site - Main Line*

OTHER:

*Operations Company provides equipment & materials - backhoe - pumps & generators, etc*

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	<i>Arroyo Water Company</i>
Name of System	ADEQ Public Water System Number (if applicable)

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006**

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	<i>105</i>	<i>426</i>		
FEBRUARY	<i>105</i>	<i>463</i>		<i>0</i>
MARCH	<i>105</i>	<i>463</i>		
APRIL	<i>105</i>	<i>665</i>		
MAY	<i>105</i>	<i>892</i>		
JUNE	<i>105</i>	<i>1033</i>		
JULY	<i>105</i>	<i>1024</i>		
AUGUST	<i>105</i>	<i>896</i>		
SEPTEMBER	<i>105</i>	<i>803</i>		
OCTOBER	<i>105</i>	<i>693</i>		
NOVEMBER	<i>105</i>	<i>710</i>		
DECEMBER	<i>105</i>	<i>390</i>		
TOTALS →		<i>8458</i>		

What is the level of arsenic for each well on your system? \_\_\_\_\_ mg/l  
*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement? *N/A* GPM for \_\_\_\_\_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
 Yes *N/A*  No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
 Yes  No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
 Yes  No

If yes, provide the GPCPD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME Arroyo Water Company YEAR ENDING 12/31/2006

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2006 was: \$ \_\_\_\_\_

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>GILA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>KACY L. PARKER</u>
COMPANY NAME	<u>ARROYO WATER COMPANY</u>

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

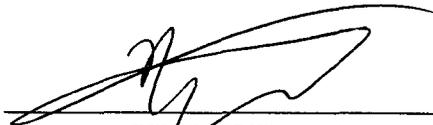
MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

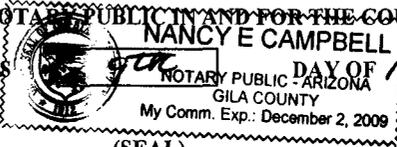
I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL

928-474-1764  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

  
THIS 9th DAY OF May  
NOTARY PUBLIC - ARIZONA  
GILA COUNTY  
My Comm. Exp.: December 2, 2009  
(SEAL)

COUNTY NAME	<u>GILA</u>	
MONTH	<u>MAY</u>	<u>2007</u>

Nancy E. Campbell  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 12-2-09

COMPANY NAME Arroyo Water Company YEAR ENDING 12/31/2006

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported \_\_\_\_\_  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

[Signature]  
SIGNATURE

5-9-07  
DATE

Kacy D. Parker  
PRINTED NAME

OWNER  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>GILTA</u>
NAME (OWNER OR OFFICIAL) TITLE <u>NANCY S. PARKER</u>
COMPANY NAME <u>ARROYO WATER COMPANY</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

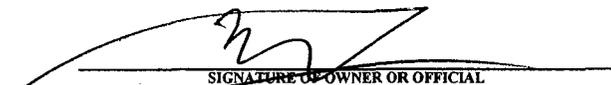
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

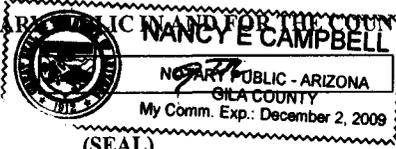
Arizona Intrastate Gross Operating Revenues Only (\$) <u>\$ 16,816.00</u>
------------------------------------------------------------------------------

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 6219.16 IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

  
SIGNATURE OF OWNER OR OFFICIAL  
238-474-1766  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF GILTA  
THIS NANCY E. CAMPBELL DAY OF MAY  
  
(SEAL)

COUNTY NAME <u>GILTA</u>	
MONTH <u>MAY</u>	YEAR <u>2007</u>

Nancy E. Campbell  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 12-2-07

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <i>BILHA</i>	
NAME (OWNER OR OFFICIAL) <i>Arcely S. Parker</i>	TITLE <i>OWNER</i>
COMPANY NAME	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  <i>\$ 110,816<sup>00</sup></i>
-----------------------------------------------------------------------------------

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 1219.16 IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

*[Signature]*  
SIGNATURE OF OWNER OR OFFICIAL  
  
928-474-1766  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS *5th* DAY OF

NOTARY PUBLIC NAME	
COUNTY NAME <i>BILHA</i>	
MONTH <i>MAY</i>	.20 <u>07</u>

(SEAL)  **NANCY E CAMPBELL**  
NOTARY PUBLIC - ARIZONA  
MY COMMISSION EXPIRES 12-2-09  
My Comm. Exp. December 2, 2009

X *[Signature]*  
SIGNATURE OF NOTARY PUBLIC

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY**

<input type="checkbox"/>
<p>AZ-0404083 ARROYO WATER Company HCG Bk1048L Payson, AZ 85541 0230935-0</p>

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2005
----	----	------

FOR COMMISSION USE

ANN04	05
-------	----

**COMPANY INFORMATION**

**Company Name (Business Name)** KACY PARKER - ARROYO WATER COMPANY

**Mailing Address** \_\_\_\_\_  
(Street) HCB Box 1048L

\_\_\_\_\_  
(City) PAYSON, AZ (State) 85541 (Zip)

928-474-1766 928-474-7812 \_\_\_\_\_  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** arroyo@npq.cable.com

**Local Office Mailing Address** \_\_\_\_\_  
(Street) Same as above

\_\_\_\_\_  
(City) (State) (Zip)

\_\_\_\_\_  
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** arroyo@npq.cable.com

**MANAGEMENT INFORMATION**

**Management Contact:** \_\_\_\_\_  
(Name) KACY PARKER (Title)

\_\_\_\_\_  
(Street) HCB Box 1048L PAYSON AZ 85541  
(City) (State) (Zip)

928-474-1766 928-474-7812 \_\_\_\_\_  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**On Site Manager:** \_\_\_\_\_  
(Name) KACY PARKER

\_\_\_\_\_  
(Street) HCB Box 1048L PAYSON AZ 85541  
(City) (State) (Zip)

928-474-1766 928-474-7812 \_\_\_\_\_  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** arroyo@npq.cable.com

Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: KACY PARKER  
 (Name)  
406 B+10482 Payson AZ 85341  
 (Street) (City) (State) (Zip)  
928-474-1766 928-474-1766  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)  
 Attorney: \_\_\_\_\_  
 (Name)  
 \_\_\_\_\_  
 (Street) (City) (State) (Zip)  
 \_\_\_\_\_  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Please mark this box if the above address(es) have changed or are updated since the last filing.

