

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02859A
Diversified Water Utilities, Inc.
4700 E. Thomas Rd., Ste. 203
Phoenix, AZ 850187703

ANNUAL REPORT
WATER

FOR YEAR ENDING

12	31	2008
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FOR COMMISSION USE

ANN 04	08
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PROCESSED BY:

4-3-09

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Diversified Water Utilities, Inc.</u>		
Mailing Address <u>4700 East Thomas Road, Suite 203</u>		
<u>Phoenix</u> (City)	<u>Arizona</u> (State)	<u>85018</u> (Zip)
<u>(602) 840-9400</u>	<u>(602) 840-6030</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u>sgray@dwuwater.com</u>		
Local Office Mailing Address <u>4700 East Thomas Road, Suite 203</u>		
<u>Phoenix</u> (City)	<u>Arizona</u> (State)	<u>85018</u> (Zip)
<u>(602) 840-9400</u>	<u>(602) 840-6030</u>	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u>sgray@dwuwater.com</u>		

MANAGEMENT INFORMATION

Management Contact: <u>Scott W. Gray</u>		<u>President</u>	
<u>(Name)</u>	<u>(Title)</u>		
<u>4700 East Thomas Road, Suite 203</u> (Street)	<u>Phoenix</u> (City)	<u>Arizona</u> (State)	<u>85018</u> (Zip)
<u>(602) 840-9400</u>	<u>(602) 840-6030</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>swgray@dwuwater.com</u>			
On Site Manager: <u>David B. Dickinson</u>			
<u>(Name)</u>			
<u>34630 N. Schnepf Road</u> (Street)	<u>Queen Creek</u> (City)	<u>Arizona</u> (State)	<u>85240</u> (Zip)
<u>(480) 987-9939</u>	<u>(480) 987-9939</u>	<u>(480) 388-4892</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>ddickinson@dwuwater.com</u>			

Statutory Agent: Scott W. Gray

(Name)

4700 East Thomas Road, Suite 203

Phoenix

Arizona

85018

(Street)

(City)

(State)

(Zip)

(602) 840-1140

(602) 840-6030

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: William P. Sullivan, Curtis Goodwin Sullivan Udall & Schwab, P.L.C.

(Name)

501 East Thomas Road

Phoenix

Arizona

85012-3205

(Street)

(City)

(State)

(Zip)

(602) 393-1700

(602) 393-1703

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address

OWNERSHIP INFORMATION

Check the following box that applies to your company:

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

Other (Describe)

COUNTIES SERVED

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

APACHE

COCHISE

COCONINO

GILA

GRAHAM

GREENLEE

LA PAZ

MARICOPA

MOHAVE

NAVAJO

PIMA

PINAL

SANTA CRUZ

YAVAPAI

YUMA

STATEWIDE

COMPANY NAME

DIVERSIFIED WATER UTILITIES, INC.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			-
302	Franchises			-
303	Land and Land Rights	83,092		83,092
304	Structures and Improvements	64,325	12,286	52,039
307	Wells and Springs	329,217	80,429	248,788
311	Pumping Equipment	865,036	120,176	744,860
320	Water treatment Equipment			-
330	Distribution Reservoirs and Standpipes	530,023	84,962	445,061
331	Transmission and Distribution Mains	2,244,807	289,396	1,955,411
333	Services	113,659	21,689	91,970
334	Meters and Meter Installations	251,373	37,407	213,966
335	Hydrants	225,600	8,031	217,569
336	Backflow Prevention Devices			-
339	Other Plant and Misc. Equipment			-
340	Office Furniture and Equipment	38,617	3,181	35,436
341	Transportation Equipment			-
343	Tools, Shop and Garage Equipment	3,569	254	3,315
344	Laboratory Equipment			-
345	Power Operated Equipment			-
346	Communication Equipment			-
347	Miscellaneous Equipment			-
348	Other Tangible Plant	73,665	14,397	59,268
	TOTALS	4,822,983	672,208	4,150,775

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

COMPANY NAME

DIVERSIFIED WATER UTILITIES, INC.

