

ORIGINAL



0000133842

LAWRENCE V. ROBERTSON, JR.
ATTORNEY AT LAW

P. O. Box 1448
TUBAC, ARIZONA 85646

(520) 398-0411
FAX: (520) 398-0412
EMAIL: TUBACLAWYER@AOL.COM

ADMITTED TO PRACTICE IN:
ARIZONA, COLORADO, MONTANA,
NEVADA, TEXAS, WYOMING,
DISTRICT OF COLUMBIA

OF COUNSEL TO
MUNGER CHADWICK
ATTORNEYS AT LAW

January 31, 2012

Arizona Corporation Commission
DOCKETED

FEB - 1 2012

DOCKETED BY

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

Re: Docket No. W-20689A-11-0252
and Docket No. W-20810A-11-0252

To Whom it May Concern:

This letter and the enclosed documents are in response to a July 22, 2011 Insufficiency Letter in connection with the above-docketed proceedings. My apologies for the unintended delay in response.

Sincerely,

Lawrence V. Robertson, Jr.

cc: Blessing N. Chukwu
Del Smith
Lyn Farmer
Brian Bozzo
Connie Walczak
Gary Smyth
Tierra Linda Water Company, Inc.

RECEIVED
2012 FEB - 1 A 10: 22
ARIZONA CORPORATION
COMMISSION
DOCKET CONTROL

c:\users\angela\documents\larry\gary e. smyth\tierra linda water company\asset transfer\dckt cntrl re insufficiency ltr 1-31-12.doc

PHOENIX OFFICE: 2398 E. CAMELBACK RD., STE 240, PHOENIX AZ 85016 PH: (602) 358-7348 FAX: (620) 441-2779

TUCSON OFFICE: 333 N. WILMOT RD, STE 300, TUCSON AZ 85711 PH: (520) 721-1900 FAX: (520) 747-1550

ORIGINAL?

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



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ARIZONA CORPORATION COMMISSION

0000127749

LABORING DIRECTOR

Arizona Corporation Commission
DOCKETED

2011 JUL 22 P 3:3b

LABORING DIRECTOR
DOCKET CONTROL

July 22, 2011

JUL 22 2011

DOCKETED BY i

Lawrence V. Robertson, Jr.
P. O. Box 1448
Tubac, Arizona 85646

RE: Gary Smyth and Tierra Linda Water Company, Inc. – Joint Application for authorization to sell water system assets and transfer Certificate of Convenience and Necessity to Tierra Linda Water Company, Inc., and authorization to issue stock to acquire water system asset Docket Nos. W-20689A-11-0252 and W-20810A-11-0252
INSUFFICIENCY LETTER

Dear Mr. Robertson:

In reference to the above mentioned application filed on June 24, 2011, this letter is to inform you that the application has not met the sufficiency requirements as outlined in the Arizona Administrative Code. The deficiencies are:

1. Please provide a copy of the transfer of Pima County Franchise from the Transferor to the Transferee. If the franchise agreement has not been issued, please inform Staff of the status of the application for the franchise agreement.

Please see the attached franchise agreement.

2. Please provide the name and ADEQ certification number of the person who will be the certified operator of the water system upon the completion of the transfer.

Please see the attached Operator Certification for Christopher Hill

3. Describe any change to the operation and maintenance of the water system that will occur if the proposed transfer is approved.

There are no anticipated changes to the operation and maintenance of the Tierra Linda water system if the proposed transfer is approved. Mr. Smyth owns the water system as his sole and separate property at this time; and, as noted at page 5, lines 2-7 of the Application(s) filed on June 24, 2011 in the above-docketed proceedings, Mr. Smyth will own controlling interest of the Company if the proposed transaction is approved. At present, Mr. Smyth is both a Director and President of the Company. In connection with this Item #3, also see the discussion at page 5, lines 16-23 of the June 24, 2011 Application(s) filed in the above-referenced dockets.

