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Transcript Exhibit(s)

W-02500A-05-0443

AZ CORP COMMISSION
DOCUMENT CONTROL

2005 DEC 22 P 3:41

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EXHIBIT
A-1
Admitted

GOODMAN WATER COMPANY
APPLICATION FOR EXTENSION OF CC&N
DOCKET No. W-02500A-05-0443
HEARING EXHIBITS
DECEMBER 8, 2004

1

**LEWIS
AND
ROCA**
LLP
LAWYERS

Phoenix Office
40 North Central Avenue
Phoenix, Arizona 85004-4429
Telephone (602) 262-5311
Facsimile (602) 262-5747

Tucson Office
One South Church Avenue
Suite 700
Tucson, Arizona 85701-1611
Telephone (520) 622-2090
Facsimile (520) 622-3088

Las Vegas Office
3993 Howard Hughes Parkway
Suite 600
Las Vegas, Nevada 89109
Telephone (702) 949-8200
Facsimile (702) 949-8398

Albuquerque Office
201 Third Street NW, 19th Floor
Albuquerque, New Mexico 87102
Telephone (505) 764-5400
Facsimile (505) 764-5480

Michael F. McNulty
Direct Dial: (520) 629-4453
Direct Fax: (520) 879-4732
E-Mail: Michael_McNulty@rlaw.com
Admitted in Arizona, District of Columbia

Our File Number 42393/00007

June 13, 2005

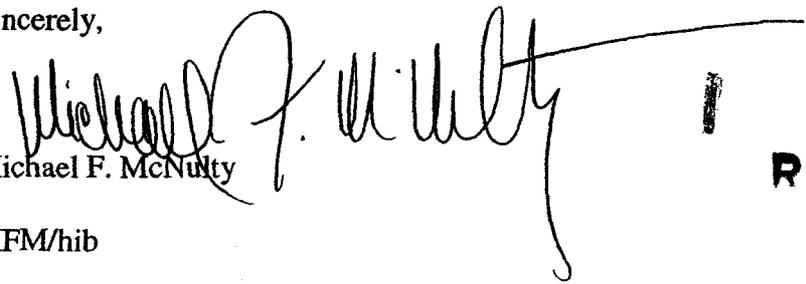
Arizona Corporation Commission
Docket Control - Utilities Division
1200 W. Washington Street
Phoenix, AZ 85007

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

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JUN 13

ARIZONA CORP. COMM.
TUCSON, AZ

Cover Sheet

Do Not Use This Space
Official
Use
Only

Do Not Use This Space
Official
Use
Only

COMPANY NAME: GOODMAN WATER COMPANY
DBA (if applicable): N/A
DOCKET NUMBER(s): W-02500A-__ - ____

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JUN 13 2005

INSTRUCTIONS: Please choose the item that best describes the nature of the case/filing. ARIZONA CORP. COMM. TUCSON, AZ

UTILITIES - NEW APPLICATION

<input type="checkbox"/> New CC&N	<input type="checkbox"/> Interconnection Agreement
<input checked="" type="checkbox"/> Extension of CC&N	<input type="checkbox"/> Rates
<input type="checkbox"/> Deletion of CC&N	<input type="checkbox"/> Financing
<input type="checkbox"/> Cancellation of CC&N	<input type="checkbox"/> Formal Complaint
<input type="checkbox"/> Tariff (NEW)	
<input type="checkbox"/> Miscellaneous - Specify: _____	

UTILITIES - REVISIONS/AMENDMENTS/COMPLIANCE

Application	Tariff
Decision No: _____	Promotional: _____
Docket No: _____	Compliance: _____

MISCELLANEOUS FILINGS

<input type="checkbox"/> Affidavit (Publication, Public Notice)	<input type="checkbox"/> Motion to Intervene
<input type="checkbox"/> Request/Motion	<input type="checkbox"/> Notice of Errata
<input type="checkbox"/> Comments	<input type="checkbox"/> Testimony
<input type="checkbox"/> Exception	<input type="checkbox"/> Response / Reply
<input type="checkbox"/> Exhibit(s)	<input type="checkbox"/> Witness List
<input type="checkbox"/> Miscellaneous - Specify: _____	

06/10/05
Date

James Shiner, President
Print name of the person who signed the document
(i.e. Contact Person, Respondent, Attorney, Applicant, etc.)

COPY

ARIZONA CORPORATION COMMISSION

**APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVENIENCE AND
NECESSITY**

WATER AND/OR SEWER

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

2

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JUN 13 2008

ARIZONA CORP. COM.
TUCSON, AZ

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%)

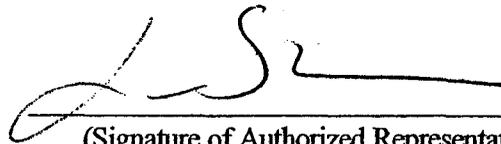
L. Estimated starting and completion date of construction of utility facilities:

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)

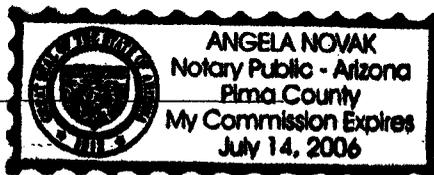
PRESIDENT

(Title)

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


NOTARY PUBLIC

My Commission Expires



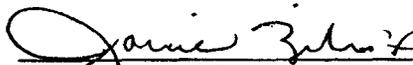
A

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

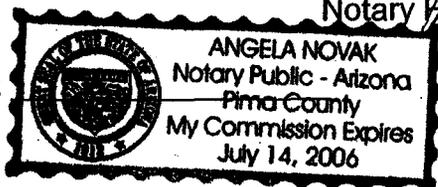
STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

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:



B

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*****

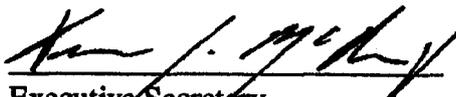
a domestic corporation organized under the laws of the State of Arizona, did incorporate on April 12, 1985.

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 

C

AMENDED 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 77 (also known as U.S. 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.

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NOV 14 2005

**AZ Corporation Commissioner
Director of Utilities**

AZ CORP COMMISSION
DOCUMENT CONTROL

2005 NOV 14 P 4:06

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E

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	
Total Current Assets		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>	
Total Property and Equipment		1,516,065.30
Other Assets		
Refundable Money Market	104,992.40	
LEX Refund MM	5,040.85	
Total Other Assets		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	
Total Current Liabilities		110,490.58
Long-Term Liabilities		
Advances for Construction	585,931.76	
Total Long-Term Liabilities		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	

Unaudited - For Management Purposes Only

Goodman Water Company
Balance Sheet
April 30, 2005

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

F

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.

G

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

2

AFFIDAVIT OF MAILING
of
PUBLIC NOTICE OF HEARING

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

HOPE I. BRACKEN, being first duly sworn, states:

1. That she is a Legal Secretary employed by Lewis and Roca LLP, counsel for Goodman Water Company.
2. That she is now, and at all times herein mentioned was, a citizen of the United States, a resident of the State of Arizona, and over the age of twenty-one (21) years, and not the Beneficiary or its successor in interest named in the attached documents.
3. That affiant gave Notice of the:
 - Public Notice of Hearing on the Application of Goodman Water Company for an Extension of its Certificate of Convenience and Necessity
Docket No. W-02500A-05-0443

by certified mail, return receipt requested, to each of the following named person(s), at their respective addresses:

D.M. and Glenda Martin
16901 Old Sonoita Highway
Vail, AZ 85641

4. That each Notice so mailed was a true copy of said original documents as shown in the attached copies; each was contained in a sealed envelope delivered by certified mail, postage prepaid, and was deposited in the United States Mail on October 12, 2005.

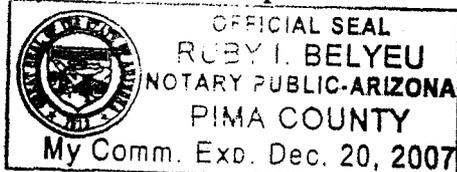
AFFIANT


Hope I. Bracken

Acknowledged before me this 12 day of October, 2005 by Hope I. Bracken.


Notary Public

My Commission Expires:



LEWIS
AND
ROCA
LLP
LAWYERS

Michael F. McNulty
One South Church Avenue Suite 700
Tucson, Arizona 85701-1611

W-02500A-05-0443
Direct Dial: (520) 629-4453
Direct Fax: (520) 879-4732
Michael_McNulty@lrlaw.com
Admitted in: Arizona, District of Columbia

Our File Number: 42393-00007

October 11, 2005

CERTIFIED - RETURN RECEIPT

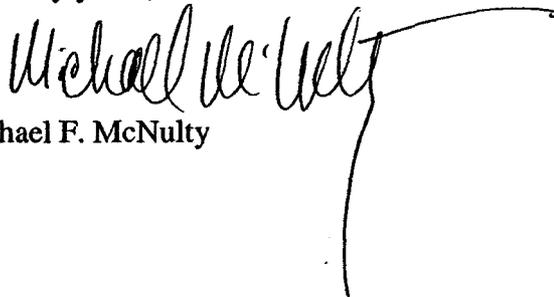
D. M. and Glenda Martin
16901 Old Sonoita Highway
Vail, AZ 85641

Re: Notification of Hearing

This firm represents the Goodman Water Company, which has filed an application for an extension of its Certificate of Convenience and Necessity to take in the property you own just north of the Town of Catalina, as described on the attachment to this letter. The Arizona Corporation Commission requires that the water company individually notify each owner of property within the expansion area. Enclosed please find the copy of that Public Notice of Hearing.

I would be happy to answer any questions you might have concerning the ACC proceeding.

