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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman
SANDRA D. KENNEDY
PAUL NEWMAN
BOB STUMP
BRENDA BURNS

Arizona Corporation Commission
DOCKETED

FEB 8 2011

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
FAR WEST WATER & SEWER COMPANY FOR
A DETERMINATION OF THE FAIR VALUE OF
ITS SEWER UTILITY PLANT AND PROPERTY
AND FOR INCREASES IN ITS RATES.

DOCKET NO. WS-03478A-08-0454

STATUS REPORT

1 Far West Water & Sewer Company hereby files as a status report copies of five
2 documents distributed to the parties at the informational meeting held on February 4, 2011, from
3 10:00 a.m. to 12:00 noon at the Residential Utility Consumer Office.

- 4 1. Far West's January 31, 2011, Letter to ADEQ;
- 5 2. Short Resume for Larry Scully of Scully Capital Services;
- 6 3. Amounts Still Owed by Far West to GE/Zenon;
- 7 4. Far West's Responses to Intervenor Questions; and
- 8 5. Far West's Response to Intervenor Question for RUCO.

9 A copy of the meeting sign-in sheet is also included.

10 **Respectfully submitted** on February 8, 2011, by:

11 Craig A. Marks
12 Craig A. Marks, PLC
13 10645 N. Tatum Blvd.
14 Suite 200-676
15 Phoenix, AZ 85028
16 (480) 367-1956
17 Craig.Marks@azbar.org
18 Attorney for Far West Water & Sewer Company
19
20
21
22

Original and 13 copies **filed**
on February 8, 2011, with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Copies of the foregoing **e-mailed** on
February 8, 2011, to:

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Ayesha Vohra, Attorney
Legal Division
Arizona Corporation Commission
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Barbara and Robert Gilkey
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Copies of the foregoing **mailed** on
February 8, 2011, to:

Jane L. Rodda, Administrative Law Judge
Hearing Division
Arizona Corporation Commission
400 West Congress
Tucson, AZ 85701-1347

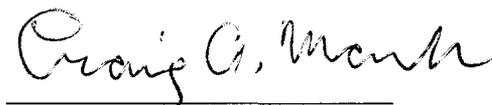
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By:



Craig A. Marks

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**FAR WEST WATER & SEWER COMPANY
FEBRUARY 4, 2011, STATUS MEETING**

Far West's January 31, 2011, Letter to ADEQ

A copy of Far West's January 31, 2011, Letter to ADEQ is attached. It provides details concerning the status of plant construction. It also states that GE/Zenon is expected to begin final construction to allow commissioning of the Section 14 and Del Oro upgrades in March, 2011, and full operation by early April 2011.



FAR WEST WATER & SEWER, INC.

January 31, 2011

Marcia Colquit
Water Quality Enforcement Unit
Water Quality Compliance Section
Arizona Department of Environmental Quality
1110 W. Washington Street
Phoenix, Arizona, 85007

Re: State of Arizona v. Far West Water and Sewer, Inc.
CV2008-021676

Dear Ms. Colquit,

Pursuant to Section VII, paragraph E, of the Consent Judgment filed on June 22, 2010 the following report is being made on behalf of Far West Water and Sewer, Inc:

Compliance Schedule A:

Item 2 of the section titled: Section 14 WWTP, requires the following:

- a.. Complete all installation and construction activities;
- b. Inspections by equipment representatives;
- c. Installation of additional equipment as necessary;
- d. Plant start-up and commissioning;
- e. Stabilization of operations.

Far West has completed the installation and construction of the equipment necessary for the start up of Phase 1 of the Section 14 WWTP. However, as set forth in the progress report for the fourth quarter submitted to ADEQ on January 13, 2011, plant start up and commissioning has not taken place. The membranes for the membrane filtration system are at the facility, but will not be placed into service without a representative of the manufacturer, GE/Zenon, being present. At the same time, system integration by GE/Zenon and Vertech. will take place. The completion of wiring required by Vertech as set forth in the progress report has been completed and is ready for

system integration. Also, all other equipment for Phase 1 has been tested and has been found to be functioning properly.