4. Describe in detail any benefits that will be realized by customers if the proposed transfer is approved.

Inasmuch as the same individual who currently oversees the operations and maintenance of the Tierra Linda water system will be the same individual who will own controlling interest and oversee the water system operations of the Company, if the proposed transfer is approved, the benefits to be realized by the Tierra Linda water system customers will continue to be the benefits anticipated by the Commission when it issued Decision No. 72002 authorizing transfer of the Tierra Linda water system from the HOA to Mr. Smyth.

5. Please provide a complete listing of Gary Smyth's water system's assets. On the list provided indicate those assets if there are any that would not be transferred to the Transferee.

Please see the attached list of assets. All will be transferred to the Transferee.

6. Please provide the cost for all the plant, by plant account number, as well as an income statement and balance sheet for the utility for the year ending December 31, 2010, or later (i.e. year ending 06/30/2011).

Please see the attached plant costs, balance sheet and income statement from year ending 12/31/10.

Staff would like to use this opportunity to bring the following to your attention:

- Pursuant to the Arizona Administrative Code ("A.A.C.") R-14-2-411(C), upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing Opinion and Order to present to the Commission at an Open Meeting; and
- Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

Please file your response to this Insufficiency Letter with Docket Control.

Gary Smyth and Tierra Linda (W-20689A-11-0252 and W-20810A-11-0252)

Insufficiency Letter

7/21/2011

Page 2 of 2

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0840 or Del Smith at 602-542-7277.

Del Smith

Blessing N. Chukwu
Executive Consultant III

BNC

cc: Docket Control
Del Smith
Lyn Farmer
Brian Bozzo
Connie Walczak

F. ANN RODRIGUEZ, RECORDER
Recorded By: JCC
DEPUTY RECORDER
305

PCREA
PIMA CO REAL PROPERTY SERVICES
PICKUP



SEQUENCE: 20112100050
NO. PAGES: 9
AG 07/29/2011
10:58
PICK UP
AMOUNT PAID: \$0.00

PIMA COUNTY PUBLIC UTILITY LICENSE AGREEMENT

WHEREAS, this License Agreement is entered into between Pima County, a political subdivision of the State of Arizona (hereinafter "County"), and Tierra Linda Water Company, Inc., an Arizona corporation (hereinafter "Licensee"); and

WHEREAS, Licensee has applied and petitioned to the Board of Supervisors of the County for the right and privilege to construct, install, maintain, and operate Licensee's facilities within the public rights-of-way within Pima County and outside the confines of any incorporated city or town as required by A.R.S. § 40-283; and

WHEREAS, notice of the County's intent to enter into this agreement has been duly given as required by law; and

WHEREAS, said application came before the Board of Supervisors of the County of Pima, State of Arizona, and no petition to the Board of Supervisors to deny such privilege was filed or presented to the Board; and

WHEREAS, it being determined by the Board of Supervisors that the granting of this License is authorized by law and in the best interests of Pima County and the inhabitants thereof;

THEREFORE, the County and Licensee agree to the following:

Section 1. Grant of License. Licensee is hereby authorized and empowered, on a non-exclusive basis, to use all County public rights-of-way now existing or hereafter established and lying within the unincorporated areas of Pima County, under the terms and conditions set forth herein, for the purpose of installing, repairing, replacing, and maintaining its facilities.

Section 2. Term. This License is granted for a term of fifteen (15) years from the date this License is approved by the Board of Supervisors and extinguishes, supersedes and replaces all preceding franchises or licenses granted to Licensee by County.

Section 3. Regulation of County Rights-of-Way. All rights hereunder are granted under the express condition that County shall have the power at any time to impose restrictions and limitations, and to make regulations as to Licensee's use of the County's rights-of-way as may be deemed best for the public interests, safety or welfare.

Section 4. Superior Rights. The rights of County in and to the use of all public rights-of-way located within the unincorporated areas of Pima County are and forever shall be paramount and superior to the rights of Licensee.

