

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02113A	C
Chaparral City Water Company	

ANNUAL REPORT

FOR YEAR ENDING

12	31	2008
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FOR COMMISSION USE

ANN04	08
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5-1-09

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> Chaparral City Water Company			
Mailing Address 12021 N. Panorama Drive			
(Street)			
Fountain Hills	AZ	85268	
(City)	(State)	(Zip)	
(480) 837-3411	(480) 837-5310	(480) 226-3651	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address Rhanford@gswater.com			
Local Office Mailing Address 12021 N. Panorama Drive			
(Street)			
Fountain Hills	AZ	85268	
(City)	(State)	(Zip)	
(480) 837-3411	(480) 837-5310	(480) 226-3651	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address Rhanford@gswater.com			

## MANAGEMENT INFORMATION

<b>Management Contact:</b> Gladys M. Farrow Treasurer and Assistant Secretary			
(Name) (Title)			
630 East Foothill Blvd	San Dimas	CA	91773
(Street)	(City)	(State)	(Zip)
(909) 394-3600 x 624	(909) 394-0711		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address GladysFarrow@gswater.com			
<b>On Site Manager:</b> Robert Hanford			
(Name)			
12021 N. Panorama Drive	Fountain Hills	AZ	85268
(Street)	(City)	(State)	(Zip)
(480) 837-3411 Ext. 217	(480) 837-5310	(480) 226-3651	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> Rhanford@gswater.com			

**Statutory Agent:** \_\_\_\_\_ **United States Corporation Company** \_\_\_\_\_

(Name)

2338 West Royal Palm Road  
(Street)

Phoenix  
(City)

AZ  
(State)

85022  
(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** \_\_\_\_\_ **Norman D. James, Law Offices of Fennemore Craig** \_\_\_\_\_  
(Name)

3003 North Central Avenue #2600  
(Street)

Phoenix  
(City)

AZ  
(State)

85012-2913  
(Zip)

(602) 916-5346

Telephone No. (Include Area Code)

(602) 916-5546

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

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

**COMPANY NAME: Chaparral City Water Company**

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization	\$1,316,797	\$639	\$1,316,158
302	Franchises			
303	Land and Land Rights	271,857	0	271,857
304	Structures and Improvements	1,705,012	482,383	1,222,629
307	Wells and Springs	337,317	77,048	260,269
311	Pumping Equipment	5,278,130	2,128,973	3,149,157
320	Water Treatment Equipment	8,185,399	2,597,744	5,587,655
330	Distribution Reservoirs and Standpipes	9,858,707	2,947,899	6,910,808
331	Transmission and Distribution Mains	21,239,455	6,840,490	14,398,965
333	Services	9,316,378	1,561,922	7,754,456
334	Meters and Meter Installations	2,841,112	1,495,500	1,345,612
335	Hydrants	1,707,843	326,067	1,381,776
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	134,744	68,067	66,677
340	Office Furniture and Equipment	277,049	124,449	152,600
341	Transportation Equipment	547,936	293,353	254,583
343	Tools, Shop and Garage Equipment	169,747	57,730	112,017
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	43,326	34,054	9,272
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>\$63,230,809</b>	<b>\$19,036,318</b>	<b>\$44,194,491</b>

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

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense * (1x2)</b>
301	Organization	\$1,316,797	0.00%	\$0
302	Franchises			
303	Land and Land Rights	271,857	0.00%	
304	Structures and Improvements	1,705,012	4.65%	79,315
307	Wells and Springs	337,317	3.28%	11,058
311	Pumping Equipment	5,278,130	12.02%	634,244
320	Water Treatment Equipment	8,185,399	3.33%	272,188
330	Distribution Reservoirs and Standpipes	9,858,707	1.16%	114,556
331	Transmission and Distribution Mains	21,239,455	2.26%	479,030
333	Services	9,316,378	3.11%	289,581
334	Meters and Meter Installations	2,841,112	8.19%	232,591
335	Hydrants	1,707,843	1.79%	30,568
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	134,744	5.91%	7,964
340	Office Furniture and Equipment	277,049	11.24%	31,148
341	Transportation Equipment	547,936	20.07%	109,986
343	Tools, Shop and Garage Equipment	169,747	1.35%	2,291
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	43,326	10.00%	4,333
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>\$63,230,809</b>	<b>3.64%</b>	<b>\$2,298,853</b>
CIAC Amortization				(247,105)
Depreciation & Amortization (Acct. No. 403)*				<b>\$2,051,748</b>

