



ORIGINAL

RECEIVED

Arizona Corporation Commission
SEP 22 P 3:53

SEP 22 2000 CORP COMMISSION
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION



IN THE MATTER OF THE APPLICATION
OF JOHNSON UTILITIES, L.L.C. DBA
JOHNSON UTILITIES COMPANY FOR AN
EXTENSION FOR ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
PROVIDE WATER AND WASTEWATER
SERVICE TO THE PUBLIC IN THE
DESCRIBED AREA IN PINAL COUNTY,
ARIZONA

Docket No: WS-02987A-99-0583

Docket No: WS-02987A-00-0618

**NOTICE OF FILING
ATTACHMENTS**

Johnson Utilities L.L.C. dba Johnson Utilities Company ("Johnson") hereby files the following new or revised attachments to its Application initially filed on October 15, 1999.

1. Water Utility Annual Report and Sewer Utility Annual Report, December 31, 1999. (First Revised Attachment 3)
2. Expansion and Amendment of the Johnson Utility Water and Sewer Pinal County Franchise. (Attachment 4)
3. Designation of Assured Water Supply - Arizona Department of Water Resources Decision and Order No. 26-400090. (Attachment 6)
4. State of Arizona Department of Revenue Property Tax Form, Water Companies and Sewer Companies, for Tax Year 2001. (Attachment 9)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Teena Wolfe
Legal Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Mark DiNunzio
Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Copy of the foregoing mailed this
22nd day of September, 2000, to:

Richard L. Sallquist
Sallquist & Drummond, P.C.
2525 E. Arizona Biltmore Circle, Suite 117
Phoenix, Arizona 85016

Jay Shapiro
Karen Errant
Fennemore Craig
3003 N. Central Avenue
Suite 2600
Phoenix, Arizona 85012-2913

Betty J. Griffin

1

**UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION**

WATER UTILITY ANNUAL REPORT

(If mailing label above is missing, please complete the lines below. If mailing label above is incorrect, please draw line through incorrect information, and state corrected information below.)

COMPANY NAME (DBA NAME)

JOHNSON UTILITIES, LLC

MAILING ADDRESS (ST. OR P.O. BOX)

5320 E. SHEA BLVD.

CITY, STATE, ZIP

SCOTTSDALE, AZ 85254

FOR YEAR ENDING

12	31	99
----	----	----

MONTH DAY YEAR

ANNUAL REPORT DUE APRIL 15, 2000

TO

UTILITIES DIVISION - ANNUAL REPORTS SECTION

ARIZONA CORPORATION COMMISSION

1200 WEST WASHINGTON - SUITE 206

PHOENIX, ARIZONA 85007

Note: This report is to be used only for Water Utilities that have total annual Water Revenues of less than \$250,000.

Company Name JOHNSON UTILITIES, LLC Year Ending DECEMBER 31, 1999

Name of Certificate Holder JOHNSON UTILITIES, LLC

Date of Original CC&N* 5/27/1997 Decision No. 60223

Company Name (dba name), if different from above

Local Office Mailing Address 5320 E. SHEA BLVD.
(Street or P.O. Box)

SCOTTSDALE, AZ 85254
(City) (State) (Zip)

Physical Address (if different from above) _____
(Street)

(City) (State) (Zip)

Local Office Tel. No. (602) 998-3300 After Hrs./Emerg.No. _____
(Include Area Code/Ext.) (Include Area Code/Ext.)

Local Office Fax No. _____ Pager No. _____
(Include Area Code/Ext.) (Include Area Code/Ext.)

Is Utility in Operation at this Time? Yes No

If no, Please explain: _____

Last Rate Increase Effective Date _____
(Month) (Day) (Year)

UTILITY COMPANY OWNERSHIP:

- 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 (L)
- Other (X)

IF UTILITY COMPANY IS A SUBSIDIARY OF A PARENT COMPANY

Owned by: Controlled by:

Name of Parent Company _____
Acquisition Date _____
(MM) (DD) (YY)

IF UTILITY COMPANY IS INCORPORATED - DATE INCORPORATED

(MM) (DD) (YY)

State in Which Incorporated: Arizona Other _____
(Please Specify)

*NOTE: CC&N denotes Certificate of Convenience and Necessity

COMPANY NAME

JOHNSON UTILITIES, LLC

YEAR ENDING

DECEMBER 31, 1999

OWNER'S

SOLE OWNER:			NAME, ADDRESS, AND PHONE NUMBER (INCLUDING AREA CODE)		
PARTNERSHIP:			EACH PARTNER'S NAME, ADDRESS, PHONE NUMBER (INCLUDE AREA CODE), AND AMOUNT OF EQUITY		
CORPORATION:			THREE LARGEST STOCKHOLDERS NAMES, ADDRESSES, PHONE NUMBER, AND NUMBER OF SHARES HELD		
TYPE (MARK "X")			NAME AND ADDRESS	PHONE NUMBER (INCLUDING AREA CODE)	AMOUNT OF EQUITY OR NUMBER OF SHARES
OWN- ER	PART- NER	SHARE HOLDER			
	X		GEORGE H. JOHNSON 5230 E. SHEA BLVD SCOTTSDALE, AZ 85254	(602) 998-3300	50%
	X		JANA S. JOHNSON 5230 E. SHEA BLVD SCOTTSDALE, AZ 85254	(602) 998-3300	50%

DIRECTORS (IF CORPORATION)

NAME AND ADDRESS	PHONE NUMBER (INCLUDING AREA CODE)	TERM EXPIRATION			NUMBER OF SHARES HELD
		MONTH	DATE DAY	YEAR	

PRINCIPAL OFFICERS (IF CORPORATION)

TYPE (MARK "X")					NAME AND ADDRESS (IF OFFICER TYPE IS "OTHER" SPECIFY BELOW NEXT TO NAME)	PHONE NUMBER (INCLUDING AREA CODE)	DATE ENTERING OFFICE		
PRES.	V.P.	SEC.	TREAS.	OTHER			MONTH	DAY	YEAR

COMPANY NAME JOHNSON UTILITIES, LLC

YEAR ENDING DECEMBER 31, 1999

UTILITY PLANT IN SERVICE

ACCT. NO.		ORIGINAL COST (1)	ACCUMULATED DEPRECIATION (2)	O.C.L.D. (1) - (2)
301	ORGANIZATION			-
302	FRANCHISES			-
303	LAND AND LAND RIGHTS	244,400		244,400
304	STRUCTURES AND IMPROVEMENTS	102,374	2,559	99,815
307	WELLS AND SPRINGS	324,355	13,859	310,496
311	ELECTRIC PUMPING EQUIPMENT	375,049	11,564	363,485
320	WATER TREATMENT EQUIPMENT			-
330	DISTRIBUTION RESERVOIRS & STANDPIPES			-
331	TRANSMISSION AND DISTRIBUTION MAINS	2,819,739	84,628	2,735,111
333	SERVICES	155,100	3,877	151,223
334	METERS	32,941	823	32,118
335	HYDRANTS	60,225	1,506	58,719
339	OTHER PLANT & MISCELLANEOUS EQUIPMENT			-
340	OFFICE FURNITURE AND FIXTURES			-
341	TRANSPORTATION EQUIPMENT			-
343	TOOLS AND WORK EQUIPMENT	16,230	406	15,824
344	LABORATORY EQUIPMENT			-
345	POWER OPERATED EQUIPMENT			-
346	COMMUNICATIONS EQUIPMENT			-
347	MISCELLANEOUS EQUIPMENT			-
348	OTHER TANGIBLE PLANT			-
TOTAL WATER PLANT		4,130,413	119,222	4,011,191

Company Name

JOHNSON UTILITIES, LLC

Year Ending

DECEMBER 31, 1999

WATER COMPANY PLANT DESCRIPTION

ADEQ System No.(s)

WELLS

ADWR ID NO.	PUMP HORSEPOWER	PUMP YIELD (GPM)	CASING SIZE (INCHES)	WELL DEPTH (FEET)	METER SIZE (INCHES)
55- 558445		600	20 X 715	728	
55- 627924			16 X 580	600	
55- 627921		1600	20 X 497	497	
55- 627923			16 X 850	850	
55- 627920		482	20 X 487	500	
55- 627922			20 X 748	748	

OTHER WATER SOURCES

NAME OR DESCRIPTION	CAPACITY (GPM)	GALLONS PURCHASED OR OBTAINED (THOUSANDS)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (THOUS.)=

1,548,642

Describe important new construction, extension of system or acquisition made during reporting year:

BOOSTER PUMPS		STORAGE TANKS		PRESSURE TANKS	
HORSEPOWER	QUANTITY	CAPACITY	QUANTITY	CAPACITY	QUANTITY
40	1	500,000	1	5,000	1
75	2				

TREATMENT EQUIPMENT (SEDIMENTATION, FILTRATION, DISINFECTION, ETC.):
 REVERSE OSMOSIS SYSTEM ON INLET TO STORAGE TANK.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
SIZE	MATERIAL	LENGTH FEET
2"		
3"		
4"		
5"		
6"	PVC	11,441
8"	PVC	6,363
10"		
12"	PVC	3,781

METERS	
SIZE	QUANTITY (HOW MANY)
5/8"X3/4"	
3/4"	24
1"	265
1 1/2"	3
2"	2
COMP. 3"	
TURBO 3"	
COMP. 4"	
TURBO 4"	
COMP. 6"	
TURBO 6"	
COMP. 8"	
TURBO 8"	

FIRE HYDRANTS	
STANDARD (QUANTITY)	OTHER (QUANTITY)
40	

STRUCTURES (BUILDING, FENCES, ETC.):
 WATER PLANT #1 IS FULLY ENCLOSED BY 6' HIGH CHAIN LINK FENCE WITH 4 10' GATES.
 EACH WELL SITE IS ENCLOSED BY 6' CHAIN LINK FENCE.

OTHER (LABORATORY EQUIPMENT, TOOLS, VEHICLES, POWER GENERATOR, ETC.):

 **ULLMANN
& COMPANY P.L.C.**
Certified Public Accountants

To The Board of Directors of
The Water Division of Johnson Utilities, L.L.C.
Scottsdale, Arizona

We have compiled the balance sheet of The Water Division of Johnson Utilities, L.L.C. as of December 31, 1999 and 1998, and the related comparative statement of income and expenses for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

Ullmann & Company

ULLMANN & COMPANY, P.L.C.
Certified Public Accountants

July 25, 2000

BALANCE SHEET

ASSETS		Balance	Balance
Acct. No.	<u>Current and Accrued Assets</u>	Beginning	Ending
		of Year	of Year
131	Cash & Working Funds	33,907	26,448
135	Temporary Investments		
141	Customer Accounts Receivables	61,830	27,788
151	Plant Materials & Supplies		
174	Other Current and Accrued Assets	4,291	
	Total Current & Accrued Assets	100,028	54,236

		Balance	Balance
	<u>Fixed Assets</u>	Beginning	Ending
		of Year	of Year
101	Utility Plant in Service	441,442	4,130,413
103	Property Held for Future Use	2,398,862	
105	Construction Work in Progress	398,878	
117	Other Fixed Assets		
108	Less: Accum. Deprec. & Amort.	11,036	119,222
	Total Fixed Assets	3,228,146	4,011,191
	TOTAL ASSETS	3,328,174	4,065,427

See Accountants' Compilation Report

BALANCE SHEET
(CONTINUED)

LIABILITIES		Balance Beginning of Year	Balance Ending of Year
Acct. No.	<u>Current and Accrued Liabilities</u>		
231	Accounts Payable	11,039	303,211
232	Notes Payable (Current Portion)		
235	Customer Security Deposits	1,200	1,900
236	Accrued Taxes	3,947	454
237	Accrued Interest		
241	Other Current & Accrued Liabilities		
	TOTAL CURRENT & ACCRUED LIABILITIES	16,186	305,565

LONG TERM DEBT (Over 12 Months)

224	Long-Term Notes & Bonds		
-----	-------------------------	--	--

DEFERRED CREDITS

252	Advances in Aid of Construction	2,263,287	1,977,120
255	Accumulated Deferred I. T. C.		
271	Contributions in Aid of Construction	137,525	943,150
272	Less: Accum. Amort. Of Contrib.	6,876	33,893
282	Accumulated Deferred Income Tax*		
284	Other Deferred Credits		
	Total Deferred Credits	2,393,936	2,886,377
	TOTAL LIABILITIES	2,410,122	3,191,942

CAPITAL ACCOUNT

201	Common Stock		
211	Other Paid In Capital		
215	Retained Earnings*		
218	Proprietary Capital	918,052	873,485
219	Other Capital Accounts		
	Total Capital Accounts	918,052	873,485
	TOTAL LIABILITIES & CAPITAL	3,328,174	4,065,427

*NOTE: If negative, enclose in parentheses.

See Accountants' Compilation Report

RESERVE FOR DEPRECIATION

YEAR BEGINNING BALANCE (CREDIT):	11,036
ADD: AMOUNT CHARGED FOR DEPRECIATION EXPENSE:	108,186
OTHER CREDITS:*	
LESS: ORIGINAL COST OF PLANT RETIRED DURING YEAR:	
COST OF PLANT REMOVAL:	
OTHER DEBITS:*	
YEAR ENDING BALANCE:	119,222

* NOTE: SHOW DETAILS OF OTHER DEBITS OR CREDITS IN SPACE BELOW.

COMPARATIVE STATEMENT OF INCOME AND EXPENSES**Acct. No.**

OPERATING REVENUES:		Prior Year	Current Year
461	Metered Water Sales*	\$ 66,196	\$ 167,865
460	Unmetered Water Sales*		
46x	Water Sales to Other Customers		
47x	Other Operating Revenue		8,540
	Total Operating Revenue	\$ 66,196	\$ 176,405

Acct. No.

OPERATING EXPENSES:		Prior Year	Current Year
601	Salaries & Wages		
610	Purchased Water	73,902	49,830
615	Purchased Pumping Power	22,471	36,631
618	Water Testing	200	4,630
619	Water Treatment		
620	Repairs & Maintenance		1,769
621	Office Supplies & Expense		
630	Outside Services	15,059	22,131
631	Rate Case Expense		
640	Rents		
650	Transportation Expense		
655	General Insurance		6,659
658	Health & Life Insurance		
675	Miscellaneous Operating Expense	2,799	4,102
680	Taxes Other Than Property & Income		
681	Property Tax		1,735
403	Depreciation	2,410	81,169
409	Income Tax		
	Total Operating Expense	\$ 116,841	\$ 208,656
	OPERATING INCOME (LOSS)**	\$ (50,645)	\$ (32,251)

Acct. No.

OTHER INCOME/EXPENSE:		Prior Year	Current Year
419	Interest Income		
421	Other Income		
426	Other Expense		
427	Interest Expense		
	TOTAL OTHER INCOME/EXPENSE**	\$ -	\$ -
	NET INCOME (LOSS)**	\$ (50,645)	\$ (32,251)

*NOTE: Include Residential, Commercial, Industrial, and Standpipe Only

**NOTE: If negative, enclose in parentheses.

See Accountants' Compilation Report

COMPANY NAME JOHNSON UTILITIES, LLCYEAR ENDING DECEMBER 31, 1999**COMPUTATION OF DEPRECIATION EXPENSE**

Acct. No.	Description	(1) Original Cost	(2) Depreciation Percentage Rate	(1) x (2) Depreciation Expense
301	Organization	-		
302	Franchises	-		
303	Land & Land Rights	244,400		
304	Struct. & Improvements	102,374	5%	2,559
307	Wells & Springs	324,355	5%	10,984
311	Elect. Pump Equipment	375,049	5%	10,470
320	Water Treatment Equip.	-		
330	Dist. Reservoirs / Standpipes	-		
331	Trans. & Dist. Mains	2,819,739	5%	77,561
333	Services	155,100	5%	3,878
334	Meters	32,941	5%	823
335	Hydrants	60,225	5%	1,505
339	Other Plant & Misc. Equipment	-		
340	Office Furn. & Fixtures	-		
341	Transportation Equipment	-		
343	Tools & Work Equipment	16,230	5%	406
344	Laboratory Equipment	-		
345	Power Operated Equipment	-		
346	Communications Equipment	-		
347	Miscellaneous Equipment	-		
348	Other Tangible Plant	-		
	Totals	4,130,413		108,186

STATISTICAL INFORMATION

YEAR END

<u>Metered Customers:</u>	<u>Revenue</u>	<u>Customers</u>	<u>Gallons Sold(h)</u> <u>(000's)</u>
Residential	42,404	164	14,248
Commercial	125,461	5	42,155
Industrial			
Standpipe			
Total Metered Customers (a)	167,865	169	56,403

Unmetered Customers:

Residential			
Commercial			
Industrial			
Standpipe			
Total Unmetered Customers (a)	(c)		

Other Customers: (b)

(d)

Private Fire Protection Service			
Public Fire Protection Service			
Other Public Authorities			
Irrigation			
Interdepartmental and/or			
Associated Companies			
Sales for Resale			
Other Customers			
Total Other Customers	(e)		

Other Operating Revenue	8,540 (f)		
Total All Customers	176,405 (g)	169	56,403

- (a) Includes Residential, Commercial, Industrial, and Standpipe only.
- (b) Includes all metered or unmetered customer categories not listed above.
- (c) Should agree with Page 11, Account 461, Metered Water Sales.
- (d) Should agree with Page 11, Account No. 460, Unmetered Water Sales.
- (e) Should agree with Page 11, Account No. 46x, Water Sales to Other Customers.
- (f) Should agree with Page 11, Account No. 47x, Other Operating Revenue.
- (g) Should agree with Page 11, Total Operating Revenue.
- (h) See example at bottom of Page 14 before filling out this column.

SUPPLEMENTAL STATISTICAL INFORMATION**YEAR END**

	Gallons Sold (d)		
	Revenue	Customers	(000's)
Residential 5/8" x 3/4"			
Residential 3/4"	6,205	24	2,085
Residential 1"	36,199	140	12,163
Residential 1-1/2"			
Residential 2"			
Residential Other _____"			
Total Residential	42,404 (a)	164 (a)	14,248 (a)

Commercial 5/8" x 3/4"			
Commercial 3/4"			
Commercial 1"			
Commercial 1-1/2"	75,277	3	25,293
Commercial 2"	50,184	2	16,862
Commercial Other _____"			
Total Commercial	125,461 (b)	5 (b)	42,155 (b)

Industrial 3"			
Industrial 4"			
Industrial 6"			
Industrial Other _____"			
Industrial Other _____"			
Total Industrial	- (c)	- (c)	- (c)

Standpipe			
-----------	--	--	--

- (a) Should agree with Page 13, Residential Metered Customers.
- (b) Should agree with Page 13, Commercial Metered Customers.
- (c) Should agree with Page 13, Industrial Metered Customers.
- (d) When filling out Gallons Sold (000's) entries, round answer to nearest thousand gallons, then drop last 3 zeros. For example, show 11,553,300 gallons as 11,553 but show 11,553,600 as 11,554

CAPITAL STOCK (IF CORPORATION)

	Common	Preferred	Treasury	Total
No. of Shares Authorized:	N/A			-
No. of Shares Issued:				-
Par Value of Shares:				\$ -
Dividends Declared During Year:				-

LONG-TERM DEBT

	Loan #1	Loan #2	Loan #3	Total
Date Issued:	N/A			
Nature of Obligation:				
Amount Issued (Dollars):				-
Amount Outstanding:				-
Date of Maturity:				
Interest Rate:				
Current Year Interest Expense:				-

**REPAYMENT OF DEBT AND ADVANCES IN AID OF CONSTRUCTION
DURING REPORT YEAR**

Principal Repayments:	
Long-Term Debt	N/A
Short-Term Debt	N/A
Repayment of Advances in Aid of Construction	\$ -

**VERIFICATION
AND
SWORN STATEMENT**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) George H. Johnson	TITLE President
COMPANY NAME Johnson Utilities	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION

COMMISSION FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	99

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, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE WATER UTILITY OPERATIONS DURING

CALENDAR YEAR

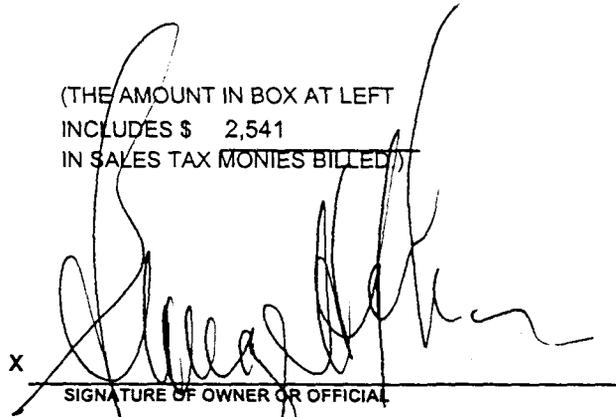
YEAR
19 99

WAS

WATER GROSS OPERATING REVENUE (\$ ONLY)
178,946

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 2,541 IN SALES TAX MONIES BILLED)

* REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAX MONIES BILLED. IF FOR ANY OTHER REASON REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUE ELSEWHERE REPORTED IN THIS REPORT, PLEASE ATTACH A STATEMENT RECONCILING AND EXPLAINING THE DIFFERENCE.