Sincerely yours,



Michael F. McNulty

MFM/hib

Enclosure

cc: Mr. James Shiner

PUBLIC NOTICE OF HEARING ON THE
APPLICATION OF GOODMAN WATER COMPANY
FOR AN EXTENSION OF ITS
CERTIFICATE OF CONVENIENCE AND NECESSITY
DOCKET NO. W-02500A-05-0443

On June 17, 2005, Goodman Water Company ("Applicant") filed an application with the Arizona Corporation Commission ("Commission") for an extension of its Certificate of Convenience and Necessity to provide water utility service within an area of Pinal County. If the application is granted, Applicant will be the exclusive provider of water service in the proposed service territory, and will be required by the Commission to provide service under rates and charges and terms and conditions established by the Commission. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix, at 1200 West Washington Street, Phoenix, Arizona, and in Tucson, at 400 West Congress Street, Suite 218, Tucson, Arizona, and at the office of the Applicant, 6340 North Campbell Avenue, Suite 278, Tucson, Arizona.

The Commission will hold a hearing on this matter beginning **December 8, 2005, at 10:00 a.m.** at the Commission's offices, Room 222, 400 West Congress Street, Tucson, Arizona. Public comment will be taken on the first day of the hearing.

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene in the proceedings and participate as a party. You may have the right to intervene in the proceeding. Intervention will be in accordance with A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **November 18, 2005**. Persons desiring to intervene must file a written motion to intervene with the Commission and send such motion to Applicant or its counsel and to all parties of record. The motion must, at the minimum, contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different from that of the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer or potential customer of the Applicant, a shareholder of the Applicant, etc.).
3. A statement certifying that a copy of the motion to intervene has been mailed to the Applicant or its counsel and to all parties of record in the case.

The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the applications. You will not receive any further notice of this proceeding unless you request it.

If you have any questions about these applications, or want further information on intervention, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007, or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Linda Hogan, ADA Coordinator, voice phone number 602-542-3931, E-mail LHogan@cc.state.az.us. Requests should be made as early as possible to allow time to arrange the accommodation.

42373/00007

DOCKET No.
W-02500A-05-0443

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

7001 1940 0001 7390 1689

Postage	\$.37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.42

OCT 12 2003
Lewis & Roberts

Sent To
D.M. and Glenda Martin
 Street, Apt. No.,
 or PO Box No. **16901 Old Sonoita Highway**
 City, State, ZIP+4 **VALE AZ 85641**

PS Form 3800, January 2001 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
D.M. and GLENDA MARTIN
16901 Old Sonoita Highway
VALE, AZ 85641

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) **DM MARTIN**
 C. Date of Delivery **10-14-03**

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
 (Transfer from service label) **7001 1940 0001 7390 1689**

3

**LEWIS
AND
ROCA**
LLP
LAWYERS

Phoenix Office
40 North Central Avenue
Phoenix, Arizona 85004-4429
Telephone (602) 262-5311
Facsimile (602) 262-5747

Tucson Office
One South Church Avenue
Suite 700
Tucson, Arizona 85701-1611
Telephone (520) 622-2090
Facsimile (520) 622-3088

Las Vegas Office
3993 Howard Hughes Parkway
Suite 600
Las Vegas, Nevada 89109
Telephone (702) 949-8200
Facsimile (702) 949-8398

Albuquerque Office
201 Third Street NW, 19th Floor
Albuquerque, New Mexico 87102
Telephone (505) 764-5400
Facsimile (505) 764-5480

Michael F. McNulty
Direct Dial: (520) 629-4453
Direct Fax: (520) 879-4732
E-Mail: Michael_McNulty@lrlaw.com
Admitted in Arizona, District of Columbia

Our File Number 44835-00001

October 19, 2005

VIA DHL

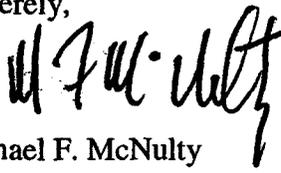
Arizona Corporation Commission
Docket Control – Utilities Division
1200 West Washington Street
Phoenix, AZ 85007

Re: Goodman Water Company
W-02500A-05-0443
Proof of Notice by Publication

Attached is an original affidavit of published notice (plus 13 copies) from the *Casa Grande Dispatch* supporting the Public Notice of Hearing on the Application of Goodman Water Company for an Extension of its Certificate of Convenience and Necessity.

Also, attached is notification (plus 13 copies) to each property owner in the requested service area as outlined in the Procedural Order dated September 22, 2005.

Sincerely,



Michael F. McNulty

MFM/hib

Enclosure [Original plus 13]

cc: Goodman Water Company w/ enclosure

Cover Sheet

Do Not Use This Space
*Official
Use
Only*

Do Not Use This Space
*Official
Use
Only*

COMPANY NAME: Goodman Water Company

DBA (if applicable): N/A

DOCKET NUMBER(s): W-02500A-05-0443

INSTRUCTIONS: Please choose the item that best describes the nature of the case/filing.

UTILITIES – NEW APPLICATION

<input type="checkbox"/> New CC&N	<input type="checkbox"/> Interconnection Agreement
<input type="checkbox"/> Extension of CC&N	<input type="checkbox"/> Rates
<input type="checkbox"/> Deletion of CC&N	<input type="checkbox"/> Financing
<input type="checkbox"/> Cancellation of CC&N	<input type="checkbox"/> Formal Complaint
<input type="checkbox"/> Tariff (NEW)	
<input type="checkbox"/> Miscellaneous - Specify: Publication	
	Notice of Hearing on the Application of Goodman Water Co.
	For an Extension of its CC&N

UTILITIES – REVISIONS/AMENDMENTS/COMPLIANCE

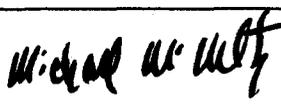
Application	Tariff
Decision No: _____	Promotional: _____
Docket No: _____	Compliance: _____

MISCELLANEOUS FILINGS

<input checked="" type="checkbox"/> Affidavit (Publication, Public Notice)	<input type="checkbox"/> Motion to Intervene
<input type="checkbox"/> Request/Motion	<input type="checkbox"/> Notice of Errata
<input type="checkbox"/> Comments	<input type="checkbox"/> Testimony
<input type="checkbox"/> Exception	<input type="checkbox"/> Response / Reply
<input type="checkbox"/> Exhibit(s)	<input type="checkbox"/> Witness List
<input type="checkbox"/> Miscellaneous - Specify: _____	

10/19/0505

Date



Michael F. McNulty, Attorney
Print name of the person who signed the document
(i.e. Contact Person, Respondent, Attorney, Applicant, etc.)

DOCKET NO. W-02500A-05-0443

Affidavit of Publication

STATE OF ARIZONA }
COUNTY OF PINAL } ss.

DONOVAN M. KRAMER SR.

first being duly sworn deposes and says: That he is a native born citizen of the United States of America, over 21 years of age, that he is publisher of the Casa Grande Dispatch, a daily newspaper published at Casa Grande, Pinal County, Arizona, Monday through Saturday of each week; that a notice, a full, true and complete printed copy of which is hereunto attached, was printed in the regular edition of said newspaper, and not in a supplement thereto, for ONE consecutive issue the first publication thereof having been on the 12TH

day of OCTOBER 2005 A.D.,

Second publication _____

Third publication _____

Fourth publication _____

Fifth publication _____

Sixth publication **TRI-VALLEY DISPATCH**

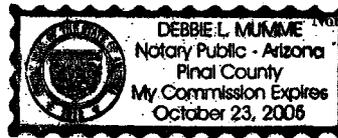
CASA GRANDE DISPATCH

By Donovan M. Kramer Sr.
DONOVAN M. KRAMER SR., Publisher

Sworn to before me this 17th

day of October A.D. 2005

Debbie R. Mumme



Notary Public in and for the County of Pinal, State of Arizona

[REDACTED]

4

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Goodman Water Company, an Arizona Corporation, does hereby accept the , grant of a First Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain domestic water lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, which is made a part hereof.

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the First Amended Franchise. Grantee accepts such provisions, terms and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of the County of Pinal to impose the same.

Grantee declares that the statements and recitals in said First Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said First Amended Franchise recited to have been or to be made by Grantee.

Dated this 6 day of October, 2005.

GOODMAN WATER COMPANY

By: _____

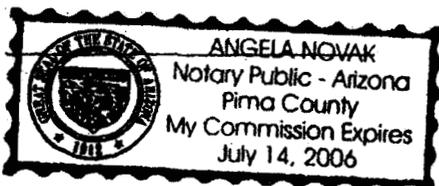
Title: President

STATE OF ARIZONA)
) ss.
County of)

The foregoing instrument was acknowledged before me this 6th day of October, 2005, by James Shiner, President of Goodman Water Co., an Arizona, and being authorized to do so, executed the foregoing instrument on behalf of the for the purposes therein stated.

Angela Novak
Notary Public Angela Novak

My Commission Expires:



5

MEMORANDUM

RECEIVED

TO: Docket Control
Arizona Corporation Commission

2005 NOV 18 A 11: 58

FROM: Ernest G. Johnson
Director
Utilities Division

AZ CORP COMMISSION
DOCUMENT CONTROL

Date: November 18, 2005

RE: STAFF REPORT FOR GOODMAN WATER COMPANY – APPLICATION
FOR EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND
NECESSITY FOR WATER SERVICE (DOCKET NO. W-02500A-05-0443)

Attached is the Staff Report for Goodman Water Company's application for extension of it existing Certificate of Convenience and Necessity for water service. Staff is recommending approval with conditions.