Based upon information received from representatives of GE/Zenon this date, Far West expects to receive a written proposal from GE/Zenon within the next few days that will allow for the commissioning of the Section 14 WWTP this March, with stabilization of operations by the end of April 2011.

Far West respectfully requests an extension to time to complete start-up, commissioning, and stabilization of operations of Phase 1 of the Section 14 WWTP to April 30, 2011.

Item 8, of the section titled: Del Oro WWTP Phase I, requires the following:

- a.. Removal of the temporary 0.300 MGD MBR treatment module, and installation of a permanent 0.300 MGD MBR treatment module to the WWTP;
- b. Inspection by equipment representatives;
- c. Installation of additional equipment as necessary;
- d. Plant start-up and commissioning;
- e. Plant stabilization;
- f. Begin routine operation;
- g. Submit to ADEQ written notification confirming that this task has been completed.

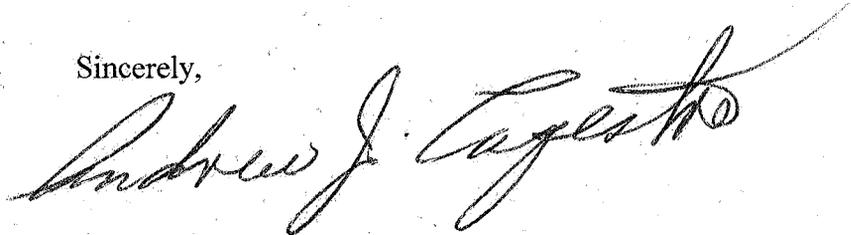
Far West has completed the installation of all equipment necessary for Phase 1 of the Del Oro WWTP and is ready for GE/Zenon to start the plant up, and to have the plant commissioned and ready for routine operation. Once this plant has begun routine operation, the temporary plant will be removed.. The membranes for the membrane filtration system for this facility have been delivered, but will not be placed into service without a representative of the manufacturer, GE/Zenon, being present. When that representative arrives, the remaining work on system integration will be completed. All the equipment for Phase 1 of the Del Oro plant has been tested and has been found to be functioning properly.

Based upon information received from representatives of GE/Zenon this date, Far West expects to receive a written proposal from GE/Zenon within a few days that will allow for the start-up and commissioning of the Del Oro WWTP this March, with plant stabilization and routine operation to begin by the end of April 2011.

Far West respectfully requests an extension to time to complete the remaining requirements of item 8 to April 30, 2011.

I certify under penalty of the law that this document and all attachments, if any, were prepared under my direction or supervision by qualified personnel responsible for properly gathering and evaluating the information submitted. Based on my inquiry of the person or people who are responsible for gathering or developing the information, to the best of my knowledge and belief, the information submitted is true, accurate and complete. I am aware that there are significant penalties for knowingly submitting false information, including the possibility of fines and imprisonment for knowing violations.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew J. Capestro". The signature is written in a cursive style with a large, sweeping flourish at the end.

Andrew J. Capestro

CC: Curtis Cox, Assistant Attorney General

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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BRENDA BURNS

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DOCKET NO. WS-03478A-08-0454

**FAR WEST WATER & SEWER COMPANY
FEBRUARY 4, 2011 STATUS MEETING**

Short Résumé For Larry Scully of Scully Capital Services



Mr. Scully founded Scully Capital Services, Inc. in 1986 and its subsidiary, Scully Capital Securities Corporation (a broker-dealer registered with the National Association of Securities Dealers and the Municipal Securities Rulemaking Board) in 1988. He has over 20 years' experience in providing investment banking and financial advisory services to clients developing large-scale infrastructure projects in the environmental and infrastructure industries. He has advised environmental firms and investors, as well as federal, state and local government entities on privatization, industrial outsourcing, project finance, strategy development, acquisitions and divestitures, corporate finance, equipment financing and other services. Mr. Scully has authored several articles on privatization and project finance for environmental facilities, addressed meetings of environmental industry associations and given seminars on the various aspects of finance and privatization within the industry.