X 
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

NOTARY PUBLIC NAME Stanley P. Grwin	
COUNTY NAME Maricopa	
MONTH August	YEAR 2001

THIS DAY 10th DAY OF

(SEAL) NOTARY PUBLIC ARIZONA 5/20/01

X 
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

MONTH	DAY	YEAR
5	20	01

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) George H. Johnson	TITLE President
COMPANY NAME Johnson Utilities	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	99

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 WATER UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING

CALENDAR YEAR

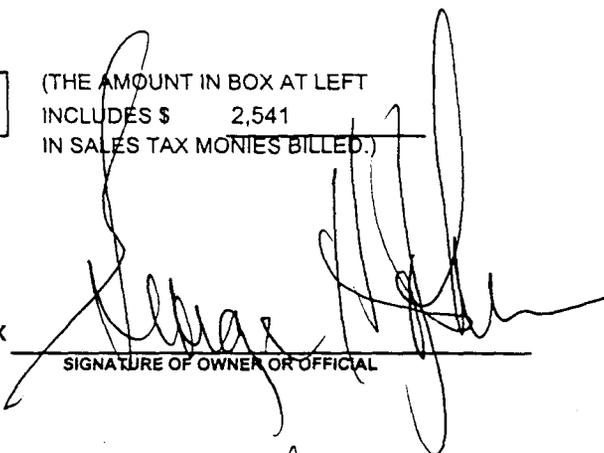
YEAR
19 99

WAS

RESIDENTIAL WATER GROSS OPERATING REVENUE (\$ ONLY) *
44,945

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 2,541 IN SALES TAX MONIES BILLED.)

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

X 
SIGNATURE OF OWNER OR OFFICIAL

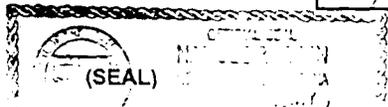
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS DAY OF

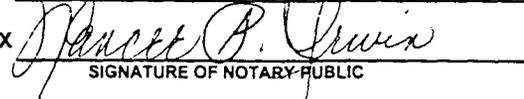
DAY	10 th
-----	------------------

NOTARY PUBLIC NAME Nanette P. Jewin	
COUNTY NAME Maricopa	
MONTH August	YEAR 2000



MY COMMISSION EXPIRES

MONTH	DAY	YEAR
05	20	01

X 
SIGNATURE OF NOTARY PUBLIC

**ALL UTILITIES
INCOME TAXES**

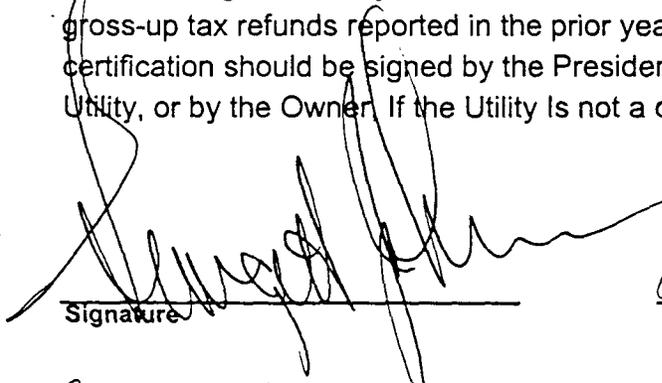
For the fiscal year reported in this annual report, provide the following:

Federal Taxable Income Reported	(90,855)
Estimated or Actual Federal Tax Liability	<u>N/A (LLC)</u>
State Taxable Income Reported	(90,855)
Estimated or Actual State Tax Liability	<u>N/A (LLC)</u>
Amount of Grossed-Up Contributions/Advances:	
Amount of Contributions/Advances	-
Amount of Gross-Up Tax Collected	-
Total Grossed-Up Contributions/Advances	<u>-</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 Payor or if any gross-up tax refunds have already been made, attach the following information by Payor: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payor, and the date the Utility expects to make or has made the refund to the Payor.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payors all gross-up tax refunds reported in the prior years annual report. This certification should be signed by the President or Chief Executive Officer of the Utility, or by the Owner, if the Utility is not a corporation.



Signature _____

August 10, 2000

Date _____

GEORGE H. JOHNSON

Printed Name _____

Managing Member

Title _____

COMPANY NAME JOHNSON UTILITIES, LLC

YEAR ENDING DECEMBER 31, 1999

WATER AND SEWER UTILITIES ONLY

PROPERTY TAXES

Amount of Actual Property Taxes Paid during
calendar year (if different than reported
in this annual report)

2,986

***Attach to this annual report proof (e.g. property tax bills stamped "paid-in-full")
of any and all property taxes paid during the calendar year.

***If no property taxes paid, explain why.

APPENDIX B

**UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION**

SEWER UTILITY ANNUAL REPORT

(If mailing label above is missing, please complete the lines below. If mailing label above is incorrect, please draw line through incorrect information, and state corrected information below.)

COMPANY NAME (DBA NAME)

JOHNSON UTILITIES, LLC

MAILING ADDRESS (ST. OR P.O. BOX)

5320 E. SHEA BLVD.

CITY, STATE, ZIP

SCOTTSDALE, AZ 85254

FOR YEAR ENDING

12	31	99
----	----	----

MONTH DAY YEAR

ANNUAL REPORT DUE APRIL 15, 2000

TO

UTILITIES DIVISION - ANNUAL REPORTS SECTION

ARIZONA CORPORATION COMMISSION

1200 WEST WASHINGTON - SUITE 206

PHOENIX, ARIZONA 85007

Note: This report is to be used only for Sewer Utilities that have total annual Sewer Revenues of less than \$250,000.

Company Name JOHNSON UTILITIES, LLC Year Ending DECEMBER 31, 1999

Name of Certificate Holder JOHNSON UTILITIES, LLC

Date of Original CC&N* 5/27/1997

Company Name (dba name), if different from above _____

Local Office Mailing Address 5320 E. SHEA BLVD.
(Street or P.O. Box)
SCOTTSDALE, AZ 85254
(City) (State) (Zip)

Physical Address (if different from above) _____
(Street)
(City) (State) (Zip)

Local Office Tel. No. (602) 998-3300 After Hrs./Emerg.No. _____
(Include Area Code/Ext.) (Include Area Code/Ext.)

Local Office Fax No. _____ Pager No. _____
(Include Area Code/Ext.) (Include Area Code/Ext.)

Is Utility in Operation at this Time? Yes No

If no, Please explain: _____

Last Rate Increase Effective Date _____
(Month) (Day) (Year)

UTILITY COMPANY OWNERSHIP:

- | | |
|--|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input 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 checked="" type="checkbox"/> Limited Liability Company (L) |
| <input type="checkbox"/> Other (X) _____ | |

IF UTILITY COMPANY IS A SUBSIDIARY OF A PARENT COMPANY

Owned by: _____ Controlled by: _____
Name of Parent Company _____
Acquisition Date _____
(MM) (DD) (YY)

IF UTILITY COMPANY IS INCORPORATED - DATE INCORPORATED

(MM) (DD) (YY)

State in Which Incorporated: Arizona Other _____
(Please Specify)

*NOTE: CC&N denotes Certificate of Convenience and Necessity

COMPANY NAME

JOHNSON UTILITIES, LLC

YEAR ENDING

DECEMBER 31, 1999

OWNER'S

SOLE OWNER:			NAME, ADDRESS, AND PHONE NUMBER (INCLUDING AREA CODE)		
PARTNERSHIP:			EACH PARTNER'S NAME, ADDRESS, PHONE NUMBER (INCLUDE AREA CODE), AND AMOUNT OF EQUITY		
CORPORATION:			THREE LARGEST STOCKHOLDERS NAMES, ADDRESSES, PHONE NUMBER, AND NUMBER OF SHARES HELD		
TYPE (MARK "X")			NAME AND ADDRESS	PHONE NUMBER (INCLUDING AREA CODE)	AMOUNT OF EQUITY OR NUMBER OF SHARES
OWN- ER	PART- NER	SHARE HOLDER			
	X		GEORGE H. JOHNSON 5230 E. SHEA BLVD SCOTTSDALE, AZ 85254	(602) 998-3300	50%
	X		JANA S. JOHNSON 5230 E. SHEA BLVD SCOTTSDALE, AZ 85254	(602) 998-3300	50%

DIRECTORS (IF CORPORATION)

NAME AND ADDRESS	PHONE NUMBER (INCLUDING AREA CODE)	TERM EXPIRATION			NUMBER OF SHARES HELD
		DATE	DATE	DATE	
		MONTH	DAY	YEAR	

PRINCIPAL OFFICERS (IF CORPORATION)

TYPE (MARK "X")					NAME AND ADDRESS (IF OFFICER TYPE IS "OTHER" SPECIFY BELOW NEXT TO NAME)	PHONE NUMBER (INCLUDING AREA CODE)	DATE ENTERING OFFICE		
PRES.	V.P.	SEC.	TREAS.	OTHER			MONTH	DAY	YEAR

COMPANY NAME JOHNSON UTILITIES, LLCYEAR ENDING DECEMBER 31, 1999

UTILITY PLANT IN SERVICE

ACCT. NO.		ORIGINAL COST (1)	ACCUMULATED DEPRECIATION (2)	O.C.L.D. (1) - (2)
351	ORGANIZATION			-
352	FRANCHISES			-
353	LAND AND LAND RIGHTS	875,000		875,000
354	STRUCTURES AND IMPROVEMENTS	196,548	4,914	191,634
360	COLLECTING SEWERS & STRUCTURES/FORCE MAINS	3,771,466	94,287	3,677,179
363	SERVICES TO CUSTOMERS	25,752	644	25,108
364	FLOW MEASURING DEVICES/INSTALLATIONS	7,009	175	6,834
370	RECEIVING WELLS			-
371	PUMPING EQUIPMENT	11,660	291	11,369
380	TREATMENT AND DISPOSAL EQUIPMENT			-
381	PLANT SEWERS			-
382	OUTFALL SEWER LINES			-
389	OTHER PLANT & MISCELLANEOUS EQUIPMENT			-
390	OFFICE FURNITURE AND FIXTURES			-
391	TRANSPORTATION EQUIPMENT			-
393	TOOLS AND WORK EQUIPMENT			-
394	LABORATORY EQUIPMENT			-
395	POWER OPERATED EQUIPMENT			-
396	COMMUNICATIONS EQUIPMENT			-
397	MISCELLANEOUS EQUIPMENT			-
398	OTHER TANGIBLE PLANT			-
TOTAL SEWER PLANT		4,887,435	100,311	4,787,124

Company Name JOHNSON UTILITIES, LLC

Year Ending

DECEMBER 31, 1999

SEWER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY	
TYPE OF TREATMENT (EXTENDED AERATION, STEP AERATION, OXIDATION DITCH, AEROBIC LAGOON, ANAEROBIC LAGOON, TRICKLING FILTER, SEPTIC TANK, ETC.)	EXTENDED AERATION (MARWOOD PLANT) AEROBIC LAGOONS (MAGIC RANCH)
DESIGN CAPACITY OF PLANT (GALLONS PER DAY)	500,000GPD (MAIN); 20,000GPD(MARWOOD)

LIFT STATION FACILITIES				
LOCATION	QUANTITY OF PUMPS (HOW MANY)	HORSEPOWER PER PUMP	CAPACITY PER PUMP (GPM)	WET WELL CAPACITY (GALLONS)
MAIN PUMP STATION, SW CORNER OF WATER PLANT #1	2	30	325	7500
UNIT AA PUMP - BELLA VISTA 1/2 MILE EAST OF HUNT HWY	2	5	400	380

COLLECTION MAINS		
SIZE	MATERIAL	LENGTH (FEET)
4"		
6"		
8"	SDR 35 PVC	17282
10"		
12"	SDR 35 PVC	6536
15"	SDR 35 PVC	136
18"		
21"		
24"		
30"		

MANHOLES	
TYPE	QUANTITY (HOW MANY)
STANDARD	84
DROP	

CLEANOUTS
QUANTITY (HOW MANY)
5

FORCE MAINS		
SIZE	MATERIAL	LENGTH (FEET)
3"	C900	900
6"		
8"	C900	26722

**SEWER COMPANY PLANT DESCRIPTION
(CONTINUED)**

SERVICES		
SIZE	MATERIAL	QUANTITY (HOW MANY)
4"	SDR 35 PVC	555
6"		
8"		
12"		
15"		

DISINFECTION EQUIPMENT (CHLORINATOR, ULTRA-VIOLET, ETC.):

MARWOOD PLANT HAS LMI CHLORINE PUMP TO DISPENSE 12.5% LIQUICHLOR.

FILTRATION EQUIPMENT (RAPID SAND, SLOW SAND, ACTIVATED CARBON, ETC.):

MARWOOD PLANT HAS A SANDFILTER WITH CAPACITY OF 70 GPM.

STRUCTURES (BUILDINGS, FENCES, ETC.):

ALL FACILITIES HAVE 6' CHAIN LINK FENCE.

OTHER (LABORATORY EQUIPMENT, TOOLS, VEHICLES, STANDBY POWER GENERATORS, ETC.):

2 PORTABLE STANDBY GENERATORS (MARWOOD), FIXED STANDBY GENERATOR (WATER PLANT 1),

3 PICK-UP TRUCKS, 2 BACKHOES, 2 TRENCHERS, SHOVELS, RIGS.

 **ULLMANN**
& COMPANY P.L.C.
Certified Public Accountants

To The Board of Directors of
The Sewer Division of Johnson Utilities, L.L.C.
Scottsdale, Arizona

We have compiled the balance sheet of The Sewer Division of Johnson Utilities, L.L.C. as of December 31, 1999 and 1998, and the related comparative statement of income and expenses for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

Ullmann & Company

ULLMANN & COMPANY, P.L.C.
Certified Public Accountants

July 25, 2000

COMPANY NAME

JOHNSON UTILITIES, LLC

YEAR ENDING

DECEMBER 31, 1999

BALANCE SHEET

ASSETS		Balance	Balance
Acct. No.	Current and Accrued Assets	Beginning of Year	Ending of Year
131	Cash & Working Funds		
135	Temporary Investments		
141	Customer Accounts Receivables		8,496
151	Plant Materials & Supplies		
174	Other Current and Accrued Assets		
Total Current & Accrued Assets		-	8,496

Fixed Assets		Balance	Balance
		Beginning of Year	Ending of Year
101	Utility Plant in Service		4,887,435
103	Property Held for Future Use	1,811,526	
105	Construction Work in Progress		
117	Other Fixed Assets		
108	Less: Accum. Deprec. & Amort.		100,311
Total Fixed Assets		1,811,526	4,787,124
TOTAL ASSETS		1,811,526	4,795,620

See Accountants' Compilation Report

**BALANCE SHEET
(CONTINUED)**

LIABILITIES		Balance Beginning of Year	Balance Ending of Year
Acct. No.	<u>Current and Accrued Liabilities</u>		
231	Accounts Payable		218,757
232	Notes Payable (Current Portion)		
235	Customer Security Deposits		
236	Accrued Taxes		328
237	Accrued Interest		
241	Other Current & Accrued Liabilities		
	TOTAL CURRENT & ACCRUED LIABILITIES	-	219,085

LONG TERM DEBT (Over 12 Months)

224	Long-Term Notes & Bonds		
-----	-------------------------	--	--

DEFERRED CREDITS

252	Advances in Aid of Construction	1,444,083	968,955
255	Accumulated Deferred I. T. C.		
271	Contributions in Aid of Construction	35,000	338,000
272	Less: Accum. Amort. Of Contrib.	1,750	11,075
282	Accumulated Deferred Income Tax*		
284	Other Deferred Credits		
	Total Deferred Credits	1,477,333	1,295,880
	TOTAL LIABILITIES	1,477,333	1,514,965

CAPITAL ACCOUNT

201	Common Stock		
211	Other Paid In Capital		
215	Retained Earnings*		
218	Proprietary Capital	334,193	3,280,655
219	Other Capital Accounts		
	Total Capital Accounts	334,193	3,280,655
	TOTAL LIABILITIES & CAPITAL	1,811,526	4,795,620

*NOTE: If negative, enclose in parentheses.

See Accountants' Compilation Report

RESERVE FOR DEPRECIATION

YEAR BEGINNING BALANCE (CREDIT):	-
ADD: AMOUNT CHARGED FOR DEPRECIATION EXPENSE:	100,311
OTHER CREDITS:*	
LESS: ORIGINAL COST OF PLANT RETIRED DURING YEAR:	
COST OF PLANT REMOVAL:	
OTHER DEBITS:*	
YEAR ENDING BALANCE:	100,311

* NOTE: SHOW DETAILS OF OTHER DEBITS OR CREDITS IN SPACE BELOW.

COMPARATIVE STATEMENT OF INCOME AND EXPENSES**Acct. No.**

OPERATING REVENUES:		Prior Year	Current Year
521	Flat Rate Revenues		\$ 11,769
522	Measured Revenues		
536	Other Operating Revenues		115,500
	Total Operating Revenues	\$ -	\$ 127,269

Acct. No.

OPERATING EXPENSES:		Prior Year	Current Year
701	Salaries & Wages		
710	Purchased Sewage Treatment		
711	Sludge Removal Expense		148,509
715	Purchased Power for Pumping/Treatment		26,428
718	Sewage Treatment and Testing		240
720	Repairs & Maintenance		1,276
721	Office Supplies & Expense		
730	Outside Services		13,372
731	Rate Case Expense		
740	Rents		
750	Transportation Expense		
755	General Insurance		4,804
758	Health & Life Insurance		
775	Miscellaneous Operating Expense		2,958
780	Taxes Other Than Property & Income		
781	Property Tax		1,251
403	Depreciation		90,986
409	Income Tax		
	Total Operating Expense	\$ -	\$ 289,824
	OPERATING INCOME (LOSS)*	\$ -	\$ (162,555)

Acct. No.

OTHER INCOME/EXPENSE:		Prior Year	Current Year
419	Interest Income		
421	Other Income		
426	Other Expense		
427	Interest Expense		
	TOTAL OTHER INCOME/EXPENSE*	\$ -	\$ -
	NET INCOME (LOSS)*	\$ -	\$ (162,555)

*NOTE: If negative, enclose in parentheses.

