



0000094264

14

Transcript Exhibit(s)

Docket #(s): W-02386A-08-0189

Exhibit #: 51-56

Arizona Corporation Commission

DOCKETED

MAR - 4 2009

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY	
-------------	--

2009 MAR - 4 P 3:44

RECEIVED

RECEIVED

FEB 3 2009

MEMORANDUM

LEGAL

RECEIVED

2009 FEB -3 A 11: 32

AZ CORP COMMISSION
DOCKET CONTROL

LEGAL DIV.
TO: ~~THE COMMISSION~~ Docket Control

FROM: Ernest G. Johnson
Director
for Utilities Division

DATE: February 3, 2009

RE: SUN LEISURE ESTATES UTILITIES COMPANY, INC. - APPLICATION
FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE
WATER SERVICE IN PIMA COUNTY, ARIZONA (DOCKET NO. W-
02386A-08-0189)

Attached is the Staff Report for the above-referenced application. Staff is recommending approval of the application with conditions.

EGJ:VW:red

Originator: Vicki Wallace



FILE COPY

Service List for: Sun Leisure Estates Utilities Company, Inc.
Docket No. W-02386A-08-0189

Mr. Mark J. Seamans
General Manager
Sun Leisure Estates Utilities Company
PO Box 1520
Sun Leisure, Arizona 85629

Mr. Lawrence V. Robertson, Jr.
Attorney for Sun Leisure Estates Utilities Company
PO Box 1448
Tubac, Arizona 85646

Ms. Janice Alward
Chief, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Lyn Farmer
Chief, Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

SUN LEISURE ESTATES UTILITIES COMPANY

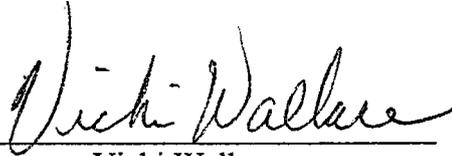
DOCKET NO. W-02386A-08-0189

APPLICATION FOR A CERTIFICATE OF CONVENIENCE & NECESSITY
TO PROVIDE WATER SERVICE IN YUMA COUNTY, ARIZONA

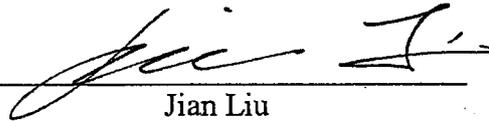
FEBRUARY 3, 2009

STAFF ACKNOWLEDGEMENT

The Staff Report for Sun Leisure Estates Utilities Company, Inc. (Docket No. W-02386A-08-0189) was the responsibility of the Staff members listed below. Vicki Wallace was responsible for the review and analyses of the Company's application. Jian Liu was responsible for the engineering and technical analysis.



Vicki Wallace
Chief of Consumer Services



Jian Liu
Utilities Engineer

EXECUTIVE SUMMARY
SUN LEISURE ESTATES UTILITIES COMPANY, INC.
DOCKET NO. W-02386A-08-0189

On April 8, 2008, Sun Leisure Estates Utilities Company ("Sun Leisure" or "Company"), a non-profit cooperative Arizona public service corporation, filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for a Certificate of Convenience and Necessity ("CC&N") to provide water service in Yuma County, Arizona, due to the revocation of its original CC&N granted via Decision No.52398 issued August 21, 1981. Sun Leisure's CC&N was revoked and corporate status dissolved, because the Company failed to file the required annual reports with the ACC Utilities Division and Corporations Division.

Sun Leisure is an Arizona non-profit corporation that is owned and operated by the members of the Sun Leisure Estates Homeowner's Association, also an Arizona non-profit corporation, which is comprised of the lot owners in the Sun Leisure Estates Subdivision. The Company provides service to approximately 57 metered customers in the 55-and-over retirement community.

The Company's corporate status was reinstated by the ACC Corporations Division on July 10, 2008. The Company also submitted the delinquent Utilities Division Annual Reports and its explanation of why the Company was non-compliant which basically was due to the death of the Company's CPA and lack of knowledge of the ACC's requirements. The Company has now retained a property management firm to assist them in meeting all requirements and is currently in compliance with the ACC.

Staff concludes that the Company did not intentionally fall out of compliance with the ACC's rules and reporting requirements, and the property management company currently retained now understands what is required by the ACC. Thus, Staff does not propose any additional fines (over and above the \$200 and \$250 fines previously imposed by the ACC in Decision Nos. 65649 and 69179) be levied on the Company or its owners. Staff recommends, however, that the Commission order the Company to require any new entity that may be retained to replace the current property management company/statutory agent to become familiar with all ACC rules and regulations and to make certain the appropriate paperwork is filed with the Corporations Division and Utilities Division to change management and contact information.

Staff concludes that the Company has adequate capacity to serve its existing customers.

Staff concludes that the Company is currently in full compliance with Arizona Department of Environmental Quality ("ADEQ") requirements and is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, and Chapter 4.

Staff concludes that the company is currently in compliance with Arizona Department of Water Resources ("ADWR") departmental requirements governing water providers and/or community water systems.

Staff recommends that the Commission reinstate Sun Leisure's Certificate of Convenience and Necessity to provide water service to the Sun Leisure Estates Subdivision, subject to compliance with the following conditions:

1. To require Sun Leisure to charge its existing rates and charges in the proposed extension area.
2. To require Sun Leisure to utilize the depreciation rates by individual National Association of Regulatory Utility Commission category as delineated in Table A of Staff's Engineering Report (Exhibit 2).
3. To order the Company to require any new entity that may be retained to replace the current property management company/statutory agent to become familiar with all ACC rules and regulations and to make certain the appropriate paperwork is filed with the Corporations Division and Utilities Division to change management and contact information.

TABLE OF CONTENTS

	PAGE
INTRODUCTION.....	1
BACKGROUND	1
COMPANY ORGANIZATION AND OPERATION.....	2
EXISTING WATER SYSTEM	3
FINANCIAL CONDITION	3
ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY COMPLIANCE.....	3
ARIZONA DEPARTMENT OF WATER RESOURCES (“ADWR”) COMPLIANCE.....	4
WATER DEPRECIATION RATES	4
CURTAILMENT PLAN TARIFF AND CROSS CONNECTION TARIFF	4
CITY OR COUNTY FRANCHISE/PERMIT	4
RECOMMENDATIONS.....	4

EXHIBIT

ENGINEERING MAP.....	1
ENGINEERING REPORT	2

INTRODUCTION

On April 8, 2008, Sun Leisure Estates Utilities Company ("Sun Leisure" or "Company"), a non-profit cooperative Arizona public service corporation, filed an application with the Arizona Corporation Commission ("ACC" or "Commission") requesting approval for a Certificate of Convenience and Necessity ("CC&N") to provide water service to approximately 57 customers in Yuma County, Arizona.

On May 9, 2008, the ACC Utilities Division ("Staff") filed an Insufficiency Letter indicating that the Company's application did not meet the sufficiency requirements of the Arizona Administrative Code ("A.A.C.") R14-2-402. A Corrected Insufficiency Letter was subsequently filed on May 12, 2008. On June 11, 2008, the Company filed its response to the first insufficiency letter. On August 8, 2008, Staff filed a Second Insufficiency Letter listing additional deficiencies to be cured for administrative purposes. The Company subsequently supplied the required information, and on December 4, 2008, Staff filed a Sufficiency Letter indicating that the application had met the sufficiency requirements of the A.A.C.

On December 11, 2008, a Procedural Order was issued setting the matter for hearing on February 24, 2009.

BACKGROUND

In Decision No. 52398 issued August 21, 1981, Sun Leisure was granted a Certificate of Convenience and Necessity ("CC&N") to provide water service in an unincorporated portion of Yuma County near the City of Yuma, Arizona. The Company provides services to approximately 57 metered customers in the 55-and-over retirement community, and its current rates were imposed in 1990 via ACC Decision No. 62622. Additionally, the Company was authorized an emergency surcharge in Decision No. 62633 issued June 9, 2000, to cover the costs of drilling a new well, installing a new pump, and making repairs to the present well at that time.

On March 5, 2008, Sun Leisure filed an application (Docket No. W-02386A-08-0129) with the ACC requesting an emergency surcharge of approximately \$450 per customer in order to drill a new well and install a new pump to back up and secure the water supply. During the processing of that case, Staff discovered that in 2003, Sun Leisure was administratively dissolved for failure to file Annual Reports with the ACC Corporations Division. Additionally, the Company's CC&N was initially revoked in Decision No. 65649 issued February 1, 2003, for failure to file the 2001 Utilities Division Annual Report and the Company was fined \$250. Additionally, the Company was fined \$200 in Decision No. 69179 for failure to file the 2003 annual report. At the time of the filing of this case, the Company was also delinquent in filing its 2002, 2003, and 2004 Utilities Division Annual Reports. Decision No. 70375 was issued June 13, 2008, in the emergency rate proceeding: (1) Denying the surcharge; (2) ordering the Company to file for a permanent rate increase within 120 days of June 13, 2008, using a year-end 2007 test year (later modified via Commission Decision No. 70692 to a year-end 2008 test

year); and (3) ordering the Company to file evidence of its active corporate status within 30 days of the effective date of the Decision.

On April 8, 2008, Sun Leisure filed an application for a Certificate of Convenience and Necessity to provide water services in Yuma County, Arizona, due to the revocation of its original CC&N. On July 10, 2008, the Company's corporate status was reinstated and the ACC Corporations Division issued a Certificate of Good Standing. In its Corrected Insufficiency Letter, Staff asked the Company to file the delinquent 2001, 2002, 2003, and 2004 Utilities Division Annual Reports and asked for an explanation as to why the Company had failed to comply with A.A.C. 14-2-411(D) (4). The Company subsequently submitted the delinquent Utilities Division Annual Reports and its explanation of why the Company was non-compliant which is discussed further in the Company Organization and Operation Section below. According to the ACC Utilities Division Compliance Section, the Company currently has no delinquent compliance items.

Exhibit 1 is the legal description and map of the Company's current service area.

COMPANY ORGANIZATION AND OPERATION

Sun Leisure is an Arizona non-profit corporation that is owned by the members of the Sun Leisure Estates Homeowner's Association, Inc., also an Arizona non-profit corporation, which is comprised of the lot owners in the Sun Leisure Estates Subdivision. Charles Swysgood is currently the President of the Board for Sun Leisure and filed the instant CC&N application. The Company indicates the utility company is operated by Sun Leisure Estates homeowners for Sun Leisure Estates homeowners. A Board of Directors for Sun Leisure Estates Utility Company is elected each year from homeowners in Sun Leisure Estates Homeowners' Association. The terms are staggered, so in theory, there is never a completely new board. The Company further indicates that although the organization structure has not changed, the ownership changes every time someone sells their property to another individual. The technical operation of the Company is performed by an Arizona Department of Environmental Quality ("ADEQ") certified operator.

In response to Staff's inquiry about the past non-compliant status of the Company to ACC requirements, the Company explained that up until 2002, it had a CPA firm (specifically Roger Thompson who served as the Statutory Agent) handle its association fees and expenses as well as the utility company billings and expenses. Following the death of Mr. Thompson in 2002, the Company decided to work with a property management company (Crites and Associates) instead of a CPA to assist the Board of Directors for both entities in the day-to-day operations. Diana Crites of Crites and Associates asserted that the Company and the management firm were unaware of the filing delinquencies from the Corporations and Utilities Divisions as all of the correspondence and forms coming from the ACC about the matter were sent to the deceased Statutory Agent. Ms. Crites indicated that once the matter came to the attention of the Company and her management firm, she submitted the delinquent annual reports with the signatures of the current board members to the ACC since past board no longer lived in

the neighborhood. According to Ms. Crites, the forms were rejected by the ACC since they contained the signatures of the current board members rather than the past board members that were on file with the ACC. She indicated that there was a court proceeding that resulted in a ruling that the forms could be signed by the Board President, and the delinquent reports were again submitted along with all other subsequent forms. As indicated previously in this report, the Company is now in Good Standing with the Corporations Division and has cleared up all annual report delinquencies with the Utilities Division.

