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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

MARC SPITZER, Chairman  
JIM IRVIN  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
MIKE GLEASON

DOCKET NO. WS-01303A-02-0633

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AGUA FRIA WATER DISTRICT, FOR AN EXTENSION OF THE SERVICE AREA UNDER ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER UTILITY SERVICE.

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN, SUN CITY WEST WATER DISTRICT FOR A TRANSFER OF A PARCEL TO THE AGUA FRIA DISTRICT.

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN, ANTHEM/AGUA FRIA DISTRICT (DISTCO) FOR AN EXTENSION OF THE SERVICE AREA UNDER ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WASTEWATER UTILITY SERVICE.

DECISION NO. 65757

OPINION AND ORDER

DATE OF HEARING:	January 16, 2003
PLACE OF HEARING:	Phoenix, Arizona
ADMINISTRATIVE LAW JUDGE:	Marc E. Stern
IN ATTENDANCE:	Commissioner Mike Gleason
APPEARANCES:	Fennemore Craig, by Mr. Norman James, on behalf of Arizona-American Water Company; and  Mr. Timothy Sabo, Legal Division, on behalf of the Utilities Division of the Arizona Corporation Commission.

**BY THE COMMISSION:**

On August 20, 2002, Arizona-American Water Company ("AZAM" or "Applicant") on behalf of its Agua Fria Water District ("AFWD"), Sun City West Water District ("SCWWD") and Anthem/Agua Fria District ("DISTCO") filed with the Arizona Corporation Commission

1 (“Commission”) an application to extend AFWD’s and DISTCO’s service areas under their  
2 Certificate of Convenience and Necessity (“Certificate”) for water and wastewater utility service,  
3 respectively. AZAM also requested approval to transfer a parcel from SCWWD’s service area to that  
4 of AFWD.

5 Pursuant to A.A.C. R14-2-103(B)(11), on September 24, 2002, by Procedural Order, the  
6 application herein was deemed administratively complete, and set for hearing on December 10, 2002.  
7 The Procedural Order also established filing, intervention and notice requirements for the proceeding.

8 On November 12, 2002, the Commission’s Utilities Division (“Staff”) filed its report.

9 On November 22, 2002, AZAM and Staff filed what was captioned as “Stipulation Regarding  
10 New Hearing Date and Other Procedural Matters” (“Stipulation”). Therein, AZAM and Staff  
11 stipulated that they had failed to timely meet certain of the “pre-hearing procedural requirements”  
12 including public notice and agreed to a postponement of the hearing to allow for the issuance of a  
13 new Procedural Order for the establishment of new filing dates, intervention requirements and notice  
14 to the public. In the Stipulation, AZAM and Staff agreed as follows: that a hearing be set on or after  
15 January 8, 2003; that the deadline for filing for intervention be on or before December 27, 2002; that  
16 AZAM file its comments, if any, to the Staff Report on or before December 18, 2002; and that  
17 AZAM publish notice of the application and hearing thereon on or before December 6, 2002.

18 On November 25, 2002, by Procedural Order, pursuant to the Stipulation between AZAM and  
19 Staff the hearing was continued from December 10, 2002, to January 16, 2003. Other procedural  
20 dates were established as follows: AZAM was required to publish notice of the application and  
21 hearing thereon by December 6, 2002; AZAM was to file comments on the Staff Report by  
22 December 18, 2002; and requests for intervention were to be filed by December 27, 2002.

23 On December 6, 2002, AZAM and Staff filed what was captioned “Stipulation Regarding  
24 Publication of Notice (“Notice Stipulation”) wherein it was agreed that AZAM would provide notice  
25 on or before December 13, 2002 pursuant to the terms of the Third Procedural Order and AZAM  
26 agreed to waive its right to object to motions to intervene on the basis that the motion was not timely  
27 filed.

28 On December 18, 2002, AZAM filed its comments on the Staff Report.

1 On January 6, 2003, AZAM filed certification that it had published notice pursuant to the  
2 Commission's third Procedural Order.

3 On January 16, 2003, a full public hearing was convened before a duly authorized  
4 Administrative Law Judge of the Commission at its offices in Phoenix, Arizona. AZAM and Staff  
5 appeared with counsel. Public comment was taken in support of the application from a number of  
6 developers and from a program manager of the Maricopa County Environmental Services  
7 Department ("MCESD"). At the conclusion of the hearing, the matter was taken under advisement  
8 pending submission of a Recommended Opinion and Order to the Commission.