Section 5. Alteration of Public Rights-of-Way. Nothing in this License shall be construed to prevent County from, altering, improving, adjusting, repairing, or maintaining its facilities and public rights-of-way and for that purpose to require Licensee to adjust, remove, replace or relocate Licensee's facilities to accommodate or facilitate the County's use of its facilities or rights-of-way. Facilities of Licensee shall mean any physical object or improvement owned, possessed, made, installed, constructed or maintained by Licensee or made, installed or constructed by County or others at the request of Licensee. Facilities of County shall mean any physical object or improvement owned, possessed, made, installed, maintained or constructed by County or others at the request of County, including all paving, highway, transportation, flood control and wastewater facilities located within County rights-of-way.

Section 6. Non-Exclusive Use. Nothing in this agreement shall be construed to grant Licensee an exclusive right to use the public rights-of-way. Licensee's facilities shall be erected, adjusted, installed, replaced, removed, relocated and maintained in a manner that will not interfere with the reasonable use of the public rights-of-way by the public, the County, or any other franchisee or licensee. The location of Licensee's facilities in the public rights-of-way shall not create or establish a vested interest in the rights-of-way and its facilities shall be removed or relocated by Licensee whenever County determines that Licensee's facilities impact, restrict, obstruct or hinder the County or the public's existing or future use of the rights-of-way or the County's operation or location of County facilities.

Section 7. Relocation. Licensee shall be solely responsible for the design, adjustment, removal or relocation, temporarily or permanently, of all Licensee's facilities that impact, conflict or interfere with the County's use of its rights-of-way or the County's improvement, relocation or adjustment of any facilities located in County rights-of-way. The cost of designing, adjusting, removing, relocating or replacing Licensee's facilities shall be Licensee's sole responsibility, unless Licensee has established prior rights with the County for the facilities to be affected. Prior to beginning any activity in the County rights-of-way, Licensee shall obtain all required permits from the County and any other applicable jurisdiction for the activity. The Licensee's facilities shall be adjusted, removed, replaced or relocated by Licensee in accordance with an activity schedule determined by County and provided to Licensee within a reasonable period of time prior to the scheduled activity start date. If the schedule is unacceptable to the Licensee or Licensee finds it necessary to plead financial hardship regarding the cost of relocating its facilities, the Licensee may appeal to the Board of Supervisors. If Licensee's facilities are not adjusted, removed, replaced or relocated within the time period allotted by the County's activity schedule, County may, at its discretion, adjust or relocate Licensee's facilities. Licensee hereby agrees to be liable for all costs incurred by County for the adjustment or relocation of Licensee's facilities necessitated by County's activities, including overhead and maintenance costs and an administrative surcharge in the amount of fifteen (15) percent of the total cost attributed to the adjustment or relocation of Licensee's facilities. In the event County incurs such costs, County shall submit a bill to Licensee for the incurred costs, and Licensee shall pay County the invoiced amount within ninety (90) calendar days of receipt of the invoice. If the invoice is not timely

paid by Licensee, all rights granted to Licensee under this agreement shall be suspended and no permits will be issued to Licensee for any work within the County rights-of-way until the invoiced costs are paid in full to County.

Section 8. Undergrounding. The parties acknowledge that County has the authority to require Licensee to underground its above ground facilities in County rights-of-way when the County determines that undergrounding of Licensee's facilities is necessary to conform to existing County Ordinances or is in the public interest. The County may require Licensee to conduct a study of the cost of undergrounding any portion or segment of Licensee's facilities located in the County rights-of-way. The study shall set forth an estimate of the costs of undergrounding Licensee's facilities including a breakdown of the cost allocated to labor, material, design and construction for converting above ground facilities to underground facilities. The Licensee shall submit a cost study for any specified segment of Licensee's facilities within ninety (90) calendar days after receiving written notice from County requesting the cost study. The cost of preparing and providing any cost study requested by County shall be borne by the Licensee.

Section 9. Scenic Routes. The installation of Licensee's facilities within any public rights-of-way designated by the Board of Supervisors as a scenic route must be constructed in accordance with the County's Scenic Routes Ordinance.

