

ORIGINAL

NEW APPLICATION



0000077688

ARIZONA CORPORATION COMMISSION

APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVENIENCE AND NECESSITY

RECEIVED

2007 OCT 24 P 1:53

WATER AND/OR SEWER

W-02074A-07-0616

AZ CORP COMMISSION DOCKET CONTROL

A. The name, address and telephone number of the Applicant is: Beardsley Water Company

P.O. Box 1020

Apache Junction, AZ 85017 (480) 677-6080

B. The name, address and telephone number of management contact is: Fred T. Wilkinson (First National Management, Inc.)

P.O. Box 1020

Apache Junction, AZ 85217 (480) 677-6080

C. List the name, address and telephone number of the operator certified by the Arizona Department of Environmental Quality:

Joseph Fiano (Water Treatment Operators, Inc.)

14615 N. Fountain Hills Blvd

Fountain Hills, AZ 85268 (480) 837-6438

D. List the name, address and telephone number of the attorney for the Applicant: Steven A. Hirsch (Bryan Cave, LLP)

Two N. Central Ave. Suite 2200

Phoenix, AZ 85004-4406 (602) 364-7319

E. Attach the following documents that apply to you:

ccnext.doc 04/00

2

Arizona Corporation Commission

DOCKETED

OCT 24 2007

DOCKETED BY [Signature]

1. Certificate of Good Standing (if corporation)

2. Corporate Resolution Authorizing this application (if required by the corporation's Articles of Incorporation)

F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted.

G. Attach a detailed map using the form provided as attachment B. Shade and outline the area requested. Also indicate the present certificated area by using different colors.

H. Attach a current balance sheet and profit and loss statement.

I. Provide the following information:

1. Indicate the estimated number of customers, by class, to be served in the new area in each of the next five years:

**Residential:**

First Year 120 Second Year 240 Third Year 300 Fourth Year 300

Fifth Year 300

**Commercial:**

First Year NA Second Year NA Third Year NA Fourth Year NA

Fifth Year NA

**Industrial:**

First Year NA Second Year NA Third Year NA Fourth Year NA

Fifth Year NA

**Irrigation:**

First Year NA Second Year NA Third Year NA Fourth Year NA

Fifth Year NA

Other: (specify)

First Year NA Second Year NA Third Year NA Fourth Year NA

Fifth Year NA

2. (WATER ONLY) Indicate the projected annual water consumption, in gallons, for each of the customer classes in the new area for each of the next five years:

**Residential:**

First Year 15,330,000 Second Year 30,660,000 Third Year 38,325,000

Fourth Year 38,325,000 Fifth Year 38,325,000

**Commercial:**

First Year NA Second Year NA Third Year NA

Fourth Year NA Fifth Year NA

**Industrial:**

First Year NA Second Year NA Third Year NA

Fourth Year NA Fifth Year NA

**Irrigation:**

First Year NA Second Year NA Third Year NA

Fourth Year NA Fifth Year NA

3. Indicate the total estimated annual operating revenue from the new area for each of the next five years:

First Year \$64,685.00 Second Year \$129,370.00 Third Year \$161,712.00

Fourth Year \$161,712.00 Fifth Year \$161,712.00

- Complete Attachment "D" (Water Use Data Sheet) for the past 13 months

4. Indicate the total estimated annual operating expenses attributable to the new area for each of the next five years:

First Year \$63,245 Second Year \$125,900 Third Year \$158,133

Fourth Year \$160,000 Fifth Year \$161,000

J. Total estimated cost to construct utility facilities to serve customers in the requested area:

One Million One Hundred Forty Thousand Dollars

K. Explain method of financing utility facilities (see paragraph 8 of instructions)

Developer financed using main extension agreements in accordance

with Arizona Corporation Commission Rule R14-2-406.