9 \* \* \* \* \*

10 Having considered the entire record herein and being fully advised in the premises, the  
11 Commission finds, concludes, and orders that:

12 **FINDINGS OF FACT**

13 1. Pursuant to authority granted by the Commission in Decision No. 63584 (April 24,  
14 2001), AZAM is an Arizona corporation which is engaged in the business of providing water and  
15 wastewater service to thousands of customers in various parts of Maricopa, Mohave and Santa Cruz  
16 Counties, Arizona<sup>1</sup>.

17 2. On August 20, 2002, AZAM, on behalf of its AFWD and DISTCO systems, filed an  
18 application to extend AFWD's and DISTCO's service areas under their Certificate to provide water  
19 and wastewater service to the areas which are marked Exhibit A and B, respectively, attached hereto  
20 and incorporated herein by reference. In a portion of its application, AZAM also requested approval  
21 to transfer a parcel from SCWWD's service area to that of AFWD, marked Exhibit C attached hereto  
22 and incorporated herein by reference.

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

24 4. On November 12, 2002, Staff filed its Staff Report recommending conditional  
25 approval for portions of the areas requested to be certificated by AZAM herein following a hearing.  
26 Staff also recommended approval of the parcel transfer.

27 \_\_\_\_\_  
28 <sup>1</sup> AZAM is a wholly owned subsidiary of American Water Works, Inc. which provides utility service to approximately 2.5 million customers in 22 states.

1           5.       During the public comment session at the outset of the proceeding, Mr. Steven Borst, a  
2 MCESD program manager, appeared and commented that his department calculates that a total build-  
3 out, approximately 40,000 county residents, will live in the area sought to be certificated by AZAM.  
4 MCESD is encouraged by the fact that AZAM and the developers of large tracts of land within the  
5 area sought to be certificated herein are planning a "regional solution" which "is unique, and it is an  
6 example where I would hope that other areas of the county would follow suit." The MCESD  
7 supports AZAM's application in its entirety.

8           6.       Representatives of three large home builders that control approximately one-sixth of  
9 the area sought to be certificated herein also appeared and voiced their support of the application.

10          7.       With the instant application, AZAM is seeking Commission approval for an extension  
11 of its Certificate to add approximately 9 sections of land to AFWD's water service area and  
12 approximately 7 sections of land to DISTCO's sewer service area. The overlapping areas are located  
13 north of Sun City West, east of the City of Surprise and west of the City of Peoria and are described  
14 in Exhibits A and B, respectively. The application areas encompass property controlled by private  
15 parties, the Bureau of Land Management ("BLM"), State Trust land and Maricopa County  
16 ("County"). The largest single property owner in the areas sought to be certificated is the State of  
17 Arizona.

18          8.       Based on the evidence, the requested extension areas as set forth in Exhibits A and B,  
19 respectively, are experiencing substantial developer interest due to the following: the development of  
20 the Lake Pleasant Recreation area; general population growth in the northwestern part of the County;  
21 and the accelerated construction of the State Route 303 Freeway between Grand Avenue and Lake  
22 Pleasant Road.

23          9.       Developers in the area include Woodside Homes ("Woodside"), Del Webb Home  
24 Construction, Inc. ("Del Webb"), Grosvenor Holdings, L.L.C. ("Grosvenor") and William Lyon  
25 Homes ("Lyon"), all of which have assembled significant parcels of property and are proceeding to  
26 seek plat approval.

27          10.       At the hearing, evidence was presented which established that Del Webb has already  
28 entered into a main extension agreement with AZAM for its 720-acre Pleasant Valley Country Club

1 ("PVCC") project. AZAM also announced that as of January 15, 2003, Woodside had also entered  
2 into an agreement with the utility in order to proceed with the development of its parcel.

3 11. Pursuant to the Commission's Rules, as main extension agreements are concluded  
4 with developers, they will be filed with the Commission for its approval.

5 12. Although Applicant had sought approval of a new non-potable water tariff in order to  
6 provide service to Del Webb's PVCC golf course, during the hearing, AZAM withdrew this portion  
7 of its application agreeing with Staff to provide non-potable water to that project under its existing  
8 non-potable water tariff, which complies with existing County ordinances which prohibit the use of  
9 ground water on new golf courses in the County.

10 13. With respect to extension of Applicant's Certificate to provide wastewater service to  
11 the areas encompassed in Exhibit B, Applicant provided evidence that it will use the existing Sun  
12 City West Wastewater Treatment Facility ("SCWWTF") to provide wastewater treatment. Current  
13 capacity of the SCWWTF is 3.14 million gallons per day ("MGD") and the existing plant will be  
14 expanded to 5.0 MGD in the near future and eventually will be expanded to handle 8 to 9 MGD at  
15 total build-out.

