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**BEFORE THE ARIZONA CORPORATION COMMISSION**  
Arizona Corporation Commission

216

COMMISSIONERS

**DOCKETED**

MARC SPITZER, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
MIKE GLEASON  
KRISTIN K. MAYES

**AUG 10 2004**

DOCKETED BY NR

IN THE MATTER OF THE APPLICATION OF  
BENSCH RANCH UTILITIES, LLC FOR A  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE SEWER SERVICE.

DOCKET NO. SW-04026A-01-0499

DECISION NO. 67180

**ORDER AMENDING**  
**DECISION NO. 66650**

Open Meeting  
August 3, 2004  
Phoenix, Arizona

**BY THE COMMISSION:**

On December 22, 2003, the Arizona Corporation Commission ("Commission") issued Decision No. 66650, denying the Application by Bensch Ranch Utilities, LLC ("Bensch Ranch" or "Company") for a Certificate of Convenience and Necessity ("Certificate" or "CC&N") to provide wastewater service in Yavapai County. The basis upon which the Commission decided to deny Bensch Ranch's Application was the Company's failure to provide adequate assurances that Lester Smith would not have an ability to exert control over Bensch Ranch functions, and therefore, the Company had not demonstrated that it is a fit and proper entity to receive a CC&N to provide service to the requested area.

Subsequently, by letter dated April 13, 2004 to the Commission's Chief Counsel, the Company indicated that it is now able to provide the requested assurances. Specifically, the Company assented to the issuance of an amended Decision by the Commission, which Decision would include as a condition related to the issuance of a CC&N, a requirement that the Company not be allowed to change the ownership structure of Bensch Ranch Utilities, LLC, including, without limitation, adding new members or changing the managing members, without first obtaining

1 Commission approval. The Company also provided evidence that Pivotal Utility Management, LLC  
2 (“Pivotal”) has obtained authority to do business in Arizona.

3 In view of the addition of a condition requiring Commission approval before the Company  
4 may change its ownership structure, specifically including adding new members or changing the  
5 managing members, and the Company’s willingness to secure additional information regarding Mr.  
6 Lester Smith’s involvement in Bensch Ranch Estates, LLC, it is appropriate to amend Decision No.  
7 66650 to approve the Company’s CC&N application, subject to appropriate conditions.

8 Pursuant to A.R.S. § 40-252, this Decision shall have the effect of amending Decision No.  
9 66650, consistent with the provisions adopted herein.

10 Having considered the entire record herein and being fully advised in the premises, the  
11 Arizona Corporation Commission (“Commission”) finds, concludes, and orders that:

12 **FINDINGS OF FACT.**

13 1. On June 21, 2001, Bensch Ranch Utilities, LLC (“Bensch Ranch” or “Company”)  
14 filed with the Arizona Corporation Commission (“Commission”) an application for a Certificate of  
15 Convenience and Necessity (“Certificate” or “CC&N”) to provide wastewater service in Yavapai  
16 County, Arizona.

17 2. On July 18, 2001, the Commission’s Utilities Division Staff (“Staff”) filed a letter  
18 notifying the Company that its application was administratively insufficient. The Company filed an  
19 amendment to its application on January 15, 2002, and on November 27, 2002, Staff notified the  
20 Company that the application was administratively sufficient. On November 29, 2002, Staff filed a  
21 Staff Report on the application recommending approval subject to certain conditions.

22 3. By Procedural Order issued December 5, 2002, this matter was scheduled for hearing  
23 on February 19, 2003. The December 5, 2002 Procedural Order required the Company to publish  
24 notice of the hearing, and to cause the notice to be mailed to all property owners and all entities with  
25 contracts pending to purchase real property in the requested CC&N area, by January 10, 2003.

26 4. By Procedural Order issued February 14, 2003, the hearing was rescheduled for April  
27 16, 2003 due to the Company’s failure to provide notice. The Company published notice of the new  
28 hearing date, and the hearing was held as scheduled on April 16, 2003. Following the hearing, the

1 intervention deadline was extended to May 23, 2003 to allow notice to be mailed to property owners.  
2 No public comment was received prior to the hearing, no members of the public appeared to make  
3 public comment at the hearing, and no requests for intervention or public comments were filed  
4 following the May 8, 2003 mailing of notice to property owners.