L. Estimated starting and completion date of construction of utility facilities:

Starting date January 2009 Completion date December 2011

M. Attach the following permits:

1. Franchise from either the City or County for the area requested. To be late filed by June 15, 2008.
2. Arizona Department of Environmental Quality or designee's approval to construct facilities. To be late filed by June 15, 2008.
3. Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.) No State Land included in the requested area.
4. U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.) No U.S. Forest Service land is included in the requested area.
5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of, either the utility's Designation of an Assured Water Supply, or the developer's Certificate of 100 Year Assured Water Supply issued by the Arizona Department of Water Resources. To be late filed by June 15, 2008.
  - If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources if applied for by the developer.

- If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detailed information to prove that adequate water exists to provide water to the area requested.

Fred T. Wilkinson  
(Signature of Authorized Representative)

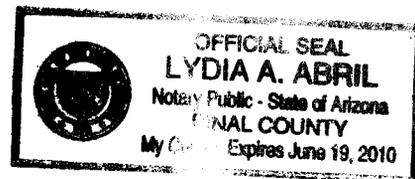
Fred T. Wilkinson  
(Print or Type Name Here)

Agent  
(Title)

SUBSCRIBED AND SWORN to before me this 24 day of October, 2007

Lydia A. Abril  
NOTARY PUBLIC

My Commission Expires June 19, 2010



ATTACHMENT "A"

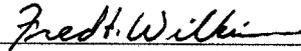
Beardsley Water Company  
P.O. Box 1020  
Apache Junction, AZ 85217

Date: 10-24-07

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

Attached is an application by Beardsley Water Company to extend it's certificated area. The purpose of this application is to provide domestic water service to the Peak View Ranch Developments Units 4 and 5. Peak View Ranches Units 1, 2 and 3 are within Beardsley Water Company's certificated area. Unit 1 is complete and Units 2 and 3 have final plans. Units 4 and 5 abut Unit 3.

The Beardsley Water Company Water Master Plan has been revised to include Units 4 & 5, if and when this application is approved.



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Fred T. Wilkinson

**ATTACHMENT "B"**

MARICOPA	PORTIONS OF 21 and 22	5 NORTH	3 WEST
COUNTY	SECTION	TOWNSHIP	RANGE

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Type or Print Description Here:

SEE LEGAL DESCRIPTIONS ATTACHED

- EXISTING CC&N
- PROPOSED CC&N

ATTACHMENT "C"

PUBLIC NOTICE OF AN APPLICATION FOR AN  
EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY

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BEARDSLEY WATER COMPANY

Beardsley Water Company has filed with the Arizona Corporation Commission an application for authority for an extension of its Certificate of Convenience and Necessity to provide domestic water service. Our records indicate that you are either currently a customer of Beardsley Water Company or a property owner in the proposed extension area. If the application is granted, Beardsley Water Company would be the exclusive provider of domestic water to the proposed area. Beardsley 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 of the Commission in Phoenix at 1200 W. Washington Street and at Beardsley Water Company, 3880 S. De Niza Road, Apache Junction, AZ 85219.

The Commission will hold a hearing on this matter. As a property owner, or customer, you may be entitled 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 regarding this application or 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 W. Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

ATTACHMENT "D"

**WATER USE DATA SHEET**

<b>NAME OF COMPANY</b> _____	BEARDSLEY WATER COMPANY
<b>ADEQ Public Water System No.</b> _____	07-528

<b>MONTH/YEAR (Last 13 Months)</b>	<b><u>NUMBER OF CUSTOMERS</u></b>	<b>GALLONS SOLD (Thousands)</b>
August 2006	60	1599.9
September 2006	63	1010.5
October 2006	68	921.8
November 2006	68	624.6
December 2006	69	626.7
January 2007	72	306.9
February 2007	72	572.0
March 2007	73	500.2
April 2007	74	1555.5
May 2007	75	805.5
June 2007	74	897.5
July 2007	77	917.2
August 2007	78	1011.4

<b>STORAGE TANK CAPACITY (Gallons)</b>	<b>NUMBER OF EACH</b>	<b>ARIZONA DEPT. OF WATER RESOURCES WELL I.D. NUMBER</b>	<b>WELL PRODUCTION (Gallons per Minute)</b>
60,000	2	55-594027	240