16 14. Besides the private developers that have or will seek service from AZAM, Applicant  
17 has also received a request for service from the Arizona State Land Department to include  
18 approximately four sections of State Trust land in the areas sought to be certificated herein due to the  
19 Department's projections for future growth in these areas.

20 15. Additionally, a 685-acre parcel located west of and adjacent to the areas sought to be  
21 certificated herein is in the process of development. Original plans called for it to be served by the  
22 Rancho Cabrillo Water and Sewer Companies ("Rancho Cabrillo"), which have no facilities. Rancho  
23 Cabrillo is presently conducting discussions with AZAM with respect to a possible transfer of its  
24 Certificates to AZAM in the near future so that AZAM can provide service to this parcel also.

25 16. On August 5, 2002, Del Webb entered into a main extension agreement with AZAM  
26 to finance the on-site utility facilities to serve its property. Under the terms of the Agreement, Del  
27 Webb will construct the first phase of the regional water facilities and regional wastewater collection  
28 facilities and convey them to AZAM.

1           17. Under Del Webb's agreement, estimates of its pro rata share of the regional water and  
2 wastewater collection facilities are \$683,882 and \$912,040, respectively. Cost estimates for both  
3 facilities exceed \$7 million and AZAM plans to allocate pro rata shares to eight other developers.

4           18. Under the terms of Del Webb's agreement with AZAM, costs not reimbursed by  
5 AZAM and costs associated with Del Webb's Ak-Chin Water Lease ("Lease"), will be considered  
6 contributions in aid of construction. This Lease is part of an earlier agreement related to Del Webb's  
7 Anthem project and although total Lease charges are expected to be \$12,270,600, Staff was unable to  
8 determine what portion of the water lease will be assigned to the PVCC project and will need to have  
9 the amount clarified within 365 days of the effective date of this Decision<sup>2</sup>.

10           19. Additionally, under the terms of the Del Webb agreement, AZAM will be paid \$1,150  
11 per Equivalent Residential Unit ("ERU") for potable water service and \$450 per ERU for wastewater  
12 treatment service by Del Webb as a Project Facilities Fee, a contractual fee, which is not classified as  
13 a tariff hook-up fee. AZAM will apply these funds towards the construction of regional backbone  
14 plant.

15           20. According to documentation from AZAM, water for the extension area will be  
16 supplied from wells and from connections with the City of Peoria. Between five and thirteen wells  
17 with a capacity of 1,000 gallons per minute ("GPM") will be developed in the extension area  
18 depending upon the amount of water the City of Peoria will provide to make up the difference  
19 between average and peak day demand.

20           21. AZAM projects that the ultimate water storage requirement will be 6.61 million  
21 gallons of water for the extension area.

22           22. To further support its application herein, AZAM offered evidence in the form of  
23 master plans for its regional water and wastewater systems which have been prepared by COE & Van  
24 Loo Engineers.

25 \_\_\_\_\_  
26 <sup>2</sup> Since AZAM does not have a designation from the Arizona Department of Water Resources ("ADWR") of  
27 having an assured water supply for the extension area, Del Webb is required to secure a Certificate of Assured Water  
28 Supply ("CAWS"). In order to develop the PVCC project and to insure a water supply, Del Webb, on June 27, 2001,  
signed an option and lease agreement with the AK-Chin Indian Community to provide Del Webb with an option to  
purchase 6,000 to 10,000 acre-feet of surface water per annum for 100 years, paying \$300,000 for the option to lease the  
right to deliver the required water.

1           23.     AZAM's director of engineering, Mr. Blaine Akine, indicated that AZAM has also  
2 received a signed guarantee of payment agreement for the facilities that will be needed to provide  
3 service to the Grosvenor parcel for its first phase of backbone plan, which was executed the day  
4 before the hearing. AZAM expects to conclude a development agreement with Lyon shortly.

5           24.     Lastly, with respect to the extension areas, AZAM has been in contact with the Cities  
6 of Surprise and Peoria and has received their support for its application herein and would not  
7 encroach into their planning areas if they requested AZAM not to do so.

8           25.     With respect to the transfer parcel, formerly known as the Cool Well Water Company  
9 ("Cool Well")<sup>3</sup>, it is a small stand alone water system which is currently serving 20 customers. The  
10 area is served by a 300 GPM well, a small storage tank, small pump, boosting station and distribution  
11 system. The 20 existing customers rely upon septic systems for their wastewater treatment.

