

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

F

W-02502A
Flagstaff Ranch Water Company, Inc
PO Box 10775
Phoenix, AZ 85064

RECEIVED

FEB 02 2009

AZ CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT
WATER

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2008 |
|----|----|------|

FOR COMMISSION USE

| | |
|--------|----|
| ANN 04 | 08 |
|--------|----|

PROCESSED BY:

2-2-09

SCANNED

COMPANY INFORMATION

| | | | |
|--|-----------------------------|------------------------------|--|
| Company Name (Business Name) <u>Flagstaff Ranch Water Co., Inc.</u> | | | |
| Mailing Address _____ | | <u>P. O. Box 10775</u> | |
| (Street) | | | |
| <u>Phoenix,</u> | <u>AZ</u> | <u>85064</u> | |
| (City) | (State) | (Zip) | |
| <u>602 954 0321</u> | <u>602 957 3159</u> | | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code) | |
| Email Address _____ | | | |
| Local Office Mailing Address <u>P. O. Box 10775</u> | | | |
| (Street) | | | |
| <u>Phoenix,</u> | <u>AZ</u> | <u>85064</u> | |
| (City) | (State) | (Zip) | |
| <u>602 954 0321</u> | <u>602 957 3159</u> | | |
| Local Office Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code) | |
| Email Address _____ | | | |

MANAGEMENT INFORMATION

| | | | | |
|--|-----------------------------|------------------------------|--------------|--------------|
| Management Contact: <u>Herbert Dreiseszun</u> | | | | <u>Pres.</u> |
| (Name) | | | | (Title) |
| <u>P. O. Box 10775</u> | <u>Phoenix</u> | <u>AZ</u> | <u>85064</u> | |
| (Street) | (City) | (State) | (Zip) | |
| <u>602 954 0321</u> | <u>602 957 3159</u> | | | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code) | | |
| Email Address _____ | | | | |
| On Site Manager: <u>Patrick Vinson</u> | | | | |
| (Name) | | | | |
| <u>4888 East Half Moon</u> | <u>Flagstaff,</u> | <u>AZ</u> | <u>86004</u> | |
| (Street) | (City) | (State) | (Zip) | |
| <u>928 527 8603</u> | <u>928 526 7898</u> | <u>928 853 2531</u> | | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code) | | |
| Email Address _____ | | | | |

Statutory Agent: Herbert Dreiseszun
 (Name)

717 E. Maryland Suite 110 Phoenix, AZ 85014
 (Street) (City) (State) (Zip)

602 954 0321 602 957 3159
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: William Sullivan
 (Name)

501 E. Thomas Rd. Phoenix, AZ 85012
 (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:

- | | |
|---|--|
| <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 checked="" type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input 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

Flagstaff Ranch Water Co., Inc.

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|-----------|--|--------------------|-------------------------------|-----------------------|
| 301 | Organization | 75102 | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | | | |
| 304 | Structures and Improvements | 80252 | | |
| 307 | Wells and Springs | | | |
| 311 | Pumping Equipment | 69409 | | |
| 320 | Water Treatment Equipment arsenic | 138456 | | |
| 330 | Distribution Reservoirs and Standpipes | 262809 | | |
| 331 | Transmission and Distribution Mains | 430522 | | |
| 331A | Aspen Shadows | 577000 | | |
| 333 | Services Flagstaff Ranch Golf | 3200000 | | |
| 334 | Meters and Meter Installations | | | |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 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 | 1046950 | 1003783 | 74943 |

Total including 331A

4823950

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



COMPANY NAME Flagstaff Ranch Water Co., Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|-------------|---|-------------------|-----------------------------|----------------------------|
| 301 | Organization | 75201 | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | | | |
| 304 | Structures and Improvements | 80252 | | |
| 307 | Wells and Springs | | | |
| 311 | Pumping Equipment | 69409 | | |
| 320 | Water Treatment Equipment arsenic | 138456 | | |
| 330 | Distribution Reservoirs and Standpipes | 262809 | | |
| 331 | Transmission and Distribution Mains | 430522 | | |
| 331A 333 | Aspen Shadows and Flagstaff Services Ranch Golf not included in depreciation | | | |
| 334 | Meters and Meter Installations | | | |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 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 | 1046950 | | 19185 |