It is Staff's opinion that the Company did not intentionally fall out of compliance with the ACC's rules and reporting requirements, and the property management company currently retained now understands what is required by the ACC. Thus, Staff does not propose any fines be levied on the Company or its owners. Staff recommends, however, that the Commission order the Company to require any new entity that may be retained to replace the current property management company/statutory agent to become familiar with all ACC rules and regulations and to make certain the appropriate paperwork is filed with the Corporations Division and Utilities Division to change management and contact information.

EXISTING WATER SYSTEM

As described in the Engineering Report which is attached as Exhibit 2, the Company's system serves approximately 57 customers and consists of one well (producing 130 gallons per minute), one storage tank (15,000 gallons), two booster pumps and a distribution system.

Staff concludes that the Company has adequate capacity to serve existing customers.

FINANCIAL CONDITION

The Company indicates that with its current rates, Sun Leisure is able to pay all of its bills with about 22 percent of its income going into reserves for repairs, etc. As indicated earlier in this report, the Company was required in another case to file a permanent rate case using a 2008 test-year end. Additionally, the Company is current on property tax payments to the Yuma County Treasurer.

Staff recommends that the Company continue to utilize its existing rates and charges until further Order of the Commission.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY COMPLIANCE

Compliance Status

ADEQ regulates the Company's Water System under ADEQ Public Water System ("PWS") #14-075. Based on compliance information submitted by the Company, the system has no deficiencies, and ADEQ has determined that this system is currently delivering water that

meets water quality standards required by Arizona Administrative Code, Title 18, and Chapter 4. (ADEQ report dated April 28, 2008).

ARIZONA DEPARTMENT OF WATER RESOURCES ("ADWR") COMPLIANCE

Compliance Status

The Company is not located in an Active Management Area ("AMA") and is not subject to any AMA reporting and conservation requirements. ADWR reported that it has determined that Sun Leisure is currently in compliance with departmental requirements governing water providers and/or community water systems.

WATER DEPRECIATION RATES

The Staff's typical and customary Water Depreciation Rates are presented in Table A of the Engineering Report (Exhibit 2), and it is recommended that the Company use those depreciation rates by individual National Association of Regulatory Utility Commissioners ("NARUC") category as delineated in the attached Table A.

CURTAILMENT PLAN TARIFF AND CROSS CONNECTION TARIFF

After discussions with Staff, the Company filed for approval of a curtailment plan tariff and cross connection tariff on January 27, 2009.

CITY OR COUNTY FRANCHISE/PERMIT

The Company received a franchise from the Board of Supervisors of Yuma County, Arizona, when it was initially certified by the ACC to operate a water system as a non-profit corporation.

RECOMMENDATIONS

Staff recommends that the Commission reinstate Sun Leisure's Certificate of Convenience and Necessity to provide water service to the Sun Leisure Estates Subdivision, subject to compliance with the following conditions:

1. To require Sun Leisure to charge its existing rates and charges in the proposed extension area.
2. To require Sun Leisure to utilize the depreciation rates by individual NARUC category as delineated in Table A of Staff's Engineering Report (Exhibit 2).
3. To order the Company to require any new entity that may be retained to replace the current property management company/statutory agent to become familiar

Sun Leisure Estates Utilities Company, Inc.

Docket No. W-02386A-08-0189

Page 5

with all ACC rules and regulations and to make certain the appropriate paperwork is filed with the Corporations Division and Utilities Division to change management and contact information.

MEMORANDUM

TO: Vicki Wallace
Chief, Consumer Services & Special Projects
Utilities Division

FROM: Barb Wells
Information Technology Specialist
Utilities Division

THRU: Del Smith
Engineering Supervisor
Utilities Division

DATE: September 2, 2008

RE: **SUN LEISURE ESTATES UTILITIES COMPANY, INC. (DOCKET NO. W-02386A-08-0189)**
AMENDED LEGAL DESCRIPTION

The area requested by Sun Leisure for a CC&N for has been plotted using an amended legal description, which has not been docketed (it will be docketed with this memo). This legal description is attached and should be used in place of the original description submitted with the application.

Also attached is a copy of the map for your files.

:bsw

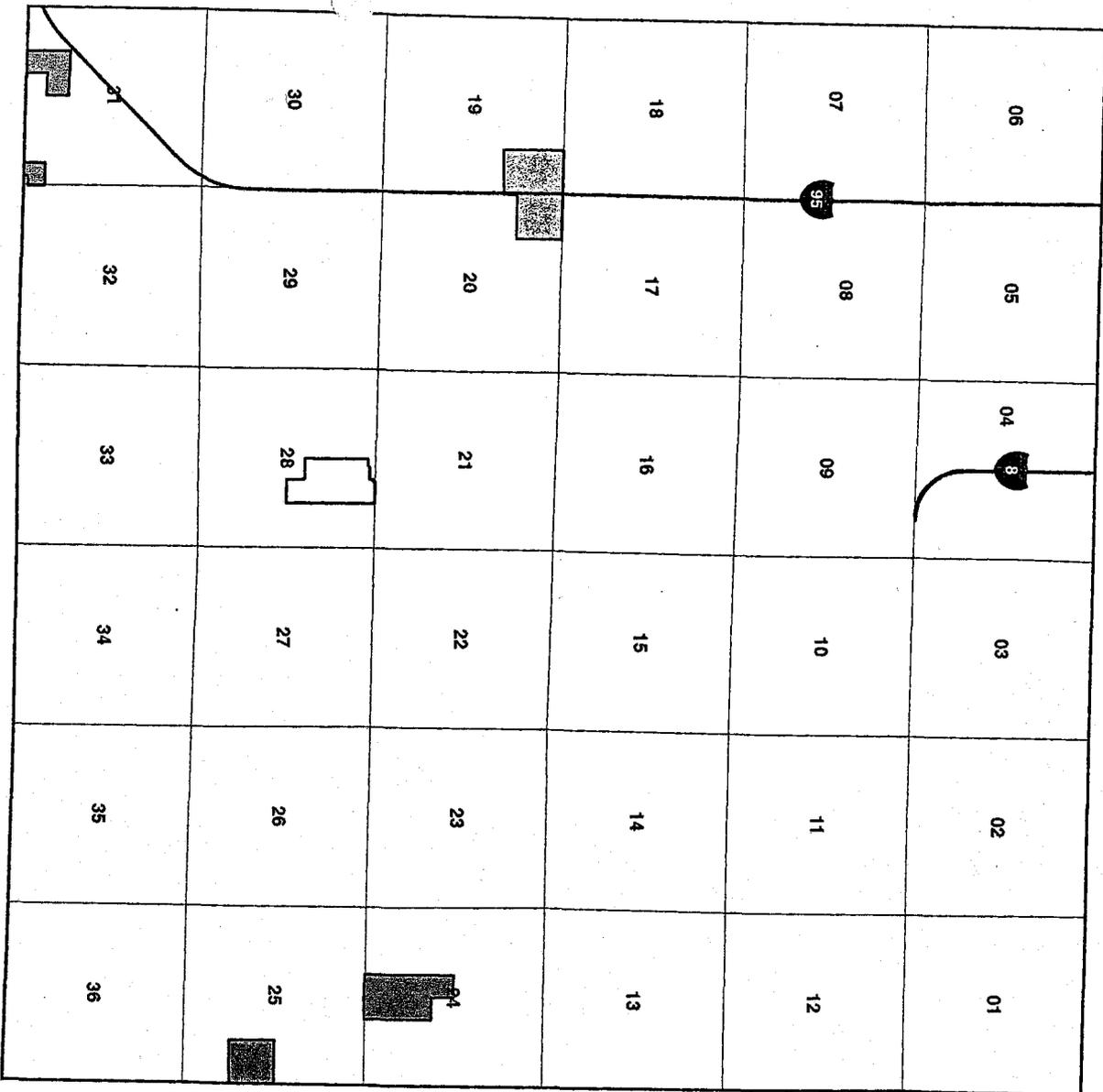
Attachments

cc: Mr. Jason Moyes
Ms. Deb Person (Hand Carried)
File *jian*

YUMA COUNTY

Map No. 9

RANGE 23 West



TOWNSHIP 9 South

-  W-2271 (1)
Green Acres Water Company
-  W-2237 (2)
Orange Grove Water Company
-  W-3254 (2)
Rancheros Bonitos Water Company, LLC
-  W-2386 (1)
Sun Leisure Estates Utilities Company, Inc.
-  W-2498 (1)
Tierra Mesa Estates Water Company, Inc.
-  W-2386 (1)
Sun Leisure Estates Utilities Company, Inc.
Docket No. W-02386A-08-0189
Application for CC&N

SUN LEISURE ESTATES UTILITIES COMPANY, INC.
DOCKET NO. W-02386A-08-009
AMENDED LEGAL DESCRIPTION

Parcel No. 1

The West half of the Northeast Quarter (W1/2 NE1/4 of Section 28, Township 9 South, Range 23 West of the Gila and Salt River Base and Meridian, Yuma County, Arizona,

EXCEPT that portion of the West half of the West half of the Northeast Quarter of Section 28, described as follows:

BEGINNING at the Northwest corner of the West half of the West half of the Northeast Quarter, thence South 936 feet to a point, thence East 660.40 feet to a point, thence North 936 feet to a point, thence West 659.45 feet to the point of beginning.

AND FURTHER EXCEPTING a portion of the West half of the West half of the Northeast Quarter of Section 28, described as follows:

BEGINNING at the Southwest corner of the Northeast Quarter of said Section 28, thence North 535.85 feet, thence East 625.44 feet, thence South 533.54 feet, thence West 625.98 feet to the point of beginning.

Parcel No. 2

Lots 1 through 58, and Tract "A" Sun Leisure Estates, Unit No. 1, according to Book 8 of Plats, pages 64 and 65, Records of Yuma County, Arizona, further described as follows:

BEGINNING at the Northeast corner of the West half of the West half of the Northeast Quarter of Section 28, Township 9 South, Range 23 West;

THENCE South 00° 06' 49" East, a distance of 50.00 feet to the true Point of Beginning;

THENCE North 89° 47' 18" West, a distance of 62.90 feet;

THENCE South 00° 06' 49" East, a distance of 105.00 feet;

THENCE North 89° 47' 18" West, a distance of 368.72 feet;

THENCE South 41° 14' 45" West, a distance of 6.82 feet;

THENCE South 41° 14' 45" West, a distance of 46.21 feet;

THENCE North 89° 47' 18" West, a distance of 192.84 feet;

THENCE South 00° 03' 18" East, a distance of 741.00 feet;

THENCE South 89° 47' 18" East, a distance of 660.40 feet;

THENCE North 00° 06' 49" West, a distance of 886.02 feet to the true Point of Beginning.

MEMORANDUM

DATE: January 26, 2009

TO: Vicki Wallace
Chief, Consumer Services

FROM: Jian W. Liu 
Utilities Engineer

RE: Sun Leisure Estates Utilities Company, Inc.
Docket No. W-02386A-08-0189 (CC&N – Water)

Introduction

Sun Leisure Estates Utilities Company, Inc. (“Sun Leisure” or “Company”) filed an application for a Certificate of Convenience and Necessity (“CC&N”) on April 8, 2008. In Decision No. 52398 (August 21, 1981), the Commission granted Sun Leisure its CC&N to provide water service in an unincorporated portion of Yuma County near the City of Yuma. Sun Leisure’s CC&N was rescinded pursuant to Decision No. 69179 (December 5, 2006) as a result of the Company’s failure to file Annual Reports with the Arizona Corporation Commission (“ACC”).

Existing Water System

The Company’s system serves approximately 57 customers and consists of one well (producing 130 gallons per minute), one storage tank (capacity 15,000 gallons), two booster pumps and a distribution system.

Staff concludes that the Company has adequate capacity to serve existing customers.

Arizona Department of Environmental Quality (“ADEQ”) Compliance**Compliance Status**

ADEQ regulates the Sun Leisure’s Water System under ADEQ Public Water System (“PWS”) #14-075. Based on compliance information submitted by the Company ADEQ has determined that this system is in full compliance with its requirements and is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, and Chapter 4. (ADEQ report dated April 28, 2008).