Before founding Scully Capital, Mr. Scully held the position of Vice President of Energy Ventures and Privatization for a regional investment banking firm. Among his achievements there was the successful arrangement of financing for public-private partnerships for the construction of wastewater treatment plants and collection systems. Mr. Scully's project finance experience is supported by his prior work at KPMG Peat Marwick's Energy and Environmental Financial Advisory Services Group.

Education/Licenses

- University of Wisconsin (Madison), Master of Business Administration (with Honors). Specialization in Finance, Investments and Banking.
- University of Wisconsin (Madison), Master of Science (with Honors), Civil and Environmental Engineering.
- University of Wisconsin (Madison), Bachelor of Science, Civil and Environmental Engineering.

Specific Transaction Experience

- Mergers & Acquisitions
- Project Finance
- Other Federal Initiatives
- Project Feasibility Analysis

Registrations & Affiliations

- Professional Engineer (State of Wisconsin)
- National Association of Securities Dealers:
 - General Securities Principal (Series 24)
 - Municipal Securities Principal (Series 53)
 - General Securities Representative (Series 7)
 - Municipal Securities Representatives (Series 52)
- National Council for Public-Private Partnerships (Member)
- Water Environment Federation
 - Member
 - Member, Program Committee
 - Chair, Session on Privatization, Public-Private Partnerships, Creative Financing
- American Water Works Association (Member)
- College of Engineering, University of Wisconsin (Madison)
 - Member, Visiting Engineers Committee
- Corporate Memberships
 - National Association of Water Companies
 - Water and Wastewater Equipment Manufacturers Association

Web Site

- <http://www.scullycapital.com>

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**FAR WEST WATER & SEWER COMPANY
 FEBRUARY 4, 2011, STATUS MEETING**

Amounts Still Owed by Far West to GE/Zenon

Far West currently owes GE/Zenon \$1,832,171.18 for plant completion. The following table shows how this amount was calculated:

	ZEEWEED	SECTION 14	DEL ORO	TOTALS
Zeeweed Plant Mobilize, Demobilize	64,347.00			
Zeeweed Plant Freight, Engineering	49,731.00			
Zeeweed Plant Rents	406,190.00			
Zeeweed Plant Other Costs/Credits	2,787.00			
Zeeweed Plant Payoff Balance	537,041.00			
Original Purchase Orders		2,019,033.00	615,769.00	
Change Orders		92,294.59	233,995.39	
Total Purchase Orders	1,060,096.00	2,111,327.59	849,764.39	4,021,187.98
Zeeweed Plant Payments	1,060,096.00			
10% Prepayment		-201,903.30	-61,576.90	
30% Prepayment		-605,709.90	-184,730.70	
Total Payments	1,060,096.00	-807,613.20	-246,307.60	-2,114,016.80
Balance Due	0.00	1,303,714.39	603,456.79	1,907,171.18
Payments 4/01/09				-25,000.00
Payments 6/05/09				-25,000.00
Payments 6/12/09				-25,000.00
				1,832,171.18

Far West will also be required to provide another \$300,551 to other vendors toward plant completion. The following table shows the amounts paid/owed by plant/vendor.

Section 14 WWTP Phase I			
Pay to	Amount	Note	Cash Needed at Financial Close for Non Zenon Items
Zenon	\$ 1,303,714		\$0
Kusters/Zima	\$ 145,739	Payments \$10,000/Mo	\$0
Eutek	\$ 49,120	Payments \$5,000/Mo	
EDI	\$ 58,950	No Agreement	\$58,950
Delta/Pentair	\$ 239,879	Payments \$30,000/mo;	\$0
Trojan U.V.	\$ 189,560	Payments \$25,000/Mo	\$0
Vertek Electric	\$ 34,640	Pay from income as work is accomplished	\$0
Total	\$ 2,022,602	Includes Zenon	\$59,950

