

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

F

W-03945A
FRANCESCA WATER COMPANY INC.
P.O. BOX 95160
TUCSON AZ 85754

RECEIVED

APR 28 2009

ARIZONA CORP COMMISSION
Director Utilities

ANNUAL REPORT
WATER

FOR YEAR ENDING

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

FOR COMMISSION USE

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

PROCESSED BY:

4-30-09

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Francesca Water Co. Inc.

Mailing Address PO. BOX 85160
(Street)

TUCSON ARIZONA 85754
(City) (State) (Zip)

(520) 623-5172 (520) 792-0377
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address same as above
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Southwestern Utility Management
(Name) (Title)

2102 N FORBES BLVD # 107 TUCSON AZ 857
(Street) (City) (State) (Zip)

(520) 623-5172 (520) 792-0377
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address info@southwesternutility.com

On Site Manager: same as above
(Name)

P.O. BOX 85160 TUCSON AZ 85754
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Bonnie L. O'Connor
(Name)

P.O. Box 85160 TUCSON AZ 85754
(Street) (City) (State) (Zip)

(520) 623-5172 (520) 792-0377
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Steve Wene @ Moyes, Sellers and Sims
(Name)

1850 N. Central Ave. Suite 1100 Phoenix, AZ 85004
(Street) (City) (State) (Zip)

(602) 404-2156
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 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 checked="" 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

Francesca 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 | 1,105 | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 10,000 | | |
| 304 | Structures and Improvements | | | |
| 307 | Wells and Springs | 38,669 | 32,728 | 5,941 |
| 311 | Pumping Equipment | 9,330 | 3,498 | 5,832 |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | 59,640 | 20,874 | 38,766 |
| 331 | Transmission and Distribution Mains | 75,034 | 60,992 | 14,042 |
| 333 | Services | 26,192 | 15,056 | 11,136 |
| 334 | Meters and Meter Installations ? | 9,147 | 9,931 | 0 |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Equipment | 5,218 | 3,408 | 1,810 |
| 341 | Transportation Equipment | 3,000 | 1,800 | 1,200 |
| 343 | Tools, Shop and Garage Equipment | 500 | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | 927 | 696 | 231 |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 238,262 | 148,983 | |

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

COMPANY NAME Francesca Water Co. Inc

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|-----------|--|-------------------|-----------------------------|----------------------------|
| 301 | Organization | 1,015 | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 10,000 | | |
| 304 | Structures and Improvements | | | |
| 307 | Wells and Springs | 38,669 | 3.33 | 1288 |
| 311 | Pumping Equipment | 9,330 | 12.5 | 1166 |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | 59,640 | 5 | 2982 |
| 331 | Transmission and Distribution Mains | 75,034 | 2 | 1501 |
| 333 | Services | 26,192 | 3.33 | 872 |
| 334 | Meters and Meter Installations | 9,147 | 8.33 | 784 |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Equipment | 5218 | 6.67 | 348 |
| 341 | Transportation Equipment | 3000 | 5 | 150 |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | 927 | 10 | 92.70 |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | | | 9183.70 |

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

COMPANY NAME Francesca Water Co. Inc.

BALANCE SHEET

| Acct No. | ASSETS | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|----------|---|------------------------------|------------------------|
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 2787.44 | \$ 3768.74 |
| 134 | Working Funds | - | |
| 135 | Temporary Cash Investments | 50.11 | 40.00 |
| 141 | Customer Accounts Receivable | 7083.84 | 9181.15 |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | 1000.00 | 1,000.00 |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | | |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 10,921.39 | \$ 13,989.89 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 238,262.00 | \$ 238,262.00 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation – Utility Plant | 138,470.10 | 148,983.00 |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation – Non Utility | | |
| | TOTAL FIXED ASSETS | \$ 376,732.10 | \$ 387,245 |
| | TOTAL ASSETS | \$ 387,653.49 | \$ 401,234.89 |

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

COMPANY NAME FRANCESCA WATER CO INC.