Section 10. Performance of Work. The work required by Licensee to design, construct, reconstruct, pothole for design, adjust, relocate, replace or repair Licensee's facilities shall be Licensee's sole responsibility. The cost of any delays to County projects caused by Licensee's failure to complete its work in accordance with the County's activity schedule shall be the Licensee's sole responsibility. In the event County incurs such costs, County shall submit a bill to Licensee for the incurred costs and Licensee shall pay County the invoiced amount within ninety (90) calendar days of receipt of the invoice. If the invoice is not timely paid by Licensee, all rights granted to Licensee under this agreement shall be suspended and no permits will be issued to Licensee for any work within the County rights-of-way until the invoiced costs are paid in full to County.

Section 11. Location of Facilities. As a condition of this License, Licensee hereby agrees to have and maintain precise, up-to-date maps of Licensee's facilities located in County rights-of-way and to make this information available to County within fifteen (15) calendar days of receiving a written request from the County. Beginning on the effective date of this Agreement, Licensee shall maintain precise and verifiable horizontal and vertical location information tied to an accepted County datum and provide such information to the County within fifteen (15) calendar days of receiving written notice from County. As a condition of the issuance of this License, Licensee agrees to provide surface location marking of Licensee's undergrounded facilities located within the public rights-of-way within two working days of a request from the County. In the event the Licensee is unable to provide the location information to County within the allotted time frame, County may, at its discretion, locate Licensee's facilities and Licensee shall be liable for the cost incurred in locating Licensee's facilities.

Section 12. Work in Rights-of-Way.

12.1. *Damage to other facilities.* In the construction, adjustment, removal, relocation, repair, operation and maintenance of its facilities, Licensee shall avoid causing or permitting any damage, disturbance or unnecessary modification or alteration to County facilities including pavement, or the facilities of others, located in the County rights-of-way. If Licensee causes or permits any such damage, disturbance or unnecessary alteration or modification, Licensee, at its sole expense and in a manner approved by the County Engineer, shall restore the damaged, disturbed, altered, or modified facilities to the condition in which they existed before being damaged, disturbed, modified, or altered. Licensee shall also be liable to owners of said facilities for any other losses or expenses which may accrue because of said damage, disturbance, modification or alteration. The restoration of facilities shall be initiated promptly and completed expeditiously by Licensee, who shall give priority to the restoration, repair or replacement of such facilities over all non-emergency activities of Licensee.

12.2. *Damage to vegetation.* In the construction, adjustment, removal, relocation, repair, operation and maintenance of its facilities, Licensee shall use all necessary care to avoid any damage to or disturbance of existing vegetation in the public rights-of-way. If Licensee causes or permits any such damage or disturbance, Licensee shall re-vegetate the rights-of-way at its sole expense and in accordance with all County regulations then in effect.

12.3. *Adjacent properties.* Licensee shall provide prior written notice to the owners or residents of adjoining properties of any activity of Licensee which may temporarily interfere with access to or use of said adjoining property. Licensee shall maintain access to adjoining properties during all construction activities or other operations, unless the requirement of access is waived in writing by the owners and residents of adjoining properties. If an emergency requires activity without written notice, Licensee shall use its best efforts to provide timely actual notice to the owners and residents of the adjoining properties.

Section 13. Design and Location of Facilities.

13.1. Licensee shall use reasonable care at all times to avoid damage or injury to persons and property during the construction, adjustment, removal, relocation, repair, operation and maintenance of Licensee's facilities.

13.2. The location and construction of Licensee's facilities in public rights-of-way shall conform to County standards and guidelines then in effect and as may be directed by County, in order not to interfere with a planned future use of the public rights-of-way by the County.

13.3. Licensee's facilities shall be located in a manner designed to cause the least amount of interference with the public's existing or future use of roads, streets, alleys and other public rights-of-way and in such a way as will minimize interference with the rights and convenience of adjacent property owners.

13.4. County may require Licensee to remove, relocate or underground, at Licensee's sole expense, any of Licensee's facilities that present a potential hazard to the public, that

interfere with the public's use of the public rights-of-way, or are determined by County to be aesthetically undesirable.