EGJ:BNC:red

Originator: Blessing Chukwu

Attachment: Original and 13 Copies

Service List for: Goodman Water Company
Docket No. W-02500A-05-0443

Mr. Christopher W. Hill
Goodman Water Company
6340 North Campbell Avenue, Suite 278
Tucson, Arizona 85718

Mr. Michael McNulty
Lewis and Roca, LLP
One South Church Avenue, Suite 700
Tucson, Arizona 85701

Mr. Christopher C. Kempley
Chief, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Lyn Farmer
Chief, Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

GOODMAN WATER COMPANY

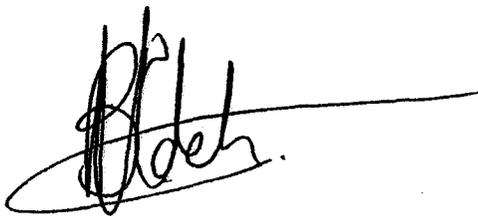
DOCKET NO. W-02500A-05-0443

APPLICATION FOR EXTENSION
OF EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY

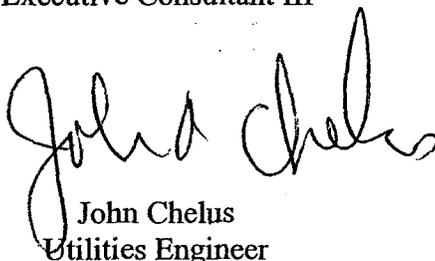
NOVEMBER 18, 2005

STAFF ACKNOWLEDGMENT

The Staff Report for Goodman Water Company (Docket No. W-02500A-05-0443) was the responsibility of the Staff members signed below. Blessing Chukwu was responsible for the review and analysis of the Company's application. John Chelus was responsible for the engineering and technical analysis.

A handwritten signature in black ink, appearing to read 'Blessing Chukwu', with a long horizontal line extending to the right.

Blessing Chukwu
Executive Consultant III

A handwritten signature in black ink, appearing to read 'John Chelus', written in a cursive style.

John Chelus
Utilities Engineer

EXECUTIVE SUMMARY
GOODMAN WATER COMPANY
DOCKET NO. W-02500A-05-0443

On June 17, 2005, Goodman Water Company ("Goodman" or "Company") filed its application with the Arizona Corporation Commission ("ACC" or "Commission") for an extension of its Certificate of Convenience and Necessity ("CC&N") to provide water service to a portion of Pinal County, Arizona. On August 23, 2005, Staff filed a Sufficiency Letter indicating that the application had met the sufficiency requirements of the Arizona Administrative Code.

By this application, the Company is seeking Commission authority to extend its service territory to include a development known as Eagle Crest West. Eagle Crest West will add approximately 188 acres to its existing 800 acres of certificated area. Eagle Crest West is located in all of Section 32, Township 10 South, Range 14 East, west of State Highway 77 and is contiguous to Goodman's current water CC&N on its eastern border, near Oracle Junction in Pinal County.

Based on Staff's review and analysis of the application, Staff believes that the existing system has adequate production and storage capacity to serve the existing and proposed CC&N extension area within a conventional five year planning period and can reasonably be expected to develop additional storage and production as required in the future.

Staff recommends the Commission approve the Goodman application for an extension of its CC&N within portions of Pinal County, Arizona, to provide water service, subject to compliance with the following conditions:

1. To require Goodman to charge its authorized rates and charges in the extension area.
2. To require Goodman to file with Docket Control, as a compliance item in this docket, for Staff review and approval, a copy of the fully executed main extension agreements for water facilities for the extension area within 365 days of a decision in this case.
3. To require Goodman to obtain and file with Docket Control, as a compliance item in this docket, a copy of the developer's Certificate of Assured Supply for the "Eagle Crest West" extension area, stating that there is adequate water supply, where applicable or when required by statute, within one year of the effective date of the final decision and order issued pursuant to this application.
4. To require Goodman to file with Docket Control, as a compliance item in this docket, a copy of the franchise agreement from Pinal County for the requested area within 365 days of the decision in this matter.

Staff further recommends that the Commission's Decision granting the requested CC&N extension to Goodman be considered null and void should Goodman fail to meet Condition Nos. 2, 3, and 4 listed above within the time specified.

TABLE OF CONTENTS

Page

INTRODUCTION..... 1

BACKGROUND..... 1

FINANCE OF UTILITY FACILITIES 1

THE WATER SYSTEM..... 2

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY COMPLIANCE 2

ARIZONA DEPARTMENT OF WATER RESOURCES (“ADWR”) COMPLIANCE 2

ACC COMPLIANCE..... 3

ARSENIC..... 3

CURTAILMENT PLAN TARIFF 3

PROPOSED RATES..... 3

COUNTY FRANCHISE 4

RECOMMENDATIONS 4

ATTACHMENT(S)

ENGINEERING REPORT..... A

ENGINEERING MAP B

Introduction

On June 17, 2005, Goodman Water Company ("Goodman" or "Company") filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for an extension of its Certificate of Convenience and Necessity ("CC&N") to provide water service to a portion of Pinal County, Arizona.

On July 12, 2005, the ACC Utilities Division ("Staff") filed an Insufficiency Letter, indicating that the Company's application did not meet the sufficiency requirements of Arizona Administrative Code ("A.A.C.") R14-2-402(C). A copy of the Insufficiency Letter was sent to the Company via U.S. mail. In the letter, Staff listed the deficiencies that needed to be cured for administrative purposes.

On August 23, 2005, the Company provided additional documentation to support its relief requested.

On September 16, 2005, Staff filed a Sufficiency Letter indicating that the application had met the sufficiency requirements of the A.A.C. R14-2-402(C).

Background

Goodman is an Arizona Corporation, in good standing with the Commission's Corporation Division, and engaged in providing water service to customers in portions of Pinal County, Arizona. Goodman was originally incorporated in 1985 as Panorama Properties, Inc. dba Goodman Water Company. On March 5, 2003, Goodman filed a Notice of Name Change, pursuant to Decision No. 65651, that the corporate name Panorama Properties, Inc. was changed to Goodman Water Company. The Commission approved the original CC&N for Panorama Properties dba Goodman Water Company in Decision No. 56118, issued on September 15, 1988, for approximately two and one half sections of land. The only shareholders of Goodman are Mr. James Shiner (the President), Mr. Alexander Sears, and D. R. Horton, Inc.

By this application, the Company is seeking Commission authority to extend its service territory to include a development known as Eagle Crest West. Eagle Crest West will add approximately 188 acres to its existing 800 acres of certificated area. Eagle Crest West is located in all of Section 32, Township 10 South, Range 14 East, west of State Highway 77 (also known as U.S. Highway 89) and is contiguous to Goodman's current water CC&N on its eastern border, near Oracle Junction in Pinal County.

Finance of Utility Facilities

The Company indicated in the application that it will finance the required utility facilities through a combination of restricted sale of stock and Developer Line Extension Agreements. Advances in aid of construction are often in the form of Main or Line Extension Agreements ("MXAs"). MXAs are standard industry practice. The minimal acceptable criteria for line

extension agreements between water utilities and private parties are established by A.A.C. R14-2-406. These agreements generally require the developer to design, construct and install (or cause to be), all facilities to provide adequate service to the development. The developer is required to pay all costs of constructing the required facilities necessary to serve the development. Upon acceptance of the facilities by the Utility Company, the developer conveys the utility facilities through a warranty deed to the Utility Company. Utility Companies will often refund ten (10) percent of the annual water revenue associated with development for a period of ten (10) years.

Staff recommends that Goodman file with Docket Control, as a compliance item in this docket, for Staff review and approval, a copy of the fully executed main extension agreements for water facilities for the extension area within 365 days of a decision in this case.

The Water System

Goodman has two well(s) with a total production capacity of 1,240 gallons per minute ("gpm"), 4,000,000 gallons of storage capacity, booster pumps, pressure tanks, and a distribution system serving approximately 500 connections. Based on historical growth rates, it is anticipated that the existing service area could have a total of 1,300 customers at the end of five years. The Company has predicted an additional 450 customers for the proposed CC&N extension area, at the end of five years. The existing production and storage can serve approximately 1,000 connections. A new 800 gpm well and a 530,000 gallon storage tank are planned.

Staff concludes that the existing system has adequate production and storage capacity to serve the existing and proposed CC&N extension area within a conventional five year planning period and can reasonably be expected to develop additional storage and production as required in the future.

Arizona Department of Environmental Quality Compliance

The ADEQ regulates the water system under ADEQ Public Water System I.D. No. 11-130. ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.

Arizona Department of Water Resources ("ADWR") Compliance

Goodman is within the Tucson Active Management Area. Since Goodman supplies less than 250 acre-feet per year for non-irrigation use, it is considered a "small provider" and is not subject to the gallons per capita per day ("GPCD") limit and conservation rules, and is only required to monitor and report water use. ADWR has indicated that the Goodman Water Company is in compliance with its monitoring and reporting requirements.

Every developer is required to demonstrate an assured water supply that will be physically, legally, and continuously available for the next 100 years before the developer can record plats or sell parcels in an Active Management Area. The Arizona Department of Real Estate ("ADRE") will not issue a public report, which allows the developer to sell lots, without a demonstration of an assured water supply. The developer can prove a 100 year supply by satisfying the requirements to obtain a Certificate of Assured Water Supply or by written commitment of service from a provider with Designation of Assured Water Supply. Goodman attached a copy of a Certificate of Assured Water Supply for "Eagle Crest Ranch" to the application. "Eagle Crest West" development is the subject of the instant application and not "Eagle Crest Ranch". "Eagle Crest Ranch" was the subject of Goodman's initial application in Docket No. U-2500-87-168, approved by Decision No. 56118, issued on September 14, 1988.