12           26.     Because of Cool Well's location, AZAM is requesting the Commission approve the  
13 transfer of the Cool Well service area from where it is presently located in the SCWWD to its AFWD  
14 in order to interconnect its system and improve the system's redundancy and system reliability.

15           27.     The majority of the area sought to be transferred is vacant desert.

16           28.     Since the customers in the SCWWD service area have lower rates than Applicant's  
17 customers in the AFWD, AZAM is proposing that the 20 existing Cool Well customers continue to  
18 be charged under the lower rates and charges of the SCWWD when transferred rather than the higher  
19 rates of AFWD until such time as new customers purchase and move into the existing residences or  
20 new homes are built in the Cool Well area which would then fall under the current tariffs of the  
21 AFWD.

22           29.     AZAM maintains that the "grandfathering" of the SCWWD rates in the Cool Well  
23 area is in the best interests of its customers.

24           30.     With respect to the areas sought to be certificated herein, AZAM anticipates charging  
25 prospective customers in the areas in Exhibits A and B, its existing rates and charges.

26           31.     There are no other municipal or public service corporations providing water or  
27

28 <sup>3</sup> Cool Well was transferred to AZAM's predecessor, Citizens Utilities Company, by Commission Decision No. 56551 (July 3, 1989).

1 wastewater treatment service in the proposed service areas described in Exhibits A and B.

2       32.     The proposed extension areas are outside of the city limits of any municipality in the  
3 area.

4       33.     AZAM has indicated that it will file, within 365 days of the effective date of this  
5 Decision, the relevant franchise to be issued by the appropriate governmental agency for the areas  
6 certificated to it as a result of this proceeding.

7       34.     With respect to the areas sought to be certificated herein as described in Exhibits A  
8 and B for water and wastewater utility service, respectively, Staff is recommending that the  
9 Commission approve an extension of AZAM's Certificate only for those areas for which it has  
10 reached signed agreements to provide service to a particular developer's parcel which, as of the date  
11 of the hearing, included only the Del Webb PVCC property, and the Woodside property. However,  
12 although there are no development/main extension agreements on the State Trust land, Staff is also  
13 recommending approval of the extension sought herein for the State Trust land.

14       35.     According to Mr. Jim Fisher, a Staff consultant, while Staff supports a regional  
15 approach, Staff is following past Commission policy, which requires evidence of a request for service  
16 along with documentation such as a main extension agreement before it will recommend approval of  
17 a request for a Certificate extension. This is because of problems that have been encountered by the  
18 Commission over the years where areas were certificated to utility companies that never materialized  
19 or when development took place, the areas were left with an under funded developer owned utility  
20 with inadequate service.

21       36.     While Staff did not oppose AZAM's proposal that the existing Cool Well system  
22 customers continue to be charged their existing rates and charges in the SCWWD area following the  
23 parcel's transfer to the AFWD service area, Staff is recommending that upon Commission approval  
24 in a general rate case of any new rates and charges for the AFWD service area, that these customers  
25 then be charged the prevailing rates and charges of that area and not be charged the rates of the  
26 SCWWD service area.

27       37.     After reviewing the water production and storage capacity of AZAM and its  
28 wastewater treatment facilities together with Applicant's developmental capabilities, Staff believes

1 that AZAM has adequate facilities along with the technical and financial capacity to provide service  
2 in the requested extension areas as development takes place.

3 38. According to the Staff Report, AZAM is in full compliance with the rules of the  
4 Arizona Department of Environmental Quality ("ADEQ") and is providing water which meets the  
5 requirements of the Safe Drinking Water Act.

6 39. Staff also reports that AZAM is in compliance with the rules of ADWR for its AFWD  
7 service area which is located within the Phoenix Active Management Area.

8 40. With respect to the operation of AZAM's DISTCO wastewater treatment facilities,  
9 Staff found that it is in total compliance with the rules of operation, reporting and discharge limits of  
10 ADEQ or its designee.

11 41. AZAM is also in compliance in its operation of its water and wastewater systems with  
12 the Commission.

13 42. AZAM is current on the payment of its sales and property taxes.