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 | \$ 121,239 | \$ 175,360 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | | |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | | |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 121,239 | \$ 175,360 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 1,046,550 | \$1,046,550 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation – Utility Plant | 984,598 | 1,003,783 |
| 121 | Non-Utility Property * | 3,777,000 | 3,777,000 |
| 122 | Accumulated Depreciation – Non Utility | | |
| | TOTAL FIXED ASSETS | \$ 61,952 | \$ 74,943 |
| | TOTAL ASSETS | \$ 190,228+ | \$ 250,333+ |

* Utility plan main extension agreements 3,777,000 3,777,000
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) | | |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | | |
| 236 | Accrued Taxes | | |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | | |
| | TOTAL CURRENT LIABILITIES | \$ | \$ |
| | 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 | | |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | | |
| 272 | Less: Amortization of Contributions | | |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$ | \$ |
| | TOTAL LIABILITIES | \$ | \$ |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ 917,172 | \$ 917,172 |
| 211 | Paid in Capital in Excess of Par Value | 175,944 | 175,944 |
| 215 | Retained Earnings | (951,041) | (902,931) |
| 218 | Proprietary Capital (Sole Props and Partnerships) Net Income | 48,108 | 58,210 |
| | TOTAL CAPITAL | \$ 190,228+ | \$ 250,333+ |
| | TOTAL LIABILITIES AND CAPITAL | \$ 190,228+ | \$ 250,333+ |
| | | 3,777,000 | 3,777,000 |

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|---|--------------------|-------------------|
| 461 | Metered Water Revenue | \$ 139,757 | \$ 122,016 |
| 460 | Unmetered Water Revenue | 15,386 | 9,826 |
| 474 | Other Water Revenues | | |
| | TOTAL REVENUES | \$ 162,767 | \$ 131,684 |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages management fee | \$ 70,926 | \$ 47,532 |
| 610 | Purchased Water | | |
| 615 | Purchased Power | 22,442 | 33,710 |
| 618 | Chemicals | | |
| 620 | Repairs and Maintenance | 46,952 | 18,886 |
| 621 | Office Supplies and Expense | 2,345 | 158 |
| 630 | Outside Services | | |
| 635 | Water Testing | 1,624 | 2,043 |
| 641 | Rents | | |
| 650 | Transportation Expenses | | |
| 657 | Insurance – General Liability | 4,144 | 4,525 |
| 659 | Insurance - Health and Life | | |
| 666 | Regulatory Commission Expense – Rate Case | | |
| 675 | Miscellaneous Expense Legal/professional | 3,405 | 3,590 |
| 403 | Depreciation Expense | 25,532 | 19,185 |
| 408 | Taxes Other Than Income | | |
| 408.11 | Property Taxes | 3,852 | 5,398 |
| 409 | Income Tax | 45 | 45 |
| | TOTAL OPERATING EXPENSES | \$ 183,748 | \$ 142,245 |
| | OPERATING INCOME/(LOSS) | \$ (20,981) | \$ (7,926) |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$ | \$ |
| 421 | Non-Utility Income | 68,684 | 66,136 |
| 426 | Miscellaneous Non-Utility Expenses | | 7,173 |
| 427 | Interest Expense | | |
| | TOTAL OTHER INCOME/(EXPENSE) | \$ 68,684 | \$ |
| | NET INCOME/(LOSS) | \$ 48,108 | \$ 58,210 |

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------|---------|---------|---------|
| Date Issued | | | | |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | | | | |
| Dollar Amount Issued | \$ | \$ | \$ | \$ |
| Amount Outstanding | \$ | \$ | \$ | \$ |
| Date of Maturity | | | | |
| Interest Rate | % | % | % | % |
| Current Year Interest | \$ | \$ | \$ | \$ |
| Current Year Principle | \$ | \$ | \$ | \$ |

