

ORIGINAL

NEW APPLICATION  
ATTACHMENT "A"



0000079404

# Ashcreek Water Co

P.O. Box 825 Thatcher, AZ 85552  
3776 Main St, Thatcher, AZ

RECEIVED 965-2934 for emergencies  
428-3357 for billing questions  
2007 DEC 12 428-5420 for all other contact

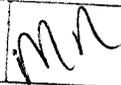
December 6, 2007

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
DOCKETED

DEC 12 2007

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

DOCKETED BY 

W-02494A-07-0681

Attached is an application by Ashcreek Water Company for an Application for an Extension of CC&N. The purpose of this application is to comply with Docket No. W-02494A-06-0561 et al, Decision No. 69581, Finding of Fact No. 40 whereas Ashcreek Water Company is Ordered to file an application to extend its Certificate of Convenience and Necessity for areas other than the WFFS where it is providing service to customers outside its certificated service area.



Bevan Barney, Interim Manager

ARIZONA CORPORATION COMMISSION

APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVENIENCE AND  
NECESSITY

WATER AND/OR SEWER

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

ASHCREEK WATER COMPANY  
P.O. Box 825  
THATCHER, AZ 85552 928-428-5420

B. The name, address and telephone number of management contact is:

BEVAN HARNEY, INTERIM MANAGER  
P.O. Box 825  
THATCHER, AZ 85552 928-428-5420

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

ALAN BAKER 928-359-2791  
P.O. Box 916  
DUNCAN, AZ 85534

D. List the name, address and telephone number of the attorney for the Applicant:

WYATT J. PALMER 928-428-5291  
3136 MAIN ST.  
THATCHER, AZ 85552

E. Attach the following documents that apply to you:

1. Certificate of Good Standing (if corporation) N/A.

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

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 30 Second Year 31 Third Year 33 Fourth Year 35  
Fifth Year 38

**Commercial:**

First Year N/A Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Industrial:**

First Year N/A Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Irrigation:**

First Year N/A Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

Other: (specify)

N/A.

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_

Fifth Year \_\_\_\_\_

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 2,931,000 Second Year 3,000,000 Third Year 3,200,000

Fourth Year 3,500,000 Fifth Year 3,800,000

**Commercial:**

First Year N/A Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

**Industrial:**

First Year N/A Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

**Irrigation:**

First Year N/A Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

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

First Year \$ 11,300 Second Year \$ 11,677 Third Year \$ 12,500

Fourth Year \$ 13,500 Fifth Year \$ 14,500

- 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 \$ 5,400    Second Year \$ 5,580    Third Year \$ 5,940  
Fourth Year \$ 6,300    Fifth Year \$ 6,840

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

\$ 0.00 CONSTRUCTION IS ALREADY DONE

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

N/A

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

Starting date N/A    Completion date DONE

M. Attach the following permits:

1. Franchise from either the City or County for the area requested.
2. Arizona Department of Environmental Quality or designee's approval to construct facilities.
3. Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.)
4. U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.)
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.
  - 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.

THE AREA IS ALREADY BEING SERVED  
BY ASHCREEK WATER COMPANY

Bryan Barney  
(Signature of Authorized Representative)

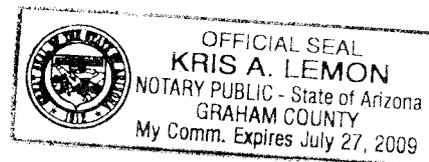
BEVAN BARNEY  
(Print or Type Name Here)

INTERIM MANAGER  
(Title)

SUBSCRIBED AND SWORN to before me this 7 day of December, 2007

Kris A. Lemon  
NOTARY PUBLIC

My Commission Expires July 27, 2009



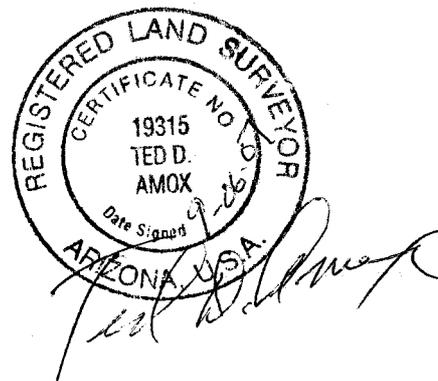
**LEGAL DESCRIPTION**

The South half of the Northeast quarter of Section 1, Township 7 South, Range 24 East of the Gila and Salt River Meridian,

**and** the Southwest quarter of the Northeast quarter, the West half of the Southeast quarter, and the Southwest quarter, all in Section 7, Township 7 South, Range 25 East of said Gila and Salt River Meridian,