Arizona Department of Water Resources ("ADWR") Compliance

Compliance Status

The Company is not located in an Active Management Area ("AMA") and is not subject to any AMA reporting and conservation requirements. ADWR reported that it has determined that Sun Leisure Estates Utilities Company is currently in compliance with departmental requirements governing water providers and/or community water systems.

ACC Compliance

According to the Utilities Division Compliance Section, the Company has no delinquent compliance items.

Water Depreciation Rates

The Staff's typical and customary Water Depreciation Rates are presented in Table A and it is recommended that the Company use these depreciation rates by individual NARUC category as delineated in the attached Table A.

Summary

Conclusions

- A. Staff concludes that the Company has adequate capacity to serve existing customers.
- B. The Company is not located in an AMA and is not subject to any AMA reporting and conservation requirements. ADWR reported that it has determined that Sun Leisure Estates Utilities Company is currently in compliance with departmental requirements governing water providers and/or community water systems.
- C. ADEQ has determined that Sun Leisure's system is in full compliance with its requirements and is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, and Chapter 4.

Recommendations

- 1. Staff recommends that the Company use the water depreciation rates by individual NARUC category as delineated in the attached Table A.

Table A. Water Depreciation Rates

NARUC Account No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)
304	Structures & Improvements	30	3.33
305	Collecting & Impounding Reservoirs	40	2.50
306	Lake, River, Canal Intakes	40	2.50
307	Wells & Springs	30	3.33
308	Infiltration Galleries	15	6.67
309	Raw Water Supply Mains	50	2.00
310	Power Generation Equipment	20	5.00
311	Pumping Equipment	8	12.5
320	Water Treatment Equipment		
320.1	Water Treatment Plants	30	3.33
320.2	Solution Chemical Feeders	5	20.0
330	Distribution Reservoirs & Standpipes		
330.1	Storage Tanks	45	2.22
330.2	Pressure Tanks	20	5.00
331	Transmission & Distribution Mains	50	2.00
333	Services	30	3.33
334	Meters	12	8.33
335	Hydrants	50	2.00
336	Backflow Prevention Devices	15	6.67
339	Other Plant & Misc Equipment	15	6.67
340	Office Furniture & Equipment	15	6.67
340.1	Computers & Software	5	20.00
341	Transportation Equipment	5	20.00
342	Stores Equipment	25	4.00
343	Tools, Shop & Garage Equipment	20	5.00
344	Laboratory Equipment	10	10.00
345	Power Operated Equipment	20	5.00
346	Communication Equipment	10	10.00
347	Miscellaneous Equipment	10	10.00



Crites and Associates

EXHIBIT

S-2

ADMITTED

REALTORS

June 11, 2008

Ms. Vicki Wallace
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007-2927

July 10th Permit

07-11-08A09:46 RCVD

Re: Sun Leisure Estates Utilities Company, Inc. – Application for a Certificate of Convenience and Necessity (“CC&N”) Docket No. W-02386A-08-0189

Dear Ms. Wallace:

The letter is in response to your letter dated May 12, 2008. Enclosed please find the following requested items:

- List of all major components of the existing water system
- Water Use Data Report for the last 12 months
- Copy of the required County permit
- Copy of the Certificate of Good Standing from the Corporations Division of the Arizona Corporation Commission
- Print out from the ADEQ website showing testing compliance
- Legal Description and map of the CC&N area
- Copy of the paid receipt for Yuma County property taxes

Sun Leisure Estates Utility Company is a small utility that services the owners in Sun Leisure Estates Subdivision. For many years they had a CPA firm handle their association fees and expenses as well as the utility company billings and expenses. In 2002, Sun Leisure Estates Homeowners' Association and Utility Company decided to work with a property management company instead of a CPA to assist the Board of Directors for both entities in the day to day operation. At that time the Statutory Agent for the Association and the Utility Company was Roger Thompson, the CPA they had been using. He continued to be their agent until his death a few years ago. The forms were being sent to him all along and we did not realize it. Once we did we sent the forms in but the commission kept sending them back because the signature was the current Board's President. We sent the forms with the names of the Board officers and members for the years pertaining to each form but none of the members who serviced were living in the association any longer. Despite explaining this repeatedly the commission kept insisting on signatures from the past Board officers. Once the Court ruled the forms could be signed by the current Utility Board President the delinquent

Sun Leisure Estates Utility Co
Page 2
June 11, 2008

reports were submitted and all subsequent forms as well. Until they accepted the 2001, 2002, 2003 and 2004 forms they would not accept anything we sent. According to the Arizona Corporation Commission website they were all received April 2, 2008.

With regard to the CC&N, Sun Leisure Estates Utility Company, Inc has brought their annual reports current and continually works with Sunstate Environmental Services to be in compliance with ADEQ testing requirements. At their current rate schedule, they are able to pay all of their bills with about 22% of their income going into reserves for repairs, etc.

Unlike other utility companies, this one is operated by Sun Leisure Estates homeowners for Sun Leisure Estates homeowners. The Board of Directors for Sun Leisure Estates Utility Company, Inc has always been elected each year from Homeowners in Sun Leisure Estates Homeowners' Association. The terms are staggered so in theory there is never a completely new Board. It has been this way from the inception of the utility company. Although the organizational structure has not changed the ownership has. It changes every time someone sells their property to another individual. This is where we differ from other public utility companies. Each homeowner in the subdivision is both an owner and a customer of the utility company. As such it is truly in their best interest to comply with testing and maintenance of the well and equipment. An interruption of service would leave them all without water and no viable options.

If you require any additional information or have any questions about the items submitted please do not hesitate to contact me at 928.344.4050 or Chuck Swysgood at 928.317.9379.

Sincerely,



Diana Crites
Property Manager
Crites & Associates Realtors

SUN LEISURE ESTATES UTILITY COMPANY
WATER PUMPING PLANT

The WATER PLANT consists of the following:

- A. One deep well- fitted with a 130 gallon per minute submersible pump
- B. A 15,000 gallon vertical steel storage tank
- C. Two 5 horsepower booster pumps
- D. A 1000 gallon horizontal pressure tank
- E. An air compressor on the pressure tank
- F. Automatic level and pressure controls
- G. Associated piping, valves, and electrical control equipment
- H. A 8'x10' storage shed
- I. A chain link fence around the entire water plant with secured gates
- J. A metal canopy covering the pressure tank
- K. One failed deep well with 130 gallon per minute submersible pump

Ad ✓ Vicki _____
Blaney _____ Alex _____ Kiser _____
DIRECTOR W-02386A-08-0129 Ulla _____

Bob _____
STATE OF ARIZONA



Office of the
CORPORATION COMMISSION
CERTIFICATE OF GOOD STANDING

RECEIVED
2008 JUL 10 P 3:55
AZ CORP COMMISSION
DOCKET CONTROL

To all to whom these presents shall come, greeting:

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

*****SUN LEISURE ESTATES UTILITIES COMPANY, INC.*****

a domestic nonprofit corporation organized under the laws of the State of Arizona, did incorporate on January 19, 1981.

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 Nonprofit Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-3122, 10-3123, 10-3125, & 10-11622, 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 June, 2008, A. D.



Brian C. McNeil
Executive Director RECEIVED

Order Number: 241027 JUL 10 2008

AZ CORP COM
Director Utiliti

We feel that the difference between the gallons sold and the gallons pumped is attributable to the high level shut off switch failing twice before we could get it repaired, the flushing of the fire hydrants and the house meters not being 100 percent accurate.

PARCEL ID #

104-37-059

YUMA COUNTY, ARIZONA

PERMIT

DEPARTMENT OF DEVELOPMENT SERVICES
 BUILDING SAFETY
 2717 S. Avenue B
 Phone (520) 329-2290
 For Inspections Call (520) 329-2290 or Fax (520) 726-5801

PERMIT #: W00-0110
 DATE ISSUED: 12/07/00

Owner's Name:

SUN LEISURE ESTATES

Address:

PO BOX 1074

City & State:

YUMA AZ

Zip Code:

85366

Tel. No.:

Job Address:

14100 S MARK DR

Proposed use:

WELL FOR RESIDENCE

Type of Construction:

WELL LOCATION

Subdivision:

SUN LEISURE EST

Lot #:

TRACT A

Blk. #:

N

Noise Abat. Req.:

N

Fld. Plain Req.:

N

Zoning:

MHS-4.5

70DB NZ

Contractor's Name:

YUMA PUMP AND DRILLING

Address:

TRACT A

City & State:

YUMA AZ

Zip Code:

85366

Tel. No.:

(520) 341-1446

WELL: PROPOSED WELL LOCATION APPROVAL ONLY

POTABLE WATER WELL MUST BE A MINIMUM OF 100' FROM ANY INDIVIDUAL SEWAGE DISPOSAL SYSTEM!

Well \$92.00
 Other Fees \$.00
 Penalties \$.00
 Reinspection \$.00

Totals \$92.00

COMMENTS:

PARCEL # 104-37-059 TRACT A

FINAL
 12-11-00
 [Signature]

PROVISIONS: The issuance of this permit shall not be construed to release the owner or the owner's agents from the obligation to comply with the provisions of all laws and ordinances, including federal, state and local jurisdictions, which regulate construction and performance of construction. Building permits become null and void if the construction work authorized is not begun within 180 days from date of issue or if at any time prior to final inspection and approval the work is suspended for a period of 180 days. Manufactured home and rehabilitation permits are only valid for 180 days.
 I hereby certify that I am the owner or duly authorized owner's agent, that I have read this application and all information is correct. I further certify that I have read, understand and will comply with all of the provisions outlined above. As a condition of this building permit, I agree that the actual construction may be inspected at any time during normal working hours.

Owner or Agent:

Signature:

[Signature]

Date:

Telephone:

Address:

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

*****SUN LEISURE ESTATES UTILITIES COMPANY, INC.*****

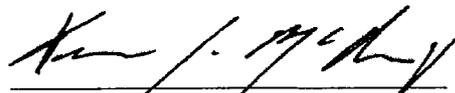
a domestic nonprofit corporation organized under the laws of the State of Arizona, did incorporate on January 19, 1981.

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 Nonprofit Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-3122, 10-3123, 10-3125, & 10-11622, 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 June, 2008, A. D.

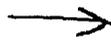



Executive Director

Order Number: 241027

Arizona Department of Environmental Quality		Water Quality Division		Safe Drinking Water	
County Map of Arizona		Water System Search			
Water System Detail Information					
Water System No.:	AZ0414075	Federal Type:	C		
Water System Name:	SUN LEISURE EST UTIL CO	Federal Source:	GW		
Principal County Served:	YUMA	System Status:	A - MAP		
Principal City Served:	YUMA	Activity Date:	04-01-1980		

Sample Number: 07100775-01A									
Other Chemical Sample Results									
Analyte Code	Analyte Name	Date	Sample Point	Less Than Ind.	Level Type	Reporting Level	Concentration	MCL	MP
1074	ANTIMONY, TOTAL	10-27-2007	EPDS001	<	MRL	0.002 MG/L		.006MG/L	01-01-2004 12-31-2012
1005	ARSENIC	10-27-2007	EPDS001	<	MRL	0.003 MG/L		.01MG/L	01-01-2004 12-31-2012
1010	BARIUM	10-27-2007	EPDS001				.0228 MG/L	2MG/L	01-01-2004 12-31-2012
1075	BERYLLIUM, TOTAL	10-27-2007	EPDS001	<	MRL	0.0005 MG/L		.004MG/L	01-01-2004 12-31-2012
1015	CADMIUM	10-27-2007	EPDS001	<	MRL	0.002 MG/L		.005MG/L	01-01-2004 12-31-2012
									01-



SUN LEISURE ESTATES UTILITIES COMPANY, INC.
DOCKET NO. W-02386A-08-0189
AMENDED LEGAL DESCRIPTION

Parcel No. 1

The West half of the Northeast Quarter (W1/2 NE1/4 of Section 28, Township 9 South, Range 23 West of the Gila and Salt River Base and Meridian, Yuma County, Arizona,

EXCEPT that portion of the West half of the West half of the Northeast Quarter of Section 28, described as follows:

BEGINNING at the Northwest corner of the West half of the West half of the Northeast Quarter, thence South 936 feet to a point, thence East 660.40 feet to a point, thence North 936 feet to a point, thence West 659.45 feet to the point of beginning.