13.5. Licensee shall be responsible for notifying owners or residents of adjoining properties in writing about permanent or temporary above or below ground facilities to be constructed in the County rights-of-way. Licensee shall make every reasonable effort to resolve the concerns of property owners and residents regarding the construction of Licensee's facilities. Should the County determine that Licensee failed to reasonably evaluate all options available to alleviate residents concerns, County may require the Licensee to relocate its facilities at Licensee's sole expense.

13.6. Licensee shall be responsible for the cost to excavate in a "careful and prudent manner" Licensee's underground facilities pursuant to A.R.S. § 40-360.21 and § 40-360.22A on all County construction projects occurring within County rights-of-way.

Section 14. Construction Safety. Any opening or obstruction in the public rights-of-way caused by Licensee during the course of Licensee's activities in the rights-of-way shall be guarded and protected at all times by safety barriers erected by Licensee which shall be clearly designated by warning lights during periods of dusk and darkness. Any work performed by Licensee in or adjacent to a public roadway open for travel shall be properly signed and marked by Licensee with warning and directional devices in accordance with all applicable state and local traffic regulations and in accordance with the Arizona Department of Transportation's Traffic Control Manual for Highway Construction and Maintenance.

Section 15. Drainage. During construction or excavation in the public rights-of-way, Licensee shall provide proper drainage so that the public rights-of-way will be free from standing surface water and adequately drained so as not to cause flood or erosion damage to the facilities of the County or surrounding property. Licensee may be required, at the request of the County, to submit drainage engineering data and design plans to the County for review and approval prior to the issuance of any Right-of-Way Use Permit by County.

Section 16. Issuance of Permit not County Approval. County's review, approval or acceptance of plans or specifications or issuance of a permit for the installation, construction or location of a facility by Licensee shall not be construed to be an authorization for or approval of a violation of any federal, state or local law or regulation, or any industry standard, pertaining to the location or construction of a utility facility in public rights-of-way. No permit or approval presuming to give such authority shall be valid or otherwise relieve Licensee of its obligations under this License regarding the location and construction of facilities.

Section 17. County Inspection. County, if it deems necessary, has the right to inspect any work by Licensee in the public rights-of-way to insure proper performance of the terms of this License and conformance with any applicable federal, state and local laws, ordinances and regulations. County may require Licensee to pay a reasonable and uniform fee to cover the actual costs of inspections performed by County or its contractor under this provision. County may, at its discretion, pothole Licensee's facilities to verify conformance with *Section 11. Location of Facilities* of this License. Licensee shall be liable for the cost of potholing and an

administrative surcharge in the amount of fifteen (15) percent of the total cost of potholing should Licensee's facilities be out of conformance. Licensee shall be responsible for taking corrective action to bring as-builts into conformance with verified facilities.

Section 18. Abandonment of Facilities. Abandonment in place, of any of Licensee's facilities located within the County rights-of-way may only occur by acquiring written approval from the County.

Section 19. Liability and Indemnity. Licensee acknowledges its sole liability for its facilities installed in the public rights-of-way and for any activities it performs within the public rights-of-way. Licensee agrees to indemnify, hold harmless, and defend the County, its officials, agents, servants, and employees against all claims for injuries to persons or damage to property arising out of Licensee's work in the public rights-of-way or due to the existence of Licensee's facilities in the public rights-of-way, or in any way related to Licensee's exercise of its rights under this License. Neither the issuance of a County permit for installation or location of a facility, nor County approval of the activity, installation or location, nor the failure of the County to direct Licensee to take any precautions or make any changes or to refrain from doing anything shall excuse Licensee of its responsibilities hereunder to County or others in the case of any injury to persons or damage to property. If County is sued in any court by any person, firm, association or corporation to recover damages for injuries to person or property on account of the installation, repairing, operation and maintenance of facilities of Licensee, Licensee shall defend all such suits and pay any resulting judgments and shall, at the option of County, be made a party to any such court proceeding.