BALANCE SHEET (CONTINUED)

| Acct. No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|-----------|---|------------------------------|------------------------|
| | LIABILITIES | | |
| | CURRENT LIABILITES | | |
| 231 | Accounts Payable | \$ 14,987.53 | \$ 15,038.08 |
| 232 | Notes Payable (Current Portion) | | |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | 4,805.50 | 2,400.00 |
| 236 | Accrued Taxes | 57.21 | 40.00 |
| 237 | Accrued Interest | 1,108.17 | 2,253.53 |
| 241 | Miscellaneous Current and Accrued Liabilities | | |
| | TOTAL CURRENT LIABILITIES | \$ 20,958.32 | \$ 19,731.61 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ 77,084.73 | \$ 73,402.40 |
| | 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 | \$ 98,043.05 | \$ 93,134.07 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ 100 | \$ 100 |
| 211 | Paid in Capital in Excess of Par Value | | |
| 215 | Retained Earnings | / | / |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | TOTAL CAPITAL | \$ / | \$ / |
| | TOTAL LIABILITIES AND CAPITAL | \$ 98,143.05 | \$ 93,234.07 |

COMPANY NAME Francesca Water Co. Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|---|---------------------|---------------------|
| 461 | Metered Water Revenue | \$ 53,275.03 | \$ 54,660.24 |
| 460 | Unmetered Water Revenue | | |
| 474 | Other Water Revenues | 1,559.88 | 571.05 |
| | TOTAL REVENUES | \$ 54,834.91 | \$ 55,231.29 |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ 5,200.00 | \$ 5,200.00 |
| 610 | Purchased Water | - | - |
| 615 | Purchased Power | 7,480.00 | 8,271.67 |
| 618 | Chemicals | - | 11.29 |
| 620 | Repairs and Maintenance | 14,666.45 | 2,569.32 |
| 621 | Office Supplies and Expense | 4,449.06 | 4,337.10 |
| 630 | Outside Services | 11,492.00 | 11,504.66 |
| 635 | Water Testing | 2,142.96 | 1,123.26 |
| 641 | Rents | 948.00 | 948.00 |
| 650 | Transportation Expenses | 3,278.78 | 5,247.43 |
| 657 | Insurance - General Liability | 1,378.00 | 1,390.00 |
| 659 | Insurance - Health and Life | 0 | 0 |
| 666 | Regulatory Commission Expense - Rate Case | 0 | 0 |
| 675 | Miscellaneous Expense | 2,636.57 | 3,177.11 |
| 403 | Depreciation Expense | 9,183.70 | 9,183.70 |
| 408 | Taxes Other Than Income | 0 | 0 |
| 408.11 | Property Taxes | 4,257.07 | 4,178.43 |
| 409 | Income Tax | 411.00 | 45.00 |
| | TOTAL OPERATING EXPENSES | \$ 54,323.59 | \$ 57,186.97 |
| | OPERATING INCOME/(LOSS) | \$ 511.32 | \$ 1,955.72 |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$ | \$ |
| 421 | Non-Utility Income | | |
| 426 | Miscellaneous Non-Utility Expenses | | |
| 427 | Interest Expense | 1,108.17 | 1,442.53 |
| | TOTAL OTHER INCOME/(EXPENSE) | \$ 1,108.17 | \$ 1,442.53 |
| | NET INCOME/(LOSS) | \$ 1,619.49 | \$ 3,398.25 |

| | | | |
|-----------------|-------------------------|----------------------------------|--------|
| COMPANY NAME | Francesca Water Co Inc. | | |
| Name of System: | Talaway | ADEQ Public Water System Number: | 10-283 |

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|-----------------|-----------------|------------------|---------------------|--------------------------|---------------------|--------------|
| 55-508617 | 10hp | 24-55 | 550' | 8 | 2 | 1984 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* 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 |
| 5 | 1 | | |
| 7.5 | 1 | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|---------------|----------|----------------|----------|
| Capacity | Quantity | Capacity | Quantity |
| 40,000 | 1 | 3,000 | 1 |
| | | | |
| | | | |

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

| | | | |
|-----------------|-------------------------|----------------------------------|--------|
| COMPANY NAME | FRANCESCA WATER CO. INC | | |
| Name of System: | Amber Ann | ADEQ Public Water System Number: | 10.317 |

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|-----------------|-----------------|------------------|---------------------|--------------------------|---------------------|--------------|
| 55-535748 | 10hp | 24-55 | 805 | 10-8-7 | 2 | 1992 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* 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 |
| 5 | 2 | | |
| | | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|---------------|----------|----------------|----------|
| Capacity | Quantity | Capacity | Quantity |
| 25,000 | 1 | 2,000 | 1 |
| | | | |
| | | | |

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

| | | |
|------------------------|------------------------|--|
| COMPANY NAME | FRANCESCA WATER CO INC | |
| Name of System: | Talaway | ADEQ Public Water System Number: 10-283 |

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2 | PVC | 1917 |
| 3 | PVC | 329 |
| 4 | PVC | 4596 |
| 5 | | |
| 6 | PVC | 2987 |
| 8 | | |
| 10 | | |
| 12 | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | 88 |
| 3/4 | |
| 1 | |
| 1 1/2 | |
| 2 | |
| Comp. 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:

STRUCTURES:

OTHER:

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

| | | | |
|------------------------|--------------------------|---|--------|
| COMPANY NAME | Francesca Water Co. Inc. | | |
| Name of System: | Amber Ann | ADEQ Public Water System Number: | 10.317 |

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2 | PVC | 1250 |
| 3 | | |
| 4 | PVC | 2200 |
| 5 | | |
| 6 | PVC | 1500 |
| 8 | | |
| 10 | | |
| 12 | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | 39 |
| 3/4 | |
| 1 | 2 |
| 1 1/2 | |
| 2 | |
| Comp. 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:

STRUCTURES:

OTHER:

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

| |
|---|
| COMPANY NAME: <u>Francesca Water Co. Inc.</u> |
| Name of System: <u>Amber Ann</u> ADEQ Public Water System Number: <u>10-317</u> |

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|-----------|---------------------|-----------------------------|-------------------------------|----------------------------------|
| JANUARY | 36 | 132,100 | 153,500 | |
| FEBRUARY | 36 | 137,200 | 140,740 | |
| MARCH | 36 | 153,600 | 166,775 | |
| APRIL | 36 | 201,600 | 243,375 | |
| MAY | 36 | 195,500 | 218,290 | |
| JUNE | 36 | 216,400 | 245,750 | |
| JULY | 36 | 205,000 | 219,903 | |
| AUGUST | 36 | 204,987 | 212,300 | |
| SEPTEMBER | 36 | 156,300 | 183,780 | |
| OCTOBER | 37 | 181,600 | 207,650 | |
| NOVEMBER | 37 | 253,400 | 274,760 | |
| DECEMBER | 37 | 144,800 | 274,890 | |
| TOTALS → | | 2,182,487 | 2,541,713 | |

What is the level of arsenic for each well on your system? .0059 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ 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: <u>Francesca Water Co Inc.</u> |
| Name of System: <u>Talaway</u> ADEQ Public Water System Number: <u>10217</u> |

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|-----------|---------------------|--------------------------|----------------------------|-------------------------------|
| JANUARY | 80 | 474,135 | 497,700 | |
| FEBRUARY | 80 | 434,655 | 474,800 | |
| MARCH | 80 | 411,610 | 440,700 | |
| APRIL | 79 | 605,840 | 631,600 | |
| MAY | 79 | 716,830 | 747,800 | |
| JUNE | 81 | 809,230 | 857,400 | |
| JULY | 81 | 722,120 | 740,800 | |
| AUGUST | 82 | 633,140 | 715,700 | |
| SEPTEMBER | 82 | 492,410 | 535,300 | |
| OCTOBER | 82 | 556,977 | 618,700 | |
| NOVEMBER | 82 | 591,900 | 600,373 | |
| DECEMBER | 83 | 409,380 | 430,100 | |
| TOTALS → | | 6,858,227 | 7,290,973 | |

What is the level of arsenic for each well on your system? .0063 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ 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: Francesca Water Co Inc.
 Name of System: Talaway ADEQ Public Water System Number: 10-283

UTILITY SHUTOFFS / DISCONNECTS

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

OTHER (description):

| | |
|----------------------------------|--|
| COMPANY NAME: | |
| Name of System: <i>Amber Ann</i> | ADEQ Public Water System Number: <i>10-317</i> |

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 | | 3 | |
| JULY | | | |
| AUGUST | | | |
| SEPTEMBER | | | |
| OCTOBER | | | |
| NOVEMBER | | | |
| DECEMBER | | | |
| TOTALS → | | 4 | |

OTHER (description):

COMPANY NAME _____

YEAR ENDING 12/31/2008

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2008 was: \$ 4178.43

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
APR 26 2009
CORP COMMISSION
Director Utilities

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

| | |
|--------------------------------|---------------------------------|
| COUNTY OF (COUNTY NAME) | <u>Pima</u> |
| NAME (OWNER OR OFFICIAL) TITLE | <u>BRAD THOMSON / SECRETARY</u> |
| COMPANY NAME | <u>FRANCESCA WATER CO. INC.</u> |