As such Staff recommends that Goodman be required to obtain and file with Docket Control, as a compliance item in this docket, a copy of the developer's Certificate of Assured Supply for the "Eagle Crest West" extension area, stating that there is adequate water supply, where applicable or when required by statute, within one year of the effective date of the final decision and order issued pursuant to this application.

ACC Compliance

According to the Utilities Division Compliance Section, Goodman has no outstanding ACC compliance issues.

Arsenic

The U.S. Environmental Protection Agency ("EPA") has reduced the arsenic maximum contaminant level ("MCL") in drinking water from 50 micrograms per liter (" $\mu\text{g/l}$ ") or parts per billion ("ppb") to 10 $\mu\text{g/l}$. The date for compliance with the new MCL is January 23, 2006. The most recent lab analysis by the Company indicated that the arsenic level in its source supply wells is 2 $\mu\text{g/l}$. Based on this arsenic concentration, the Company is in compliance with the new arsenic MCL.

Curtailment Plan Tariff

A Curtailment Plan Tariff ("CPT") is an effective tool to allow a water company to manage its resources during periods of shortages due to pump breakdowns, droughts, or other unforeseeable events.

Goodman has an approved Curtailment Plan Tariff that has been in effect since February 18, 2003.

Proposed Rates

Goodman has proposed to provide water utility service to the extension area under its authorized rates and charges.

County Franchise

Every applicant for a CC&N and/or CC&N extension is required to submit to the Commission evidence showing that the applicant has received the required consent, franchise or permit from the proper authority. If the applicant operates in an unincorporated area, the company has to obtain the franchise from the County. If the applicant operates in an incorporated area of the County, the applicant has to obtain the franchise from the City/Town.

Staff recommends that Goodman be required to file with Docket Control, as a compliance item in this docket, a copy of the franchise agreement from Pinal County for the requested area within 365 days of the decision in this matter.

Recommendations

Staff recommends the Commission approve the Goodman application for an extension of its CC&N within portions of Pinal County, Arizona, to provide water service, subject to compliance with the following conditions:

1. To require Goodman to charge its authorized rates and charges in the extension area.
2. To require Goodman to file with Docket Control, as a compliance item in this docket, for Staff review and approval, a copy of the fully executed main extension agreements for water facilities for the extension area within 365 days of a decision in this case.
3. To require Goodman to obtain and file with Docket Control, as a compliance item in this docket, a copy of the developer's Certificate of Assured Supply for the "Eagle Crest West" extension area, stating that there is adequate water supply, where applicable or when required by statute, within one year of the effective date of the final decision and order issued pursuant to this application.
4. To require Goodman to file with Docket Control, as a compliance item in this docket, a copy of the franchise agreement from Pinal County for the requested area within 365 days of the decision in this matter.

Staff further recommends that the Commission's Decision granting the requested CC&N extension to Goodman be considered null and void should Goodman fail to meet Condition Nos. 2, 3, and 4 listed above within the time specified.

MEMORANDUM

DATE: October 7, 2005

TO: Blessing N. Chukwu
Executive Consultant III

FROM: John A. Chelus *JAC*
Utilities Engineer

RE: Goodman Water Company
CC&N Extension – Water
Docket No. W-02500A-05-0443

Introduction

Goodman Water Company has applied to extend its Certificate of Convenience and Necessity (CC&N). The requested area will serve a development called Eagle Crest West and will add approximately 188 acres to its existing 800 acre certificated area. The requested area will consist of all of Section 32 west of State Route 77 and the easterly 412 feet of Section 31, Township 10 S Range 14 E. Eagle Crest West will eventually serve approximately 1,302 residential customers. The existing Goodman Water Company is located northeast of State Highway 77 at Oracle Road and Edwin Road near Oracle Junction in Pinal County.

Capacity

Goodman Water Company has in existence two well(s) with a total production capacity of 1,240 gal/min, 4,000,000 gallons of storage capacity, booster pumps, pressure tanks, and a distribution system serving approximately 500 connections. Based on historical growth rates, it is anticipated that the existing service area could have 1,300 total customers at the end of five years. The company has predicted an additional 450 customers for the proposed CC&N extension, at the end of five years. The existing production and storage can serve approximately 1,000 connections. A new 800 gal/min well and a 530,000 gallon storage tank are planned. Staff concludes that the existing system has adequate production and storage capacity to serve the existing and proposed CC&N area and can reasonably be expected to develop additional storage and production as required in the future.

Arizona Department of Environmental Quality (ADEQ) Compliance

ADEQ regulates the water system under ADEQ Public Water System I.D. # 11-130. Compliance data supplied by ADEQ indicates that Goodman Water Company is currently delivering water which meets the water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.

Arizona Department of Water Resources (ADWR) Compliance

Goodman Water Company is within the Tucson Active Management Area. Since the water company supplies less than 250 acre-feet per year for non-irrigation use, it is considered a "small provider" and is not subject to the gallons per capita per day (GPCD) limit and conservation rules, and is only required to monitor and report water use. ADWR indicated that the Goodman Water Company is in compliance with its monitoring and reporting requirements.

It is recommended that Goodman Water Company file with Docket Control, as a compliance item in this docket, a copy of the Developer's Certificate of Assured Supply for the new service area in this CC&N application. Goodman Water Company shall file such ADWR certificate within one year of the effective date of the final decision and order in this matter.

Arsenic

The U.S. Environmental Protection Agency (EPA) has reduced the arsenic maximum contaminant level (MCL) in drinking water from 50 micrograms per liter ($\mu\text{g/l}$) to 10 $\mu\text{g/l}$. The date for compliance with the new MCL is January 23rd, 2006. The most recent lab analysis by the Company indicated that the arsenic level in its source supply wells is 2 $\mu\text{g/l}$. Based on this arsenic concentration, the Company is in compliance with the new arsenic MCL.

Curtailment Tariff

Goodman Water Company has a curtailment tariff on file with the Commission.

Summary

Conclusions

1. Staff concludes that the existing system has adequate production and storage capacity to serve the existing and proposed CC&N area and can reasonably be expected to develop additional storage and production as required in the future.
2. ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.
3. ADWR indicated that the Goodman Water Company is in compliance with its monitoring and reporting requirements.
4. Goodman Water Company has a curtailment tariff on file with the Commission.

Recommendations

1. It is recommended that Goodman Water Company file with Docket Control, as a compliance item in this docket, a copy of the Developer's Certificate of Assured Supply for the new service area in this CC&N application. Goodman Water Company shall file such ADWR certificate within one year of the effective date of the final decision and order in this matter.

MEMORANDUM

TO: Blessing Chukwu
Executive Consultant III
Utilities Division

FROM: Barb Wells *bw*
Information Technology Specialist
Utilities Division

THRU: Del Smith *DS*
Engineering Supervisor
Utilities Division

DATE: November 16, 2005

RE: **GOODMAN WATER COMPANY (DOCKET NO. W-02500A-05-0443)**
REVISED LEGAL DESCRIPTION

The area requested by Goodman for an extension has been plotted using a revised legal description (filed for the purpose of clarifying the highway reference), which has been docketed. This legal description is attached and should be used in place of the original description submitted with the application.

Also attached is a copy of the map for your files.