**and** G.L.O. Lot No. 1 in Section 18, Township 7 South, Range 25 East of said Gila and Salt River Meridian,

**all** within the County of Graham, State of Arizona.



ATTACHMENT "B"

|        |         |          |       |
|--------|---------|----------|-------|
| GRAHAM | 1       | 7S       | 24E   |
| 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:

 = EXISTING CC&N

 = PROPOSED ADDITION TO CC&N

ATTACHMENT "B"

|        |            |          |       |
|--------|------------|----------|-------|
| GRAHAM | 6, 7, & 18 | 7S       | 25E   |
| COUNTY | SECTION    | TOWNSHIP | RANGE |

|    |    |    |    |    |    |
|----|----|----|----|----|----|
|    |    |    |    |    |    |
| 6  | 5  | 4  | 3  | 2  | 1  |
|    |    |    |    |    |    |
|    | 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:

 = EXISTING CC&N

 = PROPOSED ADDITION TO CC&N

**ATTACHMENT "C"**

**PUBLIC NOTICE OF AN APPLICATION FOR AN  
EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY  
BY Ashcreek Water Company**

Ashcreek Water Company has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide water service. Our records indicate that you are either currently a customer of Ashcreek Water Company or are a property owner in the proposed extension area. If the application is granted, Ashcreek Water Company would be the exclusive provider of water service to the proposed area. Ashcreek 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/Tucson at 400 West Congress, North Building, Room 218, and at Ashcreek Water Company, 3776 Main St., Thatcher, AZ

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 about 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 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000/400 West Congress, North Building, Room 218, Tucson, Arizona 85701 or call 1-800-535-0148].

**Ash Creek Water Company**  
**Balance Sheet**  
As of December 31, 2006

|   | Dec 31, 06       |
|---|------------------|
| <b>ASSETS</b>                           |                  |
| <b>Current Assets</b>                   |                  |
| Checking/Savings                        |                  |
| 131 · Cash                              |                  |
| 131.03 · Bank of America                | 12,305.52        |
| 131.04 · Bank of America Savings        | 491.02           |
| 131.05 · Petty Cash Fund                | 150.00           |
| <b>Total 131 · Cash</b>                 | <b>12,946.54</b> |
| <b>Total Checking/Savings</b>           | <b>12,946.54</b> |
| Accounts Receivable                     |                  |
| 141 · Customer Accounts Receivable      | 3,121.07         |
| <b>Total Accounts Receivable</b>        | <b>3,121.07</b>  |
| <b>Other Current Assets</b>             |                  |
| 151 · Plant Material and Supplies       | 2,008.50         |
| <b>Total Other Current Assets</b>       | <b>2,008.50</b>  |
| <b>Total Current Assets</b>             | <b>18,076.11</b> |
| <b>Fixed Assets</b>                     |                  |
| 108 · Accumulated Dep- Utility Plant    | -70,972.46       |
| 301 · Organization                      | 650.00           |
| 303 · Land and Land Rights              |                  |
| 303.1 · Land & Land Rights, title       | 1,630.50         |
| 303.2 · Land & Land Rights, Survey      | 600.00           |
| 303.3 · Land & Land Rights, other       | 1,000.00         |
| <b>Total 303 · Land and Land Rights</b> | <b>3,230.50</b>  |
| 304 · Structures and Improvements       | 443.00           |
| 307 · Wells and Springs                 | 6,520.00         |
| 311 · Pumping Equipment                 | 15,494.14        |
| 330 · Distribution Reservoirs and Sta   | 1,443.00         |
| 330.1 · Storage Tanks                   | 5,069.25         |
| 331 · Transmission and Distr. Mains     | 64,017.00        |
| 334 · Meters and Meter Installation     | 14,799.00        |
| 343 · Tools, Shop and Garage Equip.     | 1,700.00         |
| <b>Total Fixed Assets</b>               | <b>42,393.43</b> |
| <b>TOTAL ASSETS</b>                     | <b>60,469.54</b> |
| <b>LIABILITIES &amp; EQUITY</b>         |                  |
| <b>Liabilities</b>                      |                  |
| <b>Current Liabilities</b>              |                  |
| <b>Other Current Liabilities</b>        |                  |
| 2200 · Sales Tax Payable                | 317.35           |
| 235 · Customers Deposits                | 2,542.57         |
| 236 · Accrued Taxes                     |                  |
| 2210 · FICA Tax Payable                 | 571.03           |
| 2215 · Federal Withholding              | 563.19           |
| 2220 · State Withholding                | 208.38           |
| 2240 · Federal Unemployment Payable     | 77.35            |
| 2250 · State Unemployment Payable       | 19.76            |
| <b>Total 236 · Accrued Taxes</b>        | <b>1,439.71</b>  |
| 241 · Misc Current & Accr. Liabilitie   | -273.29          |
| 252 · Advances in Aid of Construction   | 2,756.00         |
| <b>Total Other Current Liabilities</b>  | <b>6,782.34</b>  |
| <b>Total Current Liabilities</b>        | <b>6,782.34</b>  |
| <b>Total Liabilities</b>                | <b>6,782.34</b>  |