Section 20. County Participation in Legal Actions. The County shall have the right at all times to take part in any suit or action instituted by or against Licensee in which any judgment or decree can be rendered or foreclosing any lien on any of Licensee's property situated within public rights-of-way, or affecting the rights, powers or duties of Licensee to do or not to do anything which by this License it may be required to do or not to do, and also to take such steps as the County may deem essential to protect the interests of County or the public interest. County shall have the right to intervene in any suit, action, or proceeding by any person or persons, firm or corporation seeking to enjoin, restrain, or in any manner interfere with Licensee in the performance or observance by it of any of the terms or conditions of this License, or any regulation, notice or direction of County in such connection, or which involves or might involve the constitutionality, validity or enforcement of this License. County may also move for dissolution of any such injunction or restraining order or take any other appropriate step, in any such suit, action or proceeding which it may deem necessary or advisable to protect its interests.

Section 21. Compliance with License Conditions and Ordinances. Licensee agrees to conform to, abide by, and perform all the conditions, provisions, requirements, and limitations in this License Agreement. Licensee shall be subject to all County ordinances now in force or hereafter adopted, including all ordinances relating to the use of public rights-of-way by utilities. Licensee agrees that it will not assert any claim against the County that the provisions of this License or any applicable County ordinance or regulation in force at the time of execution of this License are unreasonable, arbitrary or void.

Section 22. Non-Exclusive License. This License and the privileges granted herein shall not be exclusive. The Board of Supervisors expressly reserves the right to grant, at any time, similar franchises, licenses and privileges over the same highways, roads, streets, alleys, and thoroughfares, or any thereof, to any other persons, firms or corporations.

Section 23. Assignment. Licensee hereby agrees that neither this License nor any of Licensee's facilities in the County rights-of-way shall be sold, assigned, or transferred without the prior written approval of the Pima County Board of Supervisors. The decision to approve or deny the sale, assignment or transfer of this License shall be within the sole discretion of the Board of Supervisors and the Board may deny Licensee's request to sell, assign or transfer the License if such denial is in the best interests of the County.

Section 24. County's Contact Information. All notices or contact concerning this License shall be provided in writing to:

Pima County Real Property Services
201 North Stone, 6th Floor
Tucson, Arizona 85701
(520) 740-6313

Section 25. Licensee's Contact Information. Any change in any of the Licensee's contact information below shall be made in writing to the County.

Name: Tierra Linda Water Company, Inc. by Lisa Sullivan

Title: V.P.

Address: PO Box 14858, Tucson, AZ 85732

Phone: (520) 495-5771

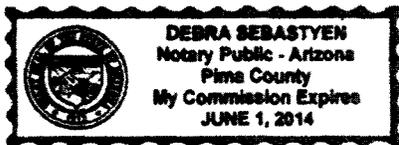
LICENSEE: TIERRA LINDA WATER
COMPANY, INC., AN
ARIZONA CORPORATION

By: [Signature]

Title: V.P.

State of Arizona)
) SS
County of Pima)

This instrument was acknowledged before me this 31 day of May, 2011,
by Lisa Sullivan, as V.P.
of Tierra Linda Water Company, Inc., an Arizona corporation.



[Signature]
Notary Public

My Commission Expires:

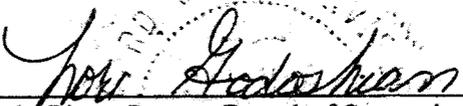
June 1, 2014

PIMA COUNTY, ARIZONA

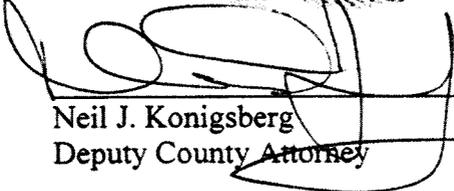

Chairman, Pima County Board of Supervisors

Date: JUL 12 2011

ATTEST:


Clerk, Pima County Board of Supervisors

Approved as to form:


Neil J. Konigsberg
Deputy County Attorney

This table was dynamically generated from the Water Quality Database.