Del Oro WWTP			
Pay to	Amount	Note	
Zenon	\$ 603,457		\$0
Trojan U.V.	\$ 9,280	Pay out of income	\$0
Vertek Electric	\$ 24,470	Pay from income as work is accomplished	\$0
Artek Electric	\$ 21,382	Pay from income as work is accomplished	\$0
New Concrete pad for tanks	\$ 39,018	Pay out of income	\$0
Remaining tank set up	\$ 31,500	Pay from income as work is accomplished	\$0
Subtotal	\$ 729,107	Includes Zenon	\$0
Additional Requirement Somat to Complete SEP	\$ 130,000	Somat Company will accept payments	\$0
Total	\$ 859,107	Includes Zenon	\$0

Palm Shadows Retro-fit/ Lift Station			
Pay to	Amount	Note	
Pumps and Panels	\$ 143,351		\$143,351
2nd Test Well	\$ 21,175	Due Before Closure of Palm Shadows 12 Mo	
Electrical	\$ 36,000	Pay from income as work accomplished	\$0
Backup Generator	\$ 45,000		\$45,000
Mechanical	\$ 18,000	Pay from income as work accomplished	\$0
Total	\$ 263,526		\$188,351

Seasons WWTP			
Pay to	Amount	Note	
Move Zenon Units from Del Oro to Seasons	\$ 10,000	Pay from income	\$0
Pathfinder Blowers	\$ 21,314	May be able to use blowers in stock	\$0
New Power Transformer	\$ 30,500		\$30,500
New Test Well	\$ 21,750		\$21,750
Concrete Pads	\$ 39,750	Pay out of income as poured	\$0
Yard Piping	\$ 15,000	Have the majority of the piping in stock	\$0
Diffusers	\$ 12,500	May be able to use diffusers in stock	\$0
Electrical	\$ 36,118	Pay from income as work accomplished	\$0
Mechanical	\$ 24,079	pay from income as work accomplished	\$0
Total	\$ 211,011		\$52,250

GRAND TOTAL	\$ 3,356,246		\$300,551
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BEFORE THE ARIZONA CORPORATION COMMISSION

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**FAR WEST WATER & SEWER COMPANY
FEBRUARY 4, 2011, STATUS MEETING**

Far West's Responses to Intervenor Questions

1. Have all the plants and pump stations had telemetry installed which gives a 24 hour alarm, including the pump station at Palm Shadows? Is a portable generator available?

Response: All plants and pump stations have either radios or auto-dialers to reports high levels and other problems. As part of the plant upgrades, all plants will have SCADA equipment installed so that status can be monitored from one or more locations.

Back-up generators have been installed at Del Oro WWTP and at Section 14 WWTP. Far West will be installing a back-up generator at Palm Shadows with the conversion.

2. How often are pump stations checked and what parameters are recorded and for what reason? There is no good reason for continued sewage spills at Palm Shadows (Vista del Sol) or any other place.

Response: There have not been continued sewage spills at any of these locations. Sanitary System Overflows ("SSOs") do occasionally occur with every sewage system in the United States, including public and private systems.

Concerning Palm Shadows, there have been four SSOs in the last three years:

- April 25 2008 – Pump backup caused overflow into Storm catch-basin.

- May 12 2009 – Pump electrical failure (burned wire) caused overflow into Storm catch-basin.
- April 3, 2010 – Failure of Pump Contactor. Spill contained on-site
- December 21, 2010 – Transformer failure. Overflow into Storm catch basin.

The intersection of 38th Street and Mesa Drive is the low point on the collection system.

The pump stations are checked every day for: proper working order; level of influent; and debris. A VAC truck makes the round of the lift stations, hitting each lift station weekly, to pump out any debris that might hamper operation of the pump station or affect the flotation devices that signal high levels.

3. Have connection permits been issued for the new Fry's Store and other businesses in that mall? Who will be doing the inspections?

Response: Far West has applied with the Commission for approval to add this parcel to our certificated service area. Once the Commission provides its approval, When capacity is available and Far West is permitted to connect this center to its system, the connections will be inspected by Far West personnel, the County representative and the Fry's engineer.

4. Is Far West currently operating a truck mounted Zenon unit? If so, what are the results?

Response: Far West is operating a skid mounted Zenon unit at the Del Oro WWTP. It produces A+ effluent.