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

(308) 435-4630
TELEPHONE NUMBER

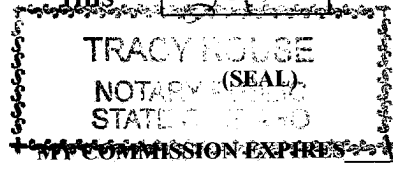
SUBSCRIBED AND SWORN TO BEFORE ME

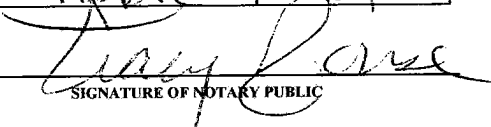
Tracy Rouse

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

| | | |
|-------------|-------------------|-------------|
| COUNTY NAME | <u>Clearwater</u> | |
| MONTH | <u>April</u> | <u>2009</u> |

THIS 24th DAY OF




SIGNATURE OF NOTARY PUBLIC

COMPANY NAME _____

YEAR ENDING 12/31/2008

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

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

DATE

PRINTED NAME

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
APR 28 2009

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

| | |
|--|--------------------|
| COUNTY OF (COUNTY NAME) <u>Pima</u> | Director Utilities |
| NAME (OWNER OR OFFICIAL) TITLE <u>GRADY THOMSON</u> / Secretary | |
| COMPANY NAME <u>FRANCESCA WATER CO INC.</u> | |

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>58691.96</u> |
|---|

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 3460.67 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)**

Grady Thomson
SIGNATURE OF OWNER OR OFFICIAL
(208) 435-4630
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME Tracy Rouse

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

| |
|----------------------------------|
| COUNTY NAME <u>Clearwater</u> |
| MONTH <u>April</u> <u>2009</u> |

THIS 24th DAY OF

TRACY ROUSE (SEAL)
NOTARY PUBLIC
MY COMMISSION EXPIRES 11-2-2010

Tracy Rouse
SIGNATURE OF NOTARY PUBLIC

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

RECEIVED
APR 28 2009
AZ ADAP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|---|--------------------|
| COUNTY OF (COUNTY NAME) Pima | |
| NAME (OWNER OR OFFICIAL) GRADI THOMSON | TITLE SECRETARY |
| COMPANY NAME | |

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 \$ 48287.96 |
|--|

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 2807.98 IN SALES TAXES BILLED, OR COLLECTED)

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

Gradi Thomson
SIGNATURE OF OWNER OR OFFICIAL
(208) 435-4630
TELEPHONE NUMBER

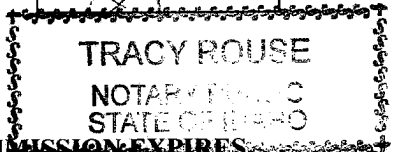
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 24th DAY OF

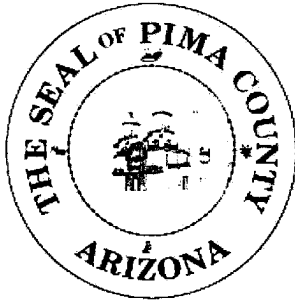
(SEAL)

MY COMMISSION EXPIRES 11-2-2010



| | |
|-----------------------------------|------|
| NOTARY PUBLIC NAME Tracy Rouse | |
| COUNTY NAME Clearwater | |
| MONTH April | 2009 |

X *Tracy Rouse*
SIGNATURE OF NOTARY PUBLIC



Beth Ford Pima County Treasurer

Parcel: 902051010 0 Total Taxes: \$4,046.81 Tax Year: 2008 As of Date: 4/13/2009

CURRENT STATUS

| | First Half | Second Half |
|-----------------------|-------------------|--------------------|
| Tax Due: | \$0.00 | \$523.40 |
| Date Paid: | 10/24/2008 | 03/23/2009 |
| Method: | CK | CK |
| Tax Paid: | \$2,023.41 | \$1,500.00 |
| Paid By: | 01 | 01 |
| Trans Type: | | |
| Interest Paid: | \$0.00 | \$0.00 |

PARCEL INFORMATION

Area Code: 5101

Taxpayer Name/Address:
 FRANCESCA WATER CO INC
 ATTN: DAVID A THOMSON JR/PRESIDENT
 11834 S BRANDYWINE LN
 TUCSON AZ 85736-1399

Property Address:

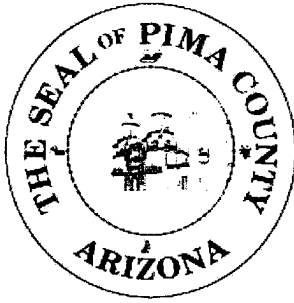
TAX DUE SUMMARY

| | First Half | Second Half | Total Year |
|------------------|-------------------|--------------------------|-------------------|
| Taxes: | \$0.00 | \$523.40 | \$523.40 |
| Interest: | \$0.00 | \$0.00 | \$0.00 |
| | \$0.00 | \$523.40 | \$523.40 |
| | | NSF Fees | \$0.00 |
| | | Reclaimed Refunds | \$0.00 |
| | | TOTAL AMOUNT DUE | \$523.40 |