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	83,092		-
304	Structures and Improvements	64,325	3.56%	2,290
307	Wells and Springs	329,217	3.56%	11,720
311	Pumping Equipment	865,036	3.56%	30,795
320	Water treatment Equipment	-		-
330	Distribution Reservoirs and Standpipes	530,023	3.56%	18,869
331	Transmission and Distribution Mains	2,244,807	3.56%	79,915
333	Services	113,659	3.56%	4,046
334	Meters and Meter Installations	251,373	3.56%	8,949
335	Hydrants	225,600	3.56%	8,031
336	Backflow Prevention Devices	-		-
339	Other Plant and Misc. Equipment	-		-
340	Office Furniture and Equipment	38,617	3.56%	1,375
341	Transportation Equipment	-		-
343	Tools, Shop and Garage Equipment	3,569	3.56%	127
344	Laboratory Equipment	-		-
345	Power Operated Equipment	-		-
346	Communication Equipment	-		-
347	Miscellaneous Equipment	-		-
348	Other Tangible Plant	73,665	3.56%	2,622
	SUBTOTALS	4,822,983		168,740
	Less: Amortization of Contributions			(48,754)
	TOTALS	4,822,983		119,986

This Amount goes on Comparative Statement of Income and xpense Acct. No. 403.

COMPANY NAME DIVERSIFIED WATER UTILITIES, INC.
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BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 609,691	\$ 507,664
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	\$ 19,198	\$ 21,042
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		\$ 21,407
174	Miscellaneous Current and Accrued Assets		\$ 1,237
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 628,889	\$ 551,350
	FIXED ASSETS		
101	Utility Plant in Service	\$ 3,575,054	\$ 4,822,983
103	Property Held for Future Use		\$ 2,448
105	Construction Work in Progress		\$ 29,795
108	Accumulated Depreciation - Utility Plant	\$ 503,469	\$ 672,208
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 3,071,585	\$ 4,183,018
	TOTAL ASSETS	\$ 3,700,474	\$ 4,734,368

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

COMPANY NAME

DIVERSIFIED WATER UTILITIES, INC.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable		\$ 48,932
232	Notes Payable (Current Portion)	\$ 119,000	\$ 180,000
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	\$ 37,371	\$ 22,540
236	Accrued Taxes	\$ 14,350	\$ 14,080
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		\$ 20,324
	TOTAL CURRENT LIABILITIES	\$ 170,721	\$ 285,876
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 208,288	\$ 192,041
	DEFERRED CREDITS		
251	Unamortized Premium on Dept		
252	Advances in Aid of Construction	\$ 1,911,629	\$ 2,770,542
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	\$ 1,285,594	\$ 1,374,992
272	Less: Amortization of Contributions	\$ 91,852	\$ 140,606
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 3,105,371	\$ 4,004,928
	TOTAL LIABILITIES	\$ 3,484,380	\$ 4,482,845
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 2,000	\$ 2,000
211	Paid in Capital in Excess of Par Value	\$ 198,261	\$ 198,261
215	Retained Earnings	\$ 15,833	\$ 51,262
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 216,094	\$ 251,523
	TOTAL LIABILITIES AND CAPITAL	\$ 3,700,474	\$ 4,734,368

COMPANY NAME

DIVERSIFIED WATER UTILITIES, INC.

COMPARATIVE STATEMENT OF INCOME AND EXPENSES

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 757,827	\$ 915,674
460	Unmetered Water Revenue		
474	Other Water Revenues	\$ 20,556	\$ 9,156
	TOTAL REVENUES	\$ 778,383	\$ 924,830
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 196,908	\$ 306,269
610	Purchased Water		\$ 355
615	Purchased Power	\$ 45,579	\$ 50,178
618	Chemicals	\$ 2,884	\$ 3,836
620	Repairs and Maintenance	\$ 29,977	\$ 20,111
621	Office Supplies and Expense	\$ 17,271	\$ 12,873
630	Outside Services	\$ 104,904	\$ 139,753
635	Water Testing	\$ 4,916	\$ 3,814
641	Rents	\$ 44,812	\$ 37,097
650	Transportation Expense	\$ 24,060	\$ 58,075
657	Insurance - General Liability	\$ 12,755	\$ 3,473
659	Insurance - Health and Life	\$ 36,465	\$ 56,500
666	Regulatory Commission Expense - Rate Case		\$ -
675	Miscellaneous Expense	\$ 19,073	\$ 21,150
403	Depreciation Expense	\$ 82,698	\$ 119,985
408	Taxes Other Than Income	\$ 16,297	\$ 22,385
408.11	Property Tax	\$ 20,920	\$ 19,703
409	Income Tax		\$ -
	TOTAL OPERATING EXPENSES	\$ 659,519	\$ 875,554
	OPERATING INCOME/(LOSS)	\$ 118,864	\$ 49,276
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 10,007	\$ 10,100
421	Non-Utility Income	\$ 9,248	\$ 2,295
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	\$ (12,455)	\$ (13,592)
	TOTAL OTHER INCOME/(EXPENSE)	\$ 6,800	\$ (1,197)
	NET INCOME/(LOSS)	\$ 125,664	\$ 48,079

COMPANY NAME

DIVERSIFIED WATER UTILITIES, INC.