5         5.       Bensch Ranch is seeking a Certificate to provide sewer service to two planned  
6 residential developments known as Bensch Ranch Estates, LLC ("BR Estates") and Spring Valley,  
7 both of which are located within the community of Mayer, in Yavapai County. At build out, BR  
8 Estates will consist of 411 residential units, and Spring Valley is planned to consist of 50 residential  
9 units and two commercial properties, a small hotel and a convenience store. The legal description of  
10 the proposed service area for Bensch Ranch is set forth in Exhibit A attached to this Order.

11         6.       Staff states that there is no capacity available at the existing wastewater plants in the  
12 Mayer area to serve the proposed development service area at this time. Engineering Staff found that  
13 the facility proposed by Bensch Ranch will have adequate treatment capacity to serve the proposed  
14 area within the conventional five-year planning period, and that the Company can reasonably be  
15 expected to develop necessary capacity for the final build-out.

16         7.       Bensch Ranch is an Arizona limited liability company formed in November 2000.  
17 The members of Bensch Ranch, John Clingman, Dwight Zemp, Jason Williamson, and Joshua J.  
18 Meyer, are also the members of Pine Meadows Utilities, LLC, which is authorized to provide  
19 wastewater service in portions of Gila County, Arizona pursuant to authority granted by the  
20 Commission in Decision No. 64599 (March 4, 2002). In addition, Bensch Ranch's members are  
21 officers and directors of Sweetwater Creek Utilities, Inc., which provides sewer utility service near  
22 Yuma in Yuma County, Arizona pursuant to authority granted by the Commission in Decision No.  
23 59916 (December 10, 1996); and of Verde Santa Fe Wastewater Company, Inc., which was granted  
24 authority to provide wastewater service in various parts of Yavapai County, Arizona in Decision No.  
25 60779 (April 8, 1998).

26         8.       According to the application, Pivotal Utility Management, LLC, a Colorado limited  
27 liability company ("Pivotal"), will operate and manage Bensch Ranch. Bensch Ranch's members  
28 John Clingman, Jason Williamson and Dwight Zemp are also the members of Pivotal. Pivotal also.

1 operates and manages Pine Meadows Utilities, LLC, Sweetwater Creek Utilities, Verde Santa Fe  
2 Wastewater Company, and Verde Santa Fe Water Company in Arizona. At the time of hearing,  
3 Pivotal did not have authority to do business in Arizona. Bensch Ranch's witness at the hearing,  
4 Jason Williamson, who is also Pivotal's Executive Director, stated that as a condition of the requested  
5 Certificate for Bensch Ranch, Pivotal is willing to obtain authority to do business in Arizona.  
6 Subsequent to the issuance of Decision No. 66650, Pivotal obtained authority to do business in  
7 Arizona.

8       9.     The Company plans to construct the necessary facilities to serve the requested area  
9 with a combination of debt, equity and contributions in aid of construction. Mr. Williamson testified  
10 that the Company will contribute \$100,000 in equipment, \$85,000 in cash, and approximately  
11 \$24,000 in the form of principal payments on an equipment finance agreement Bensch Ranch has  
12 entered into with Pivotal.

13       10.    The developers of BR Estates and Spring Valley will construct the necessary  
14 wastewater collection infrastructure and contribute it and the land in their respective developments to  
15 the Company.

16       11.    The planned Spring Valley development is owned by Ray Runyon.

17       12.    BR Estates is an Arizona limited liability company formed in 1999. Its managing  
18 members are Lester O. Smith, Jr., Earl A. Petznick, William Fain, and Dale R. Smith. Other  
19 members include Windmill Investments Limited Partnership and Fain Signature Group, LLC. Mr.  
20 Williamson testified that BR Estates is offering lots ranging in size from ¼ acre to 1 ½ acres, and  
21 homes on lots for prices ranging from \$300,000 to \$500,000.