See Accountants' Compilation Report

COMPUTATION OF DEPRECIATION EXPENSE

Acct. No.	Description	(1) Original Cost	(2) Depreciation Percentage Rate	(1) x (2) Depreciation Expense
351	Organization	-		
352	Franchises	-		
353	Land & Land Rights	875,000		
354	Struct. & Improvements	196,548	5%	4,914
360	Collecting Sewers/Collecting Structures/Force Mains	3,771,466	5%	94,287
363	Services to Customers	25,752	5%	644
364	Flow Measuring Devices/Installations	7,009	5%	175
370	Receiving Wells	-		
371	Pumping Equipment	11,660	5%	291
380	Treatment/Disposal Equipment	-		
381	Plant Sewers	-		
382	Outfall Sewer Lines	-		
389	Other Plant & Misc. Equipment	-		
390	Office Furn. & Fixtures	-		
391	Transportation Equipment	-		
393	Tools & Work Equipment	-		
394	Laboratory Equipment	-		
395	Power Operated Equipment	-		
396	Communications Equipment	-		
397	Miscellaneous Equipment	-		
398	Other Tangible Plant	-		
	Totals	4,887,435		100,311

STATISTICAL INFORMATION

YEAR END

Flat Rate Customers:	Revenue	Customers
Residential	11,769	127
Commercial		
Industrial		
Public Authorities		
Other		
Total Flat Rate Customers	11,769 (a)	127

Measured Rate Customers:		
Residential		
Commercial		
Industrial		
Public Authorities		
Other		
Total Measured Rate Customers	- (b)	-

Other Customers:		
Interdepartmental and/or Associated Companies		
Other Sewer Systems		
Sale of Effluent		
Sale of Sludge		
Other Customers		
Total Other Customers	-	-

Other Operating Revenue	115,500	
Total All Customers	127,269 (c)	127

- (a) Should agree with Page 11, Account No. 521, Flat Rate Revenues.
- (b) Should agree with Page 11, Account No. 522, Measured Revenues.
- (c) Should agree with Page 11, Total Operating Revenues.

CAPITAL STOCK (IF CORPORATION)

	Common	Preferred	Treasury	Total
No. of Shares Authorized:	N/A			-
No. of Shares Issued:				-
Par Value of Shares:				\$ -
Dividends Declared During Year:	-			-

LONG-TERM DEBT

	Loan #1	Loan #2	Loan #3	Total
Date Issued:	N/A			
Nature of Obligation:				
Amount Issued (Dollars):				-
Amount Outstanding:				-
Date of Maturity:				
Interest Rate:				
Current Year Interest Expense:				-

**REPAYMENT OF DEBT AND ADVANCES IN AID OF CONSTRUCTION
DURING REPORT YEAR**

Principal Repayments:	
Long-Term Debt	N/A
Short-Term Debt	N/A
Repayment of Advances in Aid of Construction	\$ -

**VERIFICATION
AND
SWORN STATEMENT**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	SS
MARICOPA	
NAME (OWNER OR OFFICIAL)	TITLE
GEORGE H. JOHNSON	PRESIDENT
COMPANY NAME	
JOHNSON UTILITIES	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION

COMMISSION FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	99

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, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING

CALENDAR YEAR

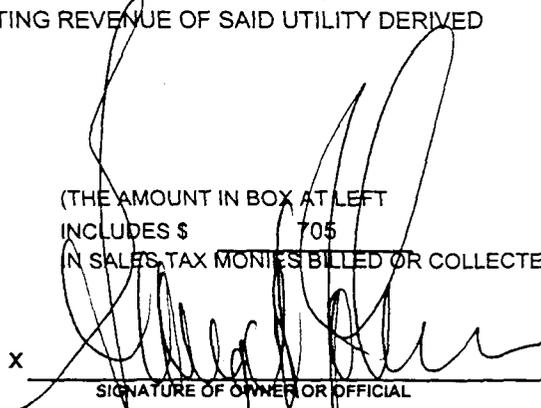
YEAR
19 99

WAS

ARIZONA INTRASTATE GROSS OPERATING REVENUE (\$ ONLY) **
127,974

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 705 IN SALES TAX MONIES BILLED OR COLLECTED.)

* REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAX MONIES BILLED. IF FOR ANY OTHER REASON REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUE ELSEWHERE REPORTED IN THIS REPORT, PLEASE ATTACH A STATEMENT RECONCILING AND EXPLAINING THE DIFFERENCE.

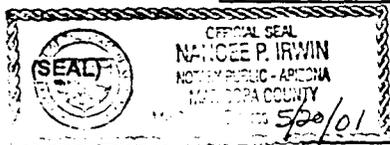
X 
SIGNATURE OF OWNER OR OFFICIAL

480-998-3300
TELEPHONE NUMBER

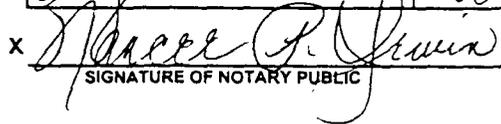
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS DAY 10th DAY OF



NOTARY PUBLIC NAME	
Nancee P. Irwin	
COUNTY NAME	
Maricopa	
MONTH	YEAR
August	2000

X 
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

MONTH	DAY	YEAR
05	20	01

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) GEORGE H. JOHNSON	TITLE PRESIDENT
COMPANY NAME JOHNSON UTILITIES	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	99

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 SEWER UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING

CALENDAR YEAR

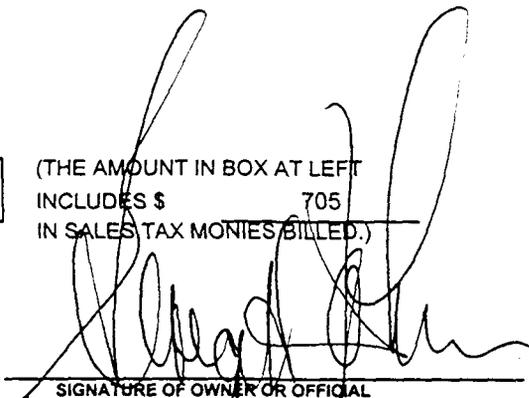
YEAR
19 99

WAS

RESIDENTIAL SEWER GROSS OPERATING REVENUE (\$ ONLY) *
127,974

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 705 IN SALES TAX MONIES BILLED.)

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

X 

SIGNATURE OF OWNER OR OFFICIAL

480-998-3300

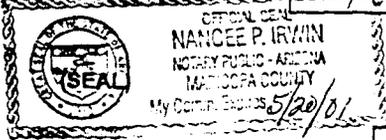
TELEPHONE NUMBER

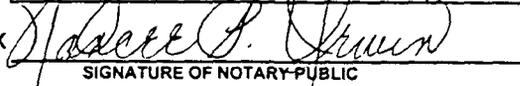
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

NOTARY PUBLIC NAME Nancee P. Irwin	
COUNTY NAME Maricopa	
MONTH August	YEAR 2000

THIS DAY 10th DAY OF



X 

SIGNATURE OF NOTARY-PUBLIC

MY COMMISSION EXPIRES

MONTH	DAY	YEAR
05	20	01

**ALL UTILITIES
INCOME TAXES**

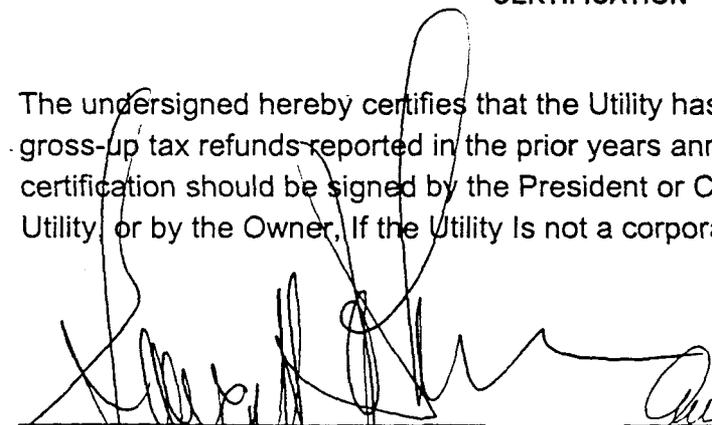
For the fiscal year reported in this annual report, provide the following:

Federal Taxable Income Reported	(90,855)
Estimated or Actual Federal Tax Liability	<u>N/A (LLC)</u>
State Taxable Income Reported	(90,855)
Estimated or Actual State Tax Liability	<u>N/A (LLC)</u>
Amount of Grossed-Up Contributions/Advances:	
Amount of Contributions/Advances	-
Amount of Gross-Up Tax Collected	-
Total Grossed-Up Contributions/Advances	-

Decision No. 55774 states, in part, that the utility will refund any excess gross up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payor or if any gross-up tax refunds have already been made, attach the following information by Payor: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payor, and the date the Utility expects to make or has made the refund to the Payor.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payors all gross-up tax refunds reported in the prior years annual report. This certification should be signed by the President or Chief Executive Officer of the Utility, or by the Owner, if the Utility is not a corporation.



 Signature



 Date

GEORGE H. JOHNSON

 Printed Name

Managing Member

 Title

COMPANY NAME JOHNSON UTILITIES, LLC

YEAR ENDING DECEMBER 31, 1999

WATER AND SEWER UTILITIES ONLY

PROPERTY TAXES

Amount of Actual Property Taxes Paid during
calendar year (if different than reported
in this annual report)

2,986

***Attach to this annual report proof (e.g. property tax bills stamped "paid-in-full")
of any and all property taxes paid during the calendar year.

***If no property taxes paid, explain why.

APPENDIX B

2



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTLE

DATE: 08/04/00 TIME: 1602
FEE : 0.00
PAGES: 8
FEE NO: 2000-032663

Expansion and Amendment Of The Johnson Utility Water and Sewer Franchise

WHEREAS, Johnson Utilities L.L.C. had received a water and sewer franchise from Pinal County to establish and maintain water and sewer services on October 12, 1995 (1995-033065), amended on July 9, 1997 (1997-030624), May 20, 1998 (1998-031193), November 4, 1998 (1998-050223), and November 17, 1999 (1999-053478) (hereinafter "Existing Franchise").

WHEREAS, Johnson Utilities L.L.C., an Arizona limited liability corporation, duly authorized to conduct business in the State of Arizona, has duly filed and presented to the Board of Supervisors of the County of Pinal, State of Arizona, its application for expansion of the Existing Franchise for the purpose of constructing, operating and maintaining water and sewer lines and related appurtenances along, under and across the public streets, alleys and highways, except federal and state highways, within the unincorporated area of Pinal County, Arizona, as described in Exhibit "A" attached hereto (hereinafter "Expansion").

WHEREAS, upon filing of Johnson Utilities L.L.C.'s application for the Expansion, a copy of which is attached hereto as Exhibit "C" without its exhibits, the Board of Supervisors of Pinal County ordered a public notice of its intent to consider the granting of the Expansion to be published in a newspaper of general circulation, in Pinal County, Arizona, stating the time and place for consideration of the Expansion was set for 10:00 A.M. on August 2, 2000, at the Pinal County Board of Supervisors' Hearing Room, Administration Building No. 1, Florence, Arizona.

WHEREAS, said application for the Expansion and Amendment having come on regularly for hearing at 10:00 A.M. on August 2, 2000; and it appearing from the affidavit of the publisher of the Casa Grande Valley Newspaper that due and regular notice of said time and place set for the consideration of such action has been published for at least once a week for three consecutive weeks prior to said hearing date, to-wit: in the issues of the Florence Reminder and Blade-Tribune published on July 13, July 20, and July 27, 2000; and the matter being called for hearing at 10:00 A.M., and an opportunity having been given to all interested parties to be heard.

WHEREAS, the Board of Supervisors of Pinal County has the power to amend an existing franchise under its general police powers in such matters.

Fifth Amended
Johnson Utility Water and Sewer Franchise

NOW, THEREFORE,

Section 1: DEFINITIONS

The following terms used in this expansion and amendment of the Existing Franchise shall have the following meanings:

- A. County: Pinal County, Arizona
- B. Board: Board of Supervisors of Pinal County, Arizona.
- C. Grantor: Pinal County, by and through its Board of Supervisors
- D. Grantee: Johnson Utilities L.L.C., an Arizona limited liability corporation, its successors and assigns
- E. Grantee's Facilities: water and sewer lines and related appurtenances

Section 2: GRANT

Grantor, on August 2, 2000, hereby grants to Grantee, for a period of time not to exceed the Existing Franchise, this expanded and amended franchise (hereinafter "Fifth Amended Franchise") for the purpose of constructing, operating and maintaining water and sewer lines and related appurtenances along, under and across public streets, alleys and highways, except federal and state highways, under the terms and conditions set forth herein within the unincorporated area of Pinal County, Arizona, as described in the Expansion and the Existing Franchise (hereinafter "Franchise Area").

Section 3: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE

The Fifth Amended Franchise shall be accepted by Grantee by written instrument in the form attached hereto as Exhibit "B" (hereinafter "Acceptance"), executed and acknowledged by it as a deed is required to be, and filed with the Clerk of the Pinal County Board of Supervisors within thirty days after the date this Fifth Amended Franchise is accepted by County. This Fifth Amended Franchise shall be effective upon delivery of the Acceptance to the Clerk of the Pinal County Board of Supervisors in the form required and within the time specified above.

Section 4: LIMITS ON GRANTEE'S RECOURSE

- A. Grantee by its acceptance of the Fifth Amended Franchise acknowledges such acceptance relies upon grantee's own investigation and understanding of the power and authority of the County to grant said franchise. Grantee by its acceptance of the Fifth Amended Franchise accepts the validity of the terms and conditions of the Fifth Amended Franchise in their entirety and agrees it will not, at any time, proceed against County in any claim or proceeding challenging any term or provision of the Fifth Amended Franchise as unreasonable, arbitrary or void, or that County did not have the authority to impose such term or condition.

B. Grantee by accepting the Fifth Amended Franchise acknowledges that it has not been induced to accept the same by any promise, verbal or written, by or on behalf of County or by any third person regarding any term or condition of the Fifth Amended Franchise not expressed therein. Grantee by its acceptance of the Fifth Amended Franchise further pledges that no promise or inducement, oral or written, has been made to any employee or official of County regarding receipt of the Fifth Amended Franchise.

C. Grantee by its acceptance of the Fifth Amended Franchise further acknowledges that it has carefully read the terms and conditions of the Fifth Amended Franchise and accepts without reservation the obligations imposed by the terms and conditions herein.

D. In case of conflict or ambiguity between the Fifth Amended Franchise and the Existing Franchise, the provision which provides the greatest benefit to County, as determined solely by County, shall prevail.

E. The Board's decision concerning its selection and awarding of the Fifth Amended Franchise shall be final.

Section 5: SEVERABILITY

If any section, provision, term or covenant or any portion of any section, provision, term or covenant of the Fifth Amended Franchise is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on any remaining portion of such section, provision, term or covenant or the remaining sections, provisions, terms or covenants of the Fifth Amended Franchise, all of which will remain in full force and effect for the term of the Fifth Amended Franchise or any renewal or renewals thereof.

Section 6: NOTICE

Notices required under the Fifth Amended Franchise shall be delivered or sent by certified mail, postage prepaid to:

Grantor:

Clerk of the Pinal County Board of Supervisors
P.O. Box 827
31 N. Pinal
Florence, Arizona 85232

Grantee:

Johnson Utilities L.L.C.
5320 E. Shea Blvd.
Scottsdale, Arizona 85254

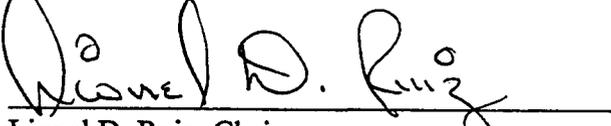
Fifth Amended
Johnson Utility Water and Sewer Franchise

The delivery or mailing of such notice shall be equivalent to direct personal notice and shall be deemed to have been given at the time of delivery. Either party may change its address under this section by written notice to the other party.

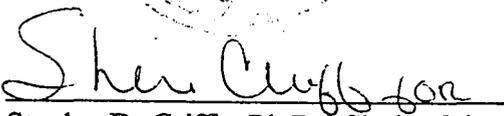
IN WITNESS WHEREOF, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and cause its official seal to be affixed on August 2, 2000.



PINAL COUNTY BOARD OF SUPERVISORS


Lionel D. Ruiz, Chairman

ATTEST:


Stanley D. Griffis, Ph.D., Clerk of the Board

APPROVED AS TO FORM:

**ROBERT CARTER OLSON
PINAL COUNTY ATTORNEY**

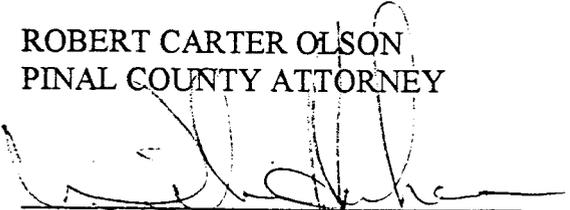

William H. McLean
Chief Civil Deputy County Attorney

Exhibit B

SAMPLE ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Johnson Utilities L.L.C., an Arizona limited liability corporation, does hereby accept the _____ grant of a Fifth Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain water and sewer lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, a copy of which is attached to the Fifth Amended Franchise, which is made a part hereof.

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the Fifth Amended Franchise. Grantee accepts such provisions, terms and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of the County of Pinal to impose the same.

Grantee declares that the statements and recitals in said Fifth Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Fifth Amended Franchise recited to have been or to be made by Grantee.

3

1 DEPARTMENT OF WATER RESOURCES

2 BEFORE THE DIRECTOR

3
4
5 **IN THE MATTER OF THE APPLICATION OF**
6 **JOHNSON UTILITIES, L.L.C.**
7 **FOR A DESIGNATION AS HAVING AN ASSURED**
8 **WATER SUPPLY**

AWS No. 2000-002

DECISION AND ORDER

No. 26-400090

8 On June 2, 1999, the Department of Water Resources ("Department") received a request from
9 Johnson Utilities, L.L.C. ("Johnson"), to designate Johnson as having an assured water supply pursuant to
10 A.R.S. § 45-576(E) and A.A.C. R12-15-701 *et seq.*

11 After receiving Johnson's request to be designated as having an assured water supply, and after
12 reviewing relevant information regarding the designation request, including a hydrologic study provided with
13 the application, information regarding Johnson's consistency with the management plan and management
14 goal, information provided by the Arizona Department of Environmental Quality regarding the quality of the
15 proposed source of water, information regarding Johnson's financial capability to construct the necessary
16 delivery system, treatment works and storage facilities, information regarding the date that Johnson began
17 water service, and Opinion and Order of the Arizona Corporation Commission ("Commission"), Decision No.
18 60223, the Director finds the following:

- 19 1. Johnson is a private water company whose operations are regulated by the Commission.
- 20 2. Johnson has the legal authority, as granted by the Commission, to deliver water to its
21 customers located within the boundaries of its Certificate of Convenience and Necessity
22 as indicated on maps on file with the Department.
- 23 3. In June of 1999, Johnson began water service in order to establish a new service area
24 right. As of June 23, 2000, the Type 1 Non-Irrigation Grandfathered Right, #58-
25 106857.0009 served water to 362 households. The Department anticipates issuing a
26 service area right number to Johnson on or about October 31, 2000, after which Johnson
27 will have the right to withdraw and serve groundwater in accordance with A.R.S. § 45-492.

- 1 4. Johnson currently serves one hundred percent groundwater to its Johnson Ranch
2 residential customers pursuant to its Type 1 Non-Irrigation Grandfathered Right, #58-
3 106857.0009. The maximum groundwater pumping allowed under that right is 127.46
4 acre-feet per year.
- 5 6. Johnson currently serves one hundred percent groundwater to its Sun Valley Farms
6 residential customers under right number 57-002764.
- 7 6. Johnson's current and committed demand for calendar year 1998 is 652 acre-feet.
- 8 7. Johnson's total projected demand for the calendar year 2010 is 2,760 acre-feet.
- 9 8. Johnson has demonstrated the physical, legal and continuous availability of groundwater
10 in a volume of 5,967 acre-feet per year for a minimum of 100 years. After one hundred
11 years, the depth-to-water under Johnson's service area is projected to be less than 700
12 feet below land surface.
- 13 9. Johnson will be regulated as a small provider under the Department's Phoenix Active
14 Management Area Third Management Plan and consequently currently has no GPCD
15 requirement.
- 16 10. There are no Water Quality Revolving Fund Sites or sites on the Superfund National
17 Priority List within Johnson's service area.
- 18 11. The groundwater supply that Johnson intends to provide its customers meets the water
19 quality standards established by the Arizona Department of Environmental Quality. The
20 groundwater supply quality is based on treatment by reverse osmosis and blending of
21 water.
- 22 12. In accordance with Arizona Corporation Commission Rules and Regulations, Johnson
23 finances extensions of its distribution system through line extension agreements with
24 owners of new developments. Any owner of a new subdivision served by Johnson must
25 also prove financial capability to construct the necessary water infrastructure to the
26 appropriate platting entity and the Arizona Department of Real Estate pursuant to Titles 9,
27 11, and 32 of the Arizona Revised Statutes.
- 28 13. On June 9, 2000, the Central Arizona Groundwater Replenishment District ("CAGR")

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

notified the Department that Johnson had completed the process for becoming a Member Service Area of the CAGRD.