AND FURTHER EXCEPTING a portion of the West half of the West half of the Northeast Quarter of Section 28, described as follows:

BEGINNING at the Southwest corner of the Northeast Quarter of said Section 28, thence North 535.85 feet, thence East 625.44 feet, thence South 533.54 feet, thence West 625.98 feet to the point of beginning.

Parcel No. 2

Lots 1 through 58, and Tract "A" Sun Leisure Estates, Unit No. 1, according to Book 8 of Plats, pages 64 and 65, Records of Yuma County, Arizona, further described as follows:

BEGINNING at the Northeast corner of the West half of the West half of the Northeast Quarter of Section 28, Township 9 South, Range 23 West;

THENCE South 00° 06' 49" East, a distance of 50.00 feet to the true Point of Beginning;

THENCE North 89° 47' 18" West, a distance of 62.90 feet;

THENCE South 00° 06' 49" East, a distance of 105.00 feet;

THENCE North 89° 47' 18" West, a distance of 368.72 feet;

THENCE South 41° 14' 45" West, a distance of 6.82 feet;

THENCE South 41° 14' 45" West, a distance of 46.21 feet;

THENCE North 89° 47' 18" West, a distance of 192.84 feet;

THENCE South 00° 03' 18" East, a distance of 741.00 feet;

THENCE South 89° 47' 18" East, a distance of 660.40 feet;

THENCE North 00° 06' 49" West, a distance of 886.02 feet to the true Point of Beginning.

YUMA COUNTY TREASURER

PROPERTY TAX RECEIPT

Account: U0000022 Receipt Date: 01-MAY-2008 Print Date: 01-MAY-2008 Page: 1
Parcel Nb: ---- Receipt No: 70068533 TransNo: 58080501162455

Owner Name and Address Information

Property Location

SUN LEISURE ESTATES UTILITIES CO INC
C/O DIANA CRITES
255 W 24TH ST, SUITE 2
YUMA AZ 85364

Legal Description

CENTRALLY VALUED PROPERTY ACCOUNT 55-255. PARCEL 104-37-059.

Payor	MOP	Reference	Amount Paid
SUN LEISURE ESTATES UTILITIES CO INC	Check	2504	\$330.38

Year	Applied as	Tax Paid	Int Paid	Fee Paid	Other Paid	Total Paid
2007	TAX Second half	330.38	0.00	0.00	0.00	330.38

Year	Tax Due	Int Due	Other Due	Total Due	Payments	Balance Due
2007	660.76	0.00	0.00	660.76	660.76	0.00

BALANCE DUE AS OF 05/01/2008

0.00

THANK YOU FOR YOUR PAYMENT
All payments made by check are subject to final bank clearance.
YUMA COUNTY TREASURER
410 MAIDEN LN STE C
YUMA, AZ 85364

EXHIBIT

5-3

ADMITTED

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02386A

S

Sun Leisure Estates Utility Co., Inc.
PO Box 1074
Yuma, AZ 85316

RECEIVED

OCT 08 2008

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
----	----	------

FOR COMMISSION USE

--	--

10-15-08

12-3-08

COMPANY INFORMATION

Company Name (Business Name) Sun Leisure Estates Utility Co., Inc

Mailing Address P.O. Box 1074
Yuma (Street) AZ (State) 85366 (Zip)

Telephone No. (Include Area Code) _____ Fax No. (Include Area Code) _____ Pager/Cell No. (Include Area Code) _____

Email Address _____

Local Office Mailing Address _____

(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: Diana Crites (Name) office mgr. (Title)

255 W. 24th St, Suite 2, Yuma, (Street) Yuma, (City) AZ (State) 85364 (Zip)

928.344.4050 (Telephone No. (Include Area Code)) 928.344.4053 (Fax No. (Include Area Code)) _____ (Pager/Cell No. (Include Area Code))

Email Address Diana_C@yuma.twbc.com.

On Site Manager: N/A (Name)

(Street) _____ (City) _____ (State) _____ (Zip)

Telephone No. (Include Area Code) _____ Fax No. (Include Area Code) _____ Pager/Cell No. (Include Area Code) _____

Email Address _____

Statutory Agent: <u>Diana Crites</u>			
<small>(Name)</small>			
<u>255 W. 24th St. # 2</u>	<u>Yuma</u>	<u>AZ</u>	<u>85364</u>
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>
<u>928-344-4050</u>	<u>928-344-4053</u>		
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Pager/Cell No. (Include Area Code)</small>	
Attorney: <u>Jason Moyles</u>			
<small>(Name)</small>			
<u>1405 W. 16th St #A</u>	<u>Yuma</u>	<u>AZ</u>	<u>85364</u>
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>
<u>928-343-9447</u>	<u>928-343-9483</u>		
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Pager/Cell No. (Include Area Code)</small>	

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 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 checked="" type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME Sun Leisure Estates Utilities Co. Inc

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	82,268.98	59,773.96	22,495.02
302	Franchises	-0-	-0-	-0-
303	Land and Land Rights	5,000.00	-0-	5,000.00
304	Structures and Improvements	3,437.00	3,022.56	414.44
307	Wells and Springs	11,576.08	7,502.24	4,073.84
311	Pumping Equipment	117,391.00	9,394.75	107,996.25
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	12,230.90	9,551.00	2,679.90
331	Transmission and Distribution Mains	22,183.00	19,852.41	2,330.59
333	Services	5,194.00	5,194.00	-0-
334	Meters and Meter Installations	1,339.00	1,339.00	-0-
335	Hydrants	2,712.00	2,712.00	-0-
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	N/A	N/A	N/A
340	Office Furniture and Equipment	1,206.00	1,206.00	0
341	Transportation Equipment	N/A	N/A	N/A
343	Tools, Shop and Garage Equipment	N/A	N/A	N/A
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	N/A	N/A	N/A
347	Miscellaneous Equipment	N/A	N/A	N/A
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	82,268.98	59,773.96	22,495.02

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Sun Leisure Estates Utilities Co. Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	82,268.98		
302	Franchises	-0-	-0-	-0-
303	Land and Land Rights	5000.00	0.00	-0-
304	Structures and Improvements	3437.00	*SEE	120.85
307	Wells and Springs	11576.08	ATTACHED	407.04
311	Pumping Equipment	17391.00	SCHEDULE	603.29
320	Water Treatment Equipment	N/A	0%	-0-
330	Distribution Reservoirs and Standpipes	12,230.90		430.06
331	Transmission and Distribution Mains	22,183.00		780.00
333	Services	5,194.00	0	-0-
334	Meters and Meter Installations	1,339.00	0	-0-
335	Hydrants	2712.00	0	-0-
336	Backflow Prevention Devices	N/A	N/A	-0-
339	Other Plant and Misc. Equipment	N/A	N/A	-0-
340	Office Furniture and Equipment	1206.00	N/A	-0-
341	Transportation Equipment	N/A	N/A	-0-
343	Tools, Shop and Garage Equipment	N/A	N/A	-0-
344	Laboratory Equipment	N/A	N/A	-0-
345	Power Operated Equipment	N/A	N/A	-0-
346	Communication Equipment	N/A	N/A	-0-
347	Miscellaneous Equipment	N/A	N/A	-0-
348	Other Tangible Plant	N/A	N/A	-0-
	TOTALS	82,268.98	*	2341.24

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

12/31/01

2001 Federal Depreciation Schedule

Page 1

Client 1954

SUN LEISURE ESTATES UTILITIES CO. INC.

86-0478206

2/01/02

07:00PM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Prior 179 Bonus	Prior Dec Bal. Depr.	Basis Reductn.	Salvage Value	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
-----	-------------	---------------	-----------	----------------	-----------	---------------------	-----------------------	----------------------------	-------------------	------------------	----------------	----------------	--------	------	------	------------------

Form 1120

Land																
10	LAND			5,000							5,000					0
Total Land				5,000		0	0	0	0	0	5,000	0				0

Miscellaneous

1	DIST. RES. & S/P	1/01/78		9,141							9,141	9,141	S/L	20		0
2	ELECT. PUMPING EQUIP..	1/01/78		6,205							6,205	6,205	S/L	20		0
3	(7) HYDRANTS	1/01/78		2,712							2,712	2,712	S/L	20		0
4	(8) METERS	1/01/78		1,339							1,339	1,339	S/L	20		0
5	SERVICES	1/01/78		5,194							5,194	5,194	S/L	20		0
6	TRANS. DIST. & MAIN	1/01/78		19,293							19,293	19,293	S/L	20		0
7	WELLS & SPRINGS	1/01/78		5,918							5,918	5,918	S/L	20		0
8	COPY MACHINE	3/11/94		1,206							1,206	1,152	200DB HY	7	.04460	54
9	STRUCTURES & IMPROV.	1/01/78		2,772							2,772	2,772	S/L	20		0
11	WATER TANK	11/01/96		3,090							3,090	331	S/L	39		79
12	SUBMERSIBLE PUMP	6/08/98		3,681							3,681	649	150DB HY	20	.06177	227
13	(2) 7.5HP PUMPS	3/19/98		3,525							3,525	622	150DB HY	20	.06177	218
14	PUMP UPGRADE	2/16/99		2,493							2,493	698	200DB HY	10	.14400	359
15	PUMP	2/08/00		1,487							1,487	149	200DB HY	10	.18000	268
16	FENCE	5/03/97		665							665	204	150DB HY	15	.06930	46
17	BACK FLOW VALVES	3/11/95		2,890							2,890	487	S/L	39		72
18	WELL LINING	3/31/00		5,658							5,658	566	200DB HY	10	.18000	1,018

Total Miscellaneous

Total Depreciation

Total Miscellaneous				77,269		0	0	0	0	0	77,269	57,432				2,341
Total Depreciation				82,269		0	0	0	0	0	82,269	57,432				2,341

COMPANY NAME Sun Leisure Estates Utilities Co, Inc

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
CURRENT AND ACCRUED ASSETS			
131	Cash	\$	\$ 1062.40
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		361.52
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		34.34
174	Miscellaneous Current and Accrued Assets <i>AR-Special Assessment</i>		2000.00
	TOTAL CURRENT AND ACCRUED ASSETS	\$	\$ 3458.26
FIXED ASSETS			
101	Utility Plant in Service	\$	82268.98
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		59773.96
121	Non-Utility Property		40.09
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$ 22535.11
	TOTAL ASSETS	\$	\$ 25993.37

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME Sun Leisure Estates Utilities Co., Inc

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
LIABILITIES			
CURRENT LIABILITES			
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		550.00
236	Accrued Taxes		215.63
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$ 765.63
LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds	\$	\$
DEFERRED CREDITS			
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		252.00
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		57574.00
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$ 57826.00
	TOTAL LIABILITIES	\$	\$ 58591.63
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		1505.76
215	Retained Earnings		34104.00
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$	\$ 25993.39

COMPANY NAME Sun Leisure Estates Utilities Co Inc

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$ 11497.18
460	Unmetered Water Revenue		100.00
474	Other Water Revenues		
	TOTAL REVENUES	\$	\$ 11597.18
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power		970.35
618	Chemicals		
620	Repairs and Maintenance		5.40
621	Office Supplies and Expense		252.09
630	Outside Services		4200.00
635	Water Testing		1810.00
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability		206.42
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense		560.47
403	Depreciation Expense		2341.24
408	Taxes Other Than Income		50.00
408.11	Property Taxes		830.94
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$	\$ 11226.91
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$ 35.49
421	Non-Utility Income		1100.00
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXP	\$	\$ 1135.49
	NET INCOME/(LOSS)	\$	\$ 1505.76

COMPANY NAME Sun Leisure Estates Utilities, Co Inc

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt N/A

	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 Sun Leisure Estates Utilities Co Inc

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-584795	7.5	130	8"	1"

OTHER WATER SOURCES

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

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5 hp	2	3	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
15,000 gallon	1	1,000 gal	1

STATISTICAL INFORMATION

Total number of customers	56	
Total number of gallons sold	not available	gallons

COMPANY NAME Sun Leisure Estates Utilities Co. Inc YEAR ENDING 12/31/2001

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 50.00

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 57826.00
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances 57826.00

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.