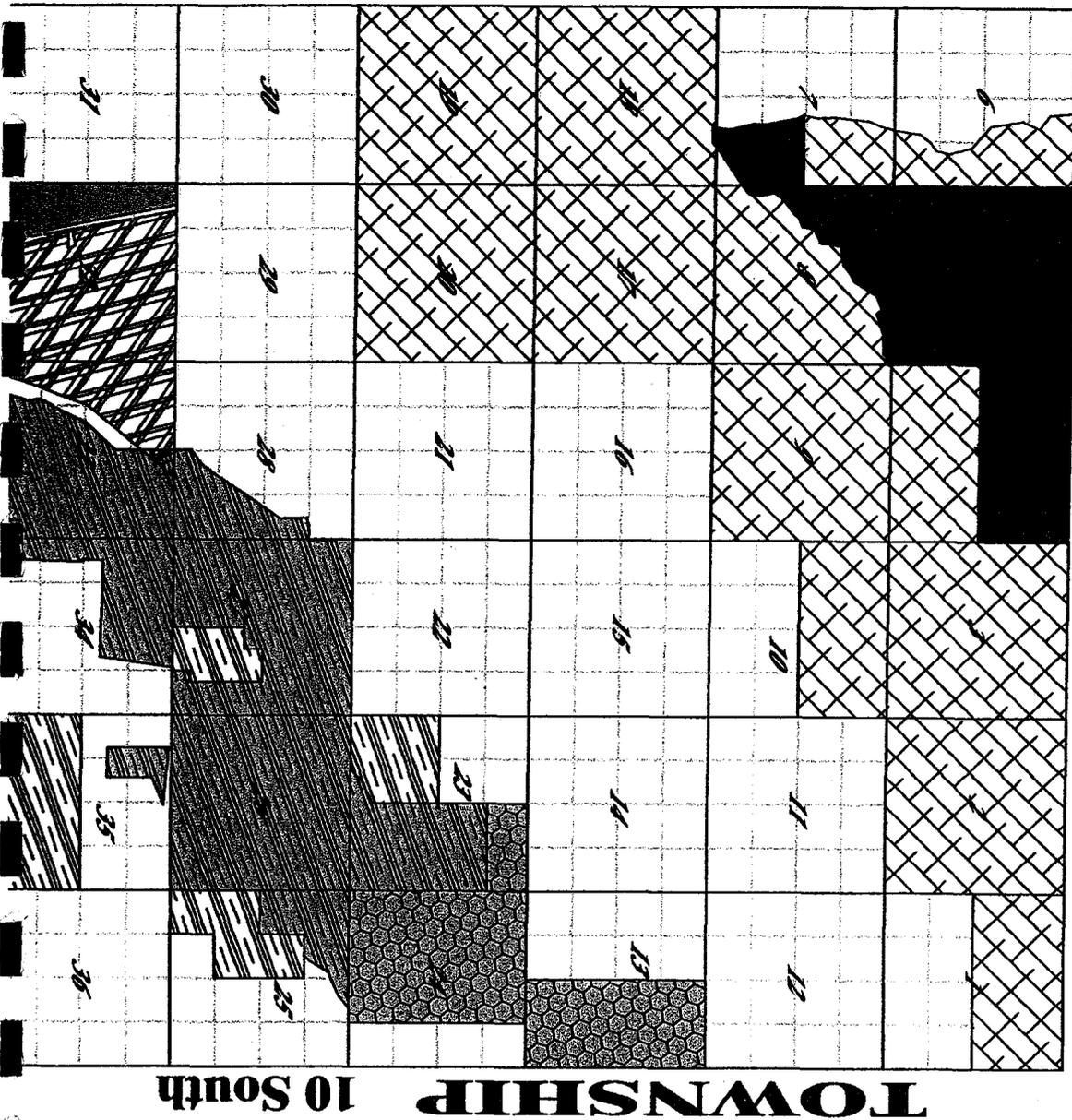
:bsw

Attachments

cc: Docket Control
Mr. Michael McNulty
Ms. Deb Person (Hand Carried)
File

COUNTY: Pinal

RANGE 14 East



-  W-1445 (34)(5)
Arizona Water Company (Oracle)
-  W-1944 (2)
Lago Del Oro Water Company, Inc.
-  W-3861 (1)
Ridgeview Utility Company
-  W-2500 (1)
Goodman Water Company
-  Sewer SW-2849 (1)
Saddlebrooke Utility Company
-  SW-3841 (2)
Mountain Pass Utility Company
-  Goodman Water Company
Docket No. W-02500A-05-0443
Application for Extension

AMENDED 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 77 (also known as U.S. 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.

RECEIVED

NOV 14 2005

**AZ Corporation Commissioner
Director of Utilities**

AZ CORP COMMISSION
DOCUMENT CONTROL

2005 NOV 14 P 4: 06

RECEIVED

EAGLE CREST WEST

PLANNED AREA DEVELOPMENT/ZONE CHANGE

Owners:

D M & Glenda Martin
23090 W Ash Creek Rd
Willcox, AZ 85643

Arizona State Land Department
1616 W Adams St
Phoenix, AZ 85007

Applicants:

SEARS FINANCIAL CORP.
3567 E Sunrise Dr, #119
Tucson, AZ 85718

EAGLE CREST WEST, LLC
3567 E Sunrise Dr, #119
Tucson, AZ 85718

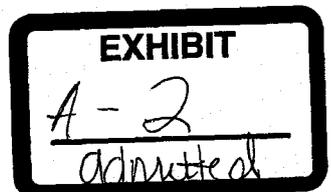
J. A. SHINER, INC.
6651 N Campbell Ave, #146
Tucson, AZ 85715

Approved by Pinal County
October 5, 2005

Prepared by:



Engineering & Environmental Consultants, Inc.
4625 E Fort Lowell Rd
Tucson, AZ 85712



NARRATIVE
for a
PAD Overlay/Zone Change Application

**Eagle Crest West
Master Planned Residential Community**

Planned Area Development (PAD) Overlay/Zone
Change on approximately 188 acres located northwest
Of the intersection of Edwin Road and State Highway 77

Submitted To:

Pinal County

Planning and Development Services Department
P.O. Box 2973
31 N Florence St, Bldg F
Florence, AZ 85232

Owners:

D M & Glenda Martin	Arizona State Land Department
23090 W Ash Creek Rd	1616 W Adams St
Willcox, AZ 85643	Phoenix, AZ 85007

Applicants:

Sears Financial Corp.	Eagle Crest West, LLC	J. A. Shiner, Inc.
3567 E Sunrise Dr, #119	3567 E Sunrise Dr, #119	6651 N Campbell Ave, #146
Tucson, AZ 85718	Tucson, AZ 85718	Tucson, AZ 85715

Approved by Pinal County
October 5, 2005

Prepared by:



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TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
1.0 <u>PURPOSE OF REQUEST</u>	<u>1</u>
2.0 <u>PROJECT DESCRIPTION</u>	<u>1</u>
3.0 <u>CONFORMANCE TO ADOPTED LAND USE PLANS</u>	<u>4</u>
4.0 <u>PROPOSED LAND USES</u>	<u>4</u>
5.0 <u>CIRCULATION</u>	<u>6</u>
6.0 <u>LANDSCAPING</u>	<u>7</u>
7.0 <u>RESIDENTIAL DEVELOPMENT STANDARDS</u>	<u>7</u>
8.0 <u>DRAINAGE</u>	<u>10</u>
9.0 <u>OPEN SPACE/RECREATION</u>	<u>10</u>
10.0 <u>TIMING OF DEVELOPMENT</u>	<u>11</u>
11.0 <u>RELATIONSHIP TO SURROUNDING PROPERTIES</u>	<u>14</u>
12.0 <u>LOCATION AND ACCESSIBILITY</u>	<u>15</u>
13.0 <u>PUBLIC UTILITIES</u>	<u>15</u>
14.0 <u>PUBLIC SAFETY</u>	<u>15</u>
15.0 <u>MAINTENANCE OF STREETS AND COMMON AREAS</u>	<u>16</u>
16.0 <u>DESIGN GUIDELINES AND ARCHITECTURAL REVIEW COMMITTEE</u>	<u>16</u>

APPENDICES

A. <u>Legal Description</u>	<u>18</u>
B. <u>Land Use Restrictions for CB-2 Zoning</u>	<u>19</u>
C. <u>Development Plan – Sheet One</u>	<u>22</u>
<u>Development Plan – ALTA Survey, sheet 1 of 2</u>	
<u>Development Plan – ALTA Survey, sheet 2 of 2</u>	

LIST OF EXHIBITS

<u>EXHIBIT</u>	<u>PAGE</u>
Figure 1	2
Figure 2	3
Figure 3	4
Figure 4	9
Figure 5	13
Figure 6	14

TABLES

Table 1	6
Table 2	8

APPENDICES

Legal Description.....	Appendix Exhibit A
Land Use Restrictions for CB-2 Zoning.....	Appendix Exhibit B
Development Plan – (including ALTA survey).....	Appendix Exhibit C

NARRATIVE
PAD Overlay/Zone Change Application

EAGLE CREST WEST
Master Planned Residential Community

1.0 – Purpose of Request

Eagle Crest West is a proposed master planned community located in southern Pinal County along the Pinal/Pima County boundary. It consists of two separate pieces of property:

- Parcel 1 (owned by D M & Glenda Martin) is located in Section 32 T10S, R14E
- Parcel 2 (owned by Arizona State Land Department) is located in Section 31 T10S, R14E

Within this PAD document, reference to the “property” includes both parcels.

There have been no previous zone change requests on the property. The purpose of this application is to serve as a zone change request from General Rural (GR) to Single Residence Zone (CR-3), Multiple Residence Zone (CR-4) and General Business (CB-2). The CB-2 zoning request will place significant restrictions on allowable uses to ensure compatibility with the surrounding residential uses.

The growth of northern Pima and southern Pinal counties is creating a general trend of converting agricultural and ranching lands to residential and commercial development. The demand for developable land has extended into southern Pinal County. In order to meet this demand most effectively, comprehensive planning of large land holdings is desirable. The proposed master planned residential community of Eagle Crest West is in the core of this logical path of growth.

The requested PAD for Eagle Crest West will allow the continuation of the successful Eagle Crest Ranch project on the east side of SR 77. Eagle Crest West will also utilize the master planned community concept of multiple uses and is anticipated to be a development of residential and commercial land use with a minimum of 15% of the total acreage set aside for a combination of natural and recreational open space. The open space will be set aside for flood control, slope preservation and the recreational use of the Eagle Crest West homeowners.

Eagle Crest West will be a phased residential development. The PAD designation will allow for alternative development standards to accommodate the residential development program and to respond to market demand for natural open space, recreational uses and buffering.

2.0 – Project Description

The overall Eagle Crest West project is planned as a mixture of commercial and residential development located on approximately 188 acres of primarily vacant land in southern Pinal County (See Figure 1 – Location Map and Figure 2 – Aerial Photo). There is an existing ranch house on the site which will be removed during construction.