5. Just what equipment is actually owned by Far West? Leased? Does Far West own the building it occupies? Are the payments made by Far West to H&S competitive with lease payments from outside sources and not "inter-connected" companies?

Response: This question is too broad to answer outside of a rate case.

- In general, Far West owns quite a bit of equipment, including trucks and trailers, as well as the equipment at the plants (water and sewer).
- The VAC truck is leased. Far West also rents two pieces of heavy duty equipment used in the construction of the plants and for water and sewer repairs.

- Far West does not own the building it occupies. The rent Far West pays for its building is comparable to the rent paid by Rural Metro for its use of the building on 44th Street.

6. What is shown on a Far West depreciation schedule as assets?

Response: This is reported in the aggregate, by account in Far West's Annual Report to the Commission.

7. How about the computer software which was purchased by Far West and is physically located at the H&S office? Does H&S pay Far West for its usage?

Response: Far West uses the software at both offices, the main Far West office on 44th Street, and at the office of the Far West comptroller on Foothills Blvd. H&S does not use this software

8. What other things have Far West paid for that H&S uses without compensation?

Response: Far West is not aware of any material items of this nature.

9. What are the historical dollar amounts collected from all the developers, including H&S, in the Far West service area for sewer and water infrastructure capacity fees in chronological order. How was this money spent?

Response: Please see the following table for sewer capacity fees collected from 2007 - 2010:

Date	Developer	Development,	Total
	Received From:	Phase #	Sewer
02/13/07	Estrella Units 3 and 4, LLC	Estrella at Mesa del Sol Unit 3	225,240.00
02/27/07	Sam Hudson, LLC	MDS 12-2 Mesquite Phase 2	124,740.00
03/06/07	Guadalajara Group de Algodones, LI	Comfort Inn	59,290.00
05/16/07	Fortuna Wash, LLC	Arroyo de Fortuna Unit 1	189,420.00
05/21/07	H & S Developers, Inc.	Las Barrancas #1	354,292.00
04/10/09	H & S Developers, Inc.	El Rancho Encantado #1	177,839.48
05/05/09	Ab-Sub Developers, Inc.	MDS Commercial 2009	186,606.59
			1,317,428.07

All funds collected have been used for sewer plant improvements.

This information is not readily available for years before 2007. Water capacity fees are outside the scope set by the Administrative Law Judge for these continuing status reports.

10. What are the projected sewer and water capacity fees for future development?

What is the rationale for capacity fee amounts?

Response: This is difficult to estimate. Current fees are based on the cost per customer to fund system upgrades. As construction costs change due to inflation, technological changes, and other factors, the estimates will need to be revised. Further, the recovery of the local real-estate market will affect the timing and amounts of collected fees. Far West expects to apply for Commission-approved water and sewer hook-up fees as part of its next rate application. The hook-up fees will replace capacity fees for future customers.

11. How many people physically at Far West are trained to use the computer system?

Response: Nine.

12. Who does Far West expect would purchase preferred stock if it were available for sale? Would the current ownership establish huge dividend rates and then purchase the stock themselves?

Response: The Commission would have to approve the issuance of preferred stock. Far West expects that preferred stock would be offered to qualified investors at a rate sufficient to attract investors commensurate with the investment risk. Far West does not currently expect to offer the stock to current common stock owners.

13. How was the \$1,000,000 "infusion" described? Is it an equity infusion? Shown as bonds? Loans? Is there a guaranteed payback with interest? If so, what interest?

Response: This was a cash equity infusion. As equity, there is no interest or guaranteed payback.

14. There's still some confusion about the company's CEO. On the Status Report dated November 4, 2010, it clearly states "Paula Cepestro is one of the two major Far West Shareholders. Ms. Cepestro has owned and managed several successful businesses. She serves as Far West's President and Chief Executive Officer and also serves on Far West's Board of Directors."

Response: This was a typographic error. Paula Capestro is Far West's Chief Financial Officer. Far West apologizes for the error.