Other Water Sources in Gallons per Minute →	<u>GPM</u> None
Fire Hydrants on System →	Yes No
Total Water Pumped Last 13 Months (Gallons in Thousands) →	17938.82

TOTAL WATER PUMPED	17,938,815 Gallons
-----	-----
WATER SOLD	11,349,700 Gallons
CONSTRUCTION WATER	4,788,000 Gallons
WATER LOST	1,801,115 Gallons

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**

**CERTIFICATE OF GOOD STANDING**

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

**\*\*\*BEARDSLEY WATER COMPANY, INC.\*\*\***

a domestic corporation organized under the laws of the State of Arizona, did incorporate on November 20, 1973.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 2nd Day of October, 2007, A. D.



Executive Director

By

*Jeff B...*

ATTACHMENT "F"

**LEGAL DESCRIPTION**

A PART OF SECTIONS 21 AND 22 OF TOWNSHIP 5 NORTH, RANGE 3 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 21, EXCEPT THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 21;

AND THE NORTHEAST QUARTER OF SAID SECTION 21, EXCEPT THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 21;

AND THE SOUTHEAST QUARTER OF SAID SECTION 21, EXCEPT THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 21;

AND THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 22.

CORPORATE RESOLUTION

I, Sandra J. Weed, Secretary of Beardsley Water Company, Inc., an Arizona corporation, do hereby certify that the following is a true and correct copy of the resolution unanimously adopted by the Board of Directors of this corporation, a quorum of its members being present at a regular business meeting, held in the city of Phoenix, Arizona, on the 10th day of October, 2007, and that this resolution has not been revoked by any subsequent action of the Board of Directors, remaining in full force and effect:

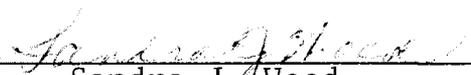
Be it resolved that Beardsley Water Company, Inc., an Arizona corporation, shall apply to Arizona Corporation Commission for a Certificate of Convenience and Necessity for the purpose of extending the corporation's present certificated area to include, by addition, the following:

A part of Sections 21 and 22 of Township 5 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows: The North half of the Northwest quarter of said Section 21, Except the Southwest quarter of the Northwest quarter of the Northwest quarter of said Section 21; and the Northeast quarter of said Section 21, Except the Northeast quarter of the Northeast quarter of said Section 21; and the Southeast quarter of said Section 21, Except the Southeast quarter of the Southeast quarter of said Section 21; and the West half of the Southwest quarter of said Section 22.

Further Resolved, that the corporation petition Maricopa County Board of Supervisors, by application, for a Public Service Franchise to said extended area; and

Further Resolved, that Fred T. Wilkinson, President of First National Management, Inc., agent of Beardsley Water Company, Inc., be, and is hereby, authorized to act on behalf of Beardsley Water Company, Inc. in all matters related to the purposes of this resolution.

In Witness Whereof, I have hereunto set my hand as such Secretary, and affixed the corporate seal this 11th day of October, 2007.

  
Sandra J. Weed

**BEARDSLEY WATER COMPANY**  
**Balance Sheet**  
 As of September 30, 2007

Sep 30, 07

**ASSETS**

**Current Assets**

**Checking/Savings**

100.000 · Cash	
131.000 · Beardsley Checking	65,401.97
131.100 · M&I Bank	20,453.67
131.200 · WIFA Acct	20,244.72
131.400 · Reservoir	924.50
131.700 · Peak View Ranch LLC #1	7,831.80
131.800 · Austin Ranch/ Rio Rancho	5,384.02
131.900 · Patton Place Unit 5	2,005.86
133.000 · Petty Cash	300.00
<b>Total 100.000 · Cash</b>	<b>122,546.54</b>

**Total Checking/Savings** 122,546.54

**Accounts Receivable**

141.00 · Accounts Receivable	
141.000 · Cust. Accounts Receivable	19,411.15
141.100 · Misc. Accounts Receivables	10,415.00
<b>Total 141.00 · Accounts Receivable</b>	<b>29,826.15</b>