Date/Time Generated: January 27, 2012

Operator ID:	OP008883		
City:	TUCSON		
Name:	CHRISTOPHER W HILL		
E-mail:	chill@metrowater.com		
Work Phone:	(520) 575-8100		
Certification	Grade	Effective Date	Expiration Date
Grade 4 Wastewater Collection System Operator	4C	01-Jul-1994	31-Jul-2012
Grade 4 Water Distribution System Operator	4D	01-Jul-1994	31-Jul-2012
Grade 4 Water Treatment Plant Operator	4T	01-Jul-1994	31-Jul-2012
Grade 4 Wastewater Treatment Plant Operator	4W	01-Jul-1994	31-Jul-2012

Results 1 - 1 of 1

Go to Page: **1**

[Search Again](#)

Chris Hill is the certified operator of Tierra Linda Water Company and will remain as the certified operator after the transfer.

Water System Assets

Real Estate

- 0.68 acre wellsite, dkt. 10209, pg. 2027
- non-exclusive right to 20' wide utility and access easement to wellsite located within lot 20 of Tierra Linda, Dkt. 17, Pg. 92
- non-exclusive right to 50' wide private ingress/egress & utility easement to wellsite located within lot 53 of Tierra Linda Nueva, Bk. 59, Pg. 3.

Structures and Improvements

- wellsite fencing and gates
- wellsite concrete slabs
- wellsite gravel and riprap

Wells and Springs

- well with 12" casing

Pumping Equipment

- 25 hp submersible pump
- 450 lf drop pipe, cable and sounding tube
- Two 10 hp and one 50 hp booster pumps
- piping, valves, flow meters, supports
- electrical equipment and panels
- compressor and related piping, valves and fittings
- 5000 gallon hydro-pneumatic tank, valves, fittings and connection

Distribution Reservoirs and Standpipes

- wellsite ductile iron pipe, fittings and connections
- 400,000 gallon storage tank, piping, fittings and connections
- 8" elevated overflow and supports

Transmission and Distribution Mains

- 1,520 lf 12" mains, (4) 12" valves
- 6,922 lf 8" mains, (31) 8" valves
- 1,000 lf 6" mains, (0) 6" valves
- (15) 2" DVAs

Services

- Phase 1: 37 single water services, 40 double water services, 2 irrigation services
- Phase 2: 22 single water services, 13 double water services

Meters and Meter Installations

- 60 5/8" x 3/4" meters

Hydrants

- Phase 1: 15 hydrants
- Phase 2: 8 hydrants

Other Plant and Misc. Equipment

- chlorination system
- cellular phone connection to telemetry system

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	45,800	3.33	1,525
307	Wells and Springs	32,054	3.33	1,067
311	Pumping Equipment	185,397	12.50	23,175
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	195,918	2.22	4,349
331	Transmission and Distribution Mains	490,046	2.00	9,801
333	Services	35,822	3.33	1,193
334	Meters and Meter Installations	10,079	8.33	745
335	Hydrants	59,819	2.00	1,196
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	4,225	6.67	282
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,058,160		43,428

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

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	22,653	28,458
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2,471	9,845.28
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$25,124	\$38,304
	FIXED ASSETS		
101	Utility Plant in Service	1,058,906	1,059,160
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(151,625)	(195,054)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$907,281	\$864,331
	TOTAL ASSETS	\$978,262	\$902,635

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

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable		
232	Notes Payable (Current Portion)	35,000	35,000
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	585	540
236	Accrued Taxes	144	237
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$35,729	\$35,777
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	550,485	552,085
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	206,326	206,327
272	Less: Amortization of Contributions	(11,451)	(11,451)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$745,360	\$746,961
	TOTAL LIABILITIES	\$781,089	\$782,738
	CAPITAL ACCOUNTS		
201	Common Stock Issued		
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(73,151)	(108,559)
218	Member Equity	259,875	259,875
	TOTAL CAPITAL	186,724	152,326
	TOTAL LIABILITIES AND CAPITAL	\$932,406	\$902,635