

NEW APPLICATION



0000020761

**LEWIS
AND
ROCA**
LLP
LAWYERS

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40 North Central Avenue
Phoenix, Arizona 85004-4429
Telephone (602) 262-5311
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Tucson Office
One South Church Avenue
Suite 700
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Michael F. McNulty
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E-Mail: Michael_McNulty@lrlaw.com
Admitted in Arizona, District of Columbia

ORIGINAL

Arizona Corporation Commission

Our File Number 42393/00007

DOCKETED

June 13, 2005

JUN 17 2005

DOCKETED BY

RECEIVED

JUN 13 2005

ARIZONA CORP. COMMISSION
TUCSON, AZ

Arizona Corporation Commission
Docket Control - Utilities Division
1200 W. Washington Street
Phoenix, AZ 85007

Re: Goodman Water Company W-02500A-05-0443
W-02500A - - -

Application for Extension of Certificate of Convenience and Necessity

Attached is an original application (plus 13 copies) by Goodman Water Company for an Extension of its Certificate of Convenience and Necessity.

The purpose of this application is to expand the certificated area to include approximately 139 acres in the western portion of Section 32 of Township 10 South, Range 14 East, Pinal County, Arizona. This proposed area is currently not certificated, and is adjacent to Goodman Water Company's CC&N.

Sincerely,

Michael F. McNulty

MFM/hib

Enclosure [Original plus 13]

cc: Goodman Water Company w/ enclosure

AZ CORP COMMISSION
DOCUMENT CONTROL

2005 JUN 17 P 2:21

RECEIVED

ARIZONA CORPORATION COMMISSION RECEIVED

APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVEYANCE AND P 2: 21
NECESSITY

WATER AND/OR SEWER

AZ CORP COMMISSION
DOCUMENT CONTROL

A. The name, address and telephone number of the Applicant is:

GOODMAN WATER COMPANY
6340 N CAMPBELL AVE STE 278
TUCSON, AZ 85718

520-529-8217

B. The name, address and telephone number of management contact is:

CWH2 SERVICES, LLC - CHRISTOPHER W. HILL
PO BOX 70022
TUCSON AZ 85737

520-297-2185

C. List the name, address and telephone number of the operator certified by the Arizona Department of Environmental Quality:

KAREN HARTWELL
HC70 BOX 3601
SAHUARITA, AZ 85629

520-625-1671

D. List the name, address and telephone number of the attorney for the Applicant:

MICHAEL MCNULTY
LEWIS AND ROCA, LLP
ONE SOUTH CHURCH AVENUE STE 700

TUCSON, AZ 85701

520-622-2090

E. Attach the following documents that apply to you:

ccnext.doc 04/00

Arizona Corporation Commission

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1. Certificate of Good Standing (if corporation)

2. Corporate Resolution Authorizing this application (if required by the corporation's Articles of Incorporation)

F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted.

G. Attach a detailed map using the form provided as attachment B. Shade and outline the area requested. Also indicate the present certificated area by using different colors.

H. Attach a current balance sheet and profit and loss statement.

I. Provide the following information:

1. Indicate the estimated number of customers, by class, to be served in the new area in each of the next five years:

Residential:

First Year 100 Second Year 250 Third Year 400 Fourth Year 450

Fifth Year 450

Commercial:

First Year 0 Second Year 0 Third Year 0 Fourth Year 10 AC/CUSTOMERS

Fifth Year 20 AC/CUSTOMERS

Industrial:

First Year 0 Second Year 0 Third Year 0 Fourth Year 0

Fifth Year 0

Irrigation:

First Year 1 (5 ACRES) Second Year 1 (5 ACRES) Third Year 1 (5 ACRES) Fourth Year 1 (5 ACRES)

Fifth Year 1 (5 ACRES)

Other: (specify)

First Year - Second Year - Third Year - Fourth Year -

Fifth Year -

2. **(WATER ONLY)** Indicate the projected annual water consumption, in gallons, for each of the customer classes in the new area for each of the next five years:

Residential:

First Year 13,000,000 Second Year 32,000,000 Third Year 51,000,000

Fourth Year 57,000,000 Fifth Year 57,000,000

Commercial:

First Year - Second Year - Third Year -

Fourth Year 4,000,000 Fifth Year 7,300,000

Industrial:

First Year - Second Year - Third Year -

Fourth Year - Fifth Year -

Irrigation:

First Year 2,000,000 Second Year 2,000,000 Third Year 2,000,000

Fourth Year 2,000,000 Fifth Year 2,000,000

3. Indicate the total estimated annual operating revenue from the new area for each of the next five years:

First Year \$54,000 Second Year \$135,000 Third Year \$216,000

Fourth Year \$250,000 Fifth Year \$270,000

- Complete Attachment "D" (Water Use Data Sheet) for the past 13 months

4. Indicate the total estimated annual operating expenses attributable to the new area for each of the next five years:

First Year \$27,000 Second Year \$62,000 Third Year \$108,000

Fourth Year \$125,000 Fifth Year \$135,000

J. Total estimated cost to construct utility facilities to serve customers in the requested area:

\$1,000,000 - \$1,200,000

K. Explain method of financing utility facilities (see paragraph 8 of instructions)

Developer Line Extension Agreements (40-60%) and

Sale of stock (restricted) (40-60%)

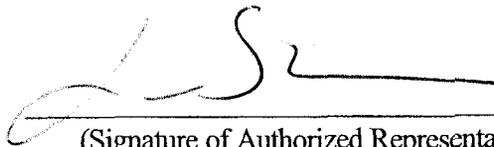
L. Estimated starting and completion date of construction of utility facilities:

Starting date February 2006 Completion date 2011

M. Attach the following permits:

1. Franchise from either the City or County for the area requested.
To be provided.
2. Arizona Department of Environmental Quality or designee's approval to construct facilities.
To be provided.
3. Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.)
N/A
4. U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.)
N/A
5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of, either the utility's Designation of an Assured Water Supply, or the developer's Certificate of 100 Year Assured Water Supply issued by the Arizona Department of Water Resources.
Attached.
 - If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources if applied for by the developer.

- If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detailed information to prove that adequate water exists to provide water to the area requested.



(Signature of Authorized Representative)

JAMES SHINER

(Print or Type Name Here)

PRESIDENT

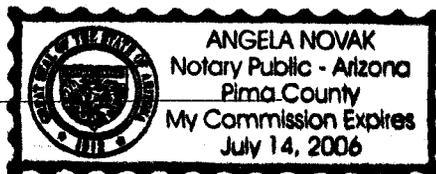
(Title)

SUBSCRIBED AND SWORN to before me this 24th day of MAY, 2005



NOTARY PUBLIC 

My Commission Expires _____

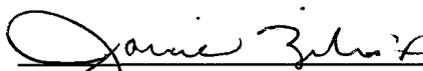


CERTIFICATE OF CORPORATE RESOLUTION

I, Jackie Ziliox, Secretary of Goodman Water Company, an Arizona corporation, hereby certify that the following is a full, true and correct copy of the resolution of the Board of Directors of the corporation, duly and regularly passed and adopted by Consent in Lieu of Special Meeting of the Board of Directors pursuant to Section 10-044 of the Arizona Revised Statutes and Article III(9) of its bylaws, on the 24th day of May, 2005.

RESOLVED, that James Shiner, President of Goodman Water Company, an Arizona corporation, is hereby duly authorized by the Board of Directors to submit or cause to be submitted on behalf of said corporation, application to the Arizona Corporation Commission and in conjunction therewith, to execute any and all other necessary documents to effectuate the application, which is for the purpose of expanding the corporation's area under the Certificate of Convenience and Necessity. The Board of Directors specifically approves and ratifies all actions by its President in connection with said matters.

IN WITNESS WHEREOF, I have set my hand as such Jackie Ziliox this 24th day of May, 2005.