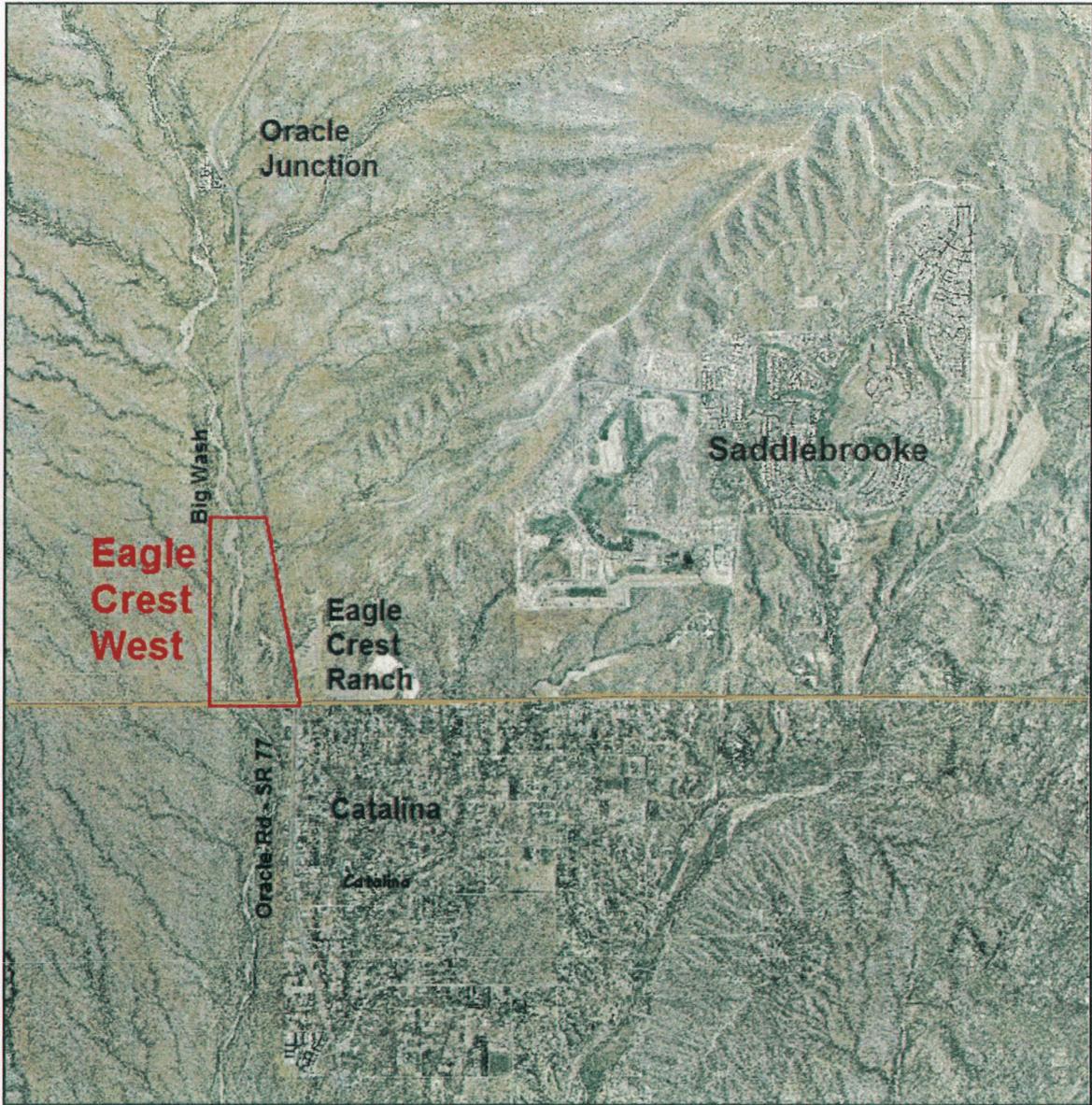


Figure 1 - LOCATION MAP

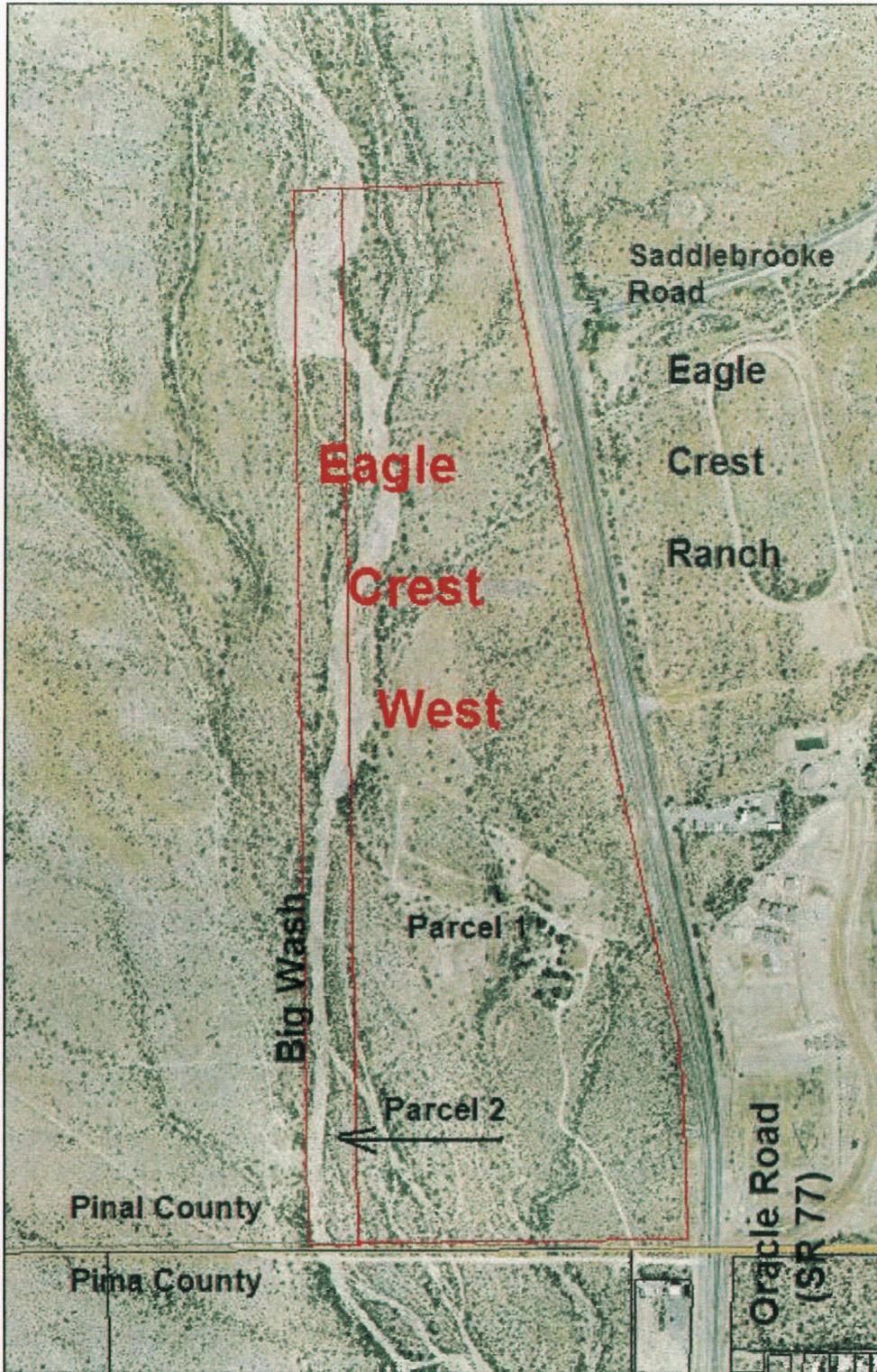


Figure 2 – AERIAL PHOTOGRAPH

The project is north of the Town of Catalina and consists of:

- All of Section 32 lying west of State Route 77.
- The easterly 412 feet of Section 31.

The property is immediately north of the southern boundary of Pinal County, has SR 77 as its eastern boundary and the Big Wash flows along its Western Boundary.

The original Eagle Crest Ranch project is located directly east of this project and consists of all of Section 32 lying east of SR 77. Eagle Crest Ranch was rezoned in 1987 per PZ-12-87 into a combination of commercial (CB-1), light industrial (CI-1), and high density residential (TR) uses along State Highway 77. The eastern two thirds of the Eagle Crest Ranch development consists of medium density residential zoning (CR-3).

3.0 – Conformance to Adopted Land Use Plans

The proposed Eagle Crest West PAD conforms to the current Pinal County General Plan, which shows the land use as Transitional with a riparian designation for the Big Wash along the west side of the site. The Eagle Crest West property can be seen at the bottom right corner of the excerpt of the Pinal County Comprehensive Plan Land Use Exhibit, on the right.

The Transitional Area designation in the Pinal County Comprehensive Plan is for those areas currently rural in character but which are anticipated for future growth with uses consistent with the Urban, Industrial, Rural, Foothills, or Rural Community designations.

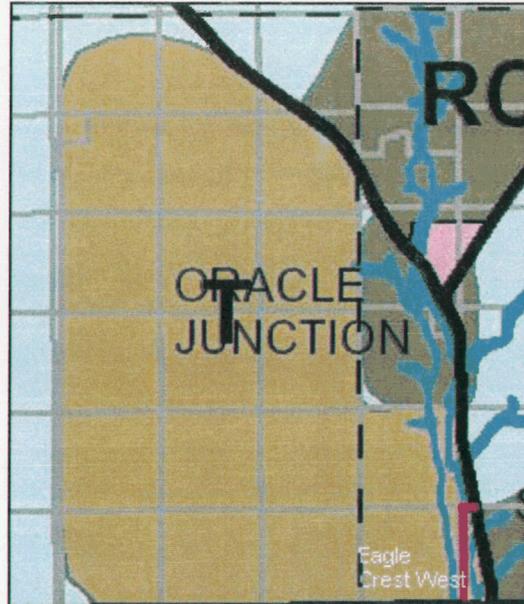


Figure 3 –
PINAL COUNTY COMPREHENSIVE
PLAN LAND USE MAP EXCERPT

4.0 – Proposed Land Uses

Eagle Crest West is proposed to be an extension of the Eagle Crest Ranch master planned community which provides opportunities for living, employment, recreation and shopping within that overall development. This project will set aside 38.8% of the 188 acres as a combination of natural and recreational open space. Eagle Crest West expects to create an opportunity for housing at a more affordable sales price than Eagle Crest Ranch.

Eagle Crest West proposes to have 435 residential homes with differing products in multiple price brackets. It is also proposed to have 27 acres of commercial land use. The general location of these uses is shown in Exhibit C. The general business use is being requested to allow for the development of basic services within the Eagle Crest West development with convenient access between the residential and commercial land uses, to minimize trips leaving the development. The commercial uses will also be available to travelers on SR 77, especially those heading south, who will not require a “left in/left out” turning movement to the businesses in Eagle Crest Ranch.