15. In the Procedural Conference earlier this month when Mr. Capestro was asked what position Sandra Braden, who was not mentioned at all in the Status Report, had, he said that Sandra Braden was the company's CEO. Are there two CEO's of the one company? Why was Sandra Braden not mentioned at all?

Response: Sandra Braden is Far West's Chief Executive Officer.

16. Is the pond at the H&S yard at the corner of 15E and County Road 14 (56th Street) a permitted facility? Is it a sewer pond? Is it currently operational?

Response: The pond at 56th and 15E is filled with fresh water from a well at that site. It is operational and is used for watering two golf courses.

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**FAR WEST WATER & SEWER COMPANY
FEBRUARY 4, 2011 STATUS MEETING**

Intervenor Question For RUCO

In RUCO's Reply Brief, Docket #WS-03478A-08-0608, dated July 8, 2009, page 16, line 19 through page 17, line 8, describes \$257,000 disbursement to Coriolis which was acknowledged by Mr. Capestro to have been made in error. Mr. Capestro claimed the funds were returned, but RUCO said there was no subsequent entry reflecting the reimbursement of the funds. Has this been reimbursed and is there documentation?

Response by Far West: On March 4, 2010, Far West moved to withdraw its rate application. By Procedural Order dated April 13, 2010, Judge Rodda suspended the current rate case "pending the filing of a new permanent rate case." Therefore, this question is no longer a pending issue. Nevertheless, Far West believes that it can clear up this question.

In his testimony, Mr. Capestro meant to refer to a disbursement of \$85,000 made at the request of Coriolis for a low-pressure sewer system for the Las Barrancas Development. The July 13, 2007, request to Regions Bank was made in error. On August 15, 2007, Regions Bank credited Far West with the \$85,000 disbursement and then applied it toward the amount needed for the portable dewatering press at the Del Oro WWTP.

Copies of the two draw requests are attached.

The \$257,000 amount was for a previous year. In 2006, Coriolis suggested that Far West try a low-pressure system for the El Rancho Encantado development instead of gravity and big lift stations. The problem that Far West was having was odors from the gravity lines and lift stations getting clogged with debris flushed down the toilets, such as adult diapers. This was to be a test project for Far West. The low-pressure system will have grinder pumps at each residence to eliminate the problems of clogging, and spills, and the closed system eliminates odors. The engineering for the test project cost \$257,000.

Ultimately, Far West received a credit for the \$257,000 from H&S Development. Therefore, this amount is not included in rate base.

FORM OF REQUEST FOR DISBURSEMENT

To: Regions Bank
400 West Capitol Avenue, Suite 700
Little Rock, AR 72201

Attention: Trust Department

Re: Far West Water & Sewer, Inc. Water and Wastewater Facilities Anticipation Note,
Series 2006

Requisition Number: 12

Dated: July 13, 2007

Dear Sir or Madam:

You are hereby authorized and directed to make the following disbursement from the Project Fund as defined in the trust indenture dated as of July 14, 2006 (the "Indenture") by and between Far West Water & Sewer, Inc. (the "Issuer") and Regions Bank, as trustee:

(A) (1) Name and address of the person to whom disbursement is to be made, and the amount to be paid:

See Schedule A attached.

(2) Description of purpose for which the requested disbursement from the Project Fund is to be made.

See Schedule A attached.

(B) Each disbursement is for a proper expenditure of money in the Project Fund on a Cost of the Project (as defined in the Indenture);

(C) The general classification of the expenditure is planning, engineering design, construction of wastewater plant improvements at Far West Water & Sewer, Inc., construction management and regulatory assistance services, and a system wide odor control study and equipment installation;

(D) No items(s) for which payment is requested has (have) been the basis for any prior disbursement from the Project Fund (requests for disbursement of retainage amounts under any contract relating to the construction of the Project Facilities shall not be deemed made for an item which has been the basis of a prior disbursement by virtue of requests for disbursement of amounts covering the cost of such construction, less the retainage amounts);

(E) All of the conditions set forth in Article IV of Indenture have been satisfied;

(F) As of the date of this Request for Disbursement:

(G) (Intentionally Left Blank)