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |                                              |                                                                                      |
|----------------------------------------------|--------------------------------------------------------------------------------------|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)     | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)      | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)    | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe)    |                                                                                      |

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

- |                                          |                                   |                                   |
|------------------------------------------|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE          | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO |
| <input checked="" type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ          | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO          | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ      | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE       |                                   |                                   |

COMPANY NAME

ARROYO WATER COMPANY

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	40000	11428.00	28572.00
302	Franchises	0		
303	Land and Land Rights			
304	Structures and Improvements	5000.00		5000.00
307	Wells and Springs	75000		75000
311	Pumping Equipment	10000.00		10000.00
320	Water Treatment Equipment	0		0
330	Distribution Reservoirs and Standpipes	N/A		N/A
331	Transmission and Distribution Mains	N/A		N/A
333	Services	N/A		N/A
334	Meters and Meter Installations	3285000		3285000
335	Hydrants	N/A		N/A
336	Backflow Prevention Devices	3,000		3000
339	Other Plant and Misc. Equipment	1550		1550
340	Office Furniture and Equipment	1500		1500
341	Transportation Equipment	36000		36000
343	Tools, Shop and Garage Equipment	8,000		8000
344	Laboratory Equipment	N/A		N/A
345	Power Operated Equipment	N/A		N/A
346	Communication Equipment	N/A		N/A
347	Miscellaneous Equipment	0		0
348	Other Tangible Plant	0		0
	<b>TOTALS</b>			

This amount goes on the Balance Sheet Acct. No. 108 

COMPANY NAME

*AKROYD WATER Company*

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	40,000	1%	
302	Franchises	0		
303	Land and Land Rights			
304	Structures and Improvements	5000. <sup>00</sup>		
307	Wells and Springs	7500 <sup>00</sup>		
311	Pumping Equipment	10,000. <sup>00</sup>		
320	Water Treatment Equipment	0		
330	Distribution Reservoirs and Standpipes	N/A		
331	Transmission and Distribution Mains	N/A		
333	Services	N/A		
334	Meters and Meter Installations	32850. <sup>00</sup>		
335	Hydrants	N/A		
336	Backflow Prevention Devices	31000		
339	Other Plant and Misc. Equipment	1530		
340	Office Furniture and Equipment	1500		
341	Transportation Equipment	36000		
343	Tools, Shop and Garage Equipment	8000		
344	Laboratory Equipment	N/A		
345	Power Operated Equipment	N/A		
346	Communication Equipment	N/A		
347	Miscellaneous Equipment	0		
348	Other Tangible Plant	0		
	<b>TOTALS</b>			

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.

COMPANY NAME

ARROYO WATER CO.

**BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 5236	\$ 8179
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2302	2809
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$	\$
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property	56,466.00	82,517.00
122	Accumulated Depreciation – Non Utility	16,624.00	30,573.00
	<b>TOTAL FIXED ASSETS</b>	\$	\$
	<b>TOTAL ASSETS</b>	\$ 80628.00	\$ 113,090.00

**NOTE:** The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME

ARROYO WATER CO.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	320	240
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$	\$
<b>LONG-TERM DEBT (Over 12 Months)</b>			
224	Long-Term Notes and Bonds	\$	\$
<b>DEFERRED CREDITS</b>			
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$	\$
<b>CAPITAL ACCOUNTS</b>			
201	Common Stock Issued	\$ 1000.00	\$ 1000.00
211	Paid in Capital in Excess of Par Value	79,308.00	111,850.00
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$	\$
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 89,628.00	\$ 113,090.00

COMPANY NAME

ARROYO WATER COMPANY

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 26,802	\$ 28,719.00
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$ 26,802	\$ 28,719.00
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 1100.00	\$ 5220.00
610	Purchased Water		
615	Purchased Power	3426.00	4876.00
618	Chemicals		
620	Repairs and Maintenance		393.00
621	Office Supplies and Expense	1171.00	3272.00
630	Outside Services	856.00	-
635	Water Testing	4140.00	2150.00
641	Rents		
650	Transportation Expenses	3030.00	6889.00
657	Insurance - General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	302.00	462.00
403	Depreciation Expense		
408	Taxes Other Than Income	4644	2858.00
408.11	Property Taxes		
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 18669.00	\$ 26120.00
	<b>OPERATING INCOME/(LOSS)</b>	\$ 8133.00	\$ 2599.00
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 0	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 0	\$
	<b>NET INCOME/(LOSS)</b>	\$ 8133.00	\$ 2599.00

COMPANY NAME

*Arroyo Water Company*

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

COMPANY NAME

*Arroyo Water Company*

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
<i>55-805621</i>	<i>5+3hp</i>	<i>90</i>	<i>61'</i>	<i>19"</i>		<i>1996</i>

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
<i>N/A</i>		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
<i>3</i>	<i>1</i>		
		<i>N/A</i>	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
<i>11,000</i>	<i>1</i>	<i>2,500</i>	<i>1</i>

COMPANY NAME *Arroyo Water Company*

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	<i>PVC</i>	<i>2000</i>
3		
4	<i>PVC</i>	<i>6200</i>
5		
6		
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
<i>5/8 X 3/4</i>	<i>108</i>
<i>3/4</i>	
<i>1</i>	
<i>1 1/2</i>	
<i>2</i>	
<i>Comp. 3</i>	
<i>Turbo 3</i>	
<i>Comp. 4</i>	
<i>Tubo 4</i>	
<i>Comp. 6</i>	
<i>Tubo 6</i>	

For the following three items, list the utility owned assets in each category.

**TREATMENT EQUIPMENT:**

*N/A*

**STRUCTURES:**

*Fence around well site (chain link)*

**OTHER:**

*Operations Company provides equipment & materials - back hoe - trencher - generator, etc*

COMPANY NAME:

*Arroyo Water Company*

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	80	354290	
FEBRUARY	80	423050	
MARCH	80	473290	
APRIL		507410	
MAY		696520	
JUNE		907510	
JULY		1046950	
AUGUST		1035900	
SEPTEMBER		907290	
OCTOBER		811520	
NOVEMBER		683310	
DECEMBER		499750	
	TOTAL	8346790	

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes

() No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes

() No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. \_\_\_\_\_ mg/l

(If more than one well, please list each separately.)

**Note: If you are filing for more than one system, please provide separate data sheets for each system.**

COMPANY NAME Arroyo Water Company YEAR ENDING 12/31/2005

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2005 was: \$ \_\_\_\_\_

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. N/A

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

**VERIFICATION**

STATE OF AZ  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	<u>GILA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Lacey Parker</u>
COMPANY NAME	<u>Arroyo Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2005</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

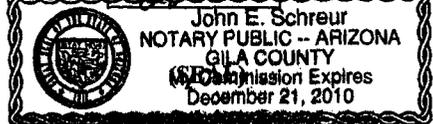
I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

[Signature]  
SIGNATURE OF OWNER OR OFFICIAL  
928-474-1766  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 22<sup>nd</sup> DAY OF



MY COMMISSION EXPIRES DEC 21, 2010

COUNTY NAME	<u>GILA</u>	
MONTH	<u>FEB</u>	<u>2007</u>

[Signature]  
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME

*Arroyo Water Company*

YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported  
Estimated or Actual Federal Tax Liability

0.  
0

State Taxable Income Reported  
Estimated or Actual State Tax Liability

0  
0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances  
Amount of Gross-Up Tax Collected  
Total Grossed-Up Contributions/Advances

0  
0  
0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

*[Signature]*  
SIGNATURE

2 - 21 - 07  
DATE

KACY PARKER  
PRINTED NAME

President  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

STATE OF \_\_\_\_\_  
I, THE UNDERSIGNED  
OF THE \_\_\_\_\_

COUNTY OF (COUNTY NAME)	GILA
NAME (OWNER OR OFFICIAL) TITLE	KACY PARKER
COMPANY NAME	ARROYO WATER COMPANY

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ 2,879,000

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 2082.12  
IN SALES TAXES BILLED, OR COLLECTED)

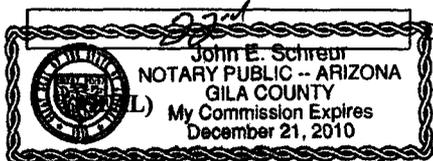
**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

  
SIGNATURE OF OWNER OR OFFICIAL  
928-474-1766  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

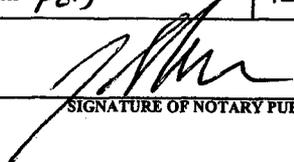
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS \_\_\_\_\_ DAY OF