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	2002			
Source of Loan	WIFA Note			
ACC Decision No.				
Reason for Loan	PLANT IMPROVEMENT			
Dollar Amount Issued	\$ 353,900			
Amount Outstanding	\$ 208,041			
Date of Maturity				
Interest Rate	4.725%			
Current Year Interest	\$ 11,563			
Current Year Principle	\$ 16,246			

Meter Deposit Balance at Test Year End

\$759,248

Meter Deposits Refunded During the Test Year

\$92,971

COMPANY NAME	Diversified Water Utilities, Inc.		
Name of System:	n/a	ADEQ Public Water System Number:	AZ04-11-043

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-609350	30	200	1,000	20	6	1952
55-627093	250	1,200	913	20	12	1958
55-627092**	300	1,500	1,003	20	12	1962
55-627095**		2,300	1,800	20		1967

* Arizona Department of Water Resources Identification Number

** Not yet in service

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10 horsepower	2	96	
30 horsepower	4		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
200,000	1	5,000	2
20,000	1	7,500	1
1,000,000	1		

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

COMPANY NAME	Diversified Water Utilities, Inc.		
Name of System:	n/a	ADEQ Public Water System Number:	AZ04-11-043

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		6,350
5		
6		47,300
8		60,672
10		
12		16,163

CUSTOMER METERS

Size (in Inches)	Quantity
5/8 X 3/4	360
3/4	676
1	181
1 1/2	3
2	4
Comp. 3	
Turbo 3	3
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

Liquid Chlorine

STRUCTURES:

Storage Shed

Chlorine Shed

OTHER:

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

COMPANY NAME	Diversified Water Utilities, Inc.		
Name of System:	n/a	ADEQ Public Water System Number:	AZ04-11-043

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1163	6,999	7,554	
FEBRUARY	1183	7,103	7,490	
MARCH	1187	10,692	10,880	
APRIL	1,172	11,048	12,328	
MAY	1,185	10,950	12,247	
JUNE	1,193	15,051	15,718	
JULY	1,184	11,872	13,056	
AUGUST	1,186	13,582	12,678	
SEPTEMBER	1,189	11,165	13,211	
OCTOBER	1,193	10,836	12,856	
NOVEMBER	1,190	10,479	10,293	
DECEMBER	1,198	7,388	6,670	
		127,166	134,982	NONE

What is the level of arsenic for each well on your system? 0.0030 mg/l (55-609350)
(If more than one well, please list separately.) 0.0020 mg/l (55-627093)
0.0017 mg/l (55-627092)

If system has fire hydrants, what is the fire flow requirement? 1,000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

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: _____

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

COMPANY NAME	Diversified Water Utilities, Inc.		
Name of System:	n/a	ADEQ Public Water System Number:	AZ04-11-043

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	-	20	
FEBRUARY	-	37	
MARCH	-	48	
APRIL	-	28	
MAY	-	51	
JUNE	-	63	
JULY	-	14	
AUGUST	-	33	
SEPTEMBER	-	62	
OCTOBER	-	18	
NOVEMBER	-	-	
DECEMBER	-	4	
TOTALS	-	378	-

OTHER (description) :

COMPANY NAME Diversified Water Utilities, Inc.

YEAR ENDING 12/31/2008

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2008 was: \$ 20,843

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

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) Maricopa
NAME (OWNER OR OFFICIAL) TITLE Scott W. Gray, President
COMPANY NAME Diversified Water Utilities, Inc.

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

FOR THE YEAR ENDING

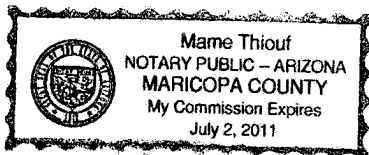
MONTH	DAY	YEAR
12	31	2008

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.



Scott W. Gray

SIGNATURE OF OWNER OR OFFICIAL
(602) 840-9490

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

Mame Thiouf

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME Maricopa	
MONTH April	.2009

THIS 1st DAY OF

(SEAL)

Mame Thiouf

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES July 2, 2011

COMPANY NAME Diversified Water Utilities, Inc.