(H) (Intentionally Left Blank)

SCHEDULE A

NAME AND ADDRESS OF PERSON TO WHOM DISBURSEMENT IS TO BE MADE	AMOUNT	DESCRIPTION OR PURPOSE
Far West Water & Sewer Company, Inc.	\$32,958.33	Nitrogen removal program for Del Oro and Section 14 WWTP's
Far West Water & Sewer Company, Inc.	\$85,000.00	Las Barrancas Subdivision - Low Pressure Sewer System
Total	\$117,958.33	

WIRING INSTRUCTIONS
THE FOOTHILLS BANK
ROUTING No. 122105634
CREDIT: FAR WEST WATER & SEWER COMPANY, INC.
ACCOUNT# 0110810012

FORM OF REQUEST FOR DISBURSEMENT

To: Regions Bank
400 West Capitol Avenue, Suite 700
Little Rock, AR 72201

Attention: Trust Department

Re: Far West Water & Sewer, Inc. Water and Wastewater Facilities Anticipation Note, Series 2006

Requisition Number: 13

Dated: August 15, 2007

Dear Sir or Madam:

You are hereby authorized and directed to make the following disbursement from the Project Fund as defined in the trust indenture dated as of July 14, 2006 (the "Indenture") by and between Far West Water & Sewer, Inc. (the "Issuer") and Regions Bank, as trustee:

(A) (1) Name and address of the person to whom disbursement is to be made, and the amount to be paid:

See Schedule A attached.

(2) Description of purpose for which the requested disbursement from the Project Fund is to be made.

See Schedule A attached.

(B) Each disbursement is for a proper expenditure of money in the Project Fund on a Cost of the Project (as defined in the Indenture);

(C) The general classification of the expenditure is planning, engineering design, construction of wastewater plant improvements at Far West Water & Sewer, Inc., construction management and regulatory assistance services, and a system wide odor control study and equipment installation;

(D) No items(s) for which payment is requested has (have) been the basis for any prior disbursement from the Project Fund (requests for disbursement of retainage amounts under any contract relating to the construction of the Project Facilities shall not be deemed made for an item which has been the basis of a prior disbursement by virtue of requests for disbursement of amounts covering the cost of such construction, less the retainage amounts);

(E) All of the conditions set forth in Article IV of Indenture have been satisfied;

(F) As of the date of this Request for Disbursement:

(G) (Intentionally Left Blank)

(H) (Intentionally Left Blank)

**SCHEDULE A
DRAW REQUEST NO. 13**

NAME AND ADDRESS OF PERSON TO WHOM DISBURSEMENT IS TO BE MADE	AMOUNT	DESCRIPTION OR PURPOSE
Far West Water & Sewer Company, Inc.	(\$85,000)	Las Barrancas Subdivision previously drawn on request #12 by error – out of project scope – Credit Back to Account
Far West Water & Sewer Company, Inc.	\$85,000 CREDIT \$16,260 BALANCE \$101,260 TOTAL	Portable Sludge Press Unit for Del Oro WWTP (SOMAT Dewatering System)
Far West Water & Sewer Company, Inc.	\$41,000	Trojan UV System Interim @ Palm Shadows WWTP - Permanent Seasons WWTP
Far West Water & Sewer Company, Inc.	\$125,000	Purchase of approximately .75 acres on the NW Corner of 40 th and Cassidy for new lift station
Far West Water & Sewer Company, Inc.	\$ 200,000	Payment on Advance to H&S Development for Pipe/Labor/Equipment – Palm Shadows Forcemain
Far West Water & Sewer Company, Inc.	\$70,000	Completion of Tasks 1 & 2 Mapping Project
Total	\$452,260.00	

WIRING INSTRUCTIONS
THE FOOTHILLS BANK
ROUTING No. 122105634
CREDIT: FAR WEST WATER & SEWER, INC.
ACCOUNT # 0110810012

Gerald Becker	(602-342-0831)	gbecker@azcc.gov
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PAULA CAPESTRO	928-342-1238	Far West Water
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ANDREW CAPESTRO	928-342-1238	Far West Water