MY COMMISSION EXPIRES DEC 21, 2010

COUNTY NAME	GILA
MONTH	FEB 2007

  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <i>Gila</i>	
NAME (OWNER OR OFFICIAL) <i>Kacy Parker</i>	TITLE <i>President</i>
COMPANY NAME <i>Arroyo Water Company</i>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  <i>\$ 28,719.00</i>
------------------------------------------------------------------------

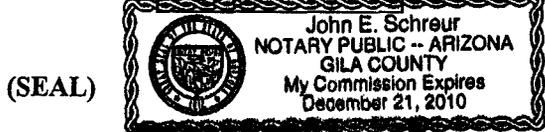
(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 2082.12 IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

*[Signature]*  
SIGNATURE OF OWNER OR OFFICIAL  
  
938-474-1766  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 22<sup>nd</sup> DAY OF

NOTARY PUBLIC NAME <i>John Schreur</i>	
COUNTY NAME <i>GILA</i>	
MONTH <i>FEB</i>	.20 <u>07</u>



MY COMMISSION EXPIRES  
*DEC 21, 2010*

X *[Signature]*  
SIGNATURE OF NOTARY PUBLIC

*Rocket # W-04286A-04-0774*

**ARROYO WATER COMPANY**

HC6 BOX 1048-L, PAYSON, AZ., 85541

PH 928-474-1766 FX 928-474-7812

DATE: 03/01/07

TO ALL WATER CUSTOMERS:

The Water Report for 2005 and 2006 is posted on the Punkin Center Village bulletin board. The bulletin board is located at the intersection of forest street and forest drive in Punkin Center Village. Turn south off FR 71 (Greenback rd.) onto Callo-Bello, turn right on Forest street, the bulletin board is at the next intersection.

Copies of the report are also available at the bulletin board for anyone interested in reading the report at home.

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Cover Sheet  
 Arizona Corporation Commission  
 Docket Control Center

Company/Case Name JAKES CORNER WATER CO.

Doing Business As (d/b/a) \_\_\_\_\_

Docket Number (s) W-04249A-04-0249

Description of Document or Nature of Action  
 Please choose the item that best describes the nature of the case/filing.

UTILITIES - NEW APPLICATION

- |                                                              |                                                                 |
|--------------------------------------------------------------|-----------------------------------------------------------------|
| <input type="checkbox"/> New CC&N                            | <input type="checkbox"/> Main Extension                         |
| <input type="checkbox"/> Rates                               | <input type="checkbox"/> Contract/Agreements                    |
| <input type="checkbox"/> Interim Rates                       | <input type="checkbox"/> Formal Complaint                       |
| <input type="checkbox"/> Cancellation of CC&N                | <input type="checkbox"/> Waiver/Rule Variance                   |
| <input type="checkbox"/> Deletion of CC&N                    | <input type="checkbox"/> Line Siting Committee Case             |
| <input type="checkbox"/> Extension of CC&N                   | <input type="checkbox"/> Small Water Company - Surcharge        |
| <input type="checkbox"/> Tariff (NEW)                        | <input type="checkbox"/> Sale of Assets & Transfer of Ownership |
| <input type="checkbox"/> Request for Arbitration             | <input type="checkbox"/> Sale of Assets & Cancellation of CC&N  |
| <input type="checkbox"/> Full or Partially Arbitrated        | <input type="checkbox"/> Fuel Adjuster/PGA                      |
| <input type="checkbox"/> Interconnection Agreement           | <input type="checkbox"/> Merger                                 |
| <input type="checkbox"/> Voluntary Interconnection Agreement | <input type="checkbox"/> Financing                              |

Miscellaneous - Specify: Letter response to compliance issues for Backflow Prevention Tariff - Curtailment Tariff & Address Form

UTILITIES - REVISIONS/AMENDMENTS TO PENDING OR APPROVED MATTERS

Application: \_\_\_\_\_ Tariff: (Promotional or Compliance) \_\_\_\_\_  
 (Circle One)  
 Company \_\_\_\_\_ Decision No. \_\_\_\_\_  
 Docket Number \_\_\_\_\_ Docket No: \_\_\_\_\_

SECURITIES or MISCELLANEOUS FILINGS

- |                                                                 |                                                               |
|-----------------------------------------------------------------|---------------------------------------------------------------|
| <input type="checkbox"/> Affidavit (Publication, Public Notice) | <input type="checkbox"/> Request/Motion for Extension of Time |
| <input type="checkbox"/> Comments                               | <input type="checkbox"/> Request/Motion for a Hearing         |
| <input type="checkbox"/> Exception                              | <input type="checkbox"/> Request/Motion for an Intervention   |
| <input type="checkbox"/> Exhibit(s)                             | <input type="checkbox"/> Miscellaneous Request/Motion         |
| <input type="checkbox"/> Notice of Appearance/Intent            | <input type="checkbox"/> Request/Motion for a Re-hearing      |
| <input type="checkbox"/> Notice of Errata                       | <input type="checkbox"/> Request/Motion to Continue Hearing   |
| <input type="checkbox"/> Opposition                             | <input type="checkbox"/> Request/Motion to Strike             |
| <input type="checkbox"/> Petition                               | <input type="checkbox"/> Response                             |
|                                                                 | <input type="checkbox"/> Testimony                            |
|                                                                 | <input type="checkbox"/> Waiver                               |
|                                                                 | <input type="checkbox"/> Witness List                         |
|                                                                 | <input type="checkbox"/> Intervention                         |

OTHER: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

3-26-07  
 Date

KACY PARKER  
 Print the name of the person whose signature appears on the filing  
 (i.e. Contact Person, Respondent, Attorney, Applicant, etc.)

# JAKES CORNER WATER SYSTEM

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541

928-474-1766

FAX: 928-474-7812

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March 26, 2007

Ms. Deborah Regan  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, Arizona 85007-2927

Re: Jakes Corner Water System  
Docket #: W04299A-04-0249

Dear Ms. Regan;

We wish to respond to the non-compliance issues relating to the above docket number.

After consideration of the time, effort and expense of installing a storage tank for the Jakes Corner Water System, we have determined the water company does not warrant the financial investment since it does not generate enough revenue.

We will respond to the Backflow Prevention Tariff. The Curtailment Tariff will follow, if we do install a storage tank, contingent upon a much warranted rate increase.

You may reach us at the above numbers.

Thank you for you time and efforts on our behalf.

Sincerely,



Kyle Parker

## COMPLIANCE ITEMS

**UTILITY:** Kacy J. Parker

**DBA:** Jake's Corner Water System

**DOCKET:** W-04249A-04-0249      **DECISION NO:** 67231

**ACTION:** Install a storage tank by June, 2005. If the Company fails to meet this time frame, then this Decision will be deemed null and void without further Order of the Commission.

**COMPLIANCE DUE DATE:** 6 /30/2005

**UTILITY:** Kacy J. Parker

**DBA:** Jake's Corner Water System

**DOCKET:** W-04249A-04-0249      **DECISION NO:** 67231

**ACTION:** File a Backflow Prevention Tariff within 60 days of this Decision. If the Company fails to meet this time frame, then this Decision will be deemed null and void without further Order of the Commission.

**COMPLIANCE DUE DATE:** 11/8 /2004

**UTILITY:** Kacy J. Parker

**DBA:** Jake's Corner Water System

**DOCKET:** W-04249A-04-0249      **DECISION NO:** 67231

**ACTION:** File a Curtailment Tariff within 365 days of the installation of such storage tank. If the Company fails to meet this time frame, then this Decision will be deemed null and void without further Order of the Commission.

