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**COMPLIANCE REPORT  
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TO: Docket Control Center

2009 JUL 29 A 9:15

FROM: Steven M. Olea  
Assistant Director  
Utilities Division

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

DATE: July 29, 2009

RE: WILHOIT WATER COMPANY, INC. - COMPLIANCE WITH DECISION NO. 70658 (DOCKET NOS. W-02065A-07-0313 AND W-02065A-08-0139)

On December 22, 2008, the Commission issued Decision No. 70658 which granted Wilhoit Water Company, Inc.'s Blue Hills No. 3 System ("Wilhoit") a permanent rate increase subject to the filing of certain compliance items. The Decision ordered the following:

"It is further ordered that the rates and charges authorized herein shall not go into effect until the first day of the month following the filing with the Commission's Docket Control, as a compliance item in this docket, copies of any and all finalized agreements with the Yavapai County Treasurer's Office to pay delinquent property taxes for the Wilhoit Water Company, Inc.'s Blue Hills No. 3 System and any other of its systems which it operates in Yavapai County."

On April 2, 2009, Wilhoit filed a supplemental report to Administrative Law Judge which included a March 26, 2009 form agreement from the Yavapai County Treasurer, as well as a supplemental letter to clarify the contractual intent. This agreement details the terms of payment for the Yavapai Mobile Home Estates, Thunderbird Meadows and Blue Hills No. 3 systems.

On July 13, 2009, Wilhoit filed a notice of approval of tax compromise from the Maricopa County Board of Supervisors approving Avondale's request for Compromise and Discharge of all *in rem* taxes relating to the Glenarm Farms (Wilhoit Water Company, Inc.) water system now owned and controlled by the City of Avondale.

Staff has reviewed these documents and is satisfied that the tax issues related to the Wilhoit water systems has been resolved with the respective counties and payments are being made. Staff agrees that the rates and charges authorized in Decision No. 70658 shall go into effect beginning August 1, 2009, for the Wilhoit Water Company, Inc.'s Blue Hills No. 3 System.

SMO:KDB:lmh

Originator: Kimberly Battista

Arizona Corporation Commission

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JUL 29 2009

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SERVICE LIST FOR: WILHOIT WATER COMPANY, INC. – BLUE HILLS NO. 3 SYSTEM  
DOCKET NOS.: W-02065A-07-0313 AND W-02065A-08-0139

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