14. On February 24, 1995, the Director designated that the CAGRD Plan of Operation was consistent with achieving the management goal of the Phoenix Active Management Area. This designation shall terminate on January 1, 2005.

15. As of this date, the CAGRD is currently in compliance with its groundwater replenishment obligation for the Phoenix Active Management Area.

Having reviewed the Findings of Fact, the Department makes the following conclusions of law based on information that was either provided to the Department or obtained independently by the Department prior to the issuance of this Decision and Order:

1. The annual volume of water which is physically, continuously, and legally available to Johnson for a minimum of 100 years as prescribed in A.A.C. R12-15-703 exceeds the projected demand for the year 2010.
2. The water supply served by Johnson is expected to meet the water quality requirements specified in A.A.C. R12-15-704.
3. Pursuant to A.R.S. § 45-576.01(B), Johnson's projected use of water, as a member service area of the CAGRD, is consistent with achieving the management goal of the Phoenix Active Management Area.
4. In accordance with A.A.C. R12-15-706, Johnson's proposed use of water is consistent with the Phoenix Active Management Area Second Management Plan requirements.
5. Johnson satisfies the financial capability criteria prescribed in A.A.C. R12-15-707.
6. Johnson satisfies all requirements for a designation of an assured water supply.

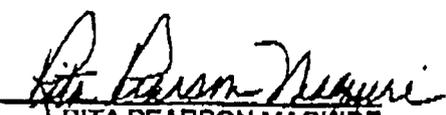
Having reviewed the Conclusions of Law, the Department hereby issues this Decision and Order designating Johnson as having an assured water supply, subject to the following conditions:

1. The Department reserves the right under A.A.C. R12-15-709 (A) to periodically review and modify the designation as conditions warrant.

- 1 2. If findings of fact or the conclusions of law v which this designation is based are
2 found to no longer remain valid, the Department reserves the right under A.A.C. R12-15-
3 709 (A) to revoke the designation.
- 4 3. As of November 1, 1999, Johnson had begun the process to establish a service area
5 right. This process must be completed by December 31, 2000 or the designation shall be
6 subject to immediate termination.
- 7 4. The Department's determination that an assured water supply exists for Johnson is based
8 solely on its analysis of the groundwater supplies pledged by Johnson. The analysis does
9 not include any other source of water. If Johnson intends to add another source of water
10 to its designated volume, it must request a review pursuant to A.A.C. R12-15-709(C).
- 11 5. Annually, Johnson shall provide to the Department the following information for both the
12 Johnson Ranch system and the Sun Valley Farms system in the manner prescribed in
13 A.A.C. R12-15-711:
- 14 a. The estimated future demand of platted, undeveloped lots which are located in
15 Johnson's service area.
- 16 b. The projected volume of water demand at build-out of customers with which
17 Johnson has entered into a notice of Intent to serve agreement in the calendar
18 year.
- 19 c. A report regarding Johnson's compliance with water quality requirements.
- 20 d. The depth-to-static water level of all wells from which Johnson withdrew water
21 during the calendar year.
- 22 e. Any other information required to determine whether to continue Johnson's
23 designated status, which is requested by the Director of Water Resources.

24 **IT IS HEREBY ORDERED THAT JOHNSON WATER COMPANY BE DESIGNATED AS**
25 **HAVING AN ASSURED WATER SUPPLY:**

26 DATED this 26th day of July 2000

27 
28 RITA PEARSON MAGUIRE
Director

4

CONFIDENTIAL

MATERIAL

PAGES 1-12

REMOVED

July 24, 2000

VIA HAND DELIVERY

Mr. Mark A. DiNunzio
Executive Consultant
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007-2995

RE: Johnson Utilities Company
Application for CC&N Extension

Dear Mr. DiNunzio:

This correspondence will serve as a response to your request dated July 12, 2000 regarding Johnson Utilities Company ("Johnson").

1. The water system currently consists of numerous well sites and transmission mains. Johnson currently has a 500,000 gallon storage reservoir at Johnson Ranch, a 50,000 gallon storage reservoir at Wild Horse Estates and a 20,000 gallon storage tank at Sun Valley Farms. Johnson has also ordered two additional 500,000 gallon storage tanks that are being fabricated. One tank will be utilized at the Magic Ranch project and the second will be utilized at the Mystic Lake project. The design plans and the request for Approval to Construct (AOC) have been submitted to ADEQ for approval. The location of the storage facilities have been strategically chosen to coincide with current development needs, as well as meet the future system looping requirements.

The existing wastewater system consists of numerous gravity and force main collection systems. Most of the wastewater from the Johnson Ranch project are conveyed to the main wastewater treatment plant (WWTP) located in Section 11, Township 4 South, Range 8 East. The plant consists of aerated lagoons and constructed wetlands. The plant was designed to process 0.5 MGD. Johnson also has a mechanical WWTP packaged within the Johnson Ranch project in Section 20, Township 3 South, Range 8 East. The mechanical plant currently has a capacity of 20,000 gal/day, but plans have been prepared to expand that capacity to 300,000 gal/day.

The Sun Valley Farms V wastewater system consists of individual septic tanks and leach fields.

2. The water and wastewater use data sheets are attached at Tab A.
3. All of the projects located within the Phoenix Active Management Area will be served from the same system. Initial phases of development will be served water from the existing domestic system at Johnson Ranch. Wastewater will be conveyed to either the main WWTP site or the expanded mechanical plant site. Attached at Tab B is a draft copy of the Utilities master water and wastewater siteplan that indicates the proposed water plants and WWTP's. The development of all of the projects will be completed in phases. The required infrastructure has been planned to accommodate the expected growth.

Mystic Lake Ranch, Farley Farms and the 880 acres of future development in Sections 23 & 28 Township 4 South, Range 8 East are all within the Pinal AMA and are required to be a stand alone system. Any future requests within the Pinal AMA will be integrated into this system when required.

4. Projected costs for the water and wastewater plant construction are attached at Tab C.
5. Updated financial information is attached at Tab D.
6. Johnson currently has a Pinal County franchise and has applied to expand the franchise to include all areas that are the subject of this ACC certificate expansion application. Johnson's requested franchise expansion is to be considered by the Pinal County Board of Supervisors at its August 2, 2000 meeting.
7. ADEQ has issued numerous Approvals to Construct (ATC's), as well as Approvals of Construction (AOC's) over the past few years. Attached at Tab E are copies of the latest certificates that have been issued to Johnson, including the AOC for the main WWTP, the mechanical plant and the main domestic water system. As far as future construction projects are concerned, a request for ATC will be made as soon as the scope of the design is known.
8. The utility has been working with ADWR on a daily basis. Johnson should be in receipt of the Assured Water Supply Designation by the end of July 2000.
9. Attached at Tab F is a chart listing estimated customers, average water consumption, annual operating revenues and annual operating expenses for each

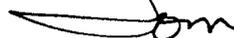
- of the first five years of operation. All customers will be residential for the first five years.
10. See Tab F.
 11. See Tab F.
 12. See Tab F.
 13. Attached at Tab G is a list of each development with Johnson's requested certificated area. The developments in the requested extension area are cross-referenced to the parcel numbers in Johnson's Third Amended Application (Third Revised Attachment 2). This development list is divided into current certificated area, requested expansion not in conflict with H2O's and expansion areas in conflict with H2O. Also enclosed at Tab G are copies of each request for service from developers in the area for which Johnson is seeking an extension of its certificate.

I also have included two copies of a color map showing Johnson's current certificated area, its requested extension area that is not contested by H2O and its requested extension area that is contested by H2O.

Should you have any questions or concerns, please contact me at (602) 262-5723 or Brian Tompsett at (602) 279-1016.

Very truly yours

LEWIS AND ROCA LLP



Thomas H. Campbell

THC/bjg
Attachments

cc: George H. Johnson (w/enc.)
Brian Tompsett (w/enc.)

bcc: Gregory Harris (w/enc.)
Marjorie Haberman (w/enc.)

A

ATTACHMENT "D"

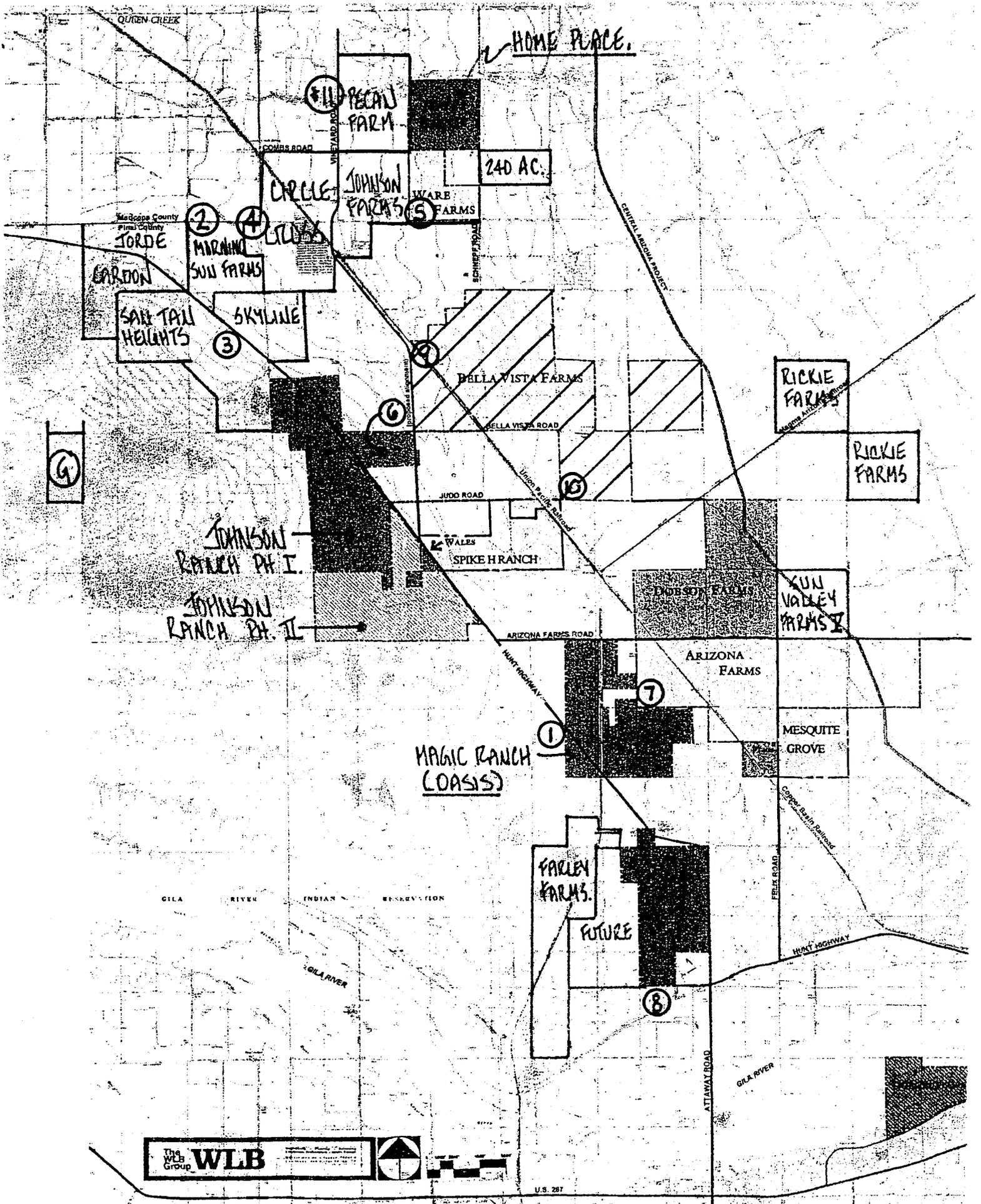
WATER USE DATA SHEET

NAME OF COMPANY <u>Johnson Utilities</u>
ADEQ Public Water System No. <u>71-128</u>

MONTH/YEAR (Last 13 Months)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	
June 99			
July 99	66	1074	
Aug 99	87	902	
Sept 99	89	993	
Oct 99	90	1097	
Nov 99	154	1168	
Dec 99	157	1344	
JAN 2000	249	3254	
FEB 2000	344	189997	
MAR 2000	361	133367	
APRIL 2000	365	193125	
MAY 2000	403	1447221	
JUNE 2000	413	1545132	
STORAGE TANK CAPACITY (Gallons)	NUMBER OF EACH	ARIZONA DEPT. OF WATER RESOURCES WELL I.D. NUMBER	WELL PRODUCTION (Gallons per Minute)
500,000	1	55-558445	525 GPM
Other Water Sources in Gallons per Minute		GPM	
Fire Hydrants on System		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Total Water Pumped Last 13 Months (Gallons in Thousands)		3,519,676	

ccnextfrm 05/97

B



C

JUL-18-2000 TUE 02:33 PM

FAX NO.

P. 03

JOHNSON UTILITIES COMPANY**Water Plant Construction Schedule**

Plant Stage	Module Size (MGD)	Const. Date	Water Plant Cost	Other Off-Sites @ 15%	Total Cost	
1A	1.00	2000	\$ 500,000	\$ 75,000	\$ 575,000	
2A	0.25	2000	\$ 125,000	\$ 18,750	\$ 143,750	
5A	0.13	2000	\$ 250,000	\$ 37,500	\$ 287,500	
6A&B	0.02	2000	\$ -	\$ -	\$ -	
8A	0.50	2000	\$ 250,000	\$ 37,500	\$ 287,500	
					\$ 1,293,750	\$ 1,293,750 End of 2000
10A	1.00	2001	\$ 500,000	\$ 75,000	\$ 575,000	
11A	0.25	2001	\$ 125,000	\$ 18,750	\$ 143,750	
3A	0.50	2001	\$ 250,000	\$ 37,500	\$ 287,500	
					\$ 1,006,250	\$ 2,300,000 End of 2001
5B	0.15	2002	\$ 76,000	\$ 11,250	\$ 86,250	
4A	0.50	2003	\$ 250,000	\$ 37,500	\$ 287,500	
5C	0.15	2003	\$ 76,000	\$ 11,250	\$ 86,250	
					\$ 373,750	\$ 2,760,000 End of 2003
11B	0.50	2004	\$ 250,000	\$ 37,500	\$ 287,500	
2B	0.40	2004	\$ 200,000	\$ 30,000	\$ 230,000	
					\$ 517,500	\$ 3,277,500 End of 2004
1B	1.00	2005	\$ 500,000	\$ 75,000	\$ 575,000	
2C	0.40	2008	\$ 200,000	\$ 30,000	\$ 230,000	
10B	0.50	2006	\$ 250,000	\$ 37,500	\$ 287,500	
3B	0.50	2006	\$ 250,000	\$ 37,500	\$ 287,500	
8B	1.00	2006	\$ 500,000	\$ 75,000	\$ 575,000	
9A	0.75	2008	\$ 375,000	\$ 56,250	\$ 431,250	
					\$ 1,811,250	\$ 5,663,750 End of 2006
1C	0.50	2008	\$ 250,000	\$ 37,500	\$ 287,500	
4B	0.50	2008	\$ 250,000	\$ 37,500	\$ 287,500	
11C	0.75	2008	\$ 375,000	\$ 56,250	\$ 431,250	
					\$ 1,006,250	\$ 6,670,000 End of 2008
3C	0.25	2009	\$ 125,000	\$ 18,750	\$ 143,750	
4C	0.25	2009	\$ 125,000	\$ 18,750	\$ 143,750	
8C	0.50	2009	\$ 250,000	\$ 37,500	\$ 287,500	
10C	0.50	2009	\$ 250,000	\$ 37,500	\$ 287,500	
5D	0.25	2009	\$ 125,000	\$ 18,750	\$ 143,750	
					\$ 1,006,250	\$ 7,676,250 End of 2009
9B	1.00	2010	\$ 500,000	\$ 75,000	\$ 575,000	
7A	1.00	2010	\$ 500,000	\$ 75,000	\$ 575,000	
					\$ 1,150,000	\$ 8,826,250 End of 2010
11D	0.50	2011	\$ 250,000	\$ 37,500	\$ 287,500	
3D	0.25	2011	\$ 125,000	\$ 18,750	\$ 143,750	
2D	0.20	2011	\$ 100,000	\$ 15,000	\$ 115,000	
					\$ 546,250	\$ 9,372,500 End of 2011
10D	0.50	2012	\$ 250,000	\$ 37,500	\$ 287,500	
8D	1.00	2012	\$ 500,000	\$ 75,000	\$ 575,000	
4D	0.25	2012	\$ 125,000	\$ 18,750	\$ 143,750	
					\$ 1,006,250	\$ 10,378,750 End of 2012
9C	0.75	2013	\$ 375,000	\$ 56,250	\$ 431,250	\$ 10,810,000 End of 2013
7B	1.50	2014	\$ 750,000	\$ 112,500	\$ 862,500	\$ 11,672,500 End of 2014
1D	0.50	2015	\$ 250,000	\$ 37,500	\$ 287,500	\$ 11,960,000 End of 2015
9D	0.50	2016	\$ 250,000	\$ 37,500	\$ 287,500	\$ 12,247,500 End of 2016
7C	1.50	2018	\$ 750,000	\$ 112,500	\$ 862,500	\$ 13,110,000 End of 2018
7D	1.50	2020	\$ 750,000	\$ 112,500	\$ 862,500	\$ 13,972,500 End of 2020
	23.95		\$ 12,150,000	\$ 1,822,500	\$ 13,972,500	

JOHNSON UTILITIES COMPANY
Wastewater Plant Construction Schedule

Plant Stage	Module Size (MGD)	Const. Date	WWTP Cost	Other Off-Sites @ 5%	Total Cost	
1A	1.00	1998	\$ 2,000,000	\$ 100,000	\$ 2,100,000	
6A&B	0.02	1999	\$ 400,000	\$ 20,000	\$ 420,000	
8A	0.50	2000	\$ 1,000,000	\$ 50,000	\$ 1,050,000	
5A	0.13	2000	\$ 250,000	\$ 12,500	\$ 262,500	
2A	0.25	2000	\$ 500,000	\$ 25,000	\$ 525,000	
				Total =	\$ 4,095,000	\$ 4,095,000 End of 2000
1B	1.00	2006	\$ 2,000,000	\$ 100,000	\$ 2,100,000	
10A	1.00	2001	\$ 2,000,000	\$ 100,000	\$ 2,100,000	
11A	0.25	2001	\$ 500,000	\$ 25,000	\$ 525,000	
					\$ 4,725,000	\$ 8,820,000 End of 2001
2B	0.40	2004	\$ 800,000	\$ 40,000	\$ 840,000	
3A	0.50	2002	\$ 1,000,000	\$ 50,000	\$ 1,050,000	
8B	1.00	2005	\$ 2,000,000	\$ 100,000	\$ 2,100,000	
					\$ 3,990,000	\$ 12,810,000 End of 2002
3B	0.50	2007	\$ 1,000,000	\$ 50,000	\$ 1,050,000	
10B	0.50	2003	\$ 1,000,000	\$ 50,000	\$ 1,050,000	
11B	0.50	2003	\$ 1,000,000	\$ 50,000	\$ 1,050,000	
					\$ 3,150,000	\$ 15,960,000 End of 2003
1C	0.50	2004	\$ 1,000,000	\$ 50,000	\$ 1,050,000	
2C	0.40	2004	\$ 800,000	\$ 40,000	\$ 840,000	
4A	0.50	2004	\$ 1,000,000	\$ 50,000	\$ 1,050,000	
					\$ 2,940,000	\$ 18,900,000 End of 2004
3C	0.25	2005	\$ 500,000	\$ 25,000	\$ 525,000	
4B	0.50	2005	\$ 1,000,000	\$ 50,000	\$ 1,050,000	
7A	1.00	2005	\$ 2,000,000	\$ 100,000	\$ 2,100,000	
8C	0.50	2005	\$ 1,000,000	\$ 50,000	\$ 1,050,000	
9A	0.75	2005	\$ 1,500,000	\$ 75,000	\$ 1,575,000	
10C	0.50	2005	\$ 1,000,000	\$ 50,000	\$ 1,050,000	
11C	0.75	2005	\$ 1,500,000	\$ 75,000	\$ 1,575,000	
					\$ 8,925,000	\$ 27,825,000 End of 2005
1D	0.50	2006	\$ 1,000,000	\$ 50,000	\$ 1,050,000	
2D	0.20	2006	\$ 400,000	\$ 20,000	\$ 420,000	
3D	0.25	2006	\$ 500,000	\$ 25,000	\$ 525,000	
4C	0.25	2007	\$ 500,000	\$ 25,000	\$ 525,000	
5B	0.15	2007	\$ 300,000	\$ 15,000	\$ 315,000	
7B	1.50	2007	\$ 3,000,000	\$ 150,000	\$ 3,150,000	
8D	1.00	2007	\$ 2,000,000	\$ 100,000	\$ 2,100,000	
9B	1.00	2007	\$ 2,000,000	\$ 100,000	\$ 2,100,000	
10D	0.50	2007	\$ 1,000,000	\$ 50,000	\$ 1,050,000	
11D	0.50	2007	\$ 1,000,000	\$ 50,000	\$ 1,050,000	
4D	0.25	2008	\$ 500,000	\$ 25,000	\$ 525,000	
5C	0.15	2009	\$ 300,000	\$ 15,000	\$ 315,000	
7C	1.50	2009	\$ 3,000,000	\$ 150,000	\$ 3,150,000	
9C	0.75	2009	\$ 1,500,000	\$ 75,000	\$ 1,575,000	
5D	0.25	2011	\$ 500,000	\$ 25,000	\$ 525,000	
7D	1.50	2011	\$ 3,000,000	\$ 150,000	\$ 3,150,000	
9D	0.50	2011	\$ 1,000,000	\$ 50,000	\$ 1,050,000	
	<u>23.95</u>		<u>\$ 48,250,000</u>	<u>\$ 2,412,500</u>	<u>\$ 50,662,500</u>	