**COMPLIANCE DUE DATE:**



Janet Napolitano  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007  
(602) 771-2300 • www.azdeq.gov



Stephen A. Owens  
Director

CTS-150778  
March 7, 2007

Case ID #: 76774

Arroyo Water Company Inc.  
Attention: Kacy Parker  
HC 6, Box 1048 L  
Payson, Arizona 85541

Re: Response to the February 13, 2007, February 19, 2007 and March 2, 2007 Submittals that Addressed the Notice of Violation Issued to Arroyo Water Company on December 15, 2006

Dear Mr. Parker:

Arizona Department of Environmental Quality (ADEQ) has received your submittals dated February 13, 2007, February 19, 2007 and March 2, 2007. After reviewing the submitted information and evaluating it against the requirements in the Documenting Compliance section of the NOV, we have determined that six of the nine compliance conditions have been satisfied. The status of each compliance condition is as follows:

**Compliance Condition 1:** Compliance previously achieved.

**Compliance Condition 2:** Within 20 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or a plan that describes how AWC will meet the water storage requirements. The plan must include a calculation of the average daily demand during the peak month for water usage during the year. Storage capacity must be greater than the average daily demand during the peak month for water usage during the year.

In Item 2 of the February 19, 2007 submittal, Arroyo Water Company stated that the average daily maximum water demand is 34,433 gallons per day. In Item 8 of the February 19, 2007 submittal, Arroyo Water Company states that they are planning on installing an additional 24,000 gallon water storage tank at the existing site and another 24,000 gallon storage tank at a new east site. The two new storage tanks plus the existing 11,000 gallon water storage tank will give the water system a total storage capacity of 59,000 gallons. This is more than the maximum demand of 34,433 gallons. Based on information in the February 19, 2007 submittal, ADEQ considers the compliance conditions in item 2 to have been met.

**Compliance Condition 3:** Within 60 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or an administratively complete Approval to Construct (ATC) application for increasing water storage capacity.

Arroyo Water Company has not submitted an ATC to ADEQ. *Compliance has not been achieved.*

Northern Regional Office  
1801 West Route 66 • Suite 117 • Flagstaff, AZ  
86001  
(928) 779-0313

Southern Regional Office  
400 West Congress Street • Suite 433 • Tucson, AZ  
85701  
(520) 628-6733

**Compliance Condition 4:** Within 120 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or an Engineer's Certificated of Completion for the water storage project.

Arroyo Water Company has not submitted an Engineer's Certificate of Completion for the water storage project. *Compliance has not been achieved.*

**Compliance Condition 5:** Within 20 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or documentation that AWC employs a operator that holds a grade 1 or greater, water treatment and distribution certification.

In Item 5 of the February 19, 2007 submittal, Arroyo Water Company states that James Harrell is their certified operator. Based on this information, ADEQ considers the compliance condition in item 5 to have been met.

**Compliance Condition 6:** Compliance previously achieved.

**Compliance Condition 7:** Within 60 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or a complete consumer confidence report documenting water quality conditions for calendar year 2005, along with a description of how the AWC customers have received the report.

As part of the February 19, 2007 submittal, Arroyo Water Company submitted a copy of the Consumer Confidence Report (CCR) for the years 2004, 2005 and 2006. In Item 7 of the February 19, 2007 submittal, Arroyo Water Company stated that the CCR was posted on the community bulletin board and copies would be included in the next water bill. Based on this information, ADEQ considers compliance condition 7 to have been met by Arroyo Water Company.

**Compliance Condition 8:** Within 60 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or documentation that the pressure tank has been repaired or replaced. The documentation must include pictures that show all aspects of the pressure tank.

ADEQ has not received any documentation that the pressure tank is in any better shape than at the time of the inspection on November 3, 2006, or on January 17, 2007 when the site was visited. *Compliance has not been achieved.*

**Compliance Condition 9:** Compliance previously achieved.

In the March 2, 2007 letter to Mr. Gibbons, Arroyo Water Company has asked to appeal the 120 day NOV timeline and requested ADEQ to take into consideration that Arroyo Water Company does not have a CC&N for the water system. The maximum 120 day timeline within an NOV is fixed for all drinking water systems and can not be extended. Extensions can be achieved as part of a Consent Order, which is the next step in the enforcement process. However, Arroyo Water Company needs to be aware that any extension as part of a Consent Order will be binding upon the water system.

Arroyo Water Company Inc.  
March 7, 2007  
Page 3

If you need any additional information or help, please feel free to contact me at (602) 771-7667.

Sincerely,



Patrick Finton  
Water Quality Field Services Unit

cc: Nancy Moreno, Arroyo Water Company, HC 6 Box 1048 L, Payson, AZ 85541  
Tony V, Arroyo Water Company, HC 6 Box 1048 L, Payson, AZ 85541  
Brian Bozzo, Arizona Corporation Commission  
Carmela Leon, Arizona Corporation Commission  
Deborah Reagan, Arizona Corporation Commission  
Gila County Health Department

# JAKES CORNER WATER SYSTEM

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

DATE: 5-16-07

NO OF PAGES INCLUDING COVER 3

TO: Pat Benton  
AIDEX

FAX # 602-771-4505

PHN# 602-771-7667

FROM: Nancy

FAX# 928-474-7812

PHN#

RE: Transient Water System

COMMENTS/INSTRUCTIONS:

Documentation for  
question of Storage Tank  
Please Call to Verify Numbers!

Thanks!

\*PLEASE VERIFY RECEIPT OF THIS FAX

# JAKES CORNER WATER SYSTEM

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

---

May 15, 2007

Mr. Patrick Fenton  
Arizona Department of Environmental Quality  
1110 W. Washington St.  
Phoenix, Arizona 85007  
Phone: 602-771-7667  
Fax: 602-771-4505

Dear Pat;

We would like to re submit our calculations in regards to the number of permanent customers and seasonal customers.

The following count reflects the Part-time residences at Jakes Corner:

Name	Mail Address	# in residence
Good	Dubois, Wy.	2
Rowe	Angel Fire, NM	2
McClanahan	Chandler	2
Phipps	Phoenix, Az. 2 lots	2
Fearing	Winslow, Az.	2
Renick	Alpine, Az.	1

---

**TOTAL : Part Time residences 6**

**TOTAL: People 11**

**TOTAL** RESIDENCES ARE AS LISTED:

<b>Lot #</b>	<b>Name</b>	<b># in residence</b>
1	Marshall	2
2	Wetzler	2
3	Wetzler	vacant
4	Good	2 Part time
5	Wetzler	1
6	Smyers	2
7	Rowe	2 Part time
8	Mallet	1
9	McClanahan	2 Part time
10	Burton	2
11	Phipps	2
12	Phipps	1
13	Taylor	2
14	Dimas	1
15	Fearing	2 Part Time
16	Renick	1 Part Time
17	Tompson	1
18	Hassler	2
19	Drayer	2
20	Drayer	vacant

**TOTALS: People**  
**Number of Part Time**           **11**  
**Number of Full Time**           **20**

**TOTALS:**  
**Meters** **20**  
**Vacant** **2**

We believe this documentation is sufficient in determining that Jakes Corner Water Supply is a transient system and does not require a storage tank. Thank you for your assistance.

Please feel free to call if you need any further information.