Meter Deposit Balance at Test Year End \$ -0-

Meter Deposits Refunded During the Test Year \$ -0-

| | |
|------------------------|--|
| COMPANY NAME | Flagstaff Ranch Water Co., Inc. |
| Name of System: | ADEQ Public Water System Number: 03 088 |

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 509021 | 60 | 75 | 1600 | 12 | | 1984 |
| 55 581 959 | 60 | 60 | 2000 | 12 | | 2004 |
| 55 581 962 | 60 | 60 | 2000 | 12 | | 2004 |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|----------------------------|-----------------------|---|
| | | |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|----------------------|-----------------|--------------------------|-----------------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| 50 | 1 | 67 | |
| | | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|----------------------|-----------------|-----------------------|-----------------|
| Capacity | Quantity | Capacity | Quantity |
| 595,000 | 1 | 1000 | 1 |
| | | | |
| | | | |

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

| | |
|------------------------|---|
| COMPANY NAME | Flagstaff Ranch Water Co., Inc. |
| Name of System: | ADEQ Public Water System Number: |

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 8 | | |
| 10 | | |
| 12 | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | |
| 3/4 | 150 |
| 1 | 60 |
| 1 1/2 | 3 |
| 2 | |
| Comp. 3 | 3 |
| Turbo 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:

_____ Arsenic Remediation system _____

STRUCTURES:

_____ Treatment building _____

OTHER:

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

| |
|--|
| COMPANY NAME: Flagstaff Ranch Water Co., Inc. |
| Name of System: ADEQ Public Water System Number: 03 088 |

UTILITY SHUTOFFS / DISCONNECTS

| MONTH | Termination without Notice R14-2-410.B | Termination with Notice R14-2-410.C | OTHER |
|------------------|---|--|--------------|
| JANUARY | | | |
| FEBRUARY | | | |
| MARCH | | | |
| APRIL | | 1 | |
| MAY | | | |
| JUNE | | 2 | |
| JULY | | 1 | |
| AUGUST | | | |
| SEPTEMBER | | 2 | |
| OCTOBER | | | |
| NOVEMBER | | | |
| DECEMBER | | | |
| TOTALS → | | 6 | |

OTHER (description):

COMPANY NAME Flagstaff Ranch Water Co., Inc.

YEAR ENDING 12/31/2008

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2008 was: \$ 3735.00

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. _____

Paid Date: 4/25/08 #1953 \$1,845.67

FROM #001953# 4222105210# 111034822# 000084567#
 Northern Trust
 One thousand eight hundred forty-five and 67/100
 DOLLARS \$ 1845.67
 TO THE ORDER OF Coconino County Treasurer
 DATE 4/17/08
 FLAGSTAFF RANCH WATER CO., INC.
 P. O. BOX 10775 PHOENIX, AZ 85021
 1953 5337211

5372668 1996

FLAGSTAFF RANCH WATER CO., INC.
 P. O. BOX 10775 PHOENIX, AZ 85021
 PAY TO THE ORDER OF Coconino County Treasurer DATE 10/13/08
 One thousand eight hundred eighty-nine and 72/100 \$ 1889.72
 Northern Trust
 FOR #287604111# 0155042243# 966400#
 Paid Date: 11/19/08 #1996 \$1,889.72

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

FEB 02 2009

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| |
|---------------------------------|
| COUNTY OF (COUNTY NAME) |
| Maricopa |
| NAME (OWNER OR OFFICIAL) TITLE |
| Herbert Dreiseszun |
| COMPANY NAME |
| Flagstaff Ranch Water Co., Inc. |

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

FOR THE YEAR ENDING

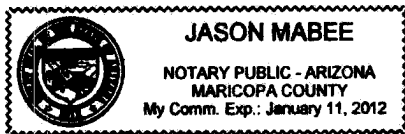
| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2008 |