D

Johnson Utilities, L.L.C.
Statement of Assets, Liabilities and Equity
Modified Accrual Basis

Dec 31, '99

ASSETS	
Current Assets	
Checking/Savings	
131.00 · Cash NB - 0050005715	23,027.82
131.10 · Cash NB - 0060019790	3,319.86
131.20 · Cash NB - 0060033795	100.00
Total Checking/Savings	26,447.68
Other Current Assets	
141.00 · Accounts Receivable	20,271.86
141.10 · A/R - Sunbelt	16,011.59
Total Other Current Assets	36,283.45
Total Current Assets	62,731.13
Fixed Assets	
Utility Plant - Water	
303.00 · Land & Land Rights	244,400.00
304.00 · Structures & Improvements	102,374.41
307.00 · Wells & Springs	324,354.96
311.00 · Pumping Equipment	375,049.00
331.00 · T&D Mains	2,819,739.21
333.00 · Services	155,100.00
334.00 · Meters & Meter Installation	32,940.89
335.00 · Hydrants	60,225.00
343.00 · Tools & Equipment	16,230.00
Total Utility Plant - Water	4,130,413.47
108.00 · Accum. Depreciation - Water	(119,222.39)
Utility Plant - Sewer	
353.00 · Land & Land Rights	875,000.00
354.00 · Structures & Improvements	196,548.00
366.00 · Services	25,752.00
367.00 · Wastewater Meters	7,009.32
371.00 · Pumping Equipment	11,660.00
375.00 · Reuse T&D	3,771,465.83
Total Utility Plant - Sewer	4,887,435.15
108.50 · Accum. Depreciation - Sewer	(100,310.88)
Total Fixed Assets	8,798,315.35
TOTAL ASSETS	8,861,046.48
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
231.00 · Accounts Payable	521,967.57
235.00 · Security Deposits	1,900.00
236.10 · Sales Tax Payable	782.32
Total Other Current Liabilities	524,649.89
Total Current Liabilities	524,649.89
Long Term Liabilities	
252.00 · AIAC - Water	1,856,930.00
252.50 · AIAC - Sewer	968,955.00
253.00 · Refundable Meter Deposits	120,190.00
Total Long Term Liabilities	2,946,075.00
Total Liabilities	3,470,724.89
Equity	
Contr. in Aid of Construction	
271.00 · CIAC - Water	65,225.00
271.50 · Hook-Up Fees- Water	877,925.00

See Accountants' Compilation Report

Johnson Utilities, L.L.C.
Statement of Revenue Collected and Expenses Paid
Modified Accrual Basis

	Jan - Dec '99
Income	
Water Revenue	
461.10 · Water Sales - Residential	44,944.52
461.20 · Water Sales - Commercial	125,461.18
462.00 · Sales Tax - Water	(2,540.84)
471.00 · Other Income - Water	8,540.00
Total Water Revenue	176,404.86
Sewer Revenue	
521.00 · Sewer Fees	12,474.00
522.00 · Sales Tax - Sewer	(704.99)
536.00 · Other Income - Sewer	115,500.00
Total Sewer Revenue	127,269.01
Total Income	303,673.87
Expense	
403.00 · Depreciation Expense - Water	81,169.39
403.50 · Depreciation Expense - Sewer	90,985.88
408.00 · Property Taxes	2,986.24
610.00 · Purchased Water	49,830.00
615.00 · Purchased Power	63,058.93
620.00 · Materials & Supplies	1,766.26
620.10 · Repairs & Maintenance	1,278.51
630.00 · Management Services - Water	11,287.98
631.00 · Outside Services	2,713.52
631.01 · Customer Billings	4,910.00
631.02 · Accounting Fees	11,042.10
635.00 · Water Testing	4,630.22
655.00 · Insurance Expense	11,463.26
675.00 · Miscellaneous	797.15
675.01 · Licenses & Fees	5,558.00
675.02 · Bank Charges	16.79
675.03 · Telephone	688.44
711.00 · Sludge Removal Expense	148,509.12
718.00 · Sewage Treatment & Testing	240.00
730.00 · Management Services - Sewer	5,548.98
Total Expense	498,480.77
Net Income	(194,806.90)

See Accountants' Compilation Report

E

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
Water Quality Division - Water Permits Section
Domestic Wastewater Unit
3033 N. Central Ave., Phoenix, AZ 85012



APPROVAL OF CONSTRUCTION (WASTEWATER)

ADEQ File No.: 970582

Inventory No: 103081

Project Description: Temporary sewage conveyance, treatment and effluent disposal systems to serve the Johnson Ranch Subdivision. The new conveyance, and new 19,900 gpd (DAF) Marwood sewage treatment plant (Model 1-3-19.9DN) consist of the following units:
Pump Station: 2 submersible, grinder pumps (Aurora), each 54 gpm @ 53 ft. TDH; alarm, controls;
Force Main: 900 lf of 3 inch PVC (Sch 80) pipe; V7 gate/check valves;
Water Manhole: 2 inch magnetic flow meter (Sparling); plug valve; located at plant site;
Influent: 3 inch influent force main; 33.4 #BOD/day @ 200mg/l raw;
Bar Screen: 3/16 in. X 1.5 in. X 1.5 in. centers w/ drying deck,
Anoxic Tank (ANX): 5,000 gal; 6 hr detention; w/diffused air & 1 mixer (0.25hp) (axco);
Extended Aeration Tanks: 3 @ 5,000 each; MLSS recycle to ANX; 16.6 lbs BOD/1000cf; 18 hr detention; 69 cfm reqd @ 1,000 cf of air/lb of applied BOD; w/ diffused air;
Final Settling Tank (FS): 5,200 gal; area 78sf; SSR=256gpd/sf; detention=6.3 hrs.; WWR= 1,990 gpd/lf; 2 hoppers, gravity sludge collector; 45 gpm return rate; RAS to ANX, WAS to ASD.
Aerobic Sludge Digester (ASD): 5,000 gal (668 cf); 1 cf/FS @ full buildout; receives WAS & skimmings; supernatant return to ANX; w/ diffused air;
Disinfection Tank: 2,020 gal; sodium hypochlorite (54 gal soln drum); 49 min det. @ peak flow.
Dechlorination: sodium bisulfite (54 gal soln drum); fed into the filter effluent pipe;
Filter Pump: 1 pump (Dyna-Glas) (90gpm @ 20ft. TDH, 0.75hp); used also for backwash; controls;
Tertiary Pressure Filter: 2 pressure, fiberglass sand filter (Triton Model TA 60); area=3.14sf; flow rate=3gpm @ 20gpm/sf; 4.6 turnovers/day @ DAF; backwash to plant inlet;
Blowers: 2 rotary blowers (1 for standby) (Roots) @ 115 scfm @ 4psi (69 cfm reqd); 7.5 hp;
Appurtenances: eff. turbidity meter, 3 chemical metering pumps (LMI), plant fence;
Discharge: denitrified, filtered, and dechlorinated effluent is discharged (via a 3 in. line) to a holding pond for irrigation upon the adjacent golf course. Effluent Quality: 30/30/10 (BOD/TSS/TN) mg/l. Dechlorination occurs in the 3 inch effluent line to the pond.
Design Data and Service Area: DAF=19,900 gpd (13.8 gpm) (42 gpm peak); serves Unit #4A (253 houses) (2.6/dw) (90gpcd)=59,102 gpd (658 FE). Flows above the plant design capacity are to be diverted via the Unit #4A lift station (File #90864) to the main plant.

Project Site: Bella Vista Road, East of Hunt Hwy. (Section 20, T3S, R8E)
About 3 miles South of Queen Creek
Queen Creek, AZ (Pinal County)

Project Owner: Johnson Utilities Inc., LLC
5320 East Shea Blvd.
Scottsdale, AZ 85264 (602/988-3300)

- This Approval of Construction is based upon the following items:
1. ADEQ Certificate of Approval to Construct for ADEQ File No. 970582, signed on May 1, 1998.
 2. Engineer's Certificate of Completion (ECC), sealed on September 20, 1998 by Gerald A. Edwards, P.E., Certificate No. 33790, and submitted after the completion of construction (8/98), and the final inspection (9/98).
 3. 8 pages of "Record Drawings", dated September 20, 1998, received by ADEQ on September 21, 1998 for the above-described project, and stamped September 20, 1998 by Gerald A. Edwards, P.E., Certificate No. 33790. Plans are titled: JOHNSON RANCH, MARWOOD, WASTEWATER TREATMENT FACILITY PLANS.
 4. 3 pages of pressure/ static leak test data, indicating that the FM and plant chambers passed required tests.
 5. An O&M Manual titled: Johnson Ranch, Wastewater Treatment Plant, Pinal County, Arizona.
 6. That operation will be in accord with APP Permit #P103081(9/98), and Reuse Permit #R103081(9/98).

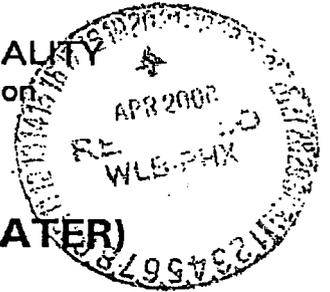
Approval to operate the above described facilities as represented in the approved plan documents on file with the Arizona Department of Environmental Quality and/or the County Health Department is hereby given subject to the following provision: No provisions are included. Arizona Revised Statutes require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

Reviewer:gh1

Steven G. Borst
Steven G. Borst, P.E., Manager Approval Date
Water Permits Section

cc: Engineering Review Desk, ADEQ File No.: 970582
Water Quality Enforcement Unit
Pinal County: Health Dept.
Project Owner: Johnson Utilities Inc., LLC
AZ Corp. Commission

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
 Water Quality Division - Water Quality Compliance Section
 Water Quality Enforcement Unit
 3033 N. Central Ave., Phoenix, AZ 85012



APPROVAL OF CONSTRUCTION (WASTEWATER)

ADEQ File No.: 980007

Inventory No.: 103081

Project Description: A Trunk Sewer (Phase 1) to serve Johnson Ranch. The trunk sewer system consists of approximately 3,175 LF of 12 inch, and 167 LF of 15 inch PVC (SDR 35) gravity sewer pipe, 10 manholes; and appurtenances, to serve present/future developments with discharge to the main pumping station (ADEQ File #980215), and the main sewage treatment plant (Section 11) (ADEQ File #980174).

Location: Along Hunt Hwy. (Sections 19/ 20, T3S, R8E)
 About 3 miles South of Queen Creek
 Queen Creek, AZ (Pinal County)

Project Owner: Johnson Utilities Inc., LLC
 5230 East Shea Blvd., Suite 200
 Scottsdale, AZ 85254 (480/998-3300)

This Approval of Construction is based upon the following items:

1. Arizona Department of Environmental Quality Certificate of Approval to Construct for ADEQ File No. 980007 signed on March 19, 1998.
2. Original Engineer's Certificate of Completion, sealed on July 21, 1999, by Brian P. Tompsatt, P.E., Certificate No. 27077 and submitted after the completion of construction (7/99), and the final inspection (7/99).
3. 8 pages of "As-Constructed Record Drawings", dated July 20, 1999 and received by ADEQ on July 21, 1999, for the above-described project; as-built certification is provided by Brian P. Tompsatt, P.E., Certificate No. 27077 on July 21, 1998. Plans are titled: Sewer Plans, JOHNSON RANCH-TRUNK SEWER-PHASE 1, Pinal County, Arizona.
4. 7 pages of test data, indicating that 73% (2,441 LF) of the collection system was tested and passed the low pressure air tests, that 70% (7) of the manholes were tested and passed the exfiltration tests, and that 100% of the sewer length was inspected via video and passed the video inspection.

Approval to operate the above described facilities as represented in the approved plan documents on file with the Arizona Department of Environmental Quality and/or the County Health Department is hereby given subject to the following provision: **No provisions are included.**

Arizona Revised Statutes require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

Reviewer:gh1

M. Reza Azizi 4/7/2000
 M.Reza Azizi, Manager Approval Date
 Water Quality Enforcement Unit

cc: Approval of Construction File: (Pinal County) 980007
 Facility File:WQEU Inventory No. 103081
 Engineering Review Desk, ADEQ File No.: 980007
 Pinal County:Health Dept.
 Consulting Engineer:The WLB Group,Inc., 333 E. Osborn, Suite 380, Phoenix, AZ 85012 (phone:602/279-1016)
 Arizona Corporation Commission

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
 Water Quality Division - Water Quality Compliance Section
 Water Quality Enforcement Unit
 3033 N. Central Ave., Phoenix, AZ 85012

APPROVAL OF CONSTRUCTION (WASTEWATER)

ADEQ File No.: 980215

Inventory No:103081

Project Description: This is the Main Sewage Pumping Station for the Johnson Ranch Utility Company. This new pump station and force main consists of the following units:
GRIT CHAMBER & TRASH GRATE: 5 ft. dia., 2.8 ft deep; w/46 LF of 15 in. PVC pipe to the PS;
PUMP STATION(PB): 8 ft dia.; consists of 2 submersible, variable speed, duplex Ebara pumps (4inch), (Model #100DLMFMU622-4) (each 325 gpm @ 115 TDH), 30 HP motors; pumps to alternate; appurtenances include elapsed time meters, controls, alarm, and a standby-generator.
VALVE VAULT: 7 ft. dia.; w/ check and gate valves;
FLOW METER: 8 inch magnetic flow meter (Ultra Mag Sensor Model 7-UM06-08-R5);
FORCE MAIN(FM): approximately 26,722 LF of 8 inch PVC(C900) (SDR.18) (Class 150) pressure sewer pipe; appurtenances include 13 sewage combination air/vacuum release valves, 7 gate valves, 5 cleanouts and DIP fittings;
INLET HEADER VALVE VAULT (@ plant inlet): gate/check valves, the force main is continued with 1,205 LF of 12 inch PVC(C900) (SDR 18) (Class 150) pressure sewer pipe, with final outlet at the sewage treatment plant bar screen chamber;
DISCUSSION: This project is necessary in order to connect the various subdivisions with the Main WWTP, which is approx. 5 miles SE (along Hunt Hwy.) of the service areas.

Location: Johnson Ranch Subdivision (Various Sections, T3/4S, R8E)
 Approx. 6 miles South of Queen Creek along Hunt Hwy.
 Queen Creek, AZ (Pinal County)

Project Owner: Johnson Utilities Inc., LLC
 5230 East Shea Blvd., Suite 200
 Scottsdale, AZ 85254 (480/998-3300)

This Approval of Construction is based upon the following items:

1. ADEQ Certificate of Approval to Construct for ADEQ File No. 980215 signed on June 15, 1998.
2. Engineer's Certificate of Completion, sealed on March 7, 2000 by Gerald A. Edwards P.E., Certificate No.33790, and submitted after the completion of construction and final inspection.
3. 28 pages of "RECORD DRAWINGS" dated March 7, 2000, received by ADEQ on March 9, 2000, with "As-Built" certification provided by Gerald A. Edwards, P.E., Certificate No. 33790. Plans are titled: JOHNSON UTILITIES COMPANY, Johnson Ranch, MAIN PUMP STATION AND SEWER FORCE MAIN.
4. 4 pages of test data, indicating that 100% of the force main was tested and passed pressure tests.
5. An O&M Manual titled: Johnson Ranch, Phase 1, Wastewater Treatment Plant, Operations & Maintenance Manual, March 2000. This Manual includes information relative to the various lift stations, including the Main Raw Sewage lift station, and the Reuse lift station.

Approval to operate the above described facilities as represented in the approved plan documents on file with the Arizona Department of Environmental Quality and/or the County Health Department is hereby given subject to the following provisions:
 Additional maintenance of the pump station and force main must be provided, as appropriate and necessary, due to long cycling/ pumping times, low velocity, or low seasonal flows.
 Arizona Revised Statutes require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

Reviewer:gh1

M. Reza Azizi 4/7/2000
 M.Reza Azizi, Manager Approval Date
 Water Quality Enforcement Unit

cc: Approval of Construction File: (Pinal County) 980215
 Facility File:WQEU Inventory No. 103081.
 Engineering Review Desk, ADEQ File No.: 980215
 Pinal County:Health Dept.
 Project Engineer:The WLB Group, Inc., 333 E. Osborn, Suite 380, Phoenix, AZ 85012 (602/279-1016)
 Arizona Corporation Commission

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
Water Quality Division - Water Quality Compliance Section
Water Quality Enforcement Unit
3033 N. Central Ave., Phoenix, AZ 85012

APPROVAL OF CONSTRUCTION (WASTEWATER)

ADEQ File No.: 980174

Inventory No:103081

Project Description: This is the Main Sewage Treatment Plant serving the Johnson Ranch Subdivision. This new sewage treatment plant consists of the following units:

Influent: 12 inch PVC influent force main (ADEQ File #980215).

Bar Screen: 1.5 ft. wide channel, bars are 1/4 in. X 1 in. on 1 in. centers @ 45°, w/ drain pad;

Splitter Box: an inlet box with valving; distributes flow as appropriate to the lagoons.

Lagoons: 6 aerated lagoons are provided; each lagoon has a 20 mil liner with 1 ft. of protective soil cover; normal freeboard is 3 feet; berm width is 15 ft.; slopes are 4H:1V (inside/outside); with series/parallel operation; the normal operating depth is 7 feet.

-2 lagoons are 579,000 gallons each (717,000 gal @ 2 ft. freeboard); 1 aerator/lagoon;

-1 lagoon is 3,380,000 gallons (3,990,000 gal @ 2 ft. freeboard); 4 aerators/lagoon;

-3 lagoons are 5,357,000 gallons each (6,284,000 gal @ 2 ft. freeboard); 6 aerators/lagoon;

Aeration: 24 floating aerators (Aqua-Lator Aerators) (7.5hp) have been installed;

Wetlands: 2 constructed wetlands are provided; each wetland consists of 2 cells with 20 mil liners; 4 plant types are used in both the surface flow (SF) and sub-surface flow (SSF) cells;

-First Cell: the first cell is a surface flow (SF) cell (0.37 acres) (16,000 sf) with 1 ft of standing water;

-Second Cell: the second cell is a sub-surface flow (SSF) cell (1.05 acres) (45,700 sf) with an 18 inch substrate;

-General: berms are rip rapped; splitter boxes and 6 in. PVC/HDPE (perforated) drains are provided;

-Usage: these units are for polishing the secondary effluent and nitrogen removal;

Reuse System: the underflow from the wetlands is recirculated via a pump station and force main including flow metering; the collection pipe consists of 988 lf (15in.), 763 lf (8in.) PVC (SDR 35) pipe, and 5 manholes; the pump station will consist of 2 submersible pumps (Hydromatic) each 325 gpm @ 85 ft. TDH, @ 30hp; the force main consists of 3,330 lf of 8 inch PVC (SDR 18) pipe with valving to allow for current recirculation back to the aeration lagoons or to future reuse upon the golf courses. (Note: this force main will be extended in the future; therefore, this line is plugged after the lagoon valves). No reuse system currently exists.