Legal Description:
 TOTAL VALUE OF OPERATING PROPERTY
 TAXPAYER GROUP NO 020

HISTORY TAX ROLL CHANGE

2007 \$4,189.87
2006 \$4,217.72
2005 \$4,014.97
2004 \$3,260.44
2003 \$3,143.90



Beth Ford Pima County Treasurer

Parcel: 30119077B 8 Total Taxes: \$31.01 Tax Year: 2008 As of Date: 12/31/2008

CURRENT STATUS

| | First Half | Second Half |
|-----------------------|------------|-------------|
| Tax Due: | \$0.00 | \$0.00 |
| Date Paid: | 09/25/2008 | 09/25/2008 |
| Method: | CK | CK |
| Tax Paid: | \$31.01 | \$0.00 |
| Paid By: | 01 | 01 |
| Trans Type: | | |
| Interest Paid: | \$0.00 | \$0.00 |

PARCEL INFORMATION

Area Code: 5101

Taxpayer Name/Address:
 FRANCESCA WATER CO INC
 ATTN: DAVID A THOMSON JR/PRESIDENT
 11834 S BRANDYWINE LN
 TUCSON AZ 85736-1399

Property Address:

TAX DUE SUMMARY

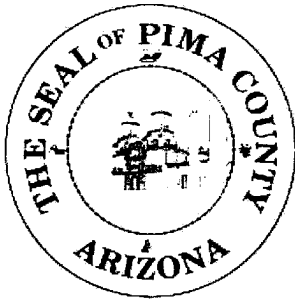
| | First Half | Second Half | Total Year |
|-------------------------|--------------------------|-------------|------------|
| Taxes: | \$0.00 | \$0.00 | \$0.00 |
| Interest: | \$0.00 | \$0.00 | \$0.00 |
| | \$0.00 | \$0.00 | \$0.00 |
| | NSF Fees | | \$0.00 |
| | Reclaimed Refunds | | \$0.00 |
| TOTAL AMOUNT DUE | | | \$0.00 |

Legal Description:

S90' E67' OF W2 NE4 SW4 SE4 .14 AC
 SEC 1-16-10 TOTAL VALUE OF OPERATING
 PROPERTY-
 TAXPAYER GROUP NO 020

HISTORY TAX ROLL CHANGE

2007 \$33.43
2006 \$34.99
2005 \$37.99
2004 \$35.05
2003 \$35.60



Beth Ford Pima County Treasurer

Parcel: 301741360 7 Total Taxes: \$18.45 Tax Year: 2008 As of Date: 12/31/2008

CURRENT STATUS

| | First Half | Second Half |
|-----------------------|------------|-------------|
| Tax Due: | \$0.00 | \$0.00 |
| Date Paid: | 09/25/2008 | 09/25/2008 |
| Method: | CK | CK |
| Tax Paid: | \$18.45 | \$0.00 |
| Paid By: | 01 | 01 |
| Trans Type: | | |
| Interest Paid: | \$0.00 | \$0.00 |

PARCEL INFORMATION

Area Code: 5101

Taxpayer Name/Address:
FRANCESCA WATER CO INC
ATTN: DAVID A THOMSON JR/PRESIDENT
11834 S BRANDYWINE LN
TUCSON AZ 85736-1399

Property Address:

TAX DUE SUMMARY

| | First Half | Second Half | Total Year |
|-------------------------|--------------------------|-------------|------------|
| Taxes: | \$0.00 | \$0.00 | \$0.00 |
| Interest: | \$0.00 | \$0.00 | \$0.00 |
| | \$0.00 | \$0.00 | \$0.00 |
| | NSF Fees | | \$0.00 |
| | Reclaimed Refunds | | \$0.00 |
| TOTAL AMOUNT DUE | | | \$0.00 |

Legal Description:

E60' S60' E324.15' M/L W349.15' M/L
N323.59' M/L OF SW4 SE4 .08 AC SEC 13-16-10
AKA
W60' S60' W2 N2 N2 W2 L 13-5 RANCHO
SIERRITAS RS
1/85 VALUE OPERATING-PROPERTY GROUP
020
(FORMERLY 301-74-093E)

HISTORY TAX ROLL CHANGE

2007 \$19.84
2006 \$20.90
2005 \$22.61
2004 \$20.86
2003 \$21.20