Charles Swysgod
SIGNATURE

10-2-08
DATE

CHARLES SWYSGOD
PRINTED NAME

President
TITLE

COMPANY NAME Sun Leisure Estates Utilities YEAR ENDING 12/31/2001

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 1221.80

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 reasons below:

Yuma County, AZ **LIVE**
9/26/08

TA0029S1

PROPERTY TAX SYSTEM

Payment/Adjustment Inquiry

Jurisdiction/Property#: 0135 925-50-135- -
Owner Name.....: SUN LEISURE ESTATES UTILITIES CO LN
Property Address.....: 255 W 24TH ST

F3=Exit

End of File

Year	Date	P/A	Amount	Deposit#	Receipt#	Adjustment Reason
1998	10/19/1998	PMT	757.56	1020983	980009956	
1999	10/07/1999	PMT	780.68	1008990	990002100	
2000	4/13/2001	PMT	390.86	0416012	000067619	
2000	11/06/2000	PMT	390.86	0001107	000045447	
2001	11/06/2001	PMT	830.94	1107012	000163776	
2002	4/30/2003	PMT	414.11	0501039	020099288	
2002	10/31/2002	PMT	414.11	1101029	020049038	

RECEIVED

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

OCT 08 2008

AZ CORP COMM Director Utilities

VERIFICATION

STATE OF Arizona I, THE UNDERSIGNED OF THE

Form with fields for COUNTY OF (Yuma), NAME (OWNER OR OFFICIAL) TITLE (Sun Leisure Estates Utilities Co Inc), and COMPANY NAME.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION

FOR THE YEAR ENDING

Table with columns MONTH (12), DAY (31), and YEAR (2001).

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 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$) \$12,697.00

(THE AMOUNT IN BOX ABOVE INCLUDES \$837.53 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 Charles D. Woodward, President, with telephone number 928-317-9379.

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

Notary Public form for Yuma County, Arizona, dated Oct 2008.

(SEAL)

MY COMMISSION EXPIRES

SIGNATURE OF NOTARY PUBLIC

RECEIVED

OCT 08 2008

VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE INTRASTATE REVENUES ONLY

AZ CORP COMM Director Utilities

VERIFICATION

STATE OF ARIZONA

Form with fields for COUNTY NAME (Yuma), NAME (OWNER OR OFFICIAL) (Sun Leisure Estates), TITLE, and COMPANY NAME (Sun Leisure Estates Utility Co., Inc.)

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

Table with columns MONTH, DAY, YEAR and values 12, 31, 2001

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 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 12,697.00

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 837.53 IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

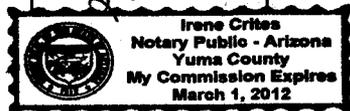
Signature of owner or official

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 2nd DAY OF

(SEAL)



MY COMMISSION EXPIRES

NOTARY PUBLIC NAME: IRENE CRITES, COUNTY NAME: YUMA, MONTH: Oct 2, .20 08

Signature of Notary Public

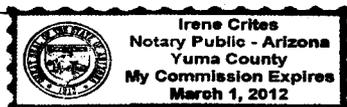


EXHIBIT
54
ADMITTED

**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02386A	S
Sun Leisure Estates Utility Co., Inc.	
PO Box 1074	
Yuma, AZ 85366	
RECEIVED	
OCT 08 2008	
AZ CORP COMM Director Utilities	

ANNUAL REPORT

FOR YEAR ENDING

12	31	2002
----	----	------

FOR COMMISSION USE

--	--

10-15-08

12-3-08

COMPANY INFORMATION

Company Name (Business Name) Sun Leisure Estates Utility Co Inc

Mailing Address PO. Box 1074
Yuma (Street) AZ (State) 85366 (Zip)

928.344.4050 (Telephone No. (Include Area Code)) 928.344.4053 (Fax No. (Include Area Code)) (Pager/Cell No. (Include Area Code))

Email Address _____

Local Office Mailing Address _____
_____ (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: Diana Crites (Name) office mgr (Title)

255 W. 24th St Suite 2 (Street) Yuma (City) AZ (State) 85364 (Zip)

928.344.4050 (Telephone No. (Include Area Code)) 928-344-4053 (Fax No. (Include Area Code)) (Pager/Cell No. (Include Area Code))

Email Address diana-c@yuma.twcbe.com

On Site Manager: N/A (Name)

_____ (Street) _____ (City) _____ (State) _____ (Zip)

(Telephone No. (Include Area Code)) (Fax No. (Include Area Code)) (Pager/Cell No. (Include Area Code))

Email Address _____

Statutory Agent: <u>Diana Crites</u>			
(Name)			
<u>255 W. 24th St, Suite 2</u>	<u>Yuma</u>	<u>AZ</u>	<u>85364</u>
(Street)	(City)	(State)	(Zip)
<u>928.344.4050</u>	<u>928.344.4053</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: <u>Jason Moyes</u>			
(Name)			
<u>1405 W. 16th St # A</u>	<u>Yuma</u>	<u>AZ</u>	<u>85364</u>
(Street)	(City)	(State)	(Zip)
<u>928.343.9447</u>	<u>928.343.9483</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

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:

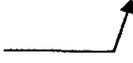
<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input checked="" type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME

Sun Leisure Estates Utilities, Co. Inc

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	82,268.98		
302	Franchises	-0-	-0-	-0-
303	Land and Land Rights	5000.00	-0-	5000.00
304	Structures and Improvements	3437.00	3063.00	374.00
307	Wells and Springs	11576.08	8317.00	3259.08
311	Pumping Equipment	17391.00	10307.00	7084.00
320	Water Treatment Equipment	N/A	N/A	-0-
330	Distribution Reservoirs and Standpipes	12230.90	9630.00	2600.90
331	Transmission and Distribution Mains	22183.00	19926.00	2257.00
333	Services	5194.00	5194.00	-0-
334	Meters and Meter Installations	1339.00	1339.00	-0-
335	Hydrants	2712.00	2712.00	-0-
336	Backflow Prevention Devices	N/A	N/A	-0-
339	Other Plant and Misc. Equipment	N/A	N/A	-0-
340	Office Furniture and Equipment	1206.00	1206.00	-0-
341	Transportation Equipment	N/A	N/A	-0-
343	Tools, Shop and Garage Equipment	N/A	N/A	-0-
344	Laboratory Equipment	N/A	N/A	-0-
345	Power Operated Equipment	N/A	N/A	-0-
346	Communication Equipment	N/A	N/A	-0-
347	Miscellaneous Equipment	N/A	N/A	-0-
348	Other Tangible Plant	N/A	N/A	-0-
	TOTALS	82,268.98	61,694.00	20,574.98

This amount goes on the Balance Sheet Acct. No. 108 

COMPANY NAME

See Leisure Estates Utilities Co., Inc

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	82,268.98	0	
302	Franchises	0	0	0
303	Land and Land Rights	5000.00	0	
304	Structures and Improvements	3437.00		41.00
307	Wells and Springs	11576.08	SEE	815.00
311	Pumping Equipment	17391.00	ATTACHED	912.00
320	Water Treatment Equipment	N/A	—	—
330	Distribution Reservoirs and Standpipes	12,230.90	SCHEDULE	79.00
331	Transmission and Distribution Mains	22,183.00		74.00
333	Services	5,194.00		0
334	Meters and Meter Installations	1,339.00		0
335	Hydrants	2712.00		0
336	Backflow Prevention Devices	N/A		0
339	Other Plant and Misc. Equipment	N/A		0
340	Office Furniture and Equipment	1206.00	100%	0
341	Transportation Equipment	N/A		0
343	Tools, Shop and Garage Equipment	N/A		0
344	Laboratory Equipment	N/A		0
345	Power Operated Equipment	N/A		0
346	Communication Equipment	N/A		0
347	Miscellaneous Equipment	N/A		0
348	Other Tangible Plant	N/A		0
	TOTALS	82,268.98		1921.00

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

12/31/02

Client 1954

2/01/02

2002 Federal Depreciation Schedule
SUN LEISURE ESTATES UTILITIES CO. INC.

86-0478206

07:00PM

Page 1

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur Bonus	Prior 179 Bonus	Prior Dec. Bal. Depr.	Basis Reductn	Salvage Value	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
10	LAND			5,000							5,000	0				0
	Total Land			5,000							5,000	0				0
	Miscellaneous															
1	DIST. RES. & S/P	1/01/78		9,141							9,141	9,141	S/L	20		0
2	ELECT. PUMPING EQUIP..	1/01/78		6,205							6,205	6,205	S/L	20		0
3	(7) HYDRANTS	1/01/78		2,712							2,712	2,712	S/L	20		0
4	(8) METERS	1/01/78		1,339							1,339	1,339	S/L	20		0
5	SERVICES	1/01/78		5,194							5,194	5,194	S/L	20		0
6	TRANS. DIST. & MAIN	1/01/78		19,293							19,293	19,293	S/L	20		0
7	WELLS & SPRINGS	1/01/78		5,918							5,918	5,918	S/L	20		0
8	COPY MACHINE	3/11/94		1,206							1,206	1,206	200DB HY	7		0
9	STRUCTURES & IMPROV.	1/01/78		2,772							2,772	2,772	S/L	20		0
11	WATER TANK	11/01/96		3,090							3,090	410	S/L	39		79
12	SUBMERSIBLE PUMP	6/08/98		3,681							3,681	876	150DB HY	20	.05713	210
13	(2) 7.5HP PUMPS	3/19/98		3,525							3,525	840	150DB HY	20	.05713	201
14	PUMP UPGRADE	2/16/99		2,493							2,493	1,057	200DB HY	10	.11520	287
15	PUMP	2/08/00		1,487							1,487	417	200DB HY	10	.14400	214
16	FENCE	5/03/97		665							665	250	150DB HY	15	.06230	41
17	BACK FLOW VALVES	3/11/95		2,890							2,890	559	S/L	39		74
18	WELL LINING	3/31/00		5,658							5,658	1,584	200DB HY	10	.14400	815
	Total Miscellaneous			77,269							77,269	59,773				1,921
	Total Depreciation			82,269		0	0	0	0	0	82,269	59,773				1,921

COMPANY NAME Sun Lumber Estates Utilities Co., Inc

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
CURRENT AND ACCRUED ASSETS			
131	Cash	\$ 1062.40	\$ 3506.
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	361.52	2000.00
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	34.34	34.
174	Miscellaneous Current and Accrued Assets <i>AR</i>	2000.00	
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 3458.26	\$ 5540.00
FIXED ASSETS			
101	Utility Plant in Service	\$ 82,268.98	\$ 82,268.98
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	<59773.96 >	<61694.00 >
121	Non-Utility Property	40.09	40.09
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 22535.11	\$ 20615.07
	TOTAL ASSETS	\$ 25993.37	\$ 26155.07

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME Sun Leisure Estates Utilities Co. Inc

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
LIABILITIES			
CURRENT LIABILITIES			
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	550.00	550.00
236	Accrued Taxes	215.63	216.00
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		1288.00
	TOTAL CURRENT LIABILITIES	\$ 765.63	\$ 2054.00
LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds	\$	\$
DEFERRED CREDITS			
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	252.00	252.00
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	57574.00	57574.00
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 57826.00	\$ 57826.00
	TOTAL LIABILITIES	\$ 58,591.63	\$ 59880.00
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	1505.76	
215	Retained Earnings	<34,104.02	33,724.93
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$ 25,993.37	\$ 26,155.07