Appurtenances: mooring cables/blocks, splitter/weir boxes, valves, fencing; portable generator 114 Kva;

Discharge: no effluent is discharged; emergency storage/equalization will occur in the lagoons;

Design Data: the plant (all aerated lagoons) has a design average flow of approx. 0.5 MGD; each wetland unit (2 cells) has a design average flow of 25,000 gpd (50,000 gpd total). No chlorination system currently exists.

Project Site: East of Hunt Hwy. (Section 11, T4S, R8E)
 About 6 miles South of Queen Creek
 Queen Creek, AZ (Pinal County)

Project Owner: Johnson Utilities Inc., LLC
 5230 East Shea Blvd., Suite 200
 Scottsdale, AZ 85254 (480/998-3300)

This Approval of Construction is based upon the following items:

1. ADEQ Certificate of Approval to Construct for ADEQ File No. 980174, signed on October 8, 1998.
2. Engineer's Certificate of Completion (ECC), sealed on March 7, 2000, by Gerald A. Edwards, P.E., Certificate No. 33790, and submitted after the completion of construction and the final inspection.
3. 14 pages of "Record Drawings", dated March 7, 2000, received by ADEQ on March 9, 2000, for the above-described project, with As-Built Certification provided by Gerald A. Edwards, P.E., Certificate No. 33790. Plans are titled: JOHNSON UTILITIES COMPANY, SECTION 11 WASTEWATER TREATMENT PLANT, INITIAL CONSTRUCTION PLANS.
4. Test Data:::Liner: all liner seams, joints and boots were air-lance tested and passed the required tests.
 Manholes/Weir Boxes: one manhole and one weir box were tested and passed the required exfiltration tests.
 Gravity Piping: 83% (823 LF) of the sewer piping was tested and passed the required low pressure air tests.
 Pressure Piping: the force main was pressure tested to 200% of operating pressure.
5. An O&M Manual titled: Johnson Ranch, Phase I, Wastewater Treatment Plant, Operations & Maintenance Manual, March 2000.

Approval to operate the above described facilities as represented in the approved plan documents on file with the Arizona Department of Environmental Quality and/or the County Health Department is hereby given subject to the following provision: No provisions are included. Arizona Revised Statutes require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

Reviewer:gh1

M. Reza Azizi 4/7/2000
 M. Reza Azizi, Manager Approval Date
 Water Quality Enforcement Unit

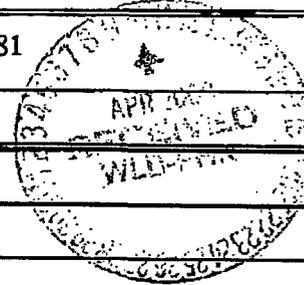
cc: Engineering Review Desk, ADEQ File No.: 980174
 WQEU: Facility File, Construction File
 Pinal County: Health Dept.
 Project Engineer: The WLB Group, Inc., 333 E. Osborn, Suite 380, Phoenix, AZ 85012 (602/279-1016)
 AZ Corporation Commission

**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF APPROVAL TO CONSTRUCT SEWAGE FACILITIES**

WASTEWATER TREATMENT PLANT - TERTIARY/NUTRIENT REMOVAL

Page 1 of 6

ADEQ FILE NO: 990421	ADEQ SITE CODE: 502196-00
WASTEWATER SYSTEM NO.: Assigned when Approval of Construction issued	INVENTORY NO.: 103081
SYSTEM NAME: Johnson Ranch Wastewater System	
PROJECT NAME: Johnson Ranch Phase 2 Wetlands	
PROJECT OWNER: Johnson Utilities (George Johnson)	
OWNER'S ADDRESS: 5230 East Shea Blvd., Scottsdale, AZ 85254	
PROJECT LOCATION: 5632 East Hunt Highway (S.E. of Queen Creek) COUNTY: Pinal	
<p>PROJECT DESCRIPTION: Modification to add 14 surface flow constructed wetlands to receive flow from 6 lagoons constructed in accordance with ADEQ File No. 980174, each surface wetland in turn discharging to an associated subsurface flow wetland (total 14 subsurface wetlands). Discharge from the subsurface wetlands is planned to be disinfected and distributed for discharge according to ADEQ Aquifer Protection and Wastewater Reuse Permits, but no disinfection or effluent distribution facilities were proposed or reviewed as part of this project. Each surface wetland will have bottom surface dimensions of 123 feet by 125 feet. Each subsurface wetland will have bottom surface dimensions of 113 feet by 358 feet. The estimated treatment capacity of each surface wetland/subsurface wetland pair is 25,000 gallons per day. The total capacity of lagoons and wetlands (the only facilities approved to date with this approval) is estimated to be 180,000 GPD. Ultimately the wetlands hereby approved will be capable of treating 400,000 GPD when all 6 lagoons are able to function as primary treatment, but no disinfection or effluent distribution system has been approved at this time and until such is approved, the only approved destination for the effluent from the wetlands shall be two of the large (6,284,000 gallon) lagoons. With only 4 lagoons remaining for primary treatment and evaporation as the only approved fate for effluent, this facility is approved to receive no more than 180,000 GPD of sewage.</p>	



APPROVAL TO CONSTRUCT THE ABOVE "PROJECT DESCRIPTION" IS HEREBY GIVEN, SUBJECT TO PROVISIONS 1 THROUGH 24 ON PAGES 2 THROUGH 6 OF THIS CERTIFICATE

A.R.S. §49-104.B.10, requires that construction of the project must be in accordance with rules and regulations of the Arizona Department of Environmental Quality.

SGB:JIS:jis

j:\wdr\condocs\90421ZBJ.A3T

Jacqueline E. Schafer, Director
Arizona Department of Environmental Quality
By: Steven A. Bost 3/13/00
Authorized Manager Date Approved
Water Permits Section, Water Quality Division

Original Certificate & "Review File Copy" plans:

Engineering Review File No. 990421

Certificate copy & approved plans:

Water Quality Enforcement Unit

Pinal County Health Department

Project Owner: George Johnson, Johnson Utilities

Certificate copy only:

Project Engineer: Gerald Edwards, WLB Group

05/12/99 10:28 WQD/SDW -> 602 279 7810

T

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
Water Quality Division
3033 N. Central Ave., Phoenix, AZ 85012

APPROVAL OF CONSTRUCTION

Project Description Water storage tank of 500,000 gallon capacity, hydro-pneumatic tank of 5,000 gallon capacity, and booster pumps for part of Phase I water treatment and storage project for Johnson Ranch.

Location Hunt Highway, S. of intersection (County) Pinal with Bella Vista Rd.

Project Owner Johnson Utilities Co.
5320 E. Shea Blvd.
Scottsdale, AZ 85254

This Approval of Construction is based upon the March 17, 1999 Engineer's Certificate of Completion and accompanying test results submitted by engineer Brian P. Thompson, P.E. (Certificate No. 27077).

Approval to operate the above described facilities as represented in the approved plan documents on file with the Arizona Department of Environmental Quality is hereby given subject to the following provisions:

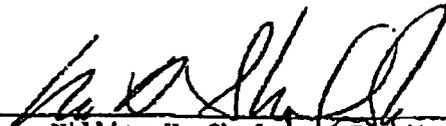
- 1. Pressure test data for the transmission main from the water source to the storage tank shall be included in the Approval of Construction request for ADEQ File #980006.

Arizona Revised Statutes require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

WHS:JHB

System Number not yet assigned

cc: CTEU Facility File, (not yet assigned)
TEU Approval of Construction File
ADEQ TEU File #980115
Pinal County Health Department
Planning & Zoning (Pinal County)
Arizona Corporation Commission
Engineer


William H. Shafer, P.E., Manager
FIELD ENGINEERING/INSPECTION UNIT
WATER QUALITY DIVISION - DRINKING WATER SECTION

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
 Water Quality Division
 3033 N. Central Ave., Phoenix, AZ 85012

APPROVAL OF CONSTRUCTION



Project Description One new well (DWR #55-558445) and water transmission main for Johnson Ranch water system facility, Phase I, consisting of approx. 1,165 LF of 8" PVC and 5,300 LF of 12" transmission main. ADEQ File #980006

Location Hunt Highway, S. of intersection (County) Pinal with Bella Vista Rd.

Project Owner Johnson Utilities Co.
5320 E. Shea Blvd.
Scottsdale, AZ 85254

This Approval of Construction is based upon the May 12, 1999 Engineer's Certificate of Completion and accompanying test results submitted by engineer Brian P. Tompsett, P.E. (Certificate No. 27077).

Approval to operate the above described facilities as represented in the approved plan documents on file with the Arizona Department of Environmental Quality is hereby given subject to the following provisions:

1. This approval is only for the use of well #4. Before an approval can be given for wells 3 and 5, data must be provided to show that the nitrate levels for those wells are less than 10 mg/l.
2. Nitrate monitoring shall be conducted from the well monthly for at least one year. If none of the results exceed 10 mg/l, then sampling may be reduced to quarterly.

Arizona Revised Statutes require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

WHS:JHB

System Number not yet assigned

cc: CTEU Facility File, (not yet assigned)
 TEU Approval of Construction File
 ADEQ TEU File #980006
 Pinal County Health Department
 Planning & Zoning (Pinal County)
 Arizona Corporation Commission
 Engineer

 5/18/99
 William H. Shafer, P.E., Manager

FIELD ENGINEERING/INSPECTION UNIT
 WATER QUALITY DIVISION - DRINKING WATER SECTION

**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF APPROVAL TO CONSTRUCT
DRINKING WATER FACILITIES**

Page 1 of 2

ADEQ FILE NO.:	990055
SUPPLYING SYSTEM:	new system, probable name: Johnson Utilities - Wild Horse Estates
PUBLIC WATER SYSTEM NO.:	(assigned when Approval of Construction Issues)
PROJECT NAME:	Wild Horse Estates - Phase 1 drinking water distribution system
PROJECT OWNER:	Richard Maes, Felix 102, L.L.C.
ADDRESS:	4940 East Cholla St.; Scottsdale, AZ 85254
LOCATION:	Wild Horse Estates subdivision, Felix Rd. 1.5 miles S. of Arizona Farms Rd.
COUNTY:	Pinal
PROJECT DESCRIPTION:	Install water distribution system to serve Wild Horse Estates Subdivision - Phase 1, Lots 1 thru 84. Project commences at the well, pressure tank, and storage tank complex approved as ADEQ File No. 990449 between Lots 16 & 17 on the south boundary of the subdivision. 8-inch PVC connects that facility to the main in Pinto Drive. The Pinto Drive main east therefrom is 8-inches to allow future connection to other adjacent systems. The remainder of the mains in Pinto Drive and all other streets (all streets contain a main) is 6-inch. Those portions of main that pass under a major wash are 6-inch D.I.P. 38 gate valves are to be incorporated, as well as 19 fire hydrants. The project will incorporate a total of approx. 607 feet of 8-inch PVC waterline, 8,978 feet of 6-inch waterline, and 1,094 feet of D.I.P. waterline. 3 drain valves and 2 air release valves are also incorporated.

Approval to Construct the above-described facility as represented in approved plan documents on file with the Arizona Department of Environmental Quality is hereby given:

1. Notice shall be given to the Drinking Water Field Engineering and Inspection Unit - Phoenix when construction of the project begins to allow for inspection during construction per A.R.S. Section 49-1-4.B.10.

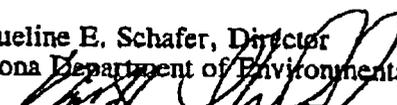
Provisions 2 through 7 are continued on Page 2 of 2 total pages

The State Law, A.R.S. Section 49-104.B.10, requires that construction of the project must be in accordance with rules and regulations of the Arizona Department of Environmental Quality. This certificate will be void if construction has not started within one year of the approval date. Upon request a written time extension may be granted by the department.

WHS:JIS:jis

J:\wdr\condocs\990055\bj.ac

Jacqueline E. Schafer, Director
Arizona Department of Environmental Quality

By: 

William H. Shafer, Jr., P.E., Manager

8/15/2000
Date Approved

Technical Engineering Unit

Drinking Water Section

Water Quality Division

cc: File No: 990055
County Health Department: Pinal
Drinking Water Field Engineering/Inspection Unit - Phoenix
Subdivider: Richard Maes, Felix L.L.C. NOTE PARTICULARLY PROVISIONS NO. 6, 7
Water Company: Johnson Utilities NOTE PARTICULARLY PROVISIONS NO. 6, 7
Planning & Zoning: Pinal County
Engineer: Brian Tompsett, P.E., WLB Group NOTE PARTICULARLY PROVISIONS NO. 6, 7
Engineering Review Database

APPROVAL TO CONSTRUCT DRINKING WATER SYSTEM
WILD HORSE ESTATES SUBDIVISION - PHASE 1: ADEQ FILE NO. 990055
PAGE 2 OF 2: PROVISIONS, CONTINUED

2. The Project Owner shall retain a professional engineer as soon as possible to provide detailed construction inspections of this project. Upon completion of construction, the engineer shall fill out the Engineers Certificate of Completion (attached), and forward it to the Drinking Water Field Engineering and Inspection Unit - Phoenix. If all requirements have been completed, that Unit will issue a Certificate of Approval of Construction.
3. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department.
4. A minimum of 20 psi pressure shall be provided at all points in the distribution lines at all times.
5. All components and materials in contact with or potentially in contact with drinking water must comply with NSF Standard 61. Any "or equal" substitution shall also meet NSF Standard 61.
6. In keeping with its own Backflow Prevention Program, the supplying water system may require individual connections to that system to install an appropriate backflow prevention apparatus at or near the point of connection.
7. This Approval to Construct applies only to Wild Horse Estates subdivision, Lots 1 through 84. Before construction or expansion of this distribution system begins, a separate Approval to Construct applicable to each addition must be obtained. When additional portions are constructed, where possible the mains therein will be configured such that the distribution system approved herewith is looped by connection to those additions.
8. The open end of each air relief pipe from automatic valves shall be extended to at least one foot above grade and shall incorporate pipe elbows to cause the opening, permanently covered with #16 mesh screen, to face downward.

**CERTIFICATE OF APPROVAL TO CONSTRUCT
WATER FACILITIES**

ADEQ FILE NO. 20000349

PAGE 2 OF 2: PROVISIONS CONTINUED

4. This approval to construct does not include either approval for the on-site reverse osmosis package water treatment system or approval for the off-site water mains.
5. Water storage tank's overflow pipe should be provided with #16 noncorrodible mesh screen.
6. The entire site should be enclosed by six-foot security fence with lockable gates.



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacquelin Schafer, Director

Paul Ehrenberg
Wlb Group
333 E. Osborn, #380
Phoenix, Az 85012



June 12 2000

Dear Sir/Madam,

The project information referenced below has been received by the Engineering Review Desk @ADEQ:

File Name: JOHNSON RANCH / OASIS GOLF COURSE

File Number: 20000314

Please reference all correspondence with the above file name and number. Please allow 30 days from the date of this letter before inquiring on project status.

Sincerely,

HELEN I. NYBERG

Engineering Review Desk
Water Quality Division
Phone: (602) 207-4677
Toll Free in Arizona: 1-800-234-5677

F

G

Projects within the Third Amended Application (NO CONFLICTS)

NAME	DEVELOPER	SECTIONS	TOWNSHIP & RANGE	TOTAL NO. RESIDENCE	COMMERCIAL AREA (Ac.)	APPROX. START DATE
Arizona Farms	Vistoso Partners	Parcel 1	4S, 8E & 4S, 9E	10,200	5	2,006
Bella Vista Farms	Vistoso Partners	Parcel 2	3S, 8E	10,591	176	2,006
Jorde Farms	Keith Jorde	Parcel 3	3S, 7E	1,600	0	2,005
Whitehead	Whitehead	Parcel 4	3S, 8E	640	0	2,005
Skyline	Anderson Investments	Parcel 5	3S, 8E	785	0	2,004
Morning Sun Farms	Cravath Whole Life Comm	Parcel 6	3S, 7E	1,195	5	2,001
Shelton	Shelton	Parcel 7	3S, 9E	320	0	2,010
Various owners within Section 28	Various	Parcel 8	3S, 9E	320	0	2,010
Farley Farms	Farley	Parcel 9	4S, 8E	4,200	0	2,002
State of Arizona	State Land	Parcel 10	4S, 8E	7,360	0	2,002
Circle Cross Ranch (West of R.R.)	El Dorado Holdings	Parcel 11	2S, 8E & 3S, 8E	2,521	80	2,002
Jorde/Morning Sun Farms	Keith Jorde/Cravath	Parcel 12	3S, 7E	0	0	2,001
BLM Property	Johnson International	Parcel 13	4S, 8E	1,280	0	2,001
BLM Property	Johnson International	Parcel 13	4S, 8E	1,280	0	2,001
BLM Property	Johnson International	Parcel 13	4S, 8E	640	0	2,001
Future Development Sections 23 & 26	Unknown	Parcel 10	4S, 8E	3,000	60	2,003
* Various (Sewer Only)	Various	Parcel 19 (Sewer Only)	2S, 8E	1,000	0	2,001
* Pecan Ranch (Sewer Only)	Mike Johnston/Harold Christ	Parcel 20 (Sewer Only)	2S, 8E	0	0	2,000
				46,932	326	
				SUBTOTALS		

Projects with potential conflict.