Sincerely

  
Nancy Moreno



Janet Napolitano  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007  
(602) 771-2300 • www.azdeq.gov



Stephen A. Owens  
Director

May 21, 2007

Jakes Corner Water System  
Attn: Kacy Parker  
HC 6 Box 1048 L  
Payson, Arizona 85541

Re: Inspection of Jakes Corner Water System, Public Water System 04-029, on April 27, 2007, ICE Inspection # 102929

Dear Mr. Parker:

The Water Quality Field Services Unit (WQFSU) of the Arizona Department of Environmental Quality (ADEQ) has enclosed an inspection report regarding the inspection conducted at the above referenced water system on April 27, 2007. The inspection was conducted to determine compliance with Arizona Revised Statutes (A.R.S.) Title 49, Chapter 2, Article 9 and with Arizona Administrative Code (A.A.C.) Title 18, Chapter 4, and pursuant to the authority in A.A.C. R18-4-118.

The Information Summary includes a report summary, facility description and inspection observations. Please review the Information Summary which addresses the operation and maintenance status and the certified operator status of the referenced water system. No ADEQ action will result from this inspection.

If you need any other information or help, please feel free to contact me at (800) 234-5677 ext. 771-7667.

Sincerely,

Patrick Finton  
Environmental Engineering Specialist  
Water Quality Field Services Unit

cc: Nancy Moreno, Jakes Corner Water System, HC 6 Box 1048 L, Payson, AZ 85541  
Tony V, Jakes Corner Water System, HC 6 Box 1048 L, Payson, AZ 85541  
Kim Batista, ACC  
Brian Bozzo, ACC  
Gila County Health Department

Northern Regional Office  
1801 West Route 66 • Suite 117 • Flagstaff, AZ  
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400 West Congress Street • Suite 433 • Tucson, AZ  
85701  
(520) 628-6733

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
 WATER QUALITY DIVISION - WATER QUALITY COMPLIANCE SECTION  
 FIELD SERVICES UNIT  
 1110 W. Washington, Phoenix, AZ 85007

INFORMATION SUMMARY - WATER

Facility: Jakes Corner Water System	System No: 04-029
Inspected By: Patrick Finton, Environ Engr. Spec.	Inspection Date: April 27, 2007
Previous Inspection: December 21, 1988	Time Arrived: 10 am
Accompanied By: Nancy Moreno, Contact Tony V, Contact	Time Departed: 12 noon
Recommendations By: Patrick Finton	County: Gila
Number of Plants / Wells: 1 / 1	Report Date: May 21, 2007
Population / Service Connections: 35 / 20	System Grade: Grade 1 Treatment Grade 1 Distribution
Number of Employees: 2	

The water system is in compliance with the following ADEQ requirements:

	YES	NO	N/A
1. Certified Operator .....James Harrell, Grade 2/2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Physical Facilities .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Monitoring & Reporting .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Summary**

Jakes Corner Water System is now a regulated Transient noncommunity water system. The system needs to employ a certified operator, start taking monthly coliform samples and yearly nitrate samples. The system needs to repair the crack in the well slab, replace the leaking gauge, clean the weeds out of the well enclosure and sign the well area.

Information Summary – Jakes Corner Water System  
May 21, 2007  
Page 2

### **Facility Description**

Jakes Corner Water System is a Transient noncommunity water system located on the southwest side of the wash at Jakes Corner on Highway 188. The system consists of one (1) well, one (1) small bladder pressure tank, one (1) 5,000 gallon pressure tank and the distribution system. The system does not chlorinate. The well is located on the northeast side of the wash in a gated RV storage yard. Water is pumped across the wash to the 5,000 gallon pressure tank that is at the highest point in the subdivision. The Point-of-Entry for the system is at the discharge end of the 5,000 gallon pressure tank.

### **Summary of Field Observations**

This water system was constructed prior to 1971 and has been in continuous use since that time. The system has shifted between a regulated water system and an unregulated water system as the rules governing water systems has changed and as the number of service system connections has changed. As part of the inspection on December 21, 1988, Lisa Woodwick determined that Jakes Corner Water System did not meet the minimum requirements to be a regulated water system, and she deregulated the water system. As of this inspection date, Jakes Corner Water System is now supplying water to 20 service connections and 35 people. Both of these conditions mean that the system is now a regulated water system.

On May 2, 2007, Jakes Corner Water System sent a letter to Patrick Finton stating that the system had 20 service connections and a total of 35 people. The letter identified 4 of the service connections and 8 people as permanently living outside the state of Arizona. On May 9, 2007, Nancy Moreno told the inspector that several of the remaining service connections had permanent mailing addresses that were not in Payson, Arizona or Tonto Basin, Arizona. Ms. Moreno confirmed this with a FAX dated May 15, 2007 showing 13 community connections and 21 full time people on the water system. With less than 15 permanent service connections and less than 25 permanent people, Jakes Corner Water System is a Transient noncommunity (TN) water system.

As a regulated TN water system, Jakes Corner Water System must employ a certified operator that inspects the water system each month, collect a microbiological sample from the water system each month (monthly bacti sample) and collect a yearly nitrate sample from the water system.

At the time of the inspection, the system did not have a certified operator, but the system wasn't a regulated water system at that time. Nancy Moreno has told the inspector that the water system will be utilizing the services of James Harrell as the certified operator. Mr. Harrell is their certified operator at Arroyo Water Company.

Information Summary – Jakes Corner Water System  
May 21, 2007  
Page 3

As part of the inspection the treatment plant and distribution system were graded. The treatment plant was issued the following points: 1 for population, 1 for design capacity, 3 for groundwater source and 2 for control system technology, for a total of 7 points. A treatment plant with 7 points is a Grade 1 Treatment plant. The water system only distributes groundwater, serves fewer than 501 people, does not disinfect and does not store water or stores water only in storage tanks. As such, no points are given to the distribution system and the system is a Grade 1 Distribution system.

As a TN water system, Jakes Corner Water System is not required to have any water storage. The water storage rules only apply to Community water systems and Nontransient noncommunity water systems. The inspector is not aware of any State of Arizona regulation requiring a TN to have water storage.

The well slab was cracked. The crack needs to be silicone sealed to keep contaminants away from the well casing.

A gauge on the well was leaking and water was going into the slab crack. The gauge needs to be replaced.

The weeds around the well need to be removed to reduce the potential for contaminating the well area.

The well area needs to be signed to read: No Trespassing, the well's DWR number (DWR 55-?????), the water system name (Jakes Corner Water System), the water system number (PWS 04-029) and the emergency contact phone number (possibly your office (928) 474-1766).

On September 7, 2004, the Arizona Corporation Commission issued Decision No. 67231 which required the water system to "install a storage tank by June, 2005." The inspector is not aware of any location at Jakes Corner where this storage tank could be installed. The fenced area around the well is too small for a storage tank, and the inspector is not aware of any vacant land by the pressure tank.

**Inspector Recommendations**

1. The crack in the well slab needs to be sealed.
2. Replace the leaking gauge on the well.
3. Remove the weeds around the well.
4. Sign area around the well.

**COMMISSIONERS**  
MIKE GLEASON - Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE



BRIAN C. McNEIL  
Executive Director

**ARIZONA CORPORATION COMMISSION**

May 31, 2007

Mr. Kacy Parker  
Owner  
Jakes Corner Water Company  
HC 6 Box 1048 L  
Payson, Arizona 85541

RE: JAKES CORNER WATER COMPANY  
DOCKET NOS. W-04249A/W-03745A-04-0249  
DECISION NO. 67231

Dear Mr. Parker:

Enclosed is a stamped copy of the tariffs that were approved as being in compliance to the above Decision, with an effective date of May 31, 2007.

If you have questions regarding the filing of these tariffs, please contact me at (602) 542-4251.