22       13.    In Decision No. 66036 (July 3, 2003), the Commission fined American Public Service  
23 Company/Lester O. Smith \$136,500 based on their demonstrated total disregard for the public health  
24 and safety in the violation of Commission Orders, rules, and regulations, and ordered that Staff refer  
25 Lester Smith and American Public Service Company to the Maricopa County Attorney or Arizona  
26 Attorney General for review and prosecution of possible misdemeanor and felony violations.

27       14.    The Company stated that Lester Smith has no ownership interest or interest in the  
28 profits of the Company. Mr. Williamson stated that part of the reason that BR Estates hired Bensch.

1 Ranch and Pivotal to develop the wastewater facilities for BR Estates is because BR Estates is aware  
2 of the problems Lester Smith has had with the Commission and the Arizona Department of  
3 Environmental Quality ("ADEQ"), and wanted to create a clear delineation between the developer  
4 BR Estates and the entity applying for the CC&N.

5 15. Mr. Williamson testified that the collection lines for the initial phase of BR Estates are  
6 already in the ground, and stated that Bensch Ranch would be willing to provide the Commission  
7 with a copy of ADEQ's Verification of General Permit Conformance (formerly called Approval of  
8 Construction) for that portion of the BR Estates wastewater collection system.

9 16. Staff believes that it is not in the public interest for Lester Smith to be involved in a  
10 certificated utility in the State of Arizona, as he has had two Certificates in the past, both of which  
11 have resulted in protracted environmental and regulatory concerns.

12 17. Staff indicated that the Company's wastewater treatment plant will be constructed in  
13 three phases of 58,650 gallons of capacity each, resulting in a total treatment capacity of  
14 approximately 179,950 gallons at build out. The treatment facilities will consist of wastewater  
15 collection, a Santec four-stage biological oxidization-nitrification process, sludge digestion, sludge  
16 disposal, and effluent disposal.

17 18. Mr. Williamson testified that Bensch Ranch has received a permit from ADEQ  
18 authorizing discharge of the treated effluent into Big Bug Creek.

19 19. According to Staff, wastewater treatment plants at the high level of environmental  
20 sophistication contained in Bensch Ranch's proposal usually cost between \$6.00 to \$8.00 per gallon.  
21 In this instance, the Company has projected the wastewater plant cost for Phase I to be \$360,199, or  
22 \$6.14 per gallon, and an additional build-out cost of \$525,582, or \$5.31 per gallon, divided equally in  
23 Phase II and III, for a total of \$885,781. The \$885,781 figure is reflective of a build-out capacity of  
24 175,950 gallons, which brings the overall projected per gallon cost to \$5.03. Staff states that some of  
25 the costs for future phases are embedded in Phase I (e.g., head works, outfall structures, and some  
26 piping). Based on its review, Staff concludes that Bensch Ranch's estimated capital requirements are  
27 reasonable and appropriate.

28 20. Pursuant to the Commission's rules, the Company provided five-year projections for.

1 plant values, operating revenues and expenses, and number of customers. Such projections are  
 2 necessary to establish rates for new companies due to the lack of historical data. Staff reviewed  
 3 Bensch Ranch's projections and recommended that the Commission find the Company's fair value  
 4 rate base to be \$352,760.

5 21. Staff believes that Bensch Ranch is a fit and proper entity to provide wastewater utility  
 6 service in Arizona and that approval of the application is in the public interest.

7 22. The Company proposed an initial residential flat rate of \$47.00. For commercial  
 8 customers, the Company proposed that the monthly usage charge be calculated by dividing the  
 9 commercial customer's expected design daily sewer flow rate, as calculated under ADEQ rules, by  
 10 one single family equivalent ("SFE") of 300 gallons per day ("gpd"), and by then multiplying the  
 11 resulting factor by the residential flat rate. Staff found the Company's proposed commercial and  
 12 residential rates to be reasonable and recommended approval of those rates, with a 250 gpd SFE. The  
 13 Company's proposed rates and charges for initial sewer service, and Staff's recommendations, are as  
 14 follows:

	<u>Company</u> <u>Proposed</u>	<u>Staff</u> <u>Recommended</u>
<u>MONTHLY USAGE CHARGES:</u>		
Residential – Flat Rate	\$47.00	\$47.00
Commercial –Flat Rate	Unit Daily Design Flow pursuant to A.A.C. Title 18, Chapter 9, Table 1 ÷ one SFE of 300 gpd × residential flat rate	Unit Daily Design Flow pursuant to A.A.C. Title 18, Chapter 9, Table 1 ÷ one SFE of 250 gpd × residential flat rate
<u>SERVICE CHARGES:</u>		
Establishment	\$35.00	\$35.00
Reconnection (Delinquent)	30.00	30.00
Deposit (Residential)	2 × flat rate	*
Deposit (Commercial)	2 × flat rate	*
Deposit Interest (per annum)	3.5%	**
Re-establishment (Within 12 Months)	***	***
NSF Check	25.00	15.00
Late Payment Penalty (per month)	1.50%	****

1 \* Per Commission rule A.A.C. R14-2-603(B) (7) and (8).

2 \*\* Per Commission rule A.A.C. R14-2-603(B) (3).

3 \*\*\* Months off system times the monthly minimum per Commission rule A.A.C. R14-2-603(D) (1).

4 \*\*\*\* Per Commission rule A.A.C. R14-2-608(F) (3).

5 23. ADEQ issued its Decision to Issue an Aquifer Protection Permit to Bensch Ranch  
6 Wastewater Treatment Plant on June 7, 2002.

7 24. Based on the entirety of its review, Staff recommended that the Commission grant  
8 Bensch Ranch's application for a CC&N to provide wastewater services, and further recommended  
9 the following:

- 10 a. That the Commission authorize Bensch Ranch to charge the rates and charges  
11 proposed by Staff on Schedule JF-1 attached to the Staff Report (as set forth  
12 above);
- 13 b. That the Commission find the fair value of the Bensch Ranch's property devoted  
14 to wastewater service to be \$352,760;
- 15 c. That the Commission require Bensch Ranch to notify the Commission within 15  
16 days of providing service to its first permanent customer;
- 17 d. That the Commission require Bensch Ranch to file a rate application no later than  
18 three months following the fifth anniversary of the date the Company begins  
19 providing service to its first customer;
- 20 e. That the Commission require Bensch Ranch to maintain its books and records in  
21 accordance with the NARUC Uniform System of Accounts for wastewater  
22 utilities; and
- 23 f. That the Commission require Bensch Ranch to file all related franchise agreements  
24 within 365 days of the effective date of this Decision.

25 25. Staff has developed typical and customary depreciation rates within a range of  
26 anticipated equipment life for water and wastewater utilities. Staff recommends that the Commission  
27 require Bensch Ranch to use the depreciation rates by individual NARUC category, as set forth in  
28 Schedule LH-1 attached to the November 29, 2002 Staff Report.

23 26. Staff's recommendations, as described above and with the inclusion of the conditions  
24 described herein, are reasonable and shall be adopted.

25 27. The fair value of the Bensch Ranch's property devoted to wastewater service is  
26 \$352,760. Staff's recommended initial rates are just and reasonable based on this fair value finding.

27 28. Bensch Ranch is proposing that Pivotal operate its facilities. Based on the fact that  
28

1 Bensch Ranch and Pivotal share ownership, we will require Staff to examine the cost effects of the  
2 ownership and management structure in its analysis of the Company's upcoming rate application.

3 29. BR Estates is constructing a portion of the wastewater collection system and will  
4 contribute it to Bensch Ranch. A member of BR Estates, Lester Smith, has been found by the  
5 Commission to have demonstrated a total disregard for the public health and safety in violation of  
6 Commission Orders, rules and regulations.

7 30. The formation of Bensch Ranch allowed BR Estates to avoid the need to itself seek a  
8 CC&N to provide sewer service to its development.

9 31. As a condition to granting a CC&N to Bensch Ranch, Bensch Ranch shall not be  
10 allowed to change the ownership structure of BR Utilities, including, without limitation, adding new  
11 members or changing the managing members, without first securing the approval of the Commission.