NAME	DEVELOPER	SECTIONS	TOWNSHIP & RANGE	TOTAL NO. RESIDENCE	COMMERCIAL AREA (Ac.)	APPROX. START DATE
* Circle Cross Ranch (East of R.R.)	El Dorado Holdings	Parcel 11	2S, 8E & 3S, 8E	2,000	0	2,002
* Johnson Farms (Within Section 5)	Community Southwest	Parcel 14	3S, 8E	700	0	2,003
* Johnson Farms Section 32	Community Southwest	Parcel 14	2S, 8E	75	0	2,003
* Combs School	School District/Pinal County	Parcel 14	2S, 8E	0	10	2,001
* Pecan Estates	Mike Johnston/Harold Christ	Parcel 15	2S, 8E	1,920	0	2,000
* The Home Place	Jim Wales	Parcel 16	2S, 8E	2,174	92	2,004
* Ware Farms	Vistoso Partners	Parcel 17	2S, 8E	1,842	34	2,001
* 240 Acres of Schnepf Rd.	Vistoso Partners	Parcel 17	2S, 8E	720	0	2,005
* Various	Various	Parcel 18	2S, 8E	120	0	2,001
				9,551	136	
				TOTALS		

* Within H2O conflict area

GRAND TOTALS

96,429

901

Projects within the approved CC&N (As of Nov. 19, 1999)

NAME	DEVELOPER	PARCEL DESCRIPTION	SECTIONS	TOWNSHIP & RANGE	TOTAL NO. RESIDENCE	COMMERCIAL AREA (Ac.)	APPROX. START DATE
Johnson Ranch Phase I	Johnson Ranch L.L.C.		18,19,20,29,& 30	3S, 8E	6,600	58	1,998
Johnson Ranch Phase II	Johnson Ranch L.L.C.		29, 31, 32, & 33	3S, 8E	3,600	30	2,005
Magic Ranch	Kaufman & Broad		11	4S, 8E	1,000	5	2,000
Magic Ranch	Homes By Judi		11	4S, 8E	300	0	2,000
Magic Ranch	Westside Development		11	4S, 8E	425	0	2,001
Magic Ranch (Bal. of Land Owners)	Miscellaneous		2, 12	4S, 8E	4,200	30	Various
Mystic Lake Ranch	Homes By Judi		23,24, & 25	4S, 8E	4,391	79	2,000
Johnson Brothers (80 Acres)	Johnson Brothers	Parcel 1 (11/11/99)	18, 19	3S, 8E	160	0	2,010
Spike H Ranch	SHR Development	Parcel 2 (11/11/99)	27, & 28	3S, 8E	2,989	107	2,001
Sutherland Development (880 Acres)	Sutherland	Parcel 3 (11/11/99)	W1/2 30,31,35,36	3S, 7E & 3S, 8E	1,405	15	2,005
Rickie Farms	Jerry Ricki	Parcel 4 (11/11/99)	17 & 21	3S, 9E	4,200	0	2,006
Wild Horse Estates	Felix 102 (Richard Maes)	Parcel 5 (11/11/99)	SE1/4 of 7	4S, 9E	86	0	2,000
Mesquite Grove	Felix	Parcel 5 (11/11/99)	8	4S, 9E	1,273	40	2,001
White	White	Parcel 5 (11/11/99)	5	4S, 9E	320	0	2,001
Meoli	Meoli	Parcel 6 (11/11/99)	5	4S, 9E	1,280	0	2,001
Peterson	Peterson	Parcel 7 (11/11/99)	5	4S, 9E	0	0	2,001
Various (+/- 4000 acres)	Various	Parcel 8 (11/11/99)	13,15,23,24,25,26	3S, 8E	0	0	2,001
Circle G Ranches	Circle G	Parcel 9 (11/11/99)	15, & 22	3S, 7E	320	0	2,001
Maricopa County (9,720 Acres)	County	Parcel 10 (11/11/99)	SE1/4 of 7	4S, 9E	200	0	2,000
San Tan Heights	Miller Development	Parcel 11 (11/11/99)	11, 12, & 13	3S, 7E	5,200	60	2,001
Cardon Estates	Cardon Development	Parcel 12 (11/11/99)	2, 3, & 11	3S, 7E	1,405	15	2,005
Superstition Views	Johnson International		28	3S, 8E	192	0	2,000
Zaharacac	Zaharacac		10	4S, 8E	400	0	2,004
SUBTOTALS					39,946	439	

JOHNSON UTILITIES
5230 East Shea Boulevard, Suite 200
Scottsdale, Arizona 85254
480-998-3300
480-483-7908 Fax

AGREEMENT TO SERVE

We do hereby agree to supply water service subject to approval of the Arizona Corporation Commission and subject to Arizona Corporation Commission rules, Regulations, Ordinances and Tariffs to the following properties:

Assessor #210-43-01706, NE SW SW of SEC 28-3S-9E, 10 Acres (Cooper).

Assessor #210-43-12A9, NW of SW of NW; E1/2 of SW of NW; W1/2 of SE of NW; E1/2 of NW of SW; NW of SE of SW of Section 28-3S-93, 100.39 Acres (Off Cooper Rd)

Assessor #210-43-02407, N1/2 SW SE Section 28-3S-9E, 20.08 Acres(4) (Magma Rd.)

Assessor #210-43-02506, S1/2 SW SE Section 28-3S-9E, 20.08 Acres(4) (Magma Rd.)

Signature:

Title:

Date:

Gerry Bowen
BOWEN PROPERTIES
 2127 E. Catamaran Drive
 Gilbert, AZ 85234
 Phone: 480-507-9221

July 8, 1999

To: George Johnson
 JOHNSON INTERNATIONAL, INBC
 5230 East Shea Blvd., Suite #200
 Scottsdale, AZ 85254

Dear George,

Bowen Properties, Inc. and Gerald J. Bowen currently owns the following properties:

Assessor #210-43-01706, NE SW SW of SEC 28-3S-9E, 10 Acres (Cooper)

Assessor #210-43-012A9, NW of SW of NW; E1/2 of SW of NW; W1/2 of SE of NW; E1/2 of NW of SW; E 1/2 of NW of SW; NW of SE of SW of Section 28-3S-9E, 100.39 Acres (Off Cooper Rd)

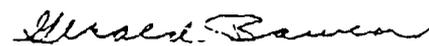
Assessor #210-43-02407, N1/2 SW SE Section 28-3S-9E, 20.08 Acres (4) (Magma Rd)

Assessor #210-43-02506, S1/2 SW SE Section 28-3S-9E, 20.08 Acres (4) (Magma Rd)

Please let this letter serve as our request for our above-listed properties to be included in the water district served by Johnson Utility Company. The price for this supply to be \$500 per acre for 12 hookups.

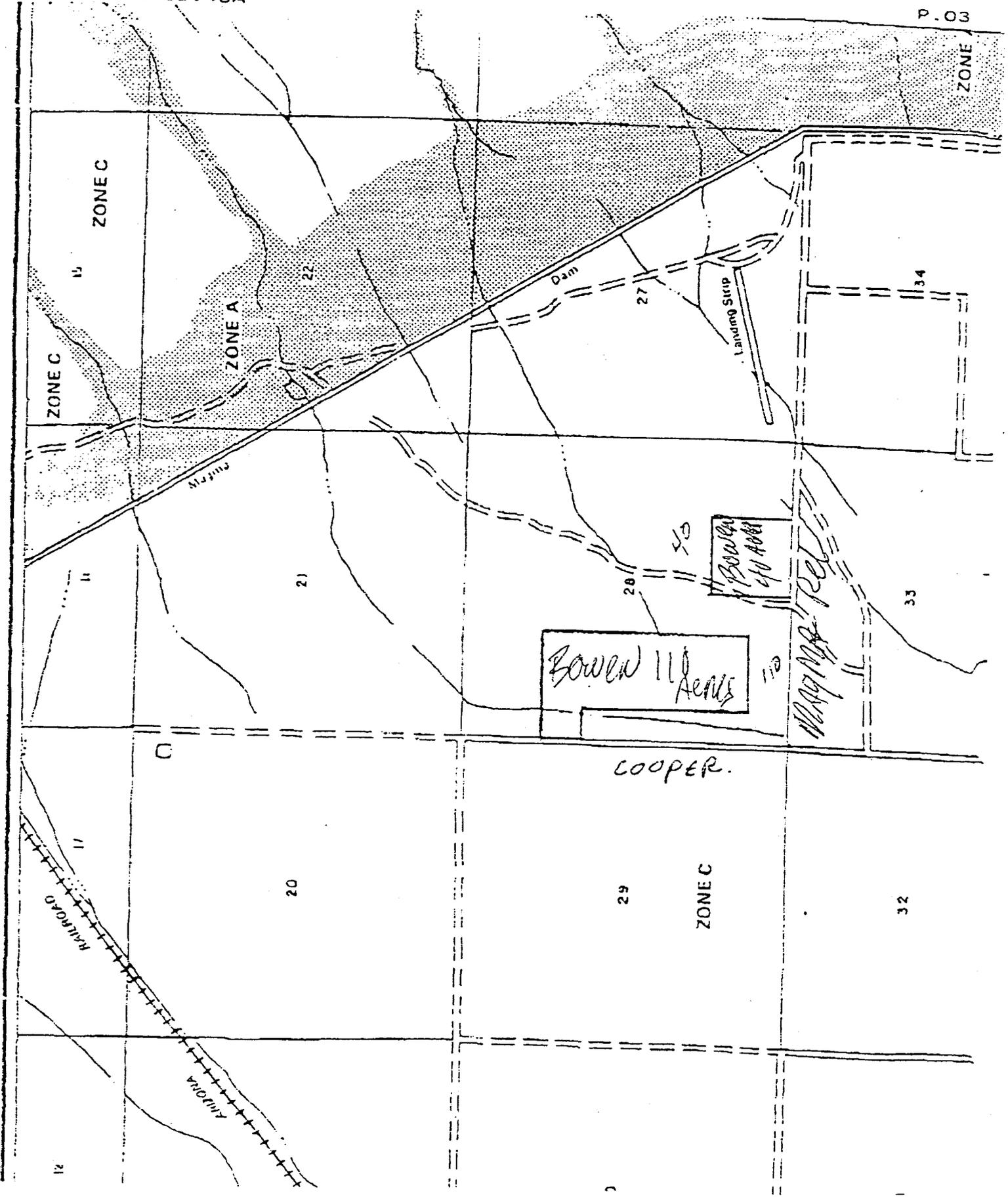
Please provide us with a letter over your signature confirming your agreement to provide this water service to the property at your earliest convenience. Thank you.

Very truly yours,


 Gerald Bowen
 BOWEN PROPERTIES

Mar-31-93 09:45A

P.03



MAR 07 2000

WALKER BUTTE GRANITE
P.O. Box 32050 • Mesa, AZ 85275
480-461-3344 • Fax 480-834-7172

March 7, 2000

George Johnson
Johnson International

Re: Water and Sewer Service to Walker Butte Granite, L.L.C.
Property

Dear George:

Walker Butte Granite, L.L.C. ("WBG") is currently engaged in formulating plans to rezone and develop the real property it owns in Pinal County, Arizona. The legal descriptions for the parcels in question are enclosed. As part of the rezoning process, WBG requests that Johnson Utility Company commit to providing water and sewer services to the WBG parcels.

Please respond to this request with a writing that will meet the requirement of the Pinal County Board of Supervisors stating that Johnson Utility Company will provide water and sewer services to the instant property.

Your courtesy and cooperation are appreciated.

Very truly yours,

WALKER BUTTE GRANITE

James J. Farley

JJF/jlc

Enclosure

Via Facsimile (480) 483-7908

SENT BY: Olivetti FX 2000 ; 3-23-94 ; 4:54PM ; 6022307841~ 60263471721# 3

EXHIBIT NAME:
(75632)

Page 2

PARCEL 6:

Lot 2 of Section 3, Township 5 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

PARCEL 7:

The Northeast quarter of the Southeast quarter of Section 27, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except any portion lying within the Southern Pacific Railroad Right of Way.

EXHIBIT "A"

FIRST AMENDED

NO. 78632

PARCEL 1:

/and the Southwest quart

The southwest quarter of the southeast quarter of Section 14, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except any portion lying within the Southern Pacific Railroad Right of Way.

PARCEL 2:

The East half of Section 22, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except any portion lying within the Southern Pacific Railroad Right of Way.

PARCEL 3:

The West half of the Northeast quarter and the West half of Section 23, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except any portion lying within the Southern Pacific Railroad Right of Way.

PARCEL 4:

The Northeast quarter; and the West half of the Southeast quarter; and the Southeast quarter of the Southeast quarter of Section 27, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except any portion lying within the Southern Pacific Railroad Right of Way.

PARCEL 5:

The East half of Section 34, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except any portion lying within the Southern Pacific Railroad Right of Way.

Continued....

JOHNSON UTILITIES
5230 East Shea Boulevard
Suite 200
Scottsdale, Arizona 85254-5740
480-998-3300
480-483-7908 FAX

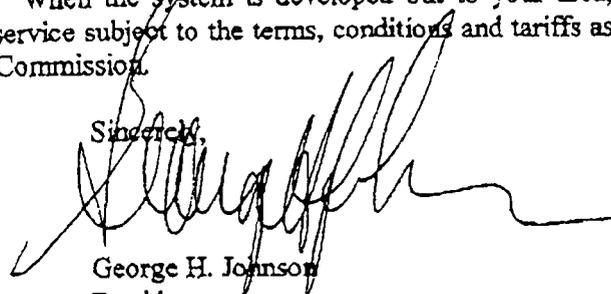
February 1, 2000

Michael Schuge
14801 East Queen Creek Road
Chandler, Arizona 85249

Re: Water Service

This letter is to confirm that your property located in Chandler Heights Unit #3 and containing 4.82 acres is within the area of the Certificate of Convenience & Necessity held by Johnson Utilities. When the system is developed out to your area, Johnson Utilities will provide water service subject to the terms, conditions and tariffs as set forth by the Arizona Corporation Commission.

Sincerely,



George H. Johnson
President

JAN 05 2000

SAAGER PROPERTIES

Michael E. Saager, Designated Broker
P.O. Box 3542
Scottsdale, AZ 85271

Telephone (602) 423-5315
Fax (602) 423-9769

Memorandum

To: George Johnson

From: Chris Allen

Date: January 4, 2000

Re: Parcel Number 33, Results of Survey, Bonanza Highlands in Survey Book 2, Page 184 and amended Results of Survey in Book 2, Page 192 and Affidavit of Correction recorded February 5, 1996 in 1996-004063.

Dear Mr. Johnson,

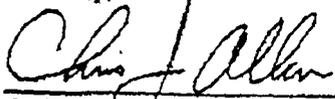
Saguaro Acres Investment Properties L.L.C., an Arizona Limited Liability Company, to which I represent, is currently in escrow on the subject parcel referenced above and is requesting the ability to acquire the rights to water service from Johnson Utility Company.

Under the same terms and conditions by which Johnson Utility Company is contracted with landowners in the Bonanza Highlands Subdivision, Saguaro Acres Investment Properties L.L.C., an Arizona Limited Liability Company will contract to have the water service provided to the subject parcel.

At this time, the company previously mentioned is requesting your approval to our request for water service to the subject parcel under the same terms and conditions as the landowners in the Bonanza Highlands Subdivision.

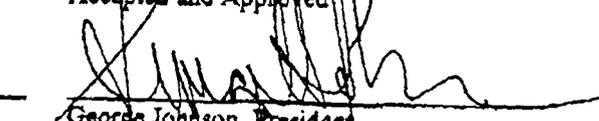
I appreciate your willingness to work with us in this matter.

Sincerely,



 Chris J. Allen

Accepted and Approved



 George Johnson, President

Subject to all Terms, Conditions
+ Tariffs of the Arizona
Corporation Commission



Sent by: JOHNSON INTL

--26-00 22:48

from 4239/bv from JUNNSUN 9>
SAAGER PROPERTIES

Received Jan-04-00 05:18

01/04/2000 17:18 4239759

Page 4
PAGE 01

Saager Properties

Michael E. Saager, Designated Broker
P.O. Box 3542, Scottsdale, AZ 85271
(480) 423-5315
Fax (480) 433-9759

FACSIMILE COVERSHEET

DATE: January 4, 2000
TO: George Johnson
COMPANY: Johnson International
FAX NUMBER: (480) 483-7908
FROM: Chris Allen
RE: Attached
Pages including coversheet: 2
MESSAGE:

**Johnson Utilities Company
5230 East Shea Boulevard
Scottsdale, Arizona 85254
(602) 998-3300**

November 2, 1999

Bonanza Land
c/o Lue Youse
1021 South Greenfield Rd., Suite 1213
Mesa, AZ 85206

Re: Commitment to Serve

Dear Ms. Youse:

You have requested we provide a commitment from the Company that it will provide water and wastewater service to your property known as Parcels 3 and 4 located in Section 25 of Township 3 South Range 7 East, and Parcel 9 located in Section 3 South, Range 8 East, G&S R B&M, Pinal County, Arizona. We understand that you anticipate developing single family residential units in that area.

The Company has pending before the Arizona Corporation Commission a Certificate of Convenience and Necessity Application that would provide the Company with authority to provide domestic water and wastewater service to the subject area. That matter was the subject of a hearing on September 30, 1999. Commission Staff recommended approval of the Company's Application. We anticipate the Commission will approve that Application at its November 16, 1999 Open Meeting.

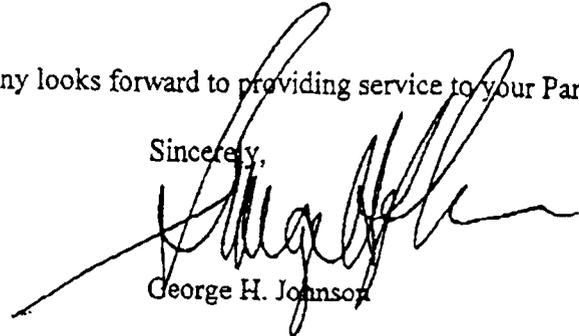
The Company acknowledges that you have previously entered into a Hook-Up Fee Agreement with the Company for water service to thirteen lots on each of the three Parcels. No wastewater Hook-up Fees or other utility fees have been paid for the Parcels.

Based upon the above, and subject to obtaining the appropriate approvals from the Arizona Corporation Commission, the Arizona Department of Water Resources and the Arizona Department of Environmental Quality, the Company will provide service to the subject area pursuant to the Rules, Regulations, and Terms, Conditions, and Tariffs applicable to the subject area.

Bonanza Land
November 2, 1999
Page 2

Johnson Utilities Company looks forward to providing service to your Parcels.

Sincerely,

A handwritten signature in black ink, appearing to read "George H. Johnson", written over the word "Sincerely,".

George H. Johnson

JOHNSON UTILITIES
5230 East Shea Boulevard, Suite 200
Scottsdale, Arizona 85254
480-998-3300
480-483-7908 FAX

AGREEMENT TO SERVE

We do hereby agree to supply water and sewer service subject to the approval of the Arizona Corporation Commission and subject to Arizona Corporation Commission Rules, Regulations, Ordinances and Tariffs to the following property:

PARCEL 1

All of Section 12, Township 3 South, Range 7 East of the Gila and Salt River Base And Meridian, Pinal County, Arizona, lying North of the Hunt Highway.
EXCEPT the North half of the northeast quarter of said Section 12; and
EXCEPT that portion of the Northwest quarter of the Northwest quarter of said Section 12, lying North of the Hunt Highway.
EXCEPT all coal and other minerals as reserved in the Patent recorded in Book 42 of Deeds, Page 616.

PARCEL 2

Lots 1 and 2; and the East half of the Northwest quarter of Section 7, Township 3 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

PARCEL 3

Lots 3 and 4 and the East half of the Southwest quarter of Section 7, Township 3 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT all oil, gas, other hydrocarbon substances, helium or other substances of a gaseous nature, coal, metals, minerals, fossils, fertilizers of every name and description, together with all uranium, thorium or any other material which is or may be determined by the laws of the United States, or of this State, or decisions of court, to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, as reserved by the State of Arizona pursuant to the Arizona Revised Statutes.

Signature:

Title: PRESIDENT

Date: October 22, 1999

Skylar & Development

PARCEL 1

All of Section 12, Township 3 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, lying North of the Hunt Highway.

EXCEPT the North half of the Northeast quarter of said Section 12; and

EXCEPT that portion of the Northwest quarter of the Northwest quarter of said Section 12, lying North of the Hunt Highway.

EXCEPT all coal and other minerals as reserved in the Patent recorded in Book 42 of Deeds, Page 616.

PARCEL 2

Lots 1 and 2; and the East half of the Northwest quarter of Section 7, Township 3 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

PARCEL 3

Lots 3 and 4 and the East half of the Southwest quarter of Section 7, Township 3 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT all oil, gas, other hydrocarbon substances, helium or other substances of a gaseous nature, coal, metals, minerals, fossils, fertilizers of every name and description, together with all uranium, thorium or any other material which is or may be determined by the laws of the United States, or of this State, or decisions of court, to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, as reserved by the State of Arizona pursuant to the Arizona Revised Statutes.

Sent by: JOHNSON INTL
Received Oct-22-99 02:31
10/22/1999 14:08

26-00 22:49
from 6028349311 → JOHNSON INTL

from 480487 987
ACE ENGINEERING

Page 1 9
PAGE 01

ACE

161 E 1ST STREET, MS MESA, AZ. 85201 PH (602) 844-1717 FAX: (602) 834-9311

FAX TRANSMISSION

TO: Nancy Erwin
COMPANY: George Johnson Office
FAX: 482-7908

FROM:
Richard Andrews
(Carrie) secretary @ ACE
Engineers
DATE: 10/22/99

YOU SHOULD RECEIVE 2 PAGE(S) INCLUDING THIS ONE. IF YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE CALL 844-1717. THANK YOU!