Sincerely,

A handwritten signature in black ink that reads "Lori H. Miller". The signature is written in a cursive style.

Lori H. Miller  
Programs & Projects Specialist II  
Utilities Division

/lhm

Enclosures

ORIGINAL

W-04249A-04-0249

W-03745A-04-0249

TARIFF SCHEDULE

Utility: WATER Company  
Docket No.: W-04249A-04-0249  
Phone No.: 928-474-1766

Tariff Sheet No.: 1 of 4  
Decision No.: 67231  
Effective: 5.31.07

CURTAILMENT PLAN FOR

(Template 063004)

ADEQ Public Water System No: W-03745A

Jakes Corner Water ("Company"), is authorized to curtail water service to all customers within its certificated area under the terms and conditions listed in this tariff.

This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of the tariff or no later than sixty (60) days after the effective date of the tariff.

The Company shall provide a copy of the curtailment tariff to any customer, upon request.

**Stage 1 Exists When:**

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

Restrictions: Under Stage 1, Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

**Stage 2 Exists When:**

- a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

APPROVED FOR FILING  
DECISION #: 67231

ORIGINAL

TARIFF SCHEDULE

Utility: WATER  
Docket No.: W-04249A-04-0249  
Phone No.: 928-474-1766

Tariff Sheet No.: 2 of 4  
Decision No.: 67231  
Effective: 5.31.07

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

**Stage 3 Exists When:**

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, Company shall request the customers to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible. Standpipe service shall be suspended.

Notice Requirements:

- 1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.
- 2. Beginning with Stage 3, Company shall post at least 3 signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.
- 3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than Stage 3 until a permanent solution has been implemented.

APPROVED FOR FILING  
DECISION #: 67231

## TARIFF SCHEDULE

Utility: WATEK  
 Docket No.: W-04249A-04-0249  
 Phone No.: 928-474-1766

Tariff Sheet No.: 3 of 4  
 Decision No.: 67231  
 Effective: 5.31.07

**Stage 4 Exists When:**

- a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

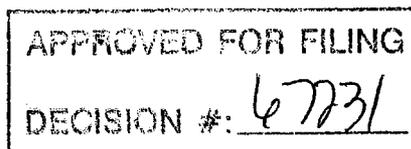
Restrictions: Under Stage 4, Company shall inform the customers of a **mandatory** restriction to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

- ◆ Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
- ◆ Washing of any vehicle is prohibited
- ◆ The use of water for dust control or any outdoor cleaning uses is prohibited
- ◆ The use of drip or misting systems of any kind is prohibited
- ◆ The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- ◆ The use of construction water is prohibited
- ◆ Restaurant patrons shall be served water only upon request
- ◆ Any other water intensive activity is prohibited

The Company's operation of its standpipe service is prohibited. The addition of new service lines and meter installations is prohibited.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Company shall post at least 3 signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.



TARIFF SCHEDULE

ORIGINAL

Utility: WATER  
Docket No.: W-04249A-04-0249  
Phone No.: 928-474-1766

Tariff Sheet No.: 4 of 4  
Decision No.: 67231  
Effective: 5.31.07

Customers who fail to comply with the above restrictions will be given a written notice to end all outdoor use. Failure to comply within two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.

APPROVED FOR FILING  
DECISION #: 67231

Docket # 04286A-04-6774



Docket # 04286A-04-0774



# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541

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January 8, 2007

Mr. Patrick Finton  
Environmental Engineering Specialist  
Arizona Department of Environmental Quality  
Water Quality Field Services Unit  
1110 West Washington Street  
Phoenix, Arizona 85007  
Phone: 602-771-2300

Re: Inspection #94677/Case # 76774

Mr. Finton;

The attachments are in response to your letter dated, 12-15-06.

We want to inform you that we are working closely with the Arizona Corporation Commission on various issues. Attached you will find what we have docketed with the Commission. We hope this information will bring you up to date.

Page 1: Information Summary:

1. Inadequate water storage has been addressed with the Commission and Mr. Parker has stated that he intends to update the system as soon as the Commission grants the CC&N.
2. We are addressing the issue of a Certified Water Operator even though our Manager has performed all tests and service to the system in a very professional and timely manner.
3. Attached are the nitrate samples and information as required.
4. The CCR reports and correspondence are attached.
5. Attached are the samples for lead and copper
6. The pressure tank has been repaired.

We have full intentions of expanding, replacing, repairing and providing adequate and safe drinking water to our customers. After all, the customers are the ones that are suffering from us not having our CC&N.

Please feel free to call our office at: 928-474-1766 and ask for either Tony or Nancy. We are looking forward to working with ADEQ in a positive and expedient manner.

Sincerely,

  
Kacy Parker

CC & RR # 7006 2760 0000 5544 2093

ATTACHEMENT PAGE

1. Letter docketed to Commission in response to Support Relief all 8 Items 2 pages
2. Customer List (2 pages) docketed with Commission for service outside Punkin Center Village  
Customer List includes Realtors list
3. Letter to Customers waiting for service includes copy of an Application for service
4. Affidavit (2 pages) to Commission stating we have keep our customers informed
5. Copies of correspondence attached (3 pages)
6. JTP All Date Query
7. ADEQ Fact Sheets (4 pages in regards to monitoring arsenic
8. Letter to Commission on our Tariff Schedule (3 pages)
9. Current Water Use Data Sheet
10. 13 pages of letter to Commission with Customer Complaints and responses to customers
11. Letter from our water manager to Mr. Finton dated Jan 5, 2007 in response to monitoring compliance issues.
  - A. Report to interested parties (4pages)
  - B. Water report dated 6-6-03
  - C. Coliform tests submitted on:  
3-26-03, 6-24-03,6-29-03,6-30-03,6-30-03 (different location), 9-20-05,12-8-03,12-17-03, 12-19-05,1-24-05, 2-9-05,3-6-05,4-12-05, 5-01-05,6-3-05,7-11-05, 1-7-06,10-24-06,10-24-06,10-24-06 (different location),10-24-06, (different location)10-24-06 (different location),
  - D. Inorganic Chemical Analysis report dated 12/17/03
  - E. Lead & Copper Analysis dated 12/31/04
  - F. Inorganic Chemical Analysis dated 12/15/04
  - G. Legend Technical Services report dated 12/31/04(3 pages)
  - H. Legend Letter dated 6-30-05
  - I. Legend report dated 6-30-05 for lead and copper and nitrogen(2pages)
  - J. Nortest report dated 6-30-05 (7 pages including invoice)
  - K. Legend Technical Services report dated 3-1-06 (15 pages)



Janet Napolitano  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007  
(602) 771-2300 • www.azdeq.gov



Stephen A. Owens  
Director

February 1, 2007

Arroyo Water Company, Inc.  
Attention: Kacy Parker  
HC 6, Box 1048 L  
Payson, Arizona 85541

Re: Case 76774; AWC's Documenting Compliance with the December 15, 2006, Notice of Violation (NOV)

Dear Mr. Parker:

Arizona Department of Environmental Quality (ADEQ) has received your submittals dated January 8 and 10, 2007. After reviewing the submitted information, and evaluating it against the requirements of Documenting Compliance section of the NOV, we have determined that three of the nine compliance conditions has been satisfied. The compliance condition, your submitted information and the determination for each follows:

**Documenting compliance #1 stated:** Within 30 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or documentation that AWC has completed the first round of the initial lead and copper tap monitoring, an explanation for AWCs failure to complete the required monitoring, and an acknowledgement that the second round of monitoring will be performed within the required six-month time frame. Monitoring documentation may include chain of custody and lab receipts. A brochure describing your lead and copper monitoring obligations has been enclosed for your reference.