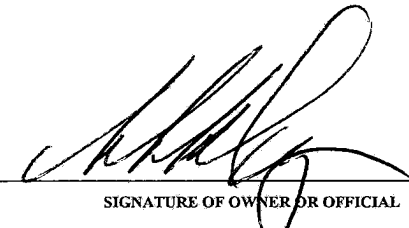
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND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





SIGNATURE OF OWNER OR OFFICIAL

602 954 0321

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

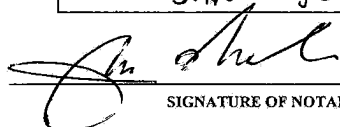
THIS

30

DAY OF

| | | |
|-------------|----------|-------|
| COUNTY NAME | MARICOPA | |
| MONTH | JAN 30 | .2009 |

(SEAL)



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 01-11-12

COMPANY NAME Flagstaff Ranch Water Co., Inc.

YEAR ENDING 12/31/2008

INCOME TAXES

For this reporting period, provide the following:

| | |
|---|-------------|
| Federal Taxable Income Reported | <u>-0-</u> |
| Estimated or Actual Federal Tax Liability | <u>-0-</u> |
| State Taxable Income Reported | <u>-0-</u> |
| Estimated or Actual State Tax Liability | <u>\$45</u> |

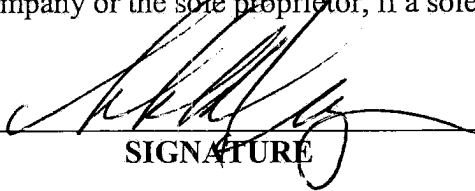
Amount of Grossed-Up Contributions/Advances:

| | |
|---|------------|
| 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

1/30/09

DATE

Herbert DReiseszun

PRINTED NAME

Pres.

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

FEB 9 2 2009

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|--------------------------------|---------------------------------|
| COUNTY OF (COUNTY NAME) | Maricopa |
| NAME (OWNER OR OFFICIAL) TITLE | Herbert Dreiseszun, Pres. |
| COMPANY NAME | Flagstaff Ranch Water Co., 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 (\$)

\$ 131,843

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 856
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
602 954 0321

TELEPHONE NUMBER


SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

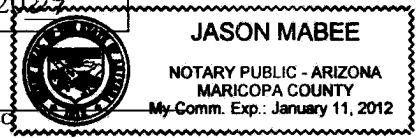
THIS 303 DAY OF

(SEAL)

| | | |
|-------------|----------|------|
| COUNTY NAME | MARICOPA | |
| MONTH | JAN | 2009 |



SIGNATURE OF NOTARY PUBLIC



MY COMMISSION EXPIRES 01-11-12

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

RECEIVED
FEB 08 2009
AZARIZ

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|---|----------------|
| COUNTY OF (COUNTY NAME) Maricopa | |
| NAME (OWNER OR OFFICIAL) Herbert DReiseszun | TITLE Pres. |
| COMPANY NAME Flagstaff Ranch Water Co., 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.

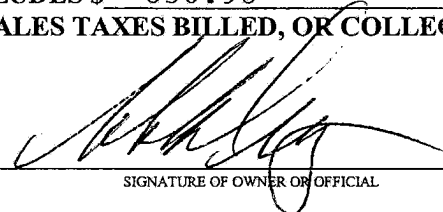
SWORN STATEMENT

IN ACCORDANCE WITH THE 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 \$ 131,843 |
|---|

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 856.98 IN SALES TAXES BILLED, OR COLLECTED)

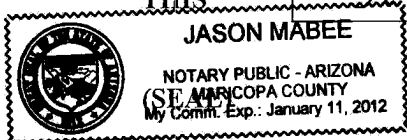
*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL

602 954 0321
TELEPHONE NUMBER


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

THIS 30th DAY OF



MY COMMISSION EXPIRES
01-11-12

| | |
|-----------------------------------|-------|
| NOTARY PUBLIC NAME JASON MABEE | |
| COUNTY NAME MARICOPA | |
| MONTH JAN | .2009 |

X 
SIGNATURE OF NOTARY PUBLIC