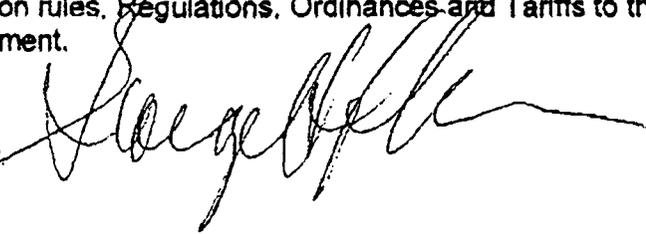
RE: legal Description (H₂O + Stone)

JOHNSON UTILITIES
5230 East Shea Boulevard, Suite 200
Scottsdale, Arizona 85254
480-998-3300
480-483-7908 Fax

AGREEMENT TO SERVE

We do hereby agree to supply water service subject to approval of the Arizona Corporation Commission and subject to Arizona Corporation Commission rules, Regulations, Ordinances and Tariffs to the properties listed on the attachment.

Signature:

A handwritten signature in black ink, appearing to be "D. G. Johnson", written over the "Signature:" label.

Title:

Date:

FROM : REALTY EXECUTIVES G C
JUL 19 08 03:49PM

FAX NO. : 480 982 7584
RUSSELL H. TWIFORD

JUL 19 1999 03:49PM P2
602-788-5466 P.1

FROM : REALTY EXECUTIVES G C

FAX NO. : 480 982 7584

JUL 19 1999 02:56PM P1

July 19, 1999

George Johnson
Johnson International, Inc.
5230 East Shea Blvd., Ste. 200
Scottsdale, AZ 85254

Dear George;

Russell Twiford represents the 75 acres on Cooper Rd. just north of Gerry Bowen's acreage. Ownership belongs to Scientific Research Technologies, Inc..

The following assessor #'s and legal descriptions for this 75 acre parcel are listed as follows:

Assessor's #210-43-008-0

W-725' of N-339.94' & N-440.29' of E-1897.58' of NW of Sec. 28-35-9E (24.84 AC)

Assessor's #210-43-009-0

S-339.94' of N-579.88' of W-725' & S-440.29' of N-880.58' of E-1897.58' of NW of Sec. 28-35-9E (24.84 AC)

Assessor's #210-43-010-0

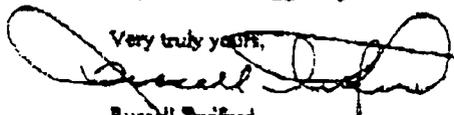
S-339.94' of N-1019.82' of W-725' & S-440.28' of N-1320.86' of E-1897.58' of NW of Sec. 28-35-9E (24.84 AC)

Please let this letter serve as our request for the above-named properties to be included in the water district served by Johnson Utility Company. The price for this supply to be Five Hundred Dollars (\$500.00) per acre for twelve (12) hook-ups.

Please provide us with a letter over your signature confirming your agreement to provide water service to this property at your earliest convenience. Thank you.

Cliff Axt with Realty Executives of Gold Canyon has the listing on this property and was responsible for suggesting this letter be sent to you.

Very truly yours,



Russell Twiford
Scientific Research Technologies, Inc

FROM : REALTY EXECUTIVES G

FRX NO. : 480 982 7584

Jul. 19 1999 02:56PM P1

July 19, 1999

George Johnson
Johnson International, Inc.
5250 East Shea Blvd., Ste. 200
Scottsdale, AZ 85254

Dear George:

Russell Twiford represents the 75 acres on Cooper Rd. just north of Gerry Bowen's acreage. Ownership belongs to Scientific Research Technologies, Inc..

The following assessor #'s and legal descriptions for this 75 acre parcel are listed as follows:

Assessor's #210-43-008-0

W-725' of N-339.94' & N-440.29' of E-1897.58' of NW of Sec. 28-3S-9E (24.84 AC)

Assessor's #210-43-009-0

S-339.94' of N-679.88' of W-725' & S-440.29' of N-880.58' of E-1897.58' of NW of Sec. 28-3S-9E (24.84 AC)

Assessor's #210-43-010-0

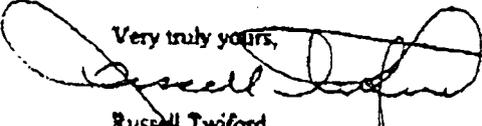
S-339.94' of N-1019.92' of W-725' & S-440.28' of N-1320.86' of E-1897.58' of NW of Sec. 28-3S-9E (24.84 AC)

Please let this letter serve as our request for the above-named properties to be included in the water district served by Johnson Utility Company. The price for this supply to be Five Hundred Dollars (\$500.00) per acre for twelve (12) book-ups.

Please provide us with a letter over your signature confirming your agreement to provide water service to this property at your earliest convenience. Thank you.

Cliff Axt with Realty Executives of Gold Canyon has the listing on this property and was responsible for suggesting this letter be sent to you.

Very truly yours,


Russell Twiford
Scientific Research Technologies, Inc

JOHNSON UTILITIES
5230 East Shea Boulevard, Suite 200
Scottsdale, Arizona 85254
480-998-3300
480-483-7908 Fax

AGREEMENT TO SERVE

We do hereby agree to supply water service subject to approval of the Arizona Corporation Commission and subject to Arizona Corporation Commission rules, Regulations, Ordinances and Tariffs to the following properties:

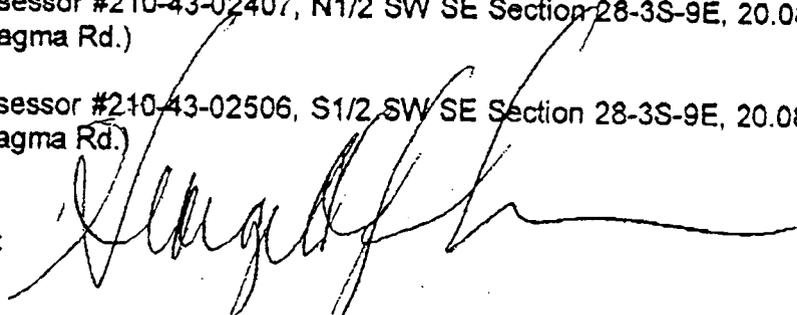
Assessor #210-43-01706, NE SW SW of SEC 28-3S-9E, 10 Acres (Cooper).

Assessor #210-43-12A9, NW of SW of NW; E1/2 of SW of NW; W1/2 of SE of NW; E1/2 of NW of SW; NW of SE of SW of Section 28-3S-93, 100.39 Acres (Off Cooper Rd)

Assessor #210-43-02407, N1/2 SW SE Section 28-3S-9E, 20.08 Acres(4) (Magma Rd.)

Assessor #210-43-02506, S1/2 SW SE Section 28-3S-9E, 20.08 Acres(4) (Magma Rd.)

Signature:



Title:

Date:

Gerry Bowen
BOWEN PROPERTIES
2127 E. Catamaran Drive
Gilbert, AZ 85234
Phone: 480-507-9221

July 8, 1999

To: George Johnson
JOHNSON INTERNATIONAL, INBC
5230 East Shea Blvd., Suite #200
Scottsdale, AZ 85254

Dear George,

Bowen Properties, Inc. and Gerald J. Bowen currently owns the following properties:

Assessor #210-43-01706, NE SW SW of SEC 28-3S-9E, 10 Acres (Cooper)

Assessor #210-43-012A9, NW of SW of NW; E1/2 of SW of NW; W1/2 of SE of NW; E1/2 of NW of SW; E 1/2 of NW of SW; NW of SE of SW of Section 28-3S-9E. 100.39 Acres (Off Cooper Rd)

Assessor #210-43-02407, N1/2 SW SE Section 28-3S-9E, 20.08 Acres (4) (Magma Rd)

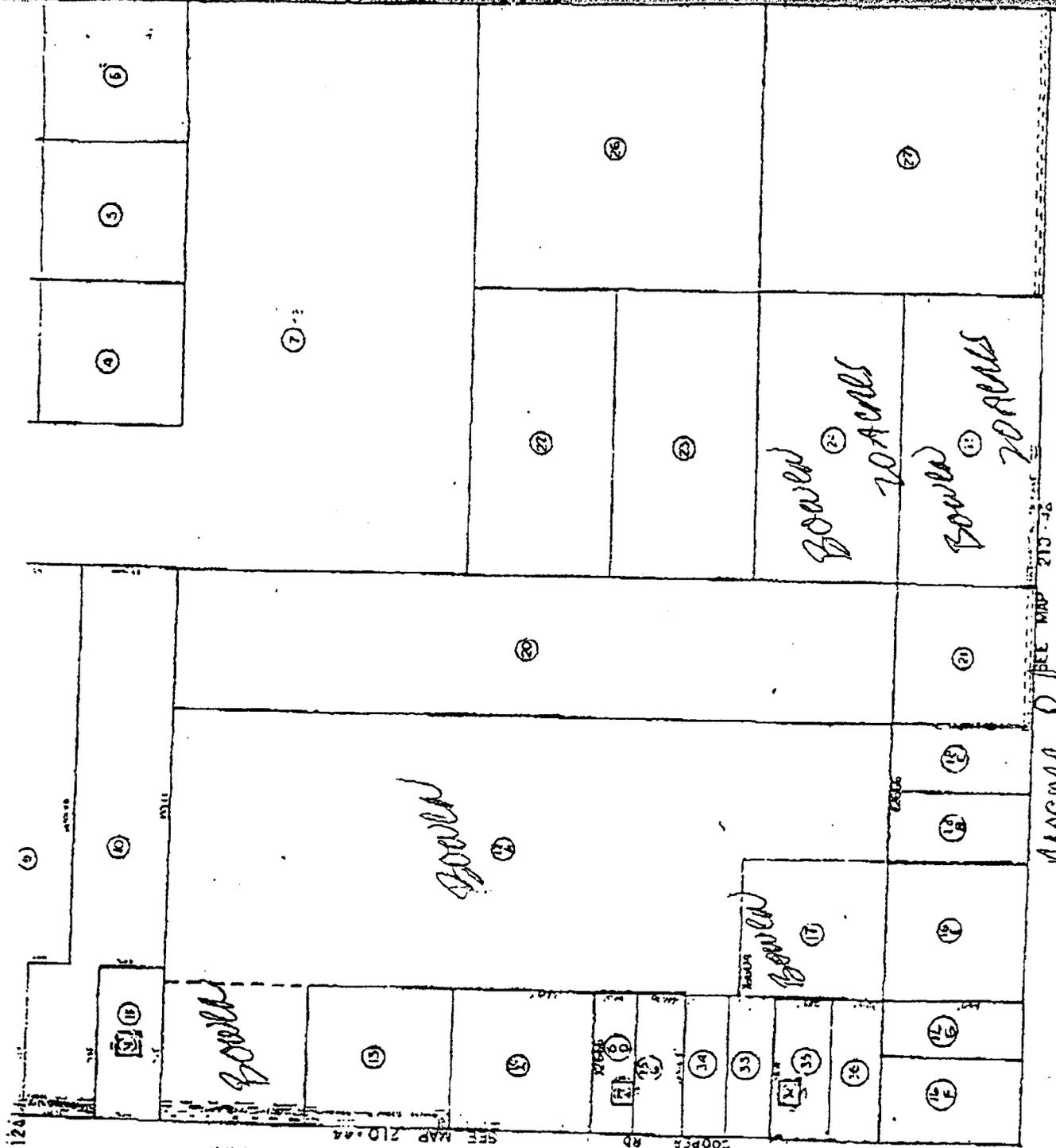
Assessor #210-43-02506, S1/2 SW SE Section 28-3S-9E, 20.08 Acres (4) (Magma Rd)

Please let this letter serve as our request for our above-listed properties to be included in the water district served by Johnson Utility Company. The price for this supply to be \$500 per acre for 12 hookups.

Please provide us with a letter over your signature confirming your agreement to provide this water service to the property at your earliest convenience. Thank you.

Very truly yours,


Gerald Bowen
BOWEN PROPERTIES



0124

1.0717 PERMANENT
 EASEMENT
 PCL W/ C/1 - 20 AC
 PCL W/ C/1 - 51 AC
 NEW MAGMA RHD.

SEC. 602.45 AC
 TA. 602.45 AC
 K20A NO. 15 AC
 SUBD.

P.04

MAY-31-98 09:45A

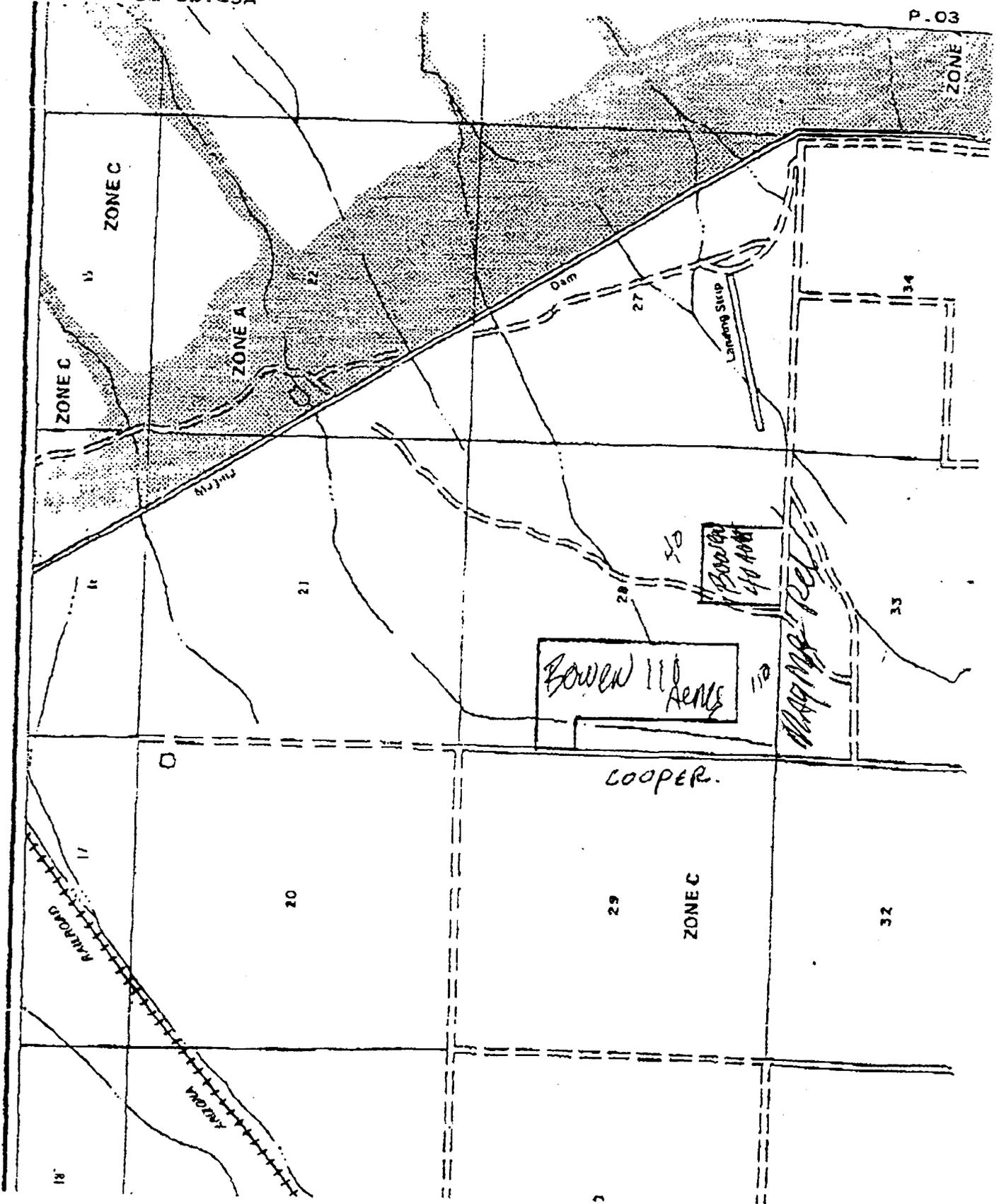
FROM : REALTY EXECUTIVES G

FOX NO : 489 992 7504

Jul 17 1999 12:00PM

Mar-31-99 09:45A

P.03



Re Type

Gerry Bowen
BOWEN PROPERTIES
2127 E. Catamaran Drive
Gilbert, AZ 85234
Phone: 480-507-9221

July 8, 1999

To: George Johnson
 JOHNSON INTERNATIONAL, INBC
 5230 East Shea Blvd., Suite #200
 Scottsdale, AZ 85254

Dear George,

Bowen Properties, Inc. and Gerald J. Bowen currently owns the following properties:

Assessor #210-43-01706, NE SW SW of SEC 28-3S-9E, 10 Acres (Cooper)

Assessor #210-43-012A9, NW of SW of NW; E1/2 of SW of NW; W1/2 of SE of NW; E1/2 of NW of SW; E 1/2 of NW of SW; NW of SE of SW of Section 28-3S-9E, 100.39 Acres (Off Cooper Rd)

Assessor #210-43-02407, N1/2 SW SE Section 28-3S-9E, 20.08 Acres (4) (Magma Rd)

Assessor #210-43-02506, S1/2 SW SE Section 28-3S-9E, 20.08 Acres (4) (Magma Rd)

Please let this letter serve as our request for our above-listed properties to be included in the water district served by Johnson Utility Company. The price for this supply to be \$500 per acre for ~~the~~ *flow* taps.

Please provide us with a letter over your signature confirming your agreement to provide this water service to the property at your earliest convenience. Thank you.

Very truly yours,

Gerald Bowen
 Gerald Bowen
 BOWEN PROPERTIES

George Johnson
 George Johnson
 INITIALS

June 30, 1999
2127 E. Catamaran Drive
Gilbert, AZ 85234

George Johnson
Johnson International
5230 E. Shea Blvd.
Scottsdale, AZ 85254

Whitehead

Dear George,

This letter is to serve as an official request for purchasing the rights to water supply from Johnson Utilities for the following properties in the Queen Creek area: Section 28, T.35, R.9E:

Pinal County Assessor #210-43-12A
#210-43-17
#210-43-24
#210-43-25

The above constitutes one hundred and fifty (150) acres. The price for this supply to be \$500 per acre for 14 hookups.

Very truly yours,

BOWEN PROPERTIES


Gerald Bowen

JM

MANAGEMENT COMPANY

June 14, 1999

Mr. George Johnson
Johnson Utility Company
5230 East Shea Boulevard
Scottsdale, Arizona 85254

RE: Water Service to 160 Acres located in Pinal County, Arizona

Dear George:

One Sixty, L.L.C. currently owns 160 acres located in Section Thirty-one (31), Township Three (3) South, Range Eight (8) East of the Gila and Salt River Base and Meridian, Pinal County, Arizona. (A full legal description is attached.) Please let this letter serve as our request for our 160 acres to be included in the water district served by Johnson Utility Company. We further request that the water service be provided to the property at no initial cost or fee for the service as well as reserve the right to transfer this water service to our nominee.

Please provide us with a letter over your signature confirming your agreement to provide this water service to the property at your earliest convenience. Thank you.

Best regards,

JM Management Company, Inc.,
Managing Member
One Sixty, L.L.C.



Mike MoQuaid, President

MM:hm

PARCEL 1:

The southeast quarter of the southwest quarter of Section Thirty-one (31), Township Three (3) South, Range Eight (8) East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

PARCEL 2:

The northeast quarter of the southwest quarter of Section Thirty-one (31), Township Three (3) South, Range Eight (8) East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

PARCEL 3:

The southeast quarter of the northwest quarter of Section Thirty-one (31), Township Three (3) South, Range Eight (8) East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT all coal and other minerals as reserved in Patent from the United States of America.

PARCEL 4:

The northeast quarter of the northwest quarter of Section Thirty-one (31), Township Three (3) South, Range Eight (8) East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT all coal and other minerals as reserved in Patent from the United States of America.

J J

June 15, 1999

One Sixty, L.L.C.
C/O James V. Whitehead and
Mike McQuaid
5141 North 40th Street, Suite 100
Phoenix, Arizona 85018

RE: Water Services for One Sixty, L.L.C.

Dear Jim and Mike:

Johnson Utility Company will supply service water to 160 acres subject to approval of the Arizona Corporation Commission and subject to Arizona Corporation Commission Rules, Regulations, Ordinances and Tariffs.

George H. Johnson

Johnson International, Inc.

5230 E. Shea Boulevard • Scottsdale, AZ 85254 • Phone: (480) 998-3300 • Fax: (480) 483-7908