14 43. Staff is recommending only partial approval of the extension application herein as set  
15 forth in Findings of Fact No. 34, subject to the following:

- 16 • that the extension be approved for the areas encompassed within Exhibits A and B for  
17 only the Del Webb property, the Woodside property, and the State Trust land;
- 18 • that the Commission order AZAM to file, within 365 days of the effective date of this  
19 Decision, with the Director of the Utilities Division, a copy of the requisite franchise  
20 for the extension areas approved hereinafter;
- 21 • that the Commission order AZAM to charge its existing rates and charges for water  
22 and wastewater treatment service in the extension areas as authorized hereinafter;
- 23 • that the Commission order AZAM to file, within 365 days of the effective date of this  
24 Decision, with the Director of the Commission's Utilities Division, a copy of the  
25 developers initial Certificate of Approval to Construct issued by ADEQ or its designee  
26 for water and wastewater facilities within the extension areas as authorized  
27 hereinafter;
- 28 • that the Commission order AZAM to file, within 365 days of the effective date of this  
Decision, with the Director of the Commission's Utilities Division, the allocable AK-  
CHIN/Del Webb Water Lease Agreement costs to be classified as a contribution with  
respect to the extension of water service approved hereinafter.

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44. With respect to Staff's recommendations for the Cool Well service area transfer, Staff recommends approval of this portion of the application and that the existing customers in the former Cool Well service area be charged the existing rates of SCWWD until such time as the Commission approves a change in the rates and charges of AFWD in a general rate case at which time all existing and future customers in the former Cool Well service area should be charged the authorized rates for AZAM's AFWD.

45. Under the circumstances herein, based on the evidence concerning the extension areas, we believe that the application of AZAM should be approved in its entirety with respect to the extension of Applicant's Certificate to provide water and wastewater service to the areas further described in Exhibits A and B as requested. The regional development of water and wastewater service proposed by Applicant and supported by the MCESD during this proceeding establishes that AZAM's approach is reasonable and should be adopted. Due to AZAM's regional approach, we shall not limit the extension of Applicant's Certificate as recommended by Staff. However, with respect to the remaining recommendations made by Staff concerning the extension areas, we believe that they are reasonable and should be adopted and that AZAM should comply with them as ordered hereinafter.

46. Lastly, we believe that Staff's recommendations with respect to the Cool Well system service area are reasonable and should be adopted as set forth in Findings of Fact No. 44.

#### CONCLUSIONS OF LAW

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

2. The Commission has jurisdiction over AZAM and the subject matter of the application.

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

4. There is a public need and necessity for water and wastewater utility service in the proposed service area described in Exhibits A and B.

5. AZAM is a fit and proper entity to receive an extension of its Certificate for the areas

1 described in Exhibits A and B.

2 6. There is a public need and necessity for the Cool Well system to be transferred from  
3 SCWWD to AFDW as described in Exhibit C.

4 7. The application by AZAM to extend its Certificate for all of the areas described in  
5 Exhibits A and B should be granted as requested by Applicant subject to AZAM complying with the  
6 remaining conditions set forth in Findings of Fact No. 43 hereinabove.

7 8. AZAM should continue to charge its existing rates and charges in the extension areas  
8 described in Exhibits A and B until further Order by the Commission.

9 9. AZAM should continue to charge Cool Well system existing and future customers the  
10 existing rates and charges of SCWWD until such time as the Commission approves a change in the  
11 rates of AFDW in a general rate case after which these customers should be charged the authorized  
12 rates of AFDW.

13 **ORDER**

14 IT IS THEREFORE ORDERED that the application of Arizona-American Water Company  
15 on behalf of its Agua Fria Water District and Anthem/Agua Fria District for an amendment to its  
16 Certificate of Convenience and Necessity as requested for the operation of a water and wastewater  
17 utility for all of the areas more fully described in Exhibits A and B, respectively, attached hereto are  
18 hereby, approved provided that, within 365 days of the effective date of this Decision, Arizona-  
19 American Water Company complies with the remaining conditions as set forth in Findings of Fact  
20 No. 43 hereinabove.

21 IT IS FURTHER ORDERED that in the event that Arizona-American Water Company does  
22 not timely comply with a condition as set forth hereinabove in Findings of Fact No. 43 as required by  
23 the preceding Ordering paragraph, then the extension of its Certificate of Convenience and Necessity  
24 shall be deemed to be null and void for the areas described in Exhibits A and B attached hereto  
25 without further Order of the Arizona Corporation Commission.

26 IT IS FURTHER ORDERED that Arizona-American Water Company shall charge water and  
27 wastewater customers in the areas more fully described in Exhibits A and B attached hereto, the rates  
28 and charges previously authorized by the Commission until further Order of the Commission.