Jackie Ziliox, Secretary

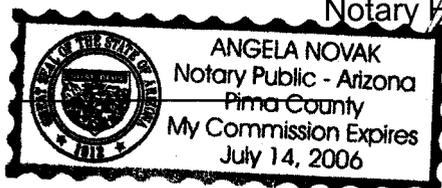
STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing document was acknowledged before me this 24th day of May, 2005, by Jackie Ziliox, Secretary of Goodman Water Company.



Notary Public 

My Commission Expires:



STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

*****GOODMAN WATER COMPANY*****

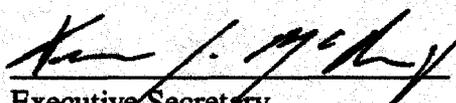
a domestic corporation organized under the laws of the State of Arizona, did incorporate on April 12, 1985.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 1st Day of April, 2005, A. D.




Executive Secretary

By 

EXHIBIT "ONE"

That portion of the West half of Section 32, Township 10 South, Range 14 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, lying West of the following described line:

Commencing at the Northwest corner of said Section 32;

Thence North 89 degrees 07 minutes 49 seconds East, along the North line of said Section 32, a distance of 638.22 feet to a point on a line being 60.00 feet West of and parallel to the existing right of way line of State Highway 89 and the POINT OF BEGINNING;

Thence South 10 degrees 44 minutes 03 seconds East, along said parallel line, a distance of 2167 feet;

Thence, along a curve to the left, having a radius of 23,078.31 feet, an arc length of 677.14 feet;

Thence South 12 degrees 24 minutes 55 seconds East, a distance of 1148.18 feet;

Thence South 11 degrees 40 minutes 24 seconds East, a distance of 293.70 feet;

Thence, from a local tangent bearing of South 10 degrees 09 minutes 55 seconds East, along a curve to the right, having a radius of 3659.72 feet, an arc length of 591.48 feet;

Thence South 00 degrees 36 minutes 10 seconds West, a distance of 293.70 feet;

Thence South 01 degrees 20 minutes 41 seconds West, a distance of 210.08 feet to a point on the South line of said Section 32 and the POINT OF TERMINUS.

ATTACHMENT "B"

| | | | |
|---------------|----------------|-----------------|--------------|
| PINAL | 32 & 33 | 10 South | 14 East |
| COUNTY | SECTION | TOWNSHIP | RANGE |

| | | | | | |
|-----|-----|-----|-----|-----|-----|
| 6 | 5 | 4 | 3 | 2 | 1 |
| 7 | 8 | 9 | 1 0 | 1 1 | 1 2 |
| 1 8 | 1 7 | 1 6 | 1 5 | 1 4 | 1 3 |
| 1 9 | 2 0 | 2 1 | 2 2 | 2 3 | 2 4 |
| 3 0 | 2 9 | 2 8 | 2 7 | 2 6 | 2 5 |
| 3 1 | 3 2 | 3 3 | 3 4 | 3 5 | 3 6 |

Type or Print Description Here:

Yellow represents current area

Orange represents proposed area to include the westion portion of
Sec 32, T10S, R14E

Goodman Water Company
Balance Sheet
April 30, 2005

ASSETS

| | | |
|------------------------------|----|--------------|
| Current Assets | | |
| B of A - Money Market | \$ | 15,773.82 |
| B of A - Checking | | 16,543.22 |
| B of A - CD | | 5,000.00 |
| Officer Loans | | 100.00 |
| Customer Accts Receivable | | 1,833.44 |
| | | 39,250.48 |
| | | |
| Property and Equipment | | |
| Structures & Improvements | | 1,343.39 |
| Reservoirs/Storage Tanks | | 251,475.98 |
| Wells & Springs | | 776,682.12 |
| Water Treatment Equipment | | 2,160.77 |
| Transmission Lines | | 402,267.79 |
| Services | | 160,177.28 |
| Meters & Meter Installations | | 51,510.73 |
| Fire Hydrants | | 24,975.00 |
| Accumulated Depreciation | | <154,527.76> |
| | | 1,516,065.30 |
| | | |
| Other Assets | | |
| Refundable Money Market | | 104,992.40 |
| LEX Refund MM | | 5,040.85 |
| | | 110,033.25 |
| | | |
| Total Assets | \$ | 1,665,349.03 |