YEAR ENDING 12/31/2008

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>N/A - S Corporation</u>
Estimated or Actual Federal Tax Liability	<u>N/A - S Corporation</u>

State Taxable Income Reported	<u>N/A - S Corporation</u>
Estimated or Actual State Tax Liability	<u>N/A - S Corporation</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</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 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.



SIGNATURE

4/1/09

DATE

Scott W. Gray

PRINTED NAME

President

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa
NAME (OWNER OR OFFICIAL) TITLE Scott W. Gray, President
COMPANY NAME Diversified Water Utilities, Inc.

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 (\$) \$ <u>981,358</u>
--

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 56,557
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)**



SIGNATURE OF OWNER OR OFFICIAL
(602) 840-9400/

TELEPHONE NUMBER

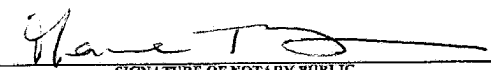
SUBSCRIBED AND SWORN TO BEFORE ME Name Thioyf

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

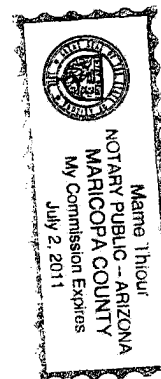
THIS 1st DAY OF

COUNTY NAME Maricopa	
MONTH <u>April</u>	.20 <u>09</u>

(SEAL)



SIGNATURE OF NOTARY PUBLIC



MY COMMISSION EXPIRES July 2, 2011

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

<small>COUNTY OF (COUNTY NAME)</small> Maricopa	
<small>NAME (OWNER OR OFFICIAL)</small> Scott W. Gray	<small>TITLE</small> President
<small>COMPANY NAME</small> Diversified Water Utilities, Inc.	

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

FOR THE YEAR ENDING

<small>MONTH</small>	<small>DAY</small>	<small>YEAR</small>
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.

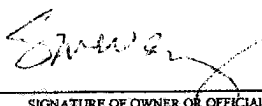
SWORN STATEMENT

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:

<small>ARIZONA INTRASTATE GROSS OPERATING REVENUES</small>
\$ 981,358

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 56,557 IN SALES TAXES BILLED, OR COLLECTED)

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



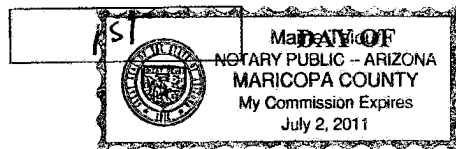
SIGNATURE OF OWNER OR OFFICIAL

(602) 840-9400

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS
(SEAL)



MY COMMISSION EXPIRES July 2, 2011

<small>NOTARY PUBLIC NAME</small> Mame Thiant	
<small>COUNTY NAME</small> Maricopa	
<small>MONTH</small> April	<small>YEAR</small> 2009



SIGNATURE OF NOTARY PUBLIC

Diversified Water Utilities, Inc.
 4303 N. Central Ex. Rd. Suite 203
 Phoenix, AZ 85018
 (602) 840-9400

3701

DATE 4-8-08

PAY TO THE ORDER OF *Final County Treasurer*
Final County

5306.21

DOLLARS 0

FOR DEPOSIT ONLY

WELLS FARGO BANK

Final County Treasurer

4121535041

REF#0288490931 CK# 3701 306-21

for Deposit Only

Wells Fargo Bank

Final County Treasurer

4121535041

Diversified Water Utilities, Inc.
 4303 N. Central Ex. Rd. Suite 203
 Phoenix, AZ 85018
 (602) 840-9400

3702

DATE 4-8-08

PAY TO THE ORDER OF *Final County Treasurer*
Final County

9731.54

DOLLARS 0

FOR DEPOSIT ONLY

WELLS FARGO BANK

Final County Treasurer

4121535041

REF#0288490932 CK# 3702 9731-54

for Deposit Only

Wells Fargo Bank

Final County Treasurer

4121535041

Check Images

Statement period: Apr 01-Apr 30, 2008

Account number: [REDACTED]

Image page: 6 of 10



Diversified Water Utilities, Inc.
 4303 N. Central Ex. Rd. Suite 203
 Phoenix, AZ 85018
 (602) 840-9400

3703

DATE 4-8-08

PAY TO THE ORDER OF *Final County Treasurer*
Final County

409.25

DOLLARS 0

FOR DEPOSIT ONLY

WELLS FARGO BANK

Final County Treasurer

4121535041

REF#0288490930 CK# 3703 409.25

for Deposit Only

Wells Fargo Bank

Final County Treasurer

4121535041

4

Diversified Water Utilities, Inc.
 4700 E. Hercules Road, Ste 203
 Phoenix, AZ 85018
 Phone: (602) 840-9300
 Fax: (602) 840-9330