**NOTE:** \* Depreciation expense is net of CIAC amortization.

**BALANCE SHEET**

<b>Acct .No.</b>	<b>ASSETS</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$14,443	\$212,631
134	Working Funds	-	-
135	Temporary Cash Investments	-	-
141	Customer Accounts Receivable	354,390	346,490
146	Notes/Receivables from Associated Companies	953,185	1,100,428
151	Plant Material and Supplies	13,908	7,417
162	Prepayments	157,116	216,724
174	Miscellaneous Current and Accrued Assets	12,922,239	5,040,115
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$14,415,281</b>	<b>\$6,923,805</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$59,065,283	\$63,230,809
103	Property Held for Future Use	-	-
105	Construction Work in Progress	946,533	919,059
108	Accumulated Depreciation – Utility Plant	(16,737,559)	(19,036,318)
121	Non-Utility Property	-	-
122	Accumulated Depreciation – Non Utility	-	-
	<b>TOTAL FIXED ASSETS</b>	<b>\$43,274,257</b>	<b>\$45,113,550</b>
	<b>TOTAL ASSETS</b>	<b>\$57,689,538</b>	<b>\$52,037,355</b>

**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
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable *	\$316,455	\$748,000
232	Notes Payable (Current Portion)	300,000	310,000
234	Notes/Accounts Payable to Associated Companies	1,650,000	2,534,111
236	Accrued Taxes/Income taxes payable	4,779	-
237	Accrued Interest	31,369	30,094
241	Miscellaneous Current and Accrued Liabilities	376,011	371,818
	<b>TOTAL CURRENT LIABILITIES</b>	<b>2,678,614</b>	<b>3,994,023</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$6,285,000	\$5,975,000
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$-	\$-
235	Customer Deposits	699,321	550,250
252	Advances in Aid of Construction	5,562,045	5,839,381
255	Accumulated Deferred Investment Tax Credits	-	-
271	Contributions in Aid of Construction	11,590,009	12,878,686
272	Less: Amortization of Contributions	(256,492)	(872,916)
281	Accumulated Deferred Income Tax	3,666,692	828,639
	Other Credits	807,101	671,477
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$22,068,676</b>	<b>\$19,895,517</b>
	<b>TOTAL LIABILITIES</b>	<b>\$28,353,676</b>	<b>\$29,864,540</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$4,603,140	\$4,603,140
211	Paid in Capital in Excess of Par Value	14,946,900	14,952,860
215	Retained Earnings	7,107,208	2,616,815
218	Proprietary Capital (Sole Props and Partnerships)	-	-
	<b>TOTAL CAPITAL</b>	<b>\$26,657,248</b>	<b>\$22,172,815</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$57,689,538</b>	<b>\$52,037,355</b>

\* Includes \$39,510 of bank overdrafts as of 12/31/07

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>2007</b>	<b>2008</b>
461	Metered Water Revenue	\$7,605,660	\$7,404,999
460	Unmetered Water Revenue	-	-
474	Other Water Revenues	98,381	66,698
	<b>TOTAL REVENUES</b>	<b>\$7,704,041</b>	<b>\$7,471,697</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$964,163	\$982,169
610	Purchased Water	856,379	802,368
615	Purchased Power	617,934	609,412
618	Chemicals	88,968	116,571
620	Repairs and Maintenance	133,453	80,322
621	Office Supplies and Expense	22,978	21,358
630	Outside Services	478,461	268,977
635	Water Testing	22,989	47,072
650	Transportation Expenses	95,284	74,600
657	Insurance - General Liability	9,165	29,241
659	Insurance - Health and Life	78,096	102,877
666	Regulatory Commission Expense - Rate Case	295,958	471,664
675	Miscellaneous Expense	884,672	850,715
403	Depreciation Expense	1,684,820	2,051,748
	Taxes Other Than Income	66,759	48,353
408.11	Property Taxes	207,563	187,217
409	Income Tax Expense (Benefit)	295,012	111,401
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$6,802,654</b>	<b>\$6,856,065</b>
	<b>OPERATING INCOME (LOSS)</b>	<b>\$901,387</b>	<b>\$615,632</b>
	<b>OTHER INCOME (EXPENSE)</b>		
419	Interest and Dividend Income	\$49,322	\$5,722
421	Non-Utility Income	-	-
426	Miscellaneous Non-Utility Expenses	(5,882)	(2,443)
427	Interest Expense	(479,814)	(453,052)
	Goodwill Impairment change, net of tax	-	(4,656,252)
	<b>TOTAL OTHER INCOME (EXPENSE)</b>	<b>(\$436,374)</b>	<b>(\$5,106,025)</b>
	<b>NET INCOME (LOSS)</b>	<b>\$465,013</b>	<b>(\$4,490,393)</b>