**Total Accounts Receivable** 29,826.15

**Total Current Assets** 152,372.69

**Fixed Assets**

101.000 · Utility Plant in Service	
101.303 · Land & Land Rights	10.00
101.304 · Structures & Improvements	31,630.00
101.307 · Wells & Springs	191,629.74
101.311 · Electric Pumping Equipment	215,543.22
101.320 · Water Treatment Equipment	1,895.00
101.330 · Distrbtn., Resvrs. & Standpipes	469,764.95
101.331 · Transmission & Distrbtn. mains	766,721.20
101.333 · Services	78,207.78
101.334 · Meters	40,507.85
101.335 · Hydrants	68,860.53
101.339 · Other plnt. structures & imprvm	2,200.00
101.347 · Misc. Equipment	675.00
<b>Total 101.000 · Utility Plant in Service</b>	<b>1,867,645.27</b>

108.000 · Accumulated Depreciation	
108.010 · Accum Depr-Utilitiy	-296,002.33
<b>Total 108.000 · Accumulated Depreciation</b>	<b>-296,002.33</b>

**Total Fixed Assets** 1,571,642.94

**Other Assets**

124.301 · Invested Funds	60,000.00
124.300 · Investment - DSR funds	5,296.82
149. · Notes Receivables	
149.001 · Note Receivable - Parent	42,000.00

**Total 149. · Notes Receivables** 42,000.00

**Total Other Assets** 107,296.82

**TOTAL ASSETS** **1,831,312.45**

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

Accounts Payable	
231.000 · Accounts Payable	4,571.68

**Total Accounts Payable** 4,571.68

**BEARDSLEY WATER COMPANY**  
**Balance Sheet**  
As of September 30, 2007

	Sep 30, 07
<b>Other Current Liabilities</b>	
2200 · Sales Tax Payable	23,934.40
235.000 · Customer Security Deposits	2,625.20
236.000 · Sales Taxes Payable	
236.010 · Sales Tax-Utilities	-38,882.53
236.020 · Sales Tax - Surprise	15,351.73
236.030 · Superfund tax	-61.55
<b>Total 236.000 · Sales Taxes Payable</b>	<b>-23,592.35</b>
<b>252 · Advances for Const.</b>	
252.306 · Austin Ranch/ Rio Rancho	20,000.00
252.300 · Main Extension Agreements	
252.304 · Patton Place Estates Unit 4	156,300.00
252.301 · Patton Place Estates Ph 1 & 2	419,427.94
252.303 · Patton Place Estates Unit 3	89,210.00
<b>Total 252.300 · Main Extension Agreements</b>	<b>664,937.94</b>
252.100 · Advances for Construction	14,517.94
<b>Total 252 · Advances for Const.</b>	<b>699,455.88</b>
271.000 · Contributions in Aid of Const.	
271.100 · Contributions in Aid of Constr.	59,549.40
<b>Total 271.000 · Contributions in Aid of Const.</b>	<b>59,549.40</b>
<b>Total Other Current Liabilities</b>	<b>761,972.53</b>
<b>Total Current Liabilities</b>	<b>766,544.21</b>
<b>Long Term Liabilities</b>	
224.000 · Long term debt	
224.02 · N. P. - WIFA	38,141.87
<b>Total 224.000 · Long term debt</b>	<b>38,141.87</b>
<b>Total Long Term Liabilities</b>	<b>38,141.87</b>
<b>Total Liabilities</b>	<b>804,686.08</b>
<b>Equity</b>	
211.000 · Other Paid-In Capital	358,823.89
215.000 · Retained Earnings	578,221.31
Net Income	89,581.17
<b>Total Equity</b>	<b>1,026,626.37</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,831,312.45</b>