COMPANY NAME Sun Laurel Estates Utilities Co., Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 11497.18	\$ 26404-
460	Unmetered Water Revenue	100.00	
474	Other Water Revenues		
	TOTAL REVENUES	\$ 11597.18	\$ 26404-
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	970.35	7403.00
618	Chemicals		
620	Repairs and Maintenance	5.40	10631.00
621	Office Supplies and Expense	252.09	244.00
630	Outside Services	4700.00	2214.00
635	Water Testing	1810.00	554.00
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability	206.42	3943.00
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	560.47	
403	Depreciation Expense	2341.24	1921.00
408	Taxes Other Than Income		675.00
408.11	Property Taxes	830.44	828.-
409	Income Tax	50.00	50.00
	TOTAL OPERATING EXPENSES	\$ 11226.91	\$ 28463.00
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 35.49	\$ 21.00
421	Non-Utility Income	1100.00	549.00
426	Miscellaneous Non-Utility Expenses		- 516.00
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 1135.49	\$ 54.00
	NET INCOME/(LOSS)	\$ 1505.76	\$ -2005.00

COMPANY NAME Sun Leisure Estates Utilities Co, Inc

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt N/A

	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 Sun Lumber Estates Utilities Co., Inc.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-584195	7.5	130		8"	1"	1/2001

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5 hp	2	3	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
15000 gallon	1	1,000 gal	1

COMPANY NAME Sun Leisure Estates Utilities Co, Inc

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	220'
3		
4	PVC	312'
5		
6	PVC	1700'
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	—
3/4	—
1	56
1 1/2	—
2	—
Comp. 3	—
Turbo 3	—
Comp. 4	—
Tubo 4	—
Comp. 6	—
Tubo 6	—
	—
	—

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

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

N/A

OTHER:

COMPANY NAME: Sun Leisure Estates Utilities Co, Inc

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	56		
FEBRUARY	56	249,160	
MARCH	56	223,930	
APRIL	56	292,750	
MAY	56	537,320	
JUNE	56	228,380	
JULY	56	316,300	
AUGUST	56	200,990	
SEPTEMBER	56	226,970	
OCTOBER	56	202,850	
NOVEMBER	56	306,210	
DECEMBER	56	225,930	
TOTAL		NA	

3,010,790

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. ND 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 Sun Leisure Estates YEAR ENDING 12/31/2002
Utilities Co. Inc

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 414.11

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. _____

Yuma County, AZ **LIVE**
9/26/08

TA0029S1

PROPERTY TAX SYSTEM

Payment/Adjustment Inquiry

Jurisdiction/Property#: 0135 925-50-135-
Owner Name.....: SUN LEISURE ESTATES UTILITIES CO IN
Property Address.....: 255 W 24TH ST

F3=Exit							End of File
Year	Date	P/A	Amount	Deposit#	Receipt#	Adjustment	Reason
1998	10/19/1998	PMT	757.56	1020983	980009956		
1999	10/07/1999	PMT	780.68	1008990	990002100		
2000	4/13/2001	PMT	390.86	0416012	000067619		
2000	11/06/2000	PMT	390.86	0001107	000045447		
2001	11/06/2001	PMT	830.94	1107012	000163776		
2002	4/30/2003	PMT	414.11	0501039	020099288		
2002	10/31/2002	PMT	414.11	1101029	020049038		

COMPANY NAME Sun Leisure Estates Utilities YEAR ENDING 12/31/2002
INCOME TAXES Co, Inc

For this reporting period, provide the following:

Federal Taxable Income Reported -1,127
 Estimated or Actual Federal Tax Liability -0-

State Taxable Income Reported -1127.00
 Estimated or Actual State Tax Liability 50.00

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 57,826.00
 Amount of Gross-Up Tax Collected 57,826.00
 Total Grossed-Up Contributions/Advances 57,826.00

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.

Charles Swysgod
 SIGNATURE

10-2-08
 DATE

CHARLES SWYSGOD
 PRINTED NAME

President
 TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

OCT 08 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Yuma
NAME (OWNER OR OFFICIAL) TITLE	Sun Leisure Estates Utilities Co Inc
COMPANY NAME	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

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.

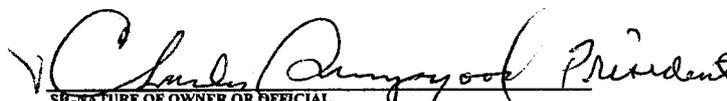
SWORN STATEMENT

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 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)
\$ 11385.07

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 750.99 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
 928-317-9379
 TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

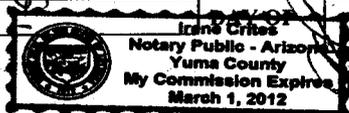
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

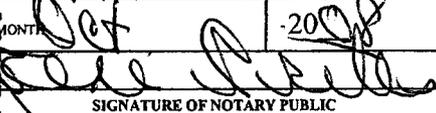
THIS

21st 2008

COUNTY NAME	YUMA
MONTH	Oct 2008

(SEAL)




 SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES _____

RECEIVED

VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE INTRASTATE REVENUES ONLY

OCT 08 2008

AZ CORP COMM Director Utilities

VERIFICATION

STATE OF ARIZONA I, THE UNDERSIGNED OF THE

Form with fields for COUNTY NAME (Yuma), NAME (OWNER OR OFFICIAL), TITLE, and COMPANY NAME (Sun Leisure Estates Utilities Co. Inc)

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION FOR THE YEAR ENDING

Table with columns MONTH, DAY, YEAR and values 12, 31, 2002

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 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$11385.07

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 750.99 IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

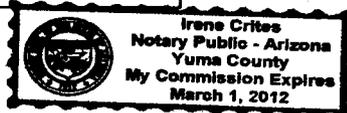
Signature of Charles Dreyer, SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 2nd DAY OF

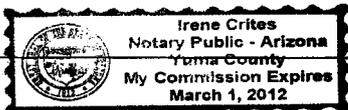
NOTARY PUBLIC NAME IRENE CRITES, COUNTY NAME Yuma, MONTH OCTOBER 2008

(SEAL)



X Signature of Irene Crites, SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES



EXHIBIT

S-5

ADMITTED

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02386A

S

Sun leisure Estates Utilities Co., Inc.
PO Box 5681
Yuma, AZ 85366

RECEIVED

OCT 08 2008

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
----	----	------

FOR COMMISSION USE

ANN04	03
-------	----

10-15-08

12-3-08

COMPANY INFORMATION

Company Name (Business Name) Sun Leisure Estates Utilities Co, Inc.

Mailing Address P.O. Box 5681
Yuma (Street) Az (City) 85366 (State) (Zip)

928-344-4050 (Telephone No. (Include Area Code)) 928-344-4053 (Fax No. (Include Area Code)) (Pager/Cell No. (Include Area Code))

Email Address diana_c@yuma.twebe.com.

Local Office Mailing Address _____

(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: Diana Crites (Name) office mgr. (Title)

255 W. 24th St. #2 (Street) Yuma, (City) Az (State) 85364 (Zip)

928-344-4050 (Telephone No. (Include Area Code)) 928-344-4053 (Fax No. (Include Area Code)) (Pager/Cell No. (Include Area Code))

Email Address diana_c@yuma.twebe.com.

On Site Manager: N/A (Name)

(Street) (City) (State) (Zip)

(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: Diana Crites
(Name)

255 W. 24th St #2 Yuma AZ 85364
(Street) (City) (State) (Zip)

928.344.4050 928.344.4053
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Jason Moyes
(Name)

1405 W. 16th St #A Yuma AZ 85364
(Street) (City) (State) (Zip)

928.343.9447 928.343.9483
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 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 checked="" type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME

Sun Leisure Estates Utilities Co., Inc

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	82,268.98	63,320.00	18,949.00
302	Franchises	-0-		
303	Land and Land Rights	5000.00	-0-	5000.00
304	Structures and Improvements	3437.00	3102.00	335.00
307	Wells and Springs	11576.08	8969.00	2607.00
311	Pumping Equipment	17391.00	11089.00	6302.00
320	Water Treatment Equipment	N/A	-0-	N/A
330	Distribution Reservoirs and Standpipes	12230.90	9709.00	2522.00
331	Transmission and Distribution Mains	22183.00	20000.00	2183.00
333	Services	5194.00	5194.00	-0-
334	Meters and Meter Installations	1339.00	1339.00	-0-
335	Hydrants	2712.00	2712.00	-0-
336	Backflow Prevention Devices	N/A	N/A	-0-
339	Other Plant and Misc. Equipment	N/A	N/A	-0-
340	Office Furniture and Equipment	1206.00	1206.00	-0-
341	Transportation Equipment	N/A	N/A	-0-
343	Tools, Shop and Garage Equipment	N/A	N/A	-0-
344	Laboratory Equipment	N/A	N/A	-0-
345	Power Operated Equipment	N/A	N/A	-0-
346	Communication Equipment	N/A	N/A	-0-
347	Miscellaneous Equipment	N/A	N/A	-0-
348	Other Tangible Plant	N/A	N/A	-0-
	TOTALS	82,268.98	63,320.00	18,949.00

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Sun Leisure Estates Utilities Co, Inc

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	82268.98		1626.00
302	Franchises	—		—
303	Land and Land Rights	5000.00		—
304	Structures and Improvements	3437.00	SEE	39.00
307	Wells and Springs	11576.08	ATTACHED	652.00
311	Pumping Equipment	17391.00	SCHEDULE	782.00
320	Water Treatment Equipment	N/A	—	—
330	Distribution Reservoirs and Standpipes	12230.90		79.00
331	Transmission and Distribution Mains	22183.00		74.00
333	Services	5194.00		—
334	Meters and Meter Installations	1339.00		—
335	Hydrants	2712.00		—
336	Backflow Prevention Devices	N/A		—
339	Other Plant and Misc. Equipment	N/A		—
340	Office Furniture and Equipment	1206.00		—
341	Transportation Equipment	N/A		—
343	Tools, Shop and Garage Equipment	N/A		—
344	Laboratory Equipment	N/A		—
345	Power Operated Equipment	N/A		—
346	Communication Equipment	N/A		—
347	Miscellaneous Equipment	N/A		—
348	Other Tangible Plant	N/A		—
	TOTALS	82,268.98		1626.00

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

12/31/2003

DEPRECIATION SCHEDULE - SUN LEISURE ESTATES UTILITIES CO. INC.

Form 1120

Form 1120

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Depr Basis	Prior Deprec	Method	Life	Rate	Current Depr.
10	Land			5000	5000					0
	Total Land			5000	5000					0
Miscellaneous										
1	Dist. Res. & S/P	01/01/78		9141	9141	9141	S/L	20		0
2	ELECT PUMPING EQUIP	01/01/78		6205	6205	6250	S/L	20		0
3	(7) HYDRANTS	01/01/78		2712	2712	2712	S/L	20		0
4	(8) METERS	01/01/78		1339	1339	1339	S/L	20		0
5	SERVICES	01/01/78		5194	5194	5194	S/L	20		0
6	TRANS. DIST. & MAIN	01/01/78		19293	19293	19293	S/L	20		0
7	WELLS & SPRINGS	01/01/78		5918	5918	5918	S/L	20		0
8	COPY MACHINE	03/11/94		1206	1206	1206	200DB HY	7		0
9	STRUCTURES & IMPROV.	01/01/78		2772	2772	2772	S/L	20		0
11	WATER TANK	11/01/96		3090	3090	489	S/L	39		79
12	SUBMERSIBLE PUMP	06/08/98		3681	3681	1086	150DB HY	20	0.05285	195
13	(2) 7.5HP PUMPS	03/19/98		3525	3525	1041	150DB HY	20	0.05285	186
14	PUMP UPGRADE	02/16/99		2493	2493	1344	200DB HY	10	0.09220	230
15	PUMP	02/08/00		1487	1487	631	200DB HY	10	0.11520	171
16	FENCE	05/03/97		665	665	291	150DB HY	15	0.05900	39
17	BACKFLOW VALUE	03/11/95		2890	2890	633	S/L	39		74
18	WELL LINING	03/31/00		5658	5658	2399	200DB HY	10	0.11520	652
				77,269	77,269	61,739				1,626