**COMPANY NAME: Chaparral City Water Company**

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	December 1997			
Source of Loan	IDA Bond 1997A & B			
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$8,920,000			
Amount Outstanding	\$6,285,000			
Date of Maturity	Range from 2011 to 2022			
Interest Rate	5.2%-5.4%			
Current Year Interest	\$352,615			
Current Year Principle	\$300,000			

Meter Deposit Balance at Test Year End

\$550,250

Meter Deposits Refunded During the Test Year

\$173,166

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-604784(not in service)	N/A	1500	725	10 ¾	8	1970
55-604785(not in service)	N/A	1180	765	350-20/415-16	10	1970
55-604786	350	1700	738	450-20/288-16	10	1972
55-604787	250	1100	768	300-20/468-16	10	1972

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
CAP Water Treatment Plant I	3,470	0
CAP Water Treatment Plant II	10,417	1,852,260
Well #10 and #11	2,800	357,230

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
40	4	1,659	N/A
60	2		
75	8		
100 & 125	4		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
3.5	1	10,000	3
1.5	1	5,000	2
1.25	4	3,000	1
0.5 or less	3		

COMPANY NAME: Chaparral City Water Company

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		57,344
5		
6		490,354
8		257,718
10		4,050
12		140,429
16		30,077
18		27,613

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	
3/4	8,405
1	4,499
1 1/2	180
2	164
Comp. 3	26
Turbo 3	
Comp. 4	7
Turbo 4	
Comp. 6	5
Turbo 6	

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

TREATMENT EQUIPMENT:

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STRUCTURES:

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OTHER:

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COMPANY NAME: Chaparral City Water Company

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED & Purchased (Thousands)
JANUARY	13,491	126,601	144,036
FEBRUARY	13,478	108,178	124,999
MARCH	13,482	111,588	166,356
APRIL	13,482	137,739	177,583
MAY	13,492	170,108	197,944
JUNE	13,485	167,445	210,977
JULY	13,474	187,943	221,724
AUGUST	13,448	203,015	221,546
SEPTEMBER	13,437	174,082	193,584
OCTOBER	13,416	177,209	226,926
NOVEMBER	13,403	194,609	179,911
DECEMBER	13,423	244,750	143,904
	<b>TOTAL</b>	<b>2,003,267</b>	<b>2,209,490</b>

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

Yes                       No

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

Yes                       No

If yes, provide the GPCPD amount: 128

What is the level of arsenic for each well on your system. Well #10= 9.3mg/l  
Well #11=10.0 mg/l

*(If more than one well, please list each separately.)*

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

<b>COMPANY NAME: Chaparral City Water Company</b>	
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>

**UTILITY SHUTOFFS / DISCONNECTS**

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		68	
FEBRUARY		57	
MARCH		7	
APRIL		28	
MAY		24	
JUNE		31	
JULY		35	
AUGUST		55	
SEPTEMBER		22	
OCTOBER		37	
NOVEMBER		29	
DECEMBER		31	
<b>TOTALS →</b>		424	

OTHER (description):

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**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2008 was: **\$ 197,392**

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

RECEIVED

MAY 9 1 2009

CITY OF CORP. COMM.  
Director Utilities

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) <b>Maricopa</b>
NAME (OWNER OR OFFICIAL) TITLE <b>Gladys M. Farrow, Treasurer and Assistant Secretary</b>
COMPANY NAME <b>Chaparral City Water Company</b>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