LIABILITIES AND CAPITAL

| | | |
|------------------------------|----|--------------|
| Current Liabilities | | |
| Accounts Payable | \$ | 712.75 |
| Refundable Customer Deposits | | 15,463.32 |
| Refundable Installation Fees | | 88,459.30 |
| LEX refund expenses | | 5,031.14 |
| Payroll Taxes Payable | | 56.00 |
| Sales Tax Payable | | 754.03 |
| Muni Tax Payable | | 14.04 |
| | | 110,490.58 |
| | | |
| Long-Term Liabilities | | |
| Advances for Construction | | 585,931.76 |
| | | 585,931.76 |
| | | |
| Total Liabilities | | 696,422.34 |
| | | |
| Capital | | |
| Capital Stock | | 109.20 |
| Additional Paid in Capital | | 1,230,473.06 |
| Retained Earnings | | <267,386.51> |
| Net Income | | 5,730.94 |
| | | 1,236,937.70 |

Unaudited - For Management Purposes Only

Goodman Water Company
Balance Sheet
April 30, 2005

| | |
|-----------------------------|------------------------|
| Total Capital | 968,926.69 |
| Total Liabilities & Capital | \$ <u>1,665,349.03</u> |

Goodman Water Company
Income Statement
For the Four Months Ending April 30, 2005

| | Current Month | | Year to Date | |
|-------------------------------|--------------------|---------------|--------------------|---------------|
| Revenues | | | | |
| Interest & Dividend Income | \$ 154.11 | 1.16 | \$ 510.15 | 0.97 |
| Metered Residential Customers | 12,463.49 | 93.59 | 44,439.03 | 84.70 |
| Other Water Revenue | 700.00 | 5.26 | 7,515.00 | 14.32 |
| Total Revenues | <u>13,317.60</u> | <u>100.00</u> | <u>52,464.18</u> | <u>100.00</u> |
| Cost of Sales | | | | |
| Total Cost of Sales | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Gross Profit | <u>13,317.60</u> | <u>100.00</u> | <u>52,464.18</u> | <u>100.00</u> |
| Expenses | | | | |
| Depreciation Expense | 0.00 | 0.00 | 19,760.95 | 37.67 |
| Interest Expense | 11.64 | 0.09 | 34.92 | 0.07 |
| Purchased Power | 200.40 | 1.50 | 2,143.23 | 4.09 |
| Materials & Supplies | 248.93 | 1.87 | 577.41 | 1.10 |
| Maintenance | 498.11 | 3.74 | 1,548.11 | 2.95 |
| Contractual Services | 585.00 | 4.39 | 2,190.00 | 4.17 |
| Management Service | 3,679.00 | 27.63 | 12,288.25 | 23.42 |
| Legal Fees | 32.00 | 0.24 | 1,135.08 | 2.16 |
| Engineering Service | 0.00 | 0.00 | 708.00 | 1.35 |
| Management-General Manager | 950.00 | 7.13 | 3,498.45 | 6.67 |
| Testing Expense | 1,005.00 | 7.55 | 1,125.00 | 2.14 |
| Regulatory Commission Expense | 0.00 | 0.00 | 10.00 | 0.02 |
| Miscellaneous Expenses | 27.39 | 0.21 | 330.86 | 0.63 |
| Bank Charges | 0.00 | 0.00 | <29.80> | <0.06> |
| Dues & Subscription Expense | 0.00 | 0.00 | 320.86 | 0.61 |
| Office Expense | 79.08 | 0.59 | 113.46 | 0.22 |
| Property Tax | 0.00 | 0.00 | 355.00 | 0.68 |
| Telephone | 94.66 | 0.71 | 378.46 | 0.72 |
| Payroll Tax Expense | 0.00 | 0.00 | 245.00 | 0.47 |
| Total Expenses | <u>7,411.21</u> | <u>55.65</u> | <u>46,733.24</u> | <u>89.08</u> |
| Net Income | <u>\$ 5,906.39</u> | <u>44.35</u> | <u>\$ 5,730.94</u> | <u>10.92</u> |

ATTACHMENT "C"

PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY BY GOODMAN WATER COMPANY

Goodman Water Company has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide water service. Our records indicate that you are either currently a customer of Goodman Water Company or are a property owner in the proposed extension area. If the application is granted, Goodman Water Company would be the exclusive provider of water service to the proposed area. Goodman Water Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and in Tucson at 6340 North Campbell Avenue, Suite 278.