1 IT IS FURTHER ORDERED that the Cool Well service area described in Exhibit C shall be  
2 transferred from the service area of Sun City West Water District to the Agua Fria Water District and  
3 existing and future customers shall be charged the existing rates and charges of the Sun City West  
4 Water District until the next general rate case of the Agua Fria Water District at which time those  
5 customers shall be charged the authorized rates and charges of the Agua Fria Water District.

6 IT IS FURTHER ORDERED that groundwater shall not be used on golf courses in the  
7 certificated area.

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

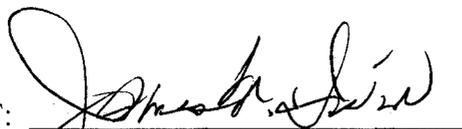
9  
10 **BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

11   
12 CHAIRMAN  COMMISSIONER  COMMISSIONER

13  
14  COMMISSIONER  COMMISSIONER

15  
16  
17 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,  
18 Executive Secretary of the Arizona Corporation Commission,  
19 have hereunto, set my hand and caused the official seal of this  
20 Commission to be affixed at the Capitol, in the City of  
21 Phoenix, this 20<sup>th</sup> day of MARCH, 2003.

22   
23 Brian C. McNeil  
24 Executive Secretary

25 DISSENT: 

26 DISSENT: 

28 MES:mlj

1 SERVICE LIST FOR: ARIZONA-AMERICAN WATER COMPANY  
2 DOCKET NO. WS-01303A-02-0633

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**EXHIBIT A**

**Legal Description**  
**Certificate of Convenience and Necessity**  
**Arizona-American Water Company, Agua Fria District**  
**Water Service Extension Area**

Township 4 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona

All of Section 1;

All of Section 2;

The South half (S ½) of Section 10;

All of Section 11;

All of Section 12;

The North half (N ½) and the West half (W ½) of the Southwest Quarter (SW ¼) and the Northeast Quarter (NE ¼) of the Southeast Quarter (SE ¼) of Section 13;

All of Section 14;

The East half (E ½) and the North half (N ½) of the Northwest Quarter (NW ¼) of Section 15;

The South half (S ½) of the Southwest Quarter (SW ¼) and the Northeast Quarter (NE ¼) of the Southwest Quarter (SW ¼) of Section 24;

The Northwest Quarter (NW ¼) of Section 25;

Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona

All of Section 6 EXCEPT the East half (E ½) of the East half (E ½);

The West half (W ½) of Section 7;

The West half (W ½) of the West half (W ½) of Section 18.

DECISION NO. 65757

## EXHIBIT B

Legal Description  
 Certificate of Convenience and Necessity  
 Arizona-American Water Company, Anthem/Agua Fria (DistCo) District  
Wastewater Service Extension

Township 4 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona

All of Section 1;

All of Section 2;

The South half (S ½) of Section 10;

All of Section 11;

All of Section 12;

All of Section 13;

All of Section 14;

The East half (E ½) and the North half (N ½) of the Northwest Quarter (NW ¼) of Section 15;

All of Section 24 EXCEPT the Southeast Quarter (SE ¼) of the Southeast Quarter (SE ¼) and

EXCEPT the Southeast Quarter (SE ¼) of the Northeast Quarter (NE ¼) of the Southeast Quarter (SE ¼) and

EXCEPT the Southeast Quarter (SE ¼) of the Southwest Quarter (SW ¼) of the Southeast Quarter (SE ¼);

The Northwest Quarter (NW ¼) of Section 25;

Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona

All of Section 6 EXCEPT the East Half (E ½) of the East Half (E ½);

The West half (W ½) of Section 7;

The West half (W ½) of the West half (W ½) of Section 18.

**DECISION NO. 65757**

## EXHIBIT C

Legal Description  
Certificate of Convenience and Necessity  
Arizona-American Water Company, Agua Fria District  
Transfer Parcel from Sun City West Water Company

Township 4 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County,  
Arizona

The East Half (E ½) of the Southwest Quarter (SW ¼) and all of the Southeast Quarter (SE ¼) of  
Section 13 EXCEPT the Northeast Quarter (NE ¼) of the Southeast Quarter (SE ¼);

The North Half (N ½) and the Northwest Quarter (NW ¼) of the Southwest Quarter (SW ¼) and all  
of the Southeast Quarter (SE ¼) of Section 24 EXCEPT the Southeast Quarter (SE ¼) of the  
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EXCEPT the Southeast Quarter (SE ¼) of the Northeast Quarter (NE ¼) of the Southeast  
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