The AWC submittal contained lead and copper sampling information from sample sets taken on December 13, 2004 and June 12, 2005. ADEQ has determined that AWC has completed the initial monitoring for lead and copper and the terms of the compliance condition have been met. Having met the requirement for initial lead and copper monitoring, AWC is being place on the reduced monitoring schedule. The reduced monitoring schedule requires AWC to collect five lead and copper samples annually between the months of June and September and submit the results to ADEQ, beginning in the 2007 calendar year.

**Documenting compliance #2 stated:** Within 20 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or a plan that describes how AWC will meet the water storage requirements. The plan must include a calculation of the average daily demand during the peak month for water usage during the year. Storage capacity must be greater than the average daily demand during the peak month for water usage during the year.

Northern Regional Office  
1801 West Route 66 • Suite 117 • Flagstaff, AZ  
86001  
(928) 779-0313

Southern Regional Office  
400 West Congress Street • Suite 433 • Tucson, AZ  
85701  
(520) 628-6733

AWC submitted a copy of a "water use data sheet" that was provided to the Arizona Corporation Commission. AWC failed to submit a plan addressing the water storage requirements. An acceptable plan must document the peak water demand and how the demand will be met. AWC has not met the January 8, 2007, deadline for documenting compliance.

**Documenting compliance #3 stated:** Within 60 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or an administratively complete Approval to Construct (ATC) application for increasing water storage capacity.

The AWC submittals did not document compliance; the documenting compliance deadline expires February 17, 2007.

**Documenting compliance #4 stated:** Within 120 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or an Engineer's Certificate of Completion for the water storage project.

The AWC submittals did not document compliance; the documenting compliance deadline expires April 18, 2007.

**Documenting compliance #5 stated:** Within 20 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or documentation that AWC employs a operator that holds a grade 1 or greater, water treatment and distribution certification.

AWC does not employ a certified operator and has not met the January 8, 2007, deadline for documenting compliance.

**Documenting compliance #6 stated:** Within 20 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or nitrate monitoring results, along with an explanation of why the monitoring was missed and an assurance that it will be performed in the future.

AWC submitted the results for the nitrate sampling that occurred on February 21, 2006. AWC is now current with nitrate sampling requirements. However, AWC failed explained why the nitrate monitoring was missed in 2004 and 2005; ADEQ will dismiss the missed monitoring explanation requirement and has determined that compliance has been documented. Please ensure that a certified operator monitors for nitrate in 2007 and each year thereafter, submitting the sample results to ADEQ no later than January 10 of the following calendar year.

**Documenting compliance #7 stated:** Within 60 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or a complete consumer confidence report documenting water quality conditions for calendar year 2005, along with a description of how the AWC customers have received the report.

The AWC submittal contained information and wording that is normally found in consumer confidence reports. However, none of the pages stated that it was part of a consumer confidence report and all of the analytical information was for years prior to 2005. Additionally AWC failed to explain how AWC customers received the report. The AWC submittals did not document compliance. However, the documenting compliance deadline does not expire until February 17, 2007.

**Documenting compliance #8 stated:** Within 60 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or documentation that the pressure tank has been repaired or replaced. The documentation must include pictures that show all aspects of the pressure tank.

The AWC submittal states that "the pressure tank has been repaired." A follow-up inspection on January 17, 2007, revealed the tank is still leaking profusely. The AWC submittals did not document compliance; the documenting compliance deadline expires February 17, 2007.

**Documenting compliance #9 stated:** Within 20 calendar days of receipt of this Notice, please submit documentation that the violation(s) never occurred, or coliform monitoring results, along with an explanation of why the monitoring was missed and an assurance that it will be performed in the future.

AWC has submitted coliform sampling results for December 2006 and January 2007. However, the missing repeat samples for July and August, 2006 have not been submitted. Nor, has AWC explained why the monitoring was missed. ADEQ will dismiss the missed monitoring explanation requirement and has determined that compliance has been documented. Please ensure that a certified operator monitors for coliform monthly and take repeat samples whenever positive results are received.

In summation, AWC has not complied with the terms of the NOV by submitting a plan addressing water storage or employing a certified operator; the compliance deadlines have expired. These violations along with the others must be addressed to return AWC to compliance.

If you need any additional information or help, please feel free to contact me directly at (602) 771-7667, or by e-mail at [finton.patrick2@azdeq.gov](mailto:finton.patrick2@azdeq.gov).

Sincerely,



Patrick Finton  
Water Quality Field Services Unit

cc: Brian Bozzo, Arizona Corporation Commission  
Carmela Leon, Arizona Corporation Commission  
Deborah Reagan, Arizona Corporation Commission  
Gila County Health Department

Cover Sheet  
 Arizona Corporation Commission  
 Docket Control Center

Company/Case Name ARROYO WATER CO., INC  
 Doing Business As (d/b/a) \_\_\_\_\_  
 Docket Number (s) W-04286A-04-0774

Description of Document or Nature of Action  
 Please choose the item that best describes the nature of the case/filing.

UTILITIES - NEW APPLICATION

<input type="checkbox"/> New CC&N	<input type="checkbox"/> Main Extension
<input type="checkbox"/> Rates	<input type="checkbox"/> Contract/Agreements
<input type="checkbox"/> Interim Rates	<input type="checkbox"/> Formal Complaint
<input type="checkbox"/> Cancellation of CC&N	<input type="checkbox"/> Waiver/Rule Variance
<input type="checkbox"/> Deletion of CC&N	<input type="checkbox"/> Line Siting Committee Case
<input type="checkbox"/> Extension of CC&N	<input type="checkbox"/> Small Water Company - Surcharge
<input type="checkbox"/> Tariff (NEW)	<input type="checkbox"/> Sale of Assets & Transfer of Ownership
<input type="checkbox"/> Request for Arbitration	<input type="checkbox"/> Sale of Assets & Cancellation of CC&N
<input type="checkbox"/> Full or Partially Arbitrated	<input type="checkbox"/> Fuel Adjuster/PGA
<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Merger
<input type="checkbox"/> Voluntary Interconnection Agreement	<input type="checkbox"/> Financing
<input checked="" type="checkbox"/> Miscellaneous - Specify: <u>Public Notice &amp; invoice for Arroyo Water Company Filing for CC&amp;N Notice</u>	

UTILITIES - REVISIONS/AMENDMENTS TO PENDING OR APPROVED MATTERS

<input type="checkbox"/> Application:	<input type="checkbox"/> Tariff: (Promotional or Compliance) (Circle One)
Company _____	Decision No. _____
Docket Number _____	Docket No: _____

SECURITIES or MISCELLANEOUS FILINGS

<input type="checkbox"/> Affidavit (Publication, Public Notice)	<input type="checkbox"/> Request/Motion for Extension of Time
<input type="checkbox"/> Comments	<input type="checkbox"/> Request/Motion for a Hearing
<input type="checkbox"/> Exception	<input type="checkbox"/> Request/Motion for an Intervention
<input type="checkbox"/> Exhibit(s)	<input type="checkbox"/> Miscellaneous Request/Motion
<input type="checkbox"/> Notice of Appearance/Intent	<input type="checkbox"/> Request/Motion for a Re-hearing
<input type="checkbox"/> Notice of Errata	<input type="checkbox"/> Request/Motion to Continue Hearing
<input type="checkbox"/> Opposition	<input type="checkbox"/> Request/Motion to Strike
<input type="checkbox"/> Petition	<input type="checkbox"/> Response
	<input type="checkbox"/> Testimony
	<input type="checkbox"/> Waiver
	<input type="checkbox"/> Witness List
	<input type="checkbox"/> Intervention

OTHER: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

5-3-07  
 Date

KACY S. PARKER  
 Print the name of the person whose signature appears on the filing  
 (i.e. Contact Person, Respondent, Attorney, Applicant, etc.)