10/16/07

**BEARDSLEY WATER COMPANY**  
**Profit & Loss**  
 October 2006 through September 2007

	Oct '06 - Sep 07
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
461.000 · Metered Water Sales	310,213.75
474.000 · Other Water Revenue	
474.010 · Reconnect Service	3,390.00
474.030 · NSF Fees	320.00
474.045 · Establ/Reconnect fees	1,680.00
<b>Total 474.000 · Other Water Revenue</b>	<b>5,390.00</b>
<b>Total Income</b>	<b>315,603.75</b>
<b>Cost of Goods Sold</b>	
401.615 · Purchased pumping power	45,559.32
401.620 · Repairs and Maintenance	
620.01 · Field Materials & Supplies	1,098.40
620.02 · Repairs & Maintenance	521.74
<b>Total 401.620 · Repairs and Maintenance</b>	<b>1,620.14</b>
401.635 · Water Testing	5,551.98
<b>Total COGS</b>	<b>52,731.44</b>
<b>Gross Profit</b>	<b>262,872.31</b>
<b>Expense</b>	
401.260 · Travel Expense	
260.10 · Mileage while Traveling	216.00
<b>Total 401.260 · Travel Expense</b>	<b>216.00</b>
401.290 · Vehicle Expense	
290.01 · Vehicle & Mileage Exp-FNM	318.29
<b>Total 401.290 · Vehicle Expense</b>	<b>318.29</b>
401.624 · Printing & Copying Expense	209.21
630 · Outside Services	
630.01 · Consulting Services	2,983.00
630.02 · Legal & Accounting	9,075.00
630.04 · Contract Labor	73,795.06
630.43 · Blng. & Mgmt Fees Exp- FNM	32,399.45
<b>Total 630 · Outside Services</b>	<b>118,252.51</b>
401.657 · Prop. & Liab. Insurance	4,349.00
401.675 · Miscellaneous Operating expense	
401.670 · Bad Debt	-33.42
675.1 · Dues & Subscriptions	
675.07 · Industry Assoc. Dues & Fees	56.32
<b>Total 675.1 · Dues &amp; Subscriptions</b>	<b>56.32</b>
675.03 · Meals/Entertainment	
260.70 · Meals	13.72
<b>Total 675.03 · Meals/Entertainment</b>	<b>13.72</b>
675.04 · Communication/Phone & pager	690.24
675.06 · Dividend & financial notices	1,000.00
675.13 · Bank Service Charges	2,225.51
675.14 · Permits & Licenses	
675.11 · Regulatory fees	2,502.58
675.19 · Operator certificate	4,160.00
<b>Total 675.14 · Permits &amp; Licenses</b>	<b>6,662.58</b>
675.20 · Misc. Expense	100,367.61
675.21 · Fees - WIFA Loan	1,564.14
<b>Total 401.675 · Miscellaneous Operating expense</b>	<b>112,546.70</b>

10/16/07

**BEARDSLEY WATER COMPANY**  
**Profit & Loss**  
October 2006 through September 2007

	<u>Oct '06 - Sep 07</u>
408.100 · Property Tax Expense	14,036.30
<b>Total Expense</b>	<u>249,928.01</u>
<b>Net Ordinary Income</b>	12,944.30
<b>Other Income/Expense</b>	
<b>Other Income</b>	
419.000 · Interest Income	6,000.00
421.000 · Miscellaneous Income	
421.001 · Miscellaneous Income	201.70
421.010 · Installment Sale of an Intagibl	<u>71,825.00</u>
<b>Total 421.000 · Miscellaneous Income</b>	<u>72,026.70</u>
<b>Total Other Income</b>	78,026.70
<b>Other Expense</b>	
427.000 · Interest Expense	
427.01 · Interest - WIFA #920062-02	1,075.30
427.62 · Misc. Interest	<u>302.79</u>
<b>Total 427.000 · Interest Expense</b>	1,378.09
901.001 · Penalties	
675.17 · Late charges	<u>11.74</u>
<b>Total 901.001 · Penalties</b>	<u>11.74</u>
<b>Total Other Expense</b>	<u>1,389.83</u>
<b>Net Other Income</b>	<u>76,636.87</u>
<b>Net Income</b>	<u><u>89,581.17</u></u>