3:43 PM

09/13/07

Accrual Basis

**Ash Creek Water Company**  
**Balance Sheet**  
As of December 31, 2006

|                                       | <u>Dec 31, 06</u>       |
|---------------------------------------|-------------------------|
| Equity                                |                         |
| 215 · Retained Earnings               | 14,414.97               |
| 3000 · Opening Bal Equity             | 34,388.15               |
| Net Income                            | 4,884.08                |
| Total Equity                          | <u>53,687.20</u>        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b><u>60,469.54</u></b> |

Ash Creek Water Company  
Profit & Loss  
January through December 2006

|   | <u>Jan - Dec 06</u>    |
|---|------------------------|
| Ordinary Income/Expense                 |                        |
| Income                                  |                        |
| 460 · Unmetered Water Revenue           | 0.00                   |
| 461 · Metered Water Income              | 34,342.59              |
| 474 · Other Water Revenues              | 240.00                 |
| 4999 · Uncategorized Income             | 365.42                 |
| Total Income                            | <u>34,948.01</u>       |
| Expense                                 |                        |
| 403 · Depreciation Expense              | 5,294.46               |
| 408.11 · Property Taxes -               | 1,218.49               |
| 601 · Salaries and Wages                |                        |
| 601.03 · Wages                          | 14,668.50              |
| 601.04 · Payroll Tax Expense            | 1,297.88               |
| Total 601 · Salaries and Wages          | <u>15,966.38</u>       |
| 615 · Purchased Power                   |                        |
| 615.01 · Graham Cnty Co-op 1302         | 1,838.96               |
| 615.02 · Graham Cnty Co-op 1299         | 429.45                 |
| Total 615 · Purchased Power             | <u>2,268.41</u>        |
| 620 · Repairs and Maintenance           | 115.97                 |
| 621 · Office Supplies & Expense         | 520.69                 |
| 635 · Water Testing                     | 420.00                 |
| 641 · Rents                             | 38.00                  |
| 650 · Transportation Expenses           | 1,883.86               |
| 6560 · Payroll Expenses                 | 2.11                   |
| 657 · Insurance - Gen Liability         | 781.00                 |
| 675 · Miscellaneous Expense             |                        |
| 675.01 · BANK SERVICE CHARGE            | 5.00                   |
| 675.03 · Miscellaneous Expense, Other   | 977.69                 |
| 675.04 · Miscellaneous, phone, internet | 571.87                 |
| Total 675 · Miscellaneous Expense       | <u>1,554.56</u>        |
| Total Expense                           | <u>30,063.93</u>       |
| Net Ordinary Income                     | <u>4,884.08</u>        |
| Net Income                              | <u><u>4,884.08</u></u> |

ATTACHMENT "D"

WATER USE DATA SHEET

|                              |                        |
|------------------------------|------------------------|
| NAME OF COMPANY              | ASHCREEK WATER COMPANY |
| ADEQ Public Water System No. | 05-007                 |

| MONTH/YEAR<br>(Last 13<br>Months)     | NUMBER OF<br>CUSTOMERS | GALLONS SOLD (Thousands)                                |   |
|---------------------------------------|------------------------|---|---|
| NOVEMBER                              | 91                     | 609,700   |   |
| DECEMBER                              | 91                     | 524,300   |   |
| JANUARY                               | 93                     | 450,680   |   |
| FEBRUARY                              | 93                     | 529,890   |   |
| MARCH                                 | 94                     | 712,230   |   |
| APRIL                                 | 94                     | 717,761   |   |
| MAY                                   | 95                     | 811,289   |   |
| JUNE                                  | 96                     | 1,071,320   |   |
| JULY                                  | 96                     | 586,710   |   |
| AUGUST                                | 96                     | 684,780   |   |
| SEPTEMBER                             | 98                     | 572,880   |   |
| OCTOBER                               | 98                     | 722,040   |   |
| NOVEMBER                              | 99                     | 464,270   |   |
| STORAGE TANK<br>CAPACITY<br>(Gallons) | NUMBER OF<br>EACH      | ARIZONA DEPT. OF<br>WATER RESOURCES<br>WELL I.D. NUMBER | WELL PRODUCTION<br>(Gallons per Minute) |
| -0-                                   | -0-                    | 621788  | 25                                      |
|                                       |                        | 621786  | 50                                      |
|                                       |                        |   |   |
|                                       |                        |   |   |
|                                       |                        |   |   |
|                                       |                        |   |   |
|                                       |                        |   |   |
|                                       |                        |   |   |
|                                       |                        |   |   |