In attempt to provide affordable but well designed homes, Eagle Crest West proposes to have both conventional single family detached and small-lot attached and "zero lot line" homes.

Housing Type	Typical Lot Size	Minimum Lot Size	Zoning Classification	Notes
Single Family Detached	60' x 110'	6000 s.f.	CR-3	53 lots will be at least 7000 s.f.
Single Family Detached	45' x 110'	4500 s.f.	CR-3	
Single Family Detached	35' x 110'	3125 s.f.	CR-4	Zero Lot Line Homes
Single Family Attached	35' x 110'	3125 s.f.	CR-4	"Two-plex" Homes

- "Two-plex" homes – Single family attached homes with not be more than two homes connected in a row. Only one home will be constructed on each CR-4 lot.
- "Zero Lot Line" homes – Single family detached homes with one building wall sitting on the side lot line and a side yard on only one side. These will not be attached to any other buildings.
- In the CR-3 zone, a minimum of 15% of the total number of lots will be stretched from the typical 110' x 60' to meet the 7,000 square foot minimum lot requirement in the existing Pinal County Zoning Code. There will be no 7,000 square foot lots in the CR-4 zone.

From a regional context, much of the land identified in this Transitional use zone (immediately west of SR 77 and north of the Pinal County line), falls within the floodplain of the Big Wash and will never be developed. The uses proposed herein will help satisfy a need for quality housing at a more affordable level than is currently available in either southern Pinal County or northern Pima County. The higher density and two-plex homes will allow this to occur, in spite of the raw land and development costs associated with this site. Additionally, the site is considerably flatter than portions of the nearby Eagle Crest Ranch and Saddlebrooke developments and lies below the grade of the adjacent SR 77. Development of this site will create the westerly portion of what is becoming an Urban Core along Oracle Road (SR 77). This makes it more suitable to higher densities and less visible from surrounding properties. For all of these reasons, the proposed layout and density is appropriate for this site, while still maintaining 73 acres of the overall site as recreational and open space.

The proposed lot sizes and densities are as follows:

Use	Zoning	Minimum Lot Size		Approx. Acreage	% of Total	Number of Residential Units	Density
		Width	(sq. ft.)				
Duplex/Zero Lot Line	CR-4	32.5	3125	12	6.4%	97	8.1 *
Single Family	CR-3	40	4500	69	36.7%	178	4.9 *
	CR-3	55	6000			109	
	CR-3	55	7000			51	
Open Space	CR-3			68	36.2%		
Parks	CR-3			5	2.7%		
Public Loop Road	n/a			7	3.7%		
General Business	CB-2			27	14.3%		
Total Project				188	100.0%		
Subtotal Non-Commercial				161	85.6%	435	2.7
Total Parks & Open Space				73	38.8%		

Table 1 – LAND USE TABLE

*Note: The density calculation in this line is net (after Open Space) is taken out.
The density calculation for the Total Residential line includes the Open Space.

5.0 – Circulation

To prevent congestion at the intersections, the site plan for Eagle Crest West incorporates three access points to SR 77. The northern entry would connect to the existing signalized Saddlebrooke Drive intersection. The central connection will connect at the location of the existing Eagle Crest Ranch Boulevard entrance into Eagle Crest Ranch which is likely to be signalized when warrants are met. The southern entrance would tie into SR 77 via the Edwin Road alignment. Edwin Road west of SR 77 lies south of the Pinal County line and is currently a graded but unpaved access to several properties west of this site. The extension of Edwin Road between SR 77 and the southernmost entrance to this development will be paved as part of the southernmost construction phase. Legal access along Edwin Road exists for approximately 250 feet west of the SR 77 right-of-way. Legal access for the extension of Edwin Road to the southern entry to Eagle Crest West will be obtained as part of this development or Edwin Road will be transitioned to the north, within the Eagle Crest West property. All access points to SR 77 will be coordinated with Arizona Department of Transportation's District 2 office to ensure a safe and efficient traffic plan.

The project has been designed to provide convenient access for pedestrians, bicycles and vehicles between the commercial and residential developments to minimize trips leaving the site for basic services that can be provided within the business uses. The connection between Saddlebrooke Drive and Edwin Road will be a public roadway and will serve as a collector roadway west of and parallel with SR 77, further minimizing the need to use SR 77. The three entries and the loop road will be constructed in conformance with the Pinal County Minor Collector requirements, including two drive lanes with six foot bike lanes and five foot sidewalks on each side, but will have suitable transitions to the cross sections on the east side of SR 77. The other interior roads which serve individual lots will be private and will meet Pinal County Public roadway cross-section requirements for

local roads. A master homeowners association will be created to maintain all private roadways within this development.

6.0 – Landscaping

The two direct entrances off of SR 77 will be monumented and landscaped in a manner which is thematically consistent with Eagle Crest Ranch. The public and private roadways will include landscaping in the areas between the curb and the right-of-way line. Common areas and recreation areas will be landscaped to create a sense of place with a strong design theme.

Construction of roadway, open space and common area landscaping will be the responsibility of the developer and will be installed concurrently with each phase. Long-term maintenance of these common landscaped areas will be the responsibility of the developer and/or the homeowners association as defined in the CC&Rs. Individual lot landscaping will be the responsibility of the individual lot owner.

7.0 – Residential Development Standards

The Pinal County PAD overlay process allows for flexibility in the requirements of the underlying zoning. This provides the opportunity to plan and design desirable neighborhoods through the use of alternative development standards. The provisions of the Pinal County Zoning Ordinance apply except for the variances permitted in PZ-PD-018-05 once approved by the Pinal County Board of Supervisors.

The Eagle Crest West PAD proposes the development of three CR-3 lot sizes and one CR-4 lot size that will allow for a variety of housing products while offering open space buffering. The reduced lot sizes, widths, and setbacks being requested will facilitate the preservation of the natural open space associated with existing slopes, drainage patterns and proposed active and passive recreational facilities within this project.

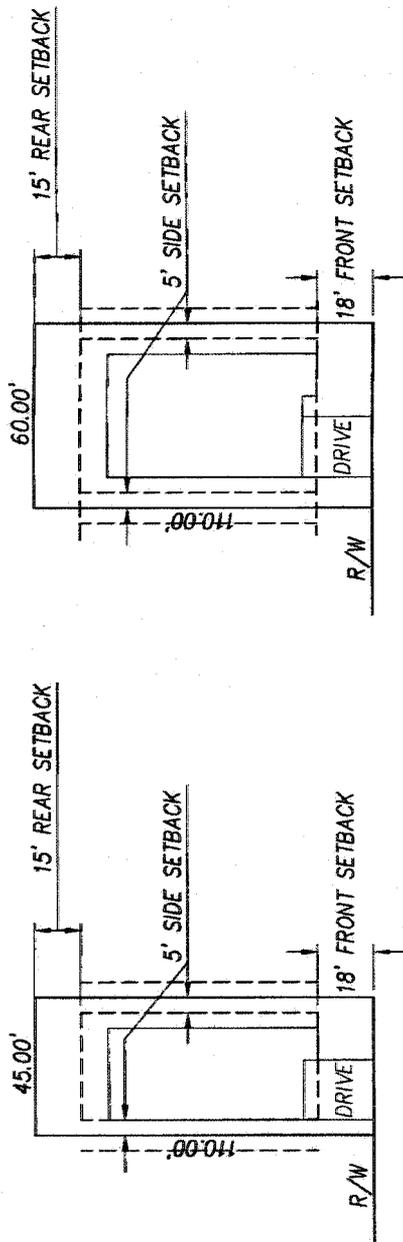
Table 2 (*Residential Zoning Comparison Table*) provides information regarding the various residential uses and compares existing zoning requirements with proposed variations. Typical lots for each product size are shown of Figure 4. These exhibits indicate the typical building envelope and corresponding front, rear, and side yard setbacks to be used.