WELLS FARGO BANK, N.A.
 www.wellsfargo.com
 913271021

4217

10/27/2008

PAY TO THE ORDER OF Pinal County Treasurer \$**9,262.21

Nine Thousand Two Hundred Sixty-Two and 21/100***** DOLLARS

Pinal County Treasurer
 PO Box 729
 Florence, AZ 85232

MEMO Property Tax - 921-50-12908

C074217 10221052781 [REDACTED]

[Signature]

For Deposit Only
 Wells Fargo Bank
 Pinal County Treasurer
 >4171535041<

REF#0284396408 CK# 4217 9262.21

Diversified Water Utilities, Inc.
 4700 E. Hercules Road, Ste 203
 Phoenix, AZ 85018
 Phone: (602) 840-9300
 Fax: (602) 840-9330

WELLS FARGO BANK, N.A.
 www.wellsfargo.com
 913271021

4219

10/27/2008

PAY TO THE ORDER OF Pinal County Treasurer \$**233.10

Two Hundred Thirty-Three and 10/100***** DOLLARS

Pinal County Treasurer
 PO Box 729
 Florence, AZ 85232

MEMO Property Tax - 921-54-401NP

C074219 10221052781 [REDACTED]

[Signature]

For Deposit Only
 Wells Fargo Bank
 Pinal County Treasurer
 >4171535041<

REF#0284396411 CK# 4219 233.10

Online banking customers can view and print check images that have cleared since their last statement.



Check Images

Diversified Water Utilities, Inc.
4702 E. Thomas Road, Ste 203
Phoenix, AZ 85018
Phone: (602) 840-9400
Fax: (602) 840-4030

WELLS FARGO BANK, N.A.
www.wellsfargo.com
91-021221

4220

10/27/2008

PAY TO THE ORDER OF Pinal County Treasurer \$16.54

Sixteen and 54/100

Pinal County Treasurer
PO Box 729
Florence, AZ 85232

MEMO Property Tax - 104-22-07003

#004220# 4122105278# [REDACTED]

[Signature]

For Deposit Only
Wells Fargo Bank
Pinal County Treasurer
>4121535041<

REF#0284396401 CK# 4220 16.54

Diversified Water Utilities, Inc.
4702 E. Thomas Road, Ste 203
Phoenix, AZ 85018
Phone: (602) 840-9400
Fax: (602) 840-4030

WELLS FARGO BANK, N.A.
www.wellsfargo.com
91-021221

4221

10/27/2008

PAY TO THE ORDER OF Pinal County Treasurer \$524.83

Five Hundred Twenty-Four and 23/100

Pinal County Treasurer
PO Box 729
Florence, AZ 85232

MEMO Property Tax - 104-22-00618

#004221# 4122105278# [REDACTED]

[Signature]

For Deposit Only
Wells Fargo Bank
Pinal County Treasurer
>4121535041<

REF#0284396404 CK# 4221 524.83

Diversified Water Utilities, Inc.
4702 E. Thomas Road, Ste 203
Phoenix, AZ 85018
Phone: (602) 840-9400
Fax: (602) 840-4030

WELLS FARGO BANK, N.A.
www.wellsfargo.com
91-021221

4222

10/27/2008

PAY TO THE ORDER OF Pinal County Treasurer \$179.38

One Hundred Seventy Nine and 38/100

Pinal County Treasurer
PO Box 729
Florence, AZ 85232

MEMO Property Tax - 210-11-00187

#004222# 4122105278# [REDACTED]

[Signature]

For Deposit Only
Wells Fargo Bank
Pinal County Treasurer
>4121535041<

REF#0284396403 CK# 4222 179.38

Diversified Water Utilities, Inc.
4702 E. Thomas Road, Ste 203
Phoenix, AZ 85018
Phone: (602) 840-9400
Fax: (602) 840-4030

WELLS FARGO BANK, N.A.
www.wellsfargo.com
91-021221

4223

10/27/2008

PAY TO THE ORDER OF Pinal County Treasurer \$179.61

One Hundred Seventy Nine and 61/100

Pinal County Treasurer
PO Box 729
Florence, AZ 85232

MEMO Property Tax - 210-03-42239

#004223# 4122105278# [REDACTED]

[Signature]

For Deposit Only
Wells Fargo Bank
Pinal County Treasurer
>4121535041<

REF#0284396402 CK# 4223 179.61