COMPANY NAME *Sun Leisure Estates Utilities Co, Inc*

BALANCE SHEET

Acct .No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 3506 -	\$ 7772.00
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2000 -	2000.00
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	34 -	-
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 5540.00	\$ 9772. -
	FIXED ASSETS		
101	Utility Plant in Service	\$ 82,269 -	\$ 82,269 -
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	61694.00	(63,320)
121	Non-Utility Property	40.09	40 -
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 20615.07	\$ 18,989 -
	TOTAL ASSETS	\$ 26155.07	\$ 28,761

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Sea Leisure Estates Utilities Co. Inc.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
LIABILITIES			
CURRENT LIABILITES			
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	550.00	550.-
236	Accrued Taxes	216.00	211.-
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	1288.00	785.-
	TOTAL CURRENT LIABILITIES	\$ 2054.00	\$ 1546.-
LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds	\$	\$
DEFERRED CREDITS			
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	252.00	252.-
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	57574.00	57574.-
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 57826.00	\$ 57826.-
	TOTAL LIABILITIES	\$ 59880.00	\$ 59372.00
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	<33,724.93>	<30,611.->
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 33,724.93	\$ 30,611.-
	TOTAL LIABILITIES AND CAPITAL	\$ 26155.07	\$ 2876.-

COMPANY NAME Sea Leisure Estates Utilities Co, Inc

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 26404.00	\$ 14818 -
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 26404.00	\$ 14818 -
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	7403.00	1121.00
618	Chemicals		
620	Repairs and Maintenance	10631.00	694.-
621	Office Supplies and Expense	244.00	227.-
630	Outside Services	2214.00	3446.-
635	Water Testing	554.00	1399.00
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability	3993.00	990.00
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense		394 -
403	Depreciation Expense	1921.00	1626.00
408	Taxes Other Than Income	625.00	1807.00
408.11	Property Taxes	828.00	768.00
409	Income Tax	50.00	50.00
	TOTAL OPERATING EXPENSES	\$ 28463.00	\$ 12,522.00
	OPERATING INCOME/(LOSS)	\$ <2059.->	\$ 2296.00
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 21.00	\$ -
421	Non-Utility Income	549.00	-
426	Miscellaneous Non-Utility Expenses	516.00	-
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 54.00	\$ -
	NET INCOME/(LOSS)	\$ <2005.00>	\$ 2296.00

COMPANY NAME Sun Leisure Estates Utilities Co, Inc

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt N/A

	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 Sun Leisure Estates Utilities Co, Inc

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-684795	7.5	130		8"	1"	1/2001

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
75 hp	2	3	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
15000 gallon	1	1000 gal	1

COMPANY NAME Sun Leisure Estates Utilities Co, Inc

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	220'
3		
4	PVC	312'
5		
6	PVC	1700'
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	-
3/4	-
1	56
1 1/2	-
2	-
Comp. 3	-
Turbo 3	-
Comp. 4	-
Tubo 4	-
Comp. 6	-
Tubo 6	-
	-
	-
	-

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

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

N/A

OTHER:

COMPANY NAME: Sun Leisure Estates Utilities Co, Inc

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	56	259,490	
FEBRUARY	56	361,490	
MARCH	56	233,050	
APRIL	56	289,910	
MAY	56	279,620	
JUNE	56	289,700	
JULY	56	315,700	
AUGUST	56	676,014	
SEPTEMBER	56		
OCTOBER	56	250,019	
NOVEMBER	56	172,729	
DECEMBER	56	324,920	
	TOTAL		

3,452,642

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. ND 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 Sunheisure Estates Utilities Co YEAR ENDING 12/31/2003
Inc

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 798.23

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. _____

Yuma County, AZ **LIVE**
9/26/08

PROPERTY TAX SYSTEM

TA0029S1

Payment/Adjustment Inquiry

Jurisdiction/Property#: 0135 925-50-135- -
Owner Name.....: SUN LEISURE ESTATES UTILITIES CO IN
Property Address.....: 255 W 24TH ST

F3=Exit	End of File					
Year	Date	P/A	Amount	Deposit#	Receipt#	Adjustment Reason
1998	10/19/1998	PMT	757.56	1020983	980009956	
1999	10/07/1999	PMT	780.68	1008990	990002100	
2000	4/13/2001	PMT	390.86	0416012	000067619	
2000	11/06/2000	PMT	390.86	0001107	000045447	
2001	11/06/2001	PMT	830.94	1107012	000163776	
2002	4/30/2003	PMT	414.11	0501039	020099288	
2002	10/31/2002	PMT	414.11	1101029	020049038	

YUMA COUNTY TREASURER

PROPERTY TAX RECEIPT

Account: U0000022 Receipt Date: 31-OCT-2003 Print Date: 01-OCT-2008 Page: 1
Parcel Nb: --- Receipt No: 3032848 TransNo: 62031031160331

Owner Name and Address Information

Property Location

SUN LEISURE ESTATES UTILITIES CO INC
C/O DIANA CRITES
255 W 24TH ST, SUITE 2
YUMA AZ 85364

Legal Description

Payor	MOP	Reference	Amount Paid
SUN LEISURE ESTATES UTILITIES CO INC	Check	2131	\$384.12

Year	Applied as	Tax Paid	Int Paid	Fee Paid	Other Paid	Total Paid
2003	TAX First half	384.12	0.00	0.00	0.00	384.12

Year	Tax Due	Int Due	Other Due	Total Due	Payments	Balance Due
2008	545.84	0.00	0.00	545.84	0.00	545.84
2003	768.24	0.00	0.00	768.24	768.24	0.00

BALANCE DUE AS OF 10/01/2008 545.84

THANK YOU FOR YOUR PAYMENT
All payments made by check are subject to final bank clearance.
YUMA COUNTY TREASURER
410 MAIDEN LN STE C
YUMA, AZ 85364

COMPANY NAME Sun Leisure Estates Utilities YEAR ENDING 12/31/2003
Co, Inc
INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported -0-
Estimated or Actual Federal Tax Liability -0-
State Taxable Income Reported -0-
Estimated or Actual State Tax Liability 50.00

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 57826.00
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances 57826.00

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.

Charles Swysgood
SIGNATURE

10-2-08
DATE

CHARLES SWYSGOOD
PRINTED NAME

President
TITLE

RECEIVED

OCT 08 2008

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

AZ CORP COMM Director Utilities

VERIFICATION

STATE OF I, THE UNDERSIGNED OF THE

Form with handwritten entries: COUNTY OF (COUNTY NAME) Yuma, NAME (OWNER OR OFFICIAL) TITLE Sanleisure Estates Utilities Co Inc, COMPANY NAME

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

Table with columns MONTH, DAY, YEAR and values 12, 31, 2003

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 2003 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ 13,376.06

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 882.64 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 Charles Dwyer, President, and telephone number 928-317-9379

SUBSCRIBED AND SWORN TO BEFORE ME

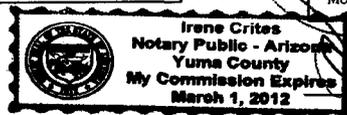
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 24th DAY OF

Handwritten date: 24th

Form with handwritten entries: COUNTY NAME Yuma, MONTH Oct, 2008

(SEAL)



Signature of Irene Crites, Notary Public

MY COMMISSION EXPIRES

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

OCT 08 2008

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Yuma</u>	
NAME (OWNER OR OFFICIAL)	TITLE
COMPANY NAME <u>Sun Leisure Estates Utilities Co, Inc</u>	

AZ CORP COMM
Director Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

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 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>13376.06</u>

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 882.64 IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

[Signature]
SIGNATURE OF OWNER OR OFFICIAL
928-357-9379
TELEPHONE NUMBER

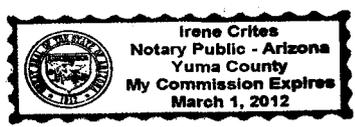
SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS DAY OF

NOTARY PUBLIC NAME <u>IRENE CRITES</u>	
COUNTY NAME	
MONTH	, 20__

(SEAL)

MY COMMISSION EXPIRES

X _____
SIGNATURE OF NOTARY PUBLIC





ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02386A	S
Sun Leisure Estates Utilities Co., Inc.	RECEIVED OCT 08 2008 AZ CORP COMM Director Utilities
PO Box 5681	
Yuma, AZ 85366	

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
----	----	------

FOR COMMISSION USE

ANN04	04
-------	----

10-15-08

12-3-08

COMPANY INFORMATION

Company Name (Business Name) Sun Leisure Estates Utilities Co, Inc

Mailing Address P.O. Box 5681
Yuma (City) AZ (State) 85366 (Zip)

928-344-4050 Telephone No. (Include Area Code) 928-344-4053 Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address diana_c@yuma.tucbc.com

Local Office Mailing Address _____

(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: Diana Crites (Name) Office mgr. (Title)

255 W. 24th St St#2 (Street) Yuma (City) AZ (State) 85364 (Zip)

928-344-4050 Telephone No. (Include Area Code) 928-344-4053 Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address diana_c@yuma.tucbc.com

On Site Manager: _____

(Name) (Street) (City) (State) (Zip)

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: Diana Crites
(Name)

255 W. 24th St. #2 Yuma AZ 85364
(Street) (City) (State) (Zip)

928-344-4050 928-344-4053
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Jason Moyes
(Name)

1405 W. 16th St. #A Yuma AZ 85364
(Street) (City) (State) (Zip)

928-343-9447 928-343-9483
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 Sun Leisure Estates Utilities Co, Inc

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	82,268.98		
302	Franchises	-		
303	Land and Land Rights	5000.00	-0-	5000.00
304	Structures and Improvements	3437.00	3141.00	296.00
307	Wells and Springs	11576.08	9491.00	2085.08
311	Pumping Equipment	17391.00	11762.00	5629.00
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	12230.90	9788.00	2442.90
331	Transmission and Distribution Mains	22183.00	20074.00	2109.00
333	Services	5194.00	5194.00	-0-
334	Meters and Meter Installations	1339.00	1339.00	-0-
335	Hydrants	2712.00	2712.00	-0-
336	Backflow Prevention Devices	N/A	N/A	-
339	Other Plant and Misc. Equipment	N/A	N/A	-
340	Office Furniture and Equipment	1206.50	1206.00	-0-
341	Transportation Equipment	N/A	N/A	0
343	Tools, Shop and Garage Equipment	N/A	N/A	-
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	N/A	N/A	-
348	Other Tangible Plant	N/A	N/A	-
	TOTALS	82,268.98	64707.00	17561.98

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Sun Leisure Estates Utilities Co, Inc

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	82,268.98		
302	Franchises			
303	Land and Land Rights	5000.00		-
304	Structures and Improvements	3437.00		39.00
307	Wells and Springs	11576.08	JEE	522.00
311	Pumping Equipment	17391.00	ATTACHED	673.00
320	Water Treatment Equipment	N/A	SCHEDULE	-
330	Distribution Reservoirs and Standpipes	12230.90		79.00
331	Transmission and Distribution Mains	22183.00		74.00
333	Services	5194.00		-
334	Meters and Meter Installations	1339.00		-
335	Hydrants	2712.00		-
336	Backflow Prevention Devices	N/A		-
339	Other Plant and Misc. Equipment	N/A		-
340	Office Furniture and Equipment	1206.00		-
341	Transportation Equipment	N/A		-
343	Tools, Shop and Garage Equipment	N/A		-
344	Laboratory Equipment	N/A		-
345	Power Operated Equipment	N/A		-
346	Communication Equipment	N/A		-
347	Miscellaneous Equipment	N/A		-
348	Other Tangible Plant	N/A		-
	TOTALS	82,268.98		1387.00

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

12/31/2004

DEPRECIATION SCHEDULE - SUN LEISURE ESTATES UTILITIES CO. INC.