The Commission will hold a hearing on this matter. As a property owner, or customer, you may be entitled to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

ATTACHMENT "D"

WATER USE DATA SHEET

| | |
|--------------------------------|-----------------------|
| NAME OF COMPANY → | GOODMAN WATER COMPANY |
| ADEQ PUBLIC WATER SYSTEM NO. → | 11130 |

| MONTH/YEAR (LAST 13 MONTHS) | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) |
|--------------------------------|---------------------|--------------------------|
| Apr-04 | 262 | 1397 |
| May-04 | 262 | 2329 |
| Jun-04 | 308 | 2132 |
| Jul-04 | 314 | 8394 |
| Aug-04 | 332 | 6884 |
| Sep-04 | 328 | 2345 |
| Oct-04 | 341 | 2028 |
| Nov-04 | 359 | 1708 |
| Dec-04 | 370 | 1890 |
| Jan-05 | 384 | 2223 |
| Feb-05 | 399 | 1872 |
| Mar-05 | 436 | 1760 |
| Apr-05 | 441 | 2160 |

| STORAGE TANK CAPACITY (Gallons) | NUMBER OF EACH | ARIZONA DEPT. OF WATER RESOURCES WELL I.D. NUMBER | WELL PRODUCTION (Gallons per Minute) |
|---------------------------------|----------------|---|--------------------------------------|
| 400,000 | 1 | 55-610741 | 490 |

| | |
|--|---|
| Other Water Sources in Gallons per Minute → | N/A |
| Fire Hydrants on System → | <input checked="" type="radio"/> YES <input type="radio"/> NO |
| Total Water Pumped Last 13 months (Gallons in Thousands) → | 38,732 |

**STATE OF ARIZONA
DEPARTMENT OF WATER RESOURCES
CERTIFICATE OF ASSURED WATER SUPPLY**

This is to certify that

**Fidelity National Title Agency Trust 10,587 on behalf of beneficiary
Goodman Ranch Associates , an Arizona Joint Venture as sellers and
D.R. Horton, Inc., an Arizona corporation, as buyer
Eagle Crest Ranch DWR No. 27-400387
Section 32, Township 10 South, Range 14 East G&SRB&M
Pinal County
Tucson Active Management Area**

have demonstrated to the Arizona Department of Water Resources, in accordance with the requirements and procedures of A.R.S. § 45-576 and the applicable regulations, that sufficient water of adequate quality will be continuously available to satisfy the water needs of the referenced subdivision for at least one hundred years. The aforementioned subdivision consists of 975 lots as described in the preliminary plat on file with the Department, which will be served groundwater by Panorama Properties, Inc. dba Goodman Water Company.

This Certificate is invalid as to any successor in interest, assignee, or grantee of the owner indicated above. A subsequent owner of the property may apply for a new certificate pursuant to A.A.C. R12-15-708, within 90 days of the change of ownership.

By powers vested in the Director of the Arizona Department of Water Resources by the State of Arizona, and subject to the conditions contained in the applicable regulations,

**Fidelity National Title Agency Trust 10,587 on behalf of beneficiary
Goodman Ranch Associates , an Arizona Joint Venture as sellers and
D.R. Horton, Inc., an Arizona corporation, as buyer**

are issued this Certificate of Assured Water Supply for

Eagle Crest Ranch.



ARIZONA DEPARTMENT OF WATER RESOURCES

Jim Holloway

DIRECTOR
this 29th day of November, 2006