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

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May 3, 2007

Arizona Corporation Commission  
Docket Control-Utilities  
1200 W. Washington St.  
Phoenix, Arizona 85007

Docket #: W-04286A-04-0774

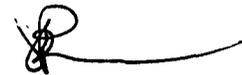
Attached documentation is submitted for docket in regards to the Procedural Order, dated, April 4, 2007.

We have complied with the Procedural Order with the following documents:

1. Public Notice posted in a local newspaper a certified copy will follow within next week . (Invoice attached)
2. Public Notice was personally handed by our on site manager on April 13, 2007, to our customers and mailed on same date to those who have out of town addresses.
3. Letter to Blessing Chukwu, Executive Consultant acknowledging Procedural Order with a copy of Public Notice.

Thank you for your time and assistance.

Sincerely,



Kacy Parker

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

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April 16, 2007

Arizona Corporation Commission  
Ms. Blessing Chukwu  
Executive Consultant III  
1200 W. Washington St.  
Phoenix, Arizona 85007-2927  
Phone: 602-542-0840

RE: Sufficiency Letter & Procedural Order  
Arroyo Water Company  
Docket # w-04286A-04-0774

Dear Blessing;

We are very pleased to address the Procedural Order, date April 4, 2007!

Per the Procedural Order, we have mailed or hand delivered to all of our customers, the Public Notice for the CC&N hearing for June 12, 2007 at the Commission's office. The certification of publication is enclosed.

Please feel free to call if there are any further questions.

Sincerely,

Kacy Parker  
Kyle Parker

**Affidavit of Publication**

**State of Arizona  
County of Gila**

**PUBLIC NOTICE OF THE HEARING FOR  
ARROYO WATER COMPANY FOR SALE OF  
ASSETS AND FOR TRANSFER OF CERTIFICATE  
OF CONVENIENCE AND NECESSITY DOCKET  
NO. W-04286A-040774**

On September 13, 2004, a Procedural Order was issued in Docket No. W-03672A-01-0474 (In the Matter of the Complain of Utilities Division Staff v. Arroyo Water Co., Inc.) directing Kyle and Kacy Parker to file an application for Sale of Assets and for Transfer of the current Certificate of Convenience and Necessity ("CC&N") for Arroyo Water Company, Inc. ("Arroyo Water" or "Company"). Based on an investigation in that docket, the Commission's Utilities Division Staff ("Staff") indicated that Kyle and Kacy Parker appear to have purchased the assets of Arroyo Water from Richard Williamson, the prior owner, yet no application for authority to transfer assets or CC&N had been filed with the Commission.

On October 19, 2004, Kacy Parker dba Arroyo Water Company filed an application in the above-captioned docket for a new CC&N and for approval of the sale of assets to Kacy Parker. If the application is approved, Kacy Parker dba Arroyo Water Company, would be the authorized and exclusive provider of water service within its designated service area.

The application, report of the Commission's Utilities Division Staff, and any other documents filed in this docket are available at the Company's office: Snyder Way, Oxbow Estates, Payson, Arizona, 928-474-1766 and at the Commission's offices at 1200 W. Washington, Phoenix, Az. 85007, for public inspection during regular business hours, and on the internet via the Commission website ([www.azcc.gov](http://www.azcc.gov)) using the e-docket function.

The Commission will hold a hearing on this matter beginning June 12, 2007 at 10:00 a.m. at the Commission's offices, 1200 W. Washington, Phoenix, AZ. Public comments will be taken on the first day of the hearing. Written public comments may be submitted via email (visit <http://www.azcc.gov/utility/cons/index.htm> for instructions). Or by mailing a letter referencing Docket No. W-04246A-04-07744 to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter, will be permitted to intervene. If you would like to intervene, you must file a written motion to intervene with the Commission, and you must send copies of the motion to the Company or its counsel, and to all parties of record in the case. Your motion to intervene must contain the following:

1. Your name, address and telephone number, and the name, address and telephone number of any party upon whom documents are to be served in your place, if desired
2. A short statement of your interest in the proceeding (e.g., a customer of the Company, a shareholder of the Company, etc.).
3. A statement certifying that a copy of your motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motion to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before May 14, 2007. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witness. However, failure to intervene will not preclude any customer from appearing at the hearing and making a statement on such customer's own behalf.

If you have any questions about this application, you may contact the Company at 928-474-1766. If you wish to file written comments on the application or want further information on interventions you may contact the Consumer Services Section of the Commission at 1200 W. Washington St., Phoenix, AZ 85007, or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Linda Hogan. E-mail [Lhogan@azcc.gov](mailto:Lhogan@azcc.gov), voice phone number 602-542-3931. Request should be made as early as possible to allow time to arrange the accommodations.

John D. Bennett, or his authorized representative, \_\_\_\_\_ being first duly sworn deposes and says: That he is the **publisher** of the Arizona Silver Belt, San Carlos Apache Moccasin, and the Gila County Advantage newspapers, located at 298 North Pine Street, Globe, Arizona 85501, or mail: P.O. Box 31, Globe, Arizona 85502.

The above stated newspapers are published weekly in Globe, in the State of Arizona, County of Gila and that the following described  legal, or  advertising was duly published.

*Public notice on hearing for Arroyo Water Company*

A printed copy of said legal or advertising is attached hereto and was published in a regular weekly edition of said newspaper (and not a supplement thereof) for 1 consecutive weeks in the  Arizona Silver Belt newspaper, and/or the  San Carlos Apache Moccasin newspaper, and/or the  Gila County Advantage. The dates of publication being as follows, to wit:

*April 18, 2007*

*John D. Bennett*  
John D. Bennett, Publisher or authorized representative

State of Arizona  
County of Gila

The foregoing instrument was acknowledged before me this

April 18, 2007 (date)  
by John D. Bennett

*Jennifer Alvarez*  
Jennifer Alvarez, Notary Public  
My Commission Expires:  
July 15, 2007

**PUBLIC NOTICE OF THE HEARING FOR**  
**ARROYO WATER COMPANY FOR SALE OF ASSETS AND FOR TRANSFERE**  
**OF CERTIFICATE OF CONVENIENCE AND NECESSITY**  
**DOCKET NO. W-04286A-040774**

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ARIZONA SILVER BELT  
SANCARLOS APACHE MOCCASIN  
298 N PINE ST/PO BOX 31  
GLOBE AZ 85502-

04/19/07

107934-21  
ARROYA WATER CO  
HC 6  
BOX 1048L  
PAYSON AZ 85541

INVOICE

DUE UPON RECEIPT - SERVICE CHARGE OF 1.5% CHARGED ON  
BALANCES 30 DAYS AND OVER PAST DUE - 18% ANNUALLY

DATE	DESCRIPTION	PAPER	UNITS	RATE	CHG/CR	BALANCE
04/19/07	LEGAL 4/18 NOTICE 6116	SB	9.00	L	51.30	
04/19/07	CITY TAX 4/18 NOTICE 6116	SB		2.000	1.03	

*Pd*  
*4-30*  
*1181*

INVOICE TOTAL

52.33

ARIZONA SILVER BELT

(928) 425-7121