|  |   |
|--|---|
| Other Water Sources in Gallons per Minute →                | <u>GPM</u> N/A  |
| Fire Hydrants on System →                                  | Yes <input type="radio"/> No <input checked="" type="radio"/> |
| Total Water Pumped Last 13 Months (Gallons in Thousands) → | 8,457,850   |



Exhibit 7

GRAHAM COUNTY BOARD OF SUPERVISORS

GRAHAM COUNTY COURTHOUSE, 800 MAIN STREET - PHONE 428-3250  
SAFFORD, ARIZONA 85546

SUPERVISORS . . .

DR. HUGH HAMMAN, CHAIRMAN  
DELBERT HOUSEHOLDER, MEMBER  
DALE OLSEN, MEMBER

H. C. GIETZ, COUNTY MANAGER  
TERRY McEUEEN, CLERK

October 5, 1976

Eldon L. Smith dba  
Desert Rose Water Company  
Central, Arizona 85552

Dear Mr. Smith,

At the regular Board Meeting held October 4, 1976 in the Board of Supervisors Meeting Room, the Board reviewed and approved your request to apply to the Corporation Commission of Arizona for a Certificate of Convenience and Necessity and/or Franchise to provide water.

Sincerely,

GRAHAM COUNTY BOARD OF SUPERVISORS

*Terry McEuen*  
Terry McEuen, Clerk





December 3, 1976

Arizona Corporation Commission

Phoenix, Arizona

Gentlemen:

On behalf of Desert Rose Water Company I am requesting permission to apply for a franchise for a water company on the within described property:

Section 36, Township 6 South, Range 24 East

Sections 1 and 11, E $\frac{1}{2}$  of Section 14, Section 13, E $\frac{1}{2}$  Section 23, Sections 24, 25, 26 and 35, Township 7 South, Range 24 East

S $\frac{1}{2}$  Section 31, Township 6 South, Range 25 East

Sections 5, 6, 7 and 18 of Township 7 South, Range 25 East

Enclosed also please find a letter from the Graham County Board of Supervisors authorizing us to make this request to the Corporation commission. Your response to this request will be greatly appreciated.

Sincerely,

Eldon L. Smith dba  
Desert Rose Water Company

# LOCATION PLAN

SCALE: 1:62500

## GENERAL NOTES

1. SEE SHEET 3 FOR WATER PLANS TO SERVE ASH CREEK ACRES, LOTS 65-128.
2. SEE SHT. 3 FOR SPECIFICATIONS & DETAILS FOR ASH CREEK ACRES WATER SYSTEM.
3. ALL WORK IS TO BE DONE IN ACCORDANCE WITH STATE OF ARIZONA DEPT. OF HEALTH SERVICES STDS. & SPECIFICATIONS.

**OWNER:**

DESERT ROSE WATER CO.  
 ELDON SMITH  
 P.O. BOX 185  
 CENTRAL, ARIZ. 85531

APPROVAL FOR CONSTRUCTION  
 ARIZONA DEPARTMENT OF HEALTH SERVICES  
 DATE 8/31/78 BY R. C. H.

REVIEW RECORD  
 This document is a part of the information used as a basis for issuing the "Sanitary Facilities for Subdivisions" Approval of Sanitary Facilities for Subdivisions.  
 ENVIRONMENTAL HEALTH SERVICES  
 ARIZONA DEPARTMENT OF HEALTH SERVICES

BUCK LEWIS  
 ENGINEERING, INC.

427 Soth Olsen Avenue  
 Tucson, Arizona 85719

Tel. (602) 792-4778

EXISTING WATER TRANSMISSION LINE AND  
 NEW WATER DISTRIBUTION SYSTEM FOR  
 ASH CREEK ACRES, LOTS 65-128

Designed by: J.F.R. Drawn by: S.M.E. Checked by: J.F.R.

Scales: Horiz. 1" = 200'  
 Vert. N/A

Ref. Job No. 78-071D

Date: AUG. 1978

1/4