Lot Type/ Use	Existing Zone/Use	Zoning Element	Existing Zoning Classification Requirements	Proposed Eagle Crest West Requirements
Medium SFR Units	CR-3 / Single Residence	Building Height	30 feet	30 feet
		Minimum Lot Area	7,000 s.f.	7,000 s.f.
		Minimum Lot Width	60 feet	50 feet
		Minimum Front Yard	20 feet	18 feet *
		Minimum Side Yards	8 feet each	5 feet each
		Minimum Rear Yard	25 feet	15 feet
		Min. Dist. Betw. Main Bldgs.	16 feet	8 feet
		Minimum Parking	1 Space/unit	1 Space/unit
		Number of Units Per Lot	1	1
Medium SFR Lots	CR-3 / Single Residence	Building Height	30 feet	30 feet
		Minimum Lot Area	7,000 s.f.	6,000 s.f.
		Minimum Lot Width	60 feet	45 feet
		Minimum Front Yard	20 feet	18 feet *
		Minimum Side Yards	8 feet each	5 feet each
		Minimum Rear Yard	25 feet	15 feet
		Min. Dist. Betw. Main Bldgs.	16 feet	8 feet
		Minimum Parking	1 Space/unit	1 Space/unit
		Number of Units Per Lot	1	1
Medium SFR Lots	CR-3 / Single Residence	Building Height	30 feet	30 feet
		Minimum Lot Area	7,000 s.f.	4,500 s.f.
		Minimum Lot Width	60 feet	40 feet
		Minimum Front Yard	20 feet	18 feet *
		Minimum Side Yards	8 feet each	5 feet each
		Minimum Rear Yard	25 feet	15 feet
		Min. Dist. Betw. Main Bldgs.	16 feet	8 feet
		Minimum Parking	1 Space/unit	1 Space/unit
		Number of Units Per Lot	1	1
"Two-Plex" Attached Homes Lots	CR-4 / Multiple Residence including Two-Plex	Building Height	30 feet	30 feet
		Minimum Lot Area	7,000 s.f.	3,125 s.f.
		Minimum Lot Width	60 feet	32.5 feet
		Minimum Front Yard	25 feet	18 feet *
		Minimum Side Yards	8 feet each	5 feet ◉
		Minimum Rear Yard	25 feet	15 feet
		Min. Dist. Betw. Main Bldgs.	16 feet	8 feet
		Minimum Parking	1 Space/unit	1 Space/unit
		Number of Units Per Lot	1	1
Zero Lot Line Detached Homes Lots	CR-4 / Multiple Residence including Two-Plex	Building Height	30 feet	30 feet
		Minimum Lot Area	7,000 s.f.	3,125 s.f.
		Minimum Lot Width	60 feet	32.5 feet
		Minimum Front Yard	25 feet	18 feet *
		Minimum Side Yards	8 feet each	7 feet ◉
		Minimum Rear Yard	25 feet	15 feet
		Min. Dist. Betw. Main Bldgs.	16 feet	8 feet
		Minimum Parking	1 Space/unit	1 Space/unit
		Number of Units Per Lot	1	1
Commercial	CB-2 / General Commercial	Building Height	35 feet	35 feet
		Minimum Lot Area	None	None
		Minimum Lot Width	None	None
		Minimum Front Yard	15 feet	20 feet
		Minimum Side Yards	None	None
		Minimum Rear Yard	10 feet ^c	10 feet
		Min. Dist. Betw. Main Bldgs.	None	None

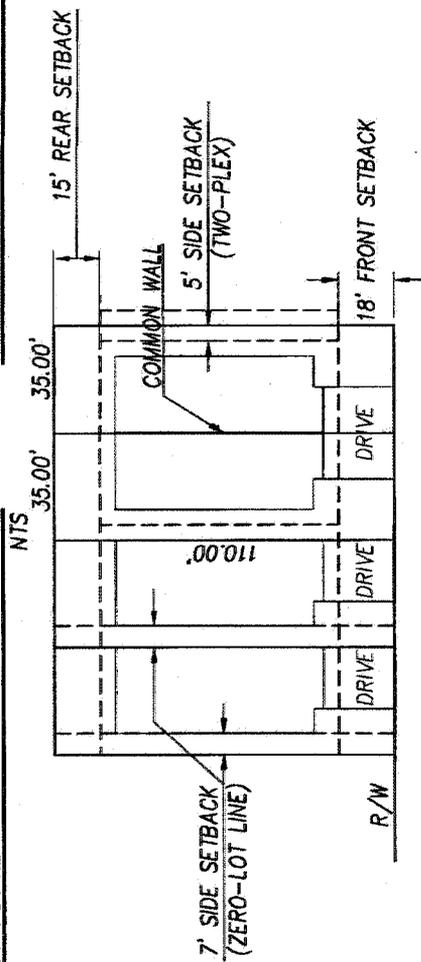
Table 2 – ZONING COMPARISON TABLE

* Front Yard setback is 18 to the face of the building but there is a minimum setback of 20 feet to the face of the garage to maintain a 20' driveway.

◉ Side yard setbacks for CR-4 zoning are for one side only.



TYPICAL 45' WIDE LOT NTS
TYPICAL 60' WIDE LOT NTS



TYPICAL 35' WIDE LOT NTS
SIDE SETBACK ON ONE SIDE ONLY FOR
TWO-PLEX / ZERO LOT LINE PRODUCTS

Figure 4 – TYPICAL LOT SETBACKS

8.0 – Drainage

The primary drainage feature in the area is the Big Wash which flows from North to South along the western boundary of Eagle Crest West. The Big Wash 100-year floodplain encroaches into some of the lower portions of the site. The primary channel is generally located on the property to the west of Eagle Crest, which is Arizona State Trust Land. A preliminary analysis is in process to determine those areas that fall under the jurisdiction of the 404 permit process performed by the Army Corps of Engineers.

In addition to the main Big Wash channel, there are two relatively small washes that traverse the site which may be designated as jurisdictional washes. This development proposes to grade less than one half acre of washes which may be jurisdictional, thereby allowing development under the nation-wide permit process.

Within this site, there is a low lying area into which floodwaters of the Big Wash spread. It is anticipated that this development will fill those areas to provide a safe area for homes. Bank protection will be installed as part of this development along all fill areas. A master drainage report, prepared by a registered civil engineer, will be submitted as part of the first Tentative Plat to be filed on this development. The master drainage report will address both on-site and off-site impacts of the fill placed in the portion of the Big Wash floodplain to determine that it does not have any negative impacts to this or any other property. The Master Drainage Study will also determine the location and design concept of any required bank protection or setbacks from the Big Wash or the smaller on-site channels.

The Big Wash is immediately adjacent to this site. Therefore, the drainage passing through this site to the Big Wash does not impact any other properties. Under these circumstances, providing on-site detention or retention would not provide any benefit and, in fact, could be counter productive. Consequently, we are in the process of submitting a request for elimination of the retention/detention requirements on Eagle Crest West to Pinal County. Should this request not be granted, it is understood that the development will have to comply with all Pinal County flood control requirements, including the retention/detention requirements.

9.0 – Open Space/Recreation

The open space concept for Eagle Crest West includes preservation of the significant floodplain areas of the Big Wash and the minor tributary washes on the property. A total of 38% of the area included in the Eagle Crest West PAD will be set aside for open space and recreation uses. This consists of 68 acres of open space (36.2%) and 5 acres of parks (3%). The breakdown of space between the two parcels is as follows:

	State Land	Private Parcel	Total
Open Space	4 acres	24 acres	68 acres
Percent of total land area	23%	13.2%	36.2%
Park Area	0 acres	5 acres	5 acres
Percent of total land area	0%	2.7%	2.7%
Combined Opens Space and Park Area	44 acres	29 acres	73 acres
Percent of total land area	23%	15.8%	38.8%

Construction of bank protection will likely be required along a significant portion of the western edge of development on the site. The bank protection creates the opportunity for a linear park overlooking the natural area to the west. In addition, there appears to be one or two other unnamed washes traversing the site which will generally be left in their natural state. Once the PAD is approved, a detailed drainage analysis will be prepared as part of the mapping effort which will provide a better opportunity to specifically define drainage areas and those areas to be left as open space.

Park facilities will be segmented to allow separate recreation opportunities for toddlers, youth, and adults. The possibility of cross access between Eagle Crest Ranch and Eagle Crest West recreation facilities will be explored.

Recreation facilities within Eagle Crest West, in addition to natural open space, will include a linear park along the Big Wash, which will contain a walking/jogging trail, landscaping and periodically landscaped areas with benches for resting or just looking out over the Big Wash floodplain area. In addition, the project will provide bike lanes, pedestrian facilities, walking/jogging trails along the internal open space, and two park sites, totaling a minimum of 5 acres of land. The park sites will include one soccer field as well as tot lots, turf play areas and landscaping to make an inviting area for both children and adults. Where practical, facilities will be designed with low water use plantings and all areas will include appropriate underground irrigation systems as well as security lighting and fencing.

Significant recreational activities such as hiking exist within the Big Wash floodplain. Constructed access will be provided to these natural areas to allow residents to make use of the natural spaces provided.

10.0 – Timing of Development

The initial phase of Eagle Crest West is projected to begin construction in 2006. It is anticipated that the project will be divided into three residential phases with the completion of all residential lots within five to seven years. However, construction of both the residential and commercial sites will be tied to market conditions and matters beyond the control of the developer and could be built in more or less phases and could take considerably longer.

It is anticipated that excess material generated from Eagle Crest Ranch will provide fill for Eagle Crest West. The close proximity of the material generating site and recipient site benefit Eagle Crest Ranch, Eagle Crest West and the public by minimizing the transit distance over public roads. The areas to receive fill sit at elevations well below SR 77 as shown in Figure 7 and will not obstruct views from the existing development to the east. Import of this material will need to commence in the second half of 2005 and will take approximately six months. The timing of the movement and stockpiling of fill may need to precede the completion of platting on Eagle Crest West. A grading/mass fill plan will be submitted to Pinal County for review and approval prior to any fill being permanently placed or stockpiled on the site. No grading will proceed prior to issuance of grading permits by Pinal County. In addition, if construction of development infrastructure is not initiated within six months (or such time as the Pinal County Planning and Development Director determines) of the placement of fill material, the fill areas will be reseeded with a native seed mix.

The placement of fill material and bank protection treatment is a significant issue not only from the technical aspect, but also from the visual viewpoint. In the case of Eagle Crest West, because the elevation of the property is below the elevation of SR 77, the bank protection will not be visible to any existing developed areas nor to the traveling public on SR 77. The bank protection will only be visible from the property to the west, owned by the Arizona State Land Department (co-applicant). The property immediately adjacent to the bank protection lies within the 100-year floodplain of the Big Wash and will not be developed. Developable property on the west side of the Big Wash floodplain is approximately 600 feet (or more) removed and is also owned by the Arizona State Land Department. A cross section of the bank protection treatment is included in Figure 7. The exposed slope has not been designed at this time but it is anticipated that it will average about four feet in height with a maximum of eight feet and be constructed of grouted rip rap, concrete or soil cement. Regardless of the construction material, to reduce its visibility the slope will be treated to have a minimal reflectivity. Additionally, the bank will be constructed with care to minimize damage to adjacent vegetation which will break up the visual appearance.