Form 1120

Land

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Depr Basis	Prior Deprac	Method	Life	Rate	Current Depr.
10	Land			5000	5000					0
	Total Land			5000	5000					0
Miscellaneous										
1	Dist. Res. & S/P	01/01/78		9141	9141	9141	S/L	20		0
2	ELECT PUMPING EQUIP	01/01/78		6205	6205	6250	S/L	20		0
3	(7) HYDRANTS	01/01/78		2712	2712	2712	S/L	20		0
4	(8) METERS	01/01/78		1339	1339	1339	S/L	20		0
5	SERVICES	01/01/78		5194	5194	5194	S/L	20		0
6	TRANS. DIST. & MAIN	01/01/78		19293	19293	19293	S/L	20		0
7	WELLS & SPRINGS	01/01/78		5918	5918	5918	S/L	20		0
8	COPY MACHINE	03/11/94		1206	1206	1206	200DB HY	7		0
9	STRUCTURES & IMPROV.	01/01/78		2772	2772	2772	S/L	20		0
11	WATER TANK	11/01/96		3090	3090	568	S/L	39		79.00
12	SUBMERSIBLE PUMP	06/08/98		3681	3681	1281	150DB HY	20	0.04888	179.93
13	(2) 7.5HP PUMPS	03/19/98		3525	3525	1227	150DB HY	20	0.04888	172.30
14	PUMP UPGRADE	02/16/99		2493	2493	1574	200DB HY	10	0.07370	183.73
15	PUMP	02/08/00		1487	1487	802	200DB HY	10	0.09220	137.10
16	FENCE	05/03/97		665	665	330	150DB HY	15	0.05900	39.24
17	BACKFLOW VALUE	03/11/95		2890	2890	707	S/L	39		74.00
18	WELL LINING	03/31/00		5658	5658	3051	200DB HY	10	0.09220	521.67
				77,269.00	77,269.00	63,365.00				1,386.97

COMPANY NAME Sen Lessor Estates Utilities Co, Inc

BALANCE SHEET

Acct .No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 7772.-	\$ 12746.-
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2000 -	2000 -
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 9772.-	\$ 14746.-
	FIXED ASSETS		
101	Utility Plant in Service	\$ 82,269.-	\$ 82,269 -
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	< 63,320.- >	64,707 -
121	Non-Utility Property	40.-	40 -
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 18,989.-	\$ 17602 -
	TOTAL ASSETS	\$ 28,761 -	\$ 32,348 -

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Sea Leisure Estates Utilities Co, Inc

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
LIABILITIES			
CURRENT LIABILITES			
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	550 -	550 -
236	Accrued Taxes	211 -	212 -
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	785 -	1247 -
	TOTAL CURRENT LIABILITIES	\$ 1546 -	\$ 2009 -
LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds	\$	\$
DEFERRED CREDITS			
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	252.00	
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	57574. -	57826 -
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 57826. -	\$ 57826 -
	TOTAL LIABILITIES	\$ 59372. -	\$ 59835.
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	30,611.00	27487 -
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 30,611.00	\$ 27487 -
	TOTAL LIABILITIES AND CAPITAL	\$ 28761. -	\$ 32348 -

COMPANY NAME Sun Leisure Estates Utilities Co, Inc

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 14818 -	\$ 13483 -
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 14818 -	\$ 13483 -
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	1121.00	1047.-
618	Chemicals		
620	Repairs and Maintenance	694.00	270 -
621	Office Supplies and Expense	207.00	212 -
630	Outside Services	3446.00	3500 -
635	Water Testing	1399.00	1465 -
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability	990.00	263. -
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	394.00	297. -
403	Depreciation Expense	1626.00	1387 -
408	Taxes Other Than Income	1807.00	1918 -
408.11	Property Taxes	768.00	694 -
409	Income Tax	50.00	45 -
	TOTAL OPERATING EXPENSES	\$ 12522.00	\$ 11098.00
	OPERATING INCOME/(LOSS)	\$ 2296.00	\$ 2385. -
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ -	\$
421	Non-Utility Income	-	
426	Miscellaneous Non-Utility Expenses	-	
427	Interest Expense	-	
	TOTAL OTHER INCOME/(EXPENSE)	\$ -	\$
	NET INCOME/(LOSS)	\$ 2296.00	\$ 2385.00

COMPANY NAME Sun Leisure Estates Utilities Co, Inc

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt N/A

	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 Sun Leisure Estates Utilities Co, Inc

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-584795	7.5	130		8"	1"	1/2001

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
75 hp	2	3	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
15000 gallon	1	1000 gal.	1

COMPANY NAME Sea Leisure Estates Utilities Co, Inc

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	220'
3		
4	PVC	312'
5		
6	PVC	1700'
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	-
3/4	-
1	56
1 1/2	-
2	-
Comp. 3	-
Turbo 3	-
Comp. 4	-
Tubo 4	-
Comp. 6	-
Tubo 6	-
	-
	-

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

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

N/A

OTHER:

COMPANY NAME: Sun Leisure Estates Utilities Co, Inc

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	56	266,585	
FEBRUARY	56	249,060	
MARCH	56	312,210	
APRIL	56	298,120	
MAY	56	248,760	
JUNE	56	294,780	
JULY	56	248,463	
AUGUST	56	285,730	
SEPTEMBER	56	307,330	
OCTOBER	56	234,770	
NOVEMBER	56	253,110	
DECEMBER	56	253,660	
	TOTAL	3,252,573	

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. NO 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 Sea View Estates (Hilites) YEAR ENDING 12/31/2004
Co, Me

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 731.28

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. _____

YUMA COUNTY TREASURER - Receipt of Tax Payment

Receipt 3068784

ACCOUNT: U0000022
PARCEL NO:
DATE RECEIVED: 04/30/2004
RECEIVED BY: JW

SUN LEISURE ESTATES UTILITIES CO INC
C/O DIANA MISENHIMER
255 W 24TH ST
YUMA, AZ 85364

DESCRIPTION:
CENTRALLY VALUED PROPERTY ACCOUNT 55-255. PARCEL 104-37-059.

PAYOR: SUN LEISURE ESTATES UTILITIES REFERENCE: CHECK 2170 384.12

2003	TAX PAYMENT SECOND HALF	384.12
	RECEIPT TOTAL	<u>\$384.12</u>

ALL CHECKS SUBJECT TO FINAL COLLECTION !
THANK YOU - YUMA COUNTY TREASURER
410 MAIDEN LN STE C
YUMA, AZ 85364

YUMA COUNTY TREASURER

PROPERTY TAX RECEIPT

Account: U0000022 Receipt Date: 29-OCT-2004 Print Date: 01-OCT-2008 Page: 1
Parcel Nb: --- Receipt No: 40029283 TransNo: 61041029145935

Owner Name and Address Information Property Location

SUN LEISURE ESTATES UTILITIES CO INC
C/O DIANA CRITES
255 W 24TH ST, SUITE 2
YUMA AZ 85364

Legal Description

CENTRALLY VALUED PROPERTY ACCOUNT 55-255. PARCEL 104-37-059.

Payor	MOP	Reference	Amount Paid
CRITES & ASSOC	Check	2208	\$347.16

Year	Applied as	Tax Paid	Int Paid	Fee Paid	Other Paid	Total Paid
2004	TAX First half	347.16	0.00	0.00	0.00	347.16

Year	Tax Due	Int Due	Other Due	Total Due	Payments	Balance Due
2008	545.84	0.00	0.00	545.84	0.00	545.84
2004	694.32	0.00	0.00	694.32	694.32	0.00

BALANCE DUE AS OF 10/01/2008 545.84

THANK YOU FOR YOUR PAYMENT
All payments made by check are subject to final bank clearance.
YUMA COUNTY TREASURER
410 MAIDEN LN STE C
YUMA, AZ 85364

COMPANY NAME Sun Leisure Estates Utilities YEAR ENDING 12/31/2004

INCOME TAXES Co, Inc

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>
State Taxable Income Reported	<u>338.00</u>
Estimated or Actual State Tax Liability	<u>45.00</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>57,826.-</u>
Amount of Gross-Up Tax Collected	<u> </u>
Total Grossed-Up Contributions/Advances	<u>57,826.-</u>

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

10-2-08
DATE

CHARLES Swysgrod
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

OCT 08 2008

VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>Yuma</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Director Utilities</u>
COMPANY NAME	<u>Sun Leisure Estates Utilities Co Inc</u>

AZ CORP COMM
Director Utilities

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 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 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>13012.12</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 861.75
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)

Charles Duggood President
SIGNATURE OF OWNER OR OFFICIAL
928-317-9379
TELEPHONE NUMBER

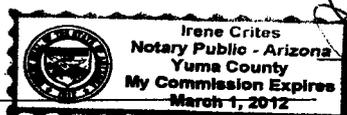
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 24th DAY OF

COUNTY NAME	<u>Yuma</u>
MONTH	<u>Oct</u> .20 <u>08</u>

(SEAL)



MY COMMISSION EXPIRES

Irene Crites
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

OCT 08 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME) <u>Yuma</u>	
NAME (OWNER OR OFFICIAL)	TITLE
COMPANY NAME <u>Sun Leisure Estates Utilities Co, Inc</u>	

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 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>13,012.12</u>
--

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 861.75 IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

Charles Dingsdorf
SIGNATURE OF OWNER OR OFFICIAL

928-357-9379
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

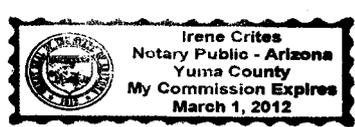
THIS 2nd DAY OF

NOTARY PUBLIC NAME <u>IRENE CRITES</u>
COUNTY NAME <u>YUMA</u>
MONTH <u>October</u> <u>2008</u>

(SEAL)

MY COMMISSION EXPIRES

Irene Crites
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.**

Income Statement (Cash)
Sun Leisure Estates Utility Co - (SLHO)
Jan 04 - Dec 04

Page 1
WATERPMW
10/2/2008
10:50 AM

Prepared For:
Sun Leisure Estates Utility Co., Inc
255 W. 24th Street, Suite #2
Yuma, AZ 85364

Prepared By:
Crites & Associates, Realtors
255 W. 24th Street
P.O. Box 5681
Yuma, AZ 85366-5681

	Period to Date	%	Year to Date	%
INCOME				
Water - 1,000	12,479.18	99.21	12,479.18	99.21
Other income	100.00	0.79	100.00	0.79
TOTAL INCOME	12,579.18	100.00	12,579.18	100.00
EXPENSE				
Maintenance\Cleaning	269.63	2.14	269.63	2.14
Insurance	263.00	2.09	263.00	2.09
Management Fee	2,400.00	19.08	2,400.00	19.08
Electricity	1,047.27	8.33	1,047.27	8.33
Water testing	1,465.05	11.65	1,465.05	11.65
Taxes & Licences	1,917.52	15.24	1,917.52	15.24
Misc. Expenses	297.45	2.36	297.45	2.36
Water Reading	1,100.00	8.74	1,100.00	8.74
Postage	143.43	1.14	143.43	1.14
Copies	68.72	0.55	68.72	0.55
TOTAL EXPENSE	8,972.07	71.32	8,972.07	71.32
NET INCOME	3,607.11	28.68	3,607.11	28.68

Balance Sheet (Cash)
Sun Leisure Estates Utility Co - (SLHO)
Jan 04 - Dec 04

Page 1
WATERPMW
10/2/2008
10:50 AM

Prepared For:
Sun Leisure Estates Utility Co., Inc
255 W. 24th Street, Suite #2
Yuma, AZ 85364

Prepared By:
Crites & Associates, Realtors
255 W. 24th Street
P.O. Box 5681
Yuma, AZ 85366-5681

Cash	
Cash in Bank-1	<u>4,746.32</u>
Total Cash	<u>4,746.32</u>
TOTAL ASSETS	4,746.32
LIABILITIES & CAPITAL	
Liabilities	
Pre-Paid Fees	1,247.12
Tax Liabilities	
Sales Tax Collected	<u>2,458.49</u>
Total Tax Liabilities	<u>3,705.61</u>
Total Liabilities	3,705.61
Capital	
Funds from Savings	387.63
Funds to Savings	8,000.00
Suspense	-582.17
Retained Earnings	<u>9,235.25</u>
Total Equity	<u>1,040.71</u>
TOTAL LIAB. & CAPITAL	<u>4,746.32</u>