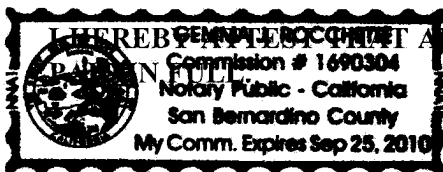
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2008

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**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

*Gladys M. Farrow*  
SIGNATURE OF OWNER OR OFFICIAL

909-394-3600 x 624

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

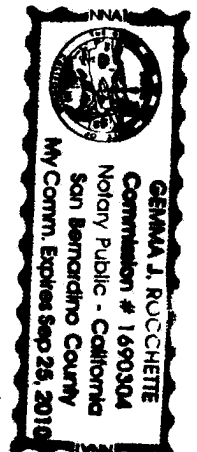
THIS 28<sup>th</sup> DAY OF

COUNTY NAME	<b>Los Angeles</b>	
MONTH	April	2009

(SEAL)

MY COMMISSION EXPIRES 9/25/10

*Gemma J. Rocchetti*  
SIGNATURE OF NOTARY PUBLIC



**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	(\$677,641)
Estimated or Actual Federal Tax Liability	None
State Taxable Income Reported	(\$193,373)
Estimated or Actual State Tax Liability	None

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	\$153,291
Amount of Gross-Up Tax Collected	\$1,493
Total Grossed-Up Contributions/Advances	\$154,784

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

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Gladys M. Farrow  
SIGNATURE

4/28/2009  
DATE

Gladys M. Farrow  
PRINTED NAME

Treasurer and Assistant Secretary  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

RECEIVED  
MAY 01 2008  
AZ CORP COMM  
Director Utilities

**VERIFICATION**

STATE OF **Arizona**

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <b>Maricopa</b>
NAME (OWNER OR OFFICIAL) TITLE <b>Gladys M. Farrow, Treasurer and Assistant Secretary</b>
COMPANY NAME <b>Chaparral City Water Company</b>

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2008

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2008 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
<b>\$8,164,271</b>

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 692,574  
IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

*Gladys M. Farrow*  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
909-394-3600 x 624  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

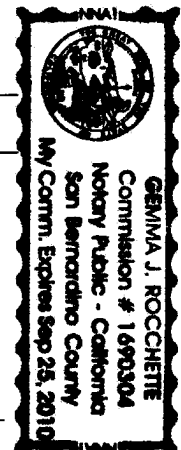
THIS 28th DAY OF

COUNTY NAME	<b>Los Angeles</b>	
MONTH	April	2009

(SEAL)

MY COMMISSION EXPIRES 9/25/10

*Gemma J. Rocchette*  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC



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

RECEIVED  
MAY 9 2009  
ARIZONA CORPORATION COMMISSION

VERIFICATION

STATE OF ARIZONA

COUNTY OF (COUNTY NAME) <b>Maricopa</b>	
NAME (OWNER OR OFFICIAL) <b>Gladys M. Farrow</b>	<b>Treasurer and Assistant Secretary</b>
COMPANY NAME <b>Chaparral City Water Company</b>	

I, THE UNDERSIGNED

OF THE

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2008

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

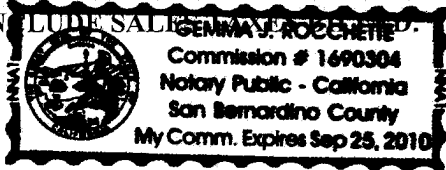
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2008 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES <u>\$7,249,322</u>
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(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 614,959 IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAX



*Gladys M. Farrow*  
SIGNATURE OF OWNER OR OFFICIAL

909-394-3600 x 624  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 28th DAY OF

NOTARY PUBLIC NAME <b>Gemma J. Rocchette</b>	
COUNTY NAME <b>Los Angeles</b>	
MONTH <b>April</b>	<b>2009</b>

(SEAL)

MY COMMISSION EXPIRES **9/25/10**

X *Gemma J. Rocchette*  
SIGNATURE OF NOTARY PUBLIC