12 32. As a condition to granting a CC&N to Bensch Ranch, we will require Bensch Ranch  
13 to file with the Commission, within 90 days of the effective date of this Decision, a copy of ADEQ's  
14 Verification of General Permit Conformance (formerly called Approval of Construction) for the  
15 initial phase of the BR Estates wastewater collection system. Failure to file such verification within  
16 90 days of the effective date of this Decision will result in the Certificate conditionally granted herein  
17 becoming null and void without further Order of the Commission.

18 33. Beginning January 2005, Bensch Ranch shall make an annual filing detailing whether  
19 it or Pivotal Utility Management has retained Lester Smith as an employee, independent contractor or  
20 consultant. The filing shall report whether Bensch Ranch, Pivotal Utility Management or any  
21 subsequent management company has provided compensation to Lester Smith or any business entity  
22 owned or controlled by Lester Smith.

23 34. Bensch Ranch had demonstrated a pattern of delays in providing required information,  
24 evidenced by its failure to timely publish and provide notice of the hearing on the application, and  
25 failure to timely provide a correct legal description. Bensch Ranch was unable to adequately address  
26 issues and questions raised by the Commissioners regarding Lester Smith's involvement in this  
27 matter. Given the serious nature of Lester Smith's past violations of Commission Orders, rules and  
28 regulations, which violations have demonstrated a total disregard for the public health and safety, it is

1 not in the public interest for Lester Smith to be involved in a certificated utility in the State of  
2 Arizona. At the time of the Commission's issuance of Decision No. 66650, Bensch Ranch had failed  
3 to provide adequate assurances that Lester Smith would not have an ability to exert control over  
4 Bensch Ranch functions, and therefore had not demonstrated that it was a fit and proper entity to  
5 receive a CC&N to provide service to the requested area. The Company's application was therefore  
6 denied.

7 35. Subsequent to the issuance of Decision No. 66650, Bensch Ranch indicated that it  
8 would accept a condition to an order approving its CC&N which would require that it secure  
9 Commission approval before changing the ownership structure of the Company, including, without  
10 limitation, adding new members or changing the management members, as provided in Finding of  
11 Fact 31 above.

12 36. Bensch Ranch further indicated that it is willing to work with Commission Staff to  
13 ascertain information regarding the nature and extent of Mr. Lester Smith's involvement with BR  
14 Estates.

15 37. Consistent with the provisions of A.R.S. § 40-252, Bensch Ranch was given notice  
16 and an opportunity to be heard regarding the possible amending of Decision No. 66650. Bensch  
17 Ranch filed in this docket notice that it waived its right for a hearing on this matter and consented to  
18 the entry of this Commission Decision.

#### 19 CONCLUSIONS OF LAW

20 1. Bensch Ranch is a public service corporation within the meaning of Article XV of the  
21 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

22 2. The Commission has jurisdiction over Bensch Ranch and the subject matter of the  
23 application.

24 3. Notice of the application was provided in accordance with law.

25 4. There is a public need and necessity for sewer service in the proposed service territory  
26 as set forth in Exhibit A attached hereto.

27 5. Bensch Ranch is a fit and proper entity to receive a Certificate to provide sewer  
28 service in the proposed service area.



1 IT IS FURTHER ORDERED that Bensch Ranch Utilities, LLC shall not be allowed to  
2 change its ownership structure, including, without limitation, adding new members or changing the  
3 managing members, without first obtaining approval from the Commission.

4 IT IS FURTHER ORDERED that Bensch Ranch Utilities shall file with the Commission  
5 annually, no later than February 1 of each year commencing with 2005, an affidavit signed by one of  
6 its managing members, confirming that it has not changed its membership structure during the  
7 previous calendar year.

8 IT IS FURTHER ORDERED that Bensch Ranch Utilities, LLC shall work with Commission  
9 Staff to identify the extent of Mr. Lester Smith's role in the development of Bensch Ranch Estates.

10 IT IS FURTHER ORDERED that Bensch Ranch Utilities, LLC shall file with the  
11 Commission, within 90 days of the effective date of this Order, a report describing the extent and  
12 results of its efforts to work with Commission Staff to try to identify the extent of Mr. Lester Smith's  
13 role in the development of Bensch Ranch Estates.

14 IT IS FURTHER ORDERED that by each January 31, beginning in 2005, Bensch Ranch  
15 shall make an annual filing detailing whether it or Pivotal Utility Management has retained Lester  
16 Smith as an employee, independent contractor or consultant. The filing shall report whether Bensch  
17 Ranch, Pivotal Utility Management or any subsequent management company has provided  
18 compensation to Lester Smith or any business entity owned or controlled by Lester Smith. The filing  
19 shall cover the previous calendar year.

20 IT IS FURTHER ORDERED that failure by Bensch Ranch Utilities, LLC to comply with the  
21 above conditions within the specified time frames set forth above shall render the Certificate of  
22 Convenience and Necessity conditionally granted herein null and void without further Order of the  
23 Commission.

24 IT IS FURTHER ORDERED that Bensch Ranch Utilities, LLC shall notify the Director of  
25 the Commission's utilities Division in writing within 15 days of providing service to its first  
26 permanent customer.

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1 IT IS FURTHER ORDERED that Bensch Ranch Utilities, LLC shall file a rate application no  
 2 later than three months following the fifth anniversary of the date it begins providing service to its  
 3 first customer.

4 IT IS FURTHER ORDERED that Staff shall, in its analysis of the above-ordered rate  
 5 application, examine the cost effects of the fact that Bensch Ranch Utilities, LLC, which owns the  
 6 sewer facilities, and Pivotal Utility Management, LLC, which will operate and manage the sewer  
 7 facilities, share ownership.

8 IT IS FURTHER ORDERED that Bensch Ranch Utilities, LLC shall file all required  
 9 franchise agreements related to this application with the Director of the Commission's Utilities  
 10 Division within 365 days.

11 IT IS FURTHER ORDERED that Bensch Ranch Utilities, LLC shall maintain its books and  
 12 records in accordance with the NARUC System of Accounts for wastewater utilities.

13 IT IS FURTHER ORDERED that Bensch Ranch Utilities, LLC shall use the depreciation  
 14 rates set forth in Schedules LH-1 attached to the November 29, 2002 Staff Report in this docket.

15 IT IS FURTHER ORDERED that Bensch Ranch Utilities, LLC shall charge the following  
 16 initial rates and charges:

17 MONTHLY USAGE CHARGES:

18 Residential – Flat Rate	\$47.00
19 Commercial – Flat Rate	Unit Daily Design Flow pursuant to A.A.C. Title 18, Chapter 9, Table 1 ÷ one 20 Single Family Equivalent of 250 gpd × residential 21 flat rate

22 SERVICE CHARGES

23 Establishment	\$35.00
24 Reconnection (Delinquent)	30.00
25 Deposit (Residential)	*
26 Deposit (Commercial)	*
27 Deposit Interest (per annum)	6.0%
28 Re-establishment (Within 12 Months)	15.00
Late Payment Penalty (per month)	1.50%

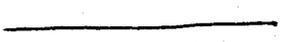
\* Per Commission Rule A.A.C. R14-2-603(B) (7) and (8).

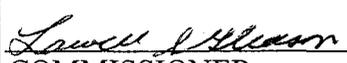
\*\* Months off system times the monthly minimum per  
 Commission rule A.A.C. R14-2-603(D) (1).

1 IT IS FURTHER ORDERED that this Decision shall have the effect of rescinding and  
2 replacing Commission Decision No. 66650, which shall have no further force and effect upon this  
3 Decision becoming effective.

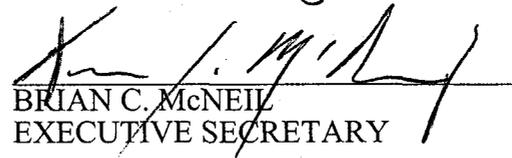
4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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7  \_\_\_\_\_  \_\_\_\_\_   
8 CHAIRMAN COMMISSIONER COMMISSIONER

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10 \_\_\_\_\_  
11  \_\_\_\_\_   
12 COMMISSIONER COMMISSIONER

13 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive  
14 Secretary of the Arizona Corporation Commission, have  
15 hereunto set my hand and caused the official seal of the  
16 Commission to be affixed at the Capitol, in the City of Phoenix,  
17 this 10<sup>th</sup> day of August, 2004.

18   
19 BRIAN C. McNEIL  
20 EXECUTIVE SECRETARY

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1 SERVICE LIST FOR: BENSCH RANCH UTILITIES, LLC

2 DOCKET NO. SW-04026A-01-0499

3  
4 Joshua Meyer  
11593 S. Fortuna Rd.  
Yuma, Arizona 85367  
5 Attorney for Bensch Ranch Utilities, LLC

6 Jason Williamson  
Executive Director  
7 Pivotal Utility Management  
6845 East Tennessee Ave., Ste. 401  
8 Denver, Colorado 80224

9 Christopher Kempley, Chief Counsel  
Legal Division  
10 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
11 Phoenix, Arizona 85007

12 Ernest G. Johnson, Director  
Utilities Division  
13 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
14 Phoenix, Arizona 85007

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**BOUNDARY DESCRIPTION  
BENSCH RANCH UTILITIES SEWER SERVICE AREA**

The Bensch Ranch Parcel:

A parcel of land lying within a portion of Section 6, Township 11 North, Range 2 East, and a portion of Section 31, Township 12 North, Range 2 East, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described as follows:

BEGINNING at a found G.L.O. brass cap at the Northeast corner of G.L.O. Lot 1 of said Section 6 (the Northeast quarter of the Northeast quarter of said Section 6 as recorded in Book 2810 of Official Records, Page 683 in file in the office of the Yavapai County Recorder, Yavapai County, Arizona;

Thence, South  $0^{\circ}00'47''$  West, along the East line of said Section 6, a distance of 2662.89 feet to a found B.L.M. brass cap at the East quarter corner of said Section 6;

Thence, South  $0^{\circ}00'16''$  East, along the East line of said Section 6, a distance of 2649.22 feet to a found B.L.M. brass cap at the Southeast corner of said Section 6;

Thence, North  $89^{\circ}18'10''$  West, along the South line of said Section 6, a distance of 2644.22 feet to a found B.L.M. brass cap at the South quarter corner of said Section 6;

Thence, North  $89^{\circ}15'39''$  West, along the South line of said Section 6, a distance of 1322.82 feet to the Southwest corner of the Southeast quarter of the Southwest quarter of said Section 6;

Thence, North  $0^{\circ}06'50''$  West, 2642.94 feet to the Northwest corner of the Northeast quarter of the Southwest quarter of said Section 6;

Thence, North  $0^{\circ}07'17''$  West, 1322.23 feet to the Northeast quarter of the Southeast quarter of the Northwest quarter of said Section 6;

Thence, North  $89^{\circ}25'38''$  West, 1226.10 feet to the Southwest corner of G.L.O. Lot 4 of said Section 6;

Thence, North  $0^{\circ}01'07''$  West, along the West line of said G.L.O. Lot 4, a distance of 1321.21 feet to a found B.L.M. brass cap at the Northwest corner of said Section 6, said B.L.M. brass cap also being the Southwest corner of said Section 31;

Thence, North  $0^{\circ}04'35''$  East, along the West line of said Section 31, a distance of 1185.84 feet to the Northwest corner of G.L.O. Lot 5 of said Section 31;

Thence, South  $89^{\circ}54'32''$  East, 2435.89 feet to the Northeast corner of G.L.O. Lot 6 of said Section 31;

Thence, South 89°46'40" East, 2647.92 feet to the Northeast corner of G.L.O. Lot 8 of said Section 31;

Thence, South 0°00'04" West, along the West line of said Section 31, a distance of 1206.63 feet to a found G.L.O. brass cap at the Southeast corner of said Section 31;

Thence, South 89°35'12" East, 116.32 feet to the POINT OF BEGINNING.

**EXCEPTING THEREFROM** any portion lying within State Highway 69.

Containing 643.58 total acres total, more or less (660.43 ac. less 16.85 ac. for highway right-of-way = 643.58 ac.);

G. MICHAEL HAYWOOD  
REGISTERED LAND SURVEYOR



115 East Goodwin Street - Suite E ♦ P. O. Box 1001 ♦ Prescott, Arizona 86302  
Phone 928-778-5101 ♦ Fax 928-778-9321 ♦ email [mhaywoodassociat@qwest.net](mailto:mhaywoodassociat@qwest.net)

PROPERTY DESCRIPTION  
Spring Valley Unit 2

Parcel I

All of Tract "L", Spring Valley Unit II, as recorded in Book 16 of Maps and Plats, Pages 72 through and including 74, on file in the office of the Yavapai County Recorder; located in a portion of Section 9, Township 11 North, Range 2 East, Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described as follows:

Commencing at the West One-Quarter corner of said Section 9;

Thence, North  $01^{\circ}09'35''$  West, 856.45 feet to a point on the West line of said Section 9 and the POINT OF BEGINNING;

Thence, continuing North  $01^{\circ}09'35''$  West, 218.38 feet to a point on the West line of said Section 9;

Thence, North  $40^{\circ}36'57''$  East, 101.96 feet;

Thence, North  $15^{\circ}13'09''$  East, 122.20 feet;

Thence, South  $52^{\circ}33'48''$  East, 24.07 feet;

Thence, South  $10^{\circ}52'18''$  West, 122.98 feet;

Thence, South  $17^{\circ}54'58''$  West, 292.41 feet to the POINT OF BEGINNING;

Containing 0.353 acres, more or less.

Parcel II

All of Tract "K", Tract "N", Tract "O", Lots 831 through and including 851, Lots 860 through and including 867, Spring Valley Unit II, as recorded in Book 16 of Maps and Plats, Pages 72 through and including 74, on file in the office of the Yavapai County Recorder; located in a portion of Section 9, Township 11 North, Range 2 East, Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described as follows:

Spring Valley  
Page 2 of 3

Commencing at the West One-Quarter corner of said Section 9;

Thence, North 27°17'37" East (the basis of bearings is North 01°09'35" West along the West line of said Section 9), a distance of 433.55 feet to a point on the West line of said Lot 843 and the **POINT OF BEGINNING**;

Thence, North 28°20'34" East, 156.46 feet to the beginning of a tangent curve, concave southeasterly with a radius of 150.00 feet;

Thence, northeasterly along said curve through a central angle of 29°58'39", a length of 78.48 feet;

Thence, North 58°19'13" East, 257.30 feet to the beginning of a tangent curve, concave northwesterly with a radius of 300.00 feet;

Thence, northerly along said curve through a central angle of 23°09'34", a length of 121.26 feet;

Thence, North 35°09'34" East, 114.31 feet to the beginning of a tangent curve, concave southeasterly with a radius of 25.00 feet;

Thence, northerly and easterly along said curve through a central angle of 90°00'00", a length of 39.27 feet;

Thence, South 54°50'21" East, 281.78 feet;

Thence, South 61°39'26" East, 282.20 feet;

Thence, South 28°20'34" West, 155.46 feet;

Thence, South 16°39'26" East, 14.14 feet;

Thence, South 61°39'26" East, 140.00 feet;

Thence, South 28°20'34" West, 300.00 feet;

Thence, North 61°39'26" West, 360.00 feet;

Thence, South 28°20'34" West, 100.00 feet;

Thence, South 61°39'26" East, 360.00 feet;

Spring Valley  
Page 3 of 3

Thence, South 28°20'34" West, 105.00 feet to the beginning of a tangent curve, concave northerly with a radius of 25.00 feet;

Thence, southerly and westerly along said curve through a central angle of 90°00'00", a length of 39.27 feet;

Thence, North 61°39'26" West, 890.00 feet to the beginning of a tangent curve, concave easterly with a radius of 25.00 feet;

Thence, westerly and northerly along said curve through a central angle of 90°00'00", a length of 39.27 feet to the **POINT OF BEGINNING**;

Containing 12.388 acres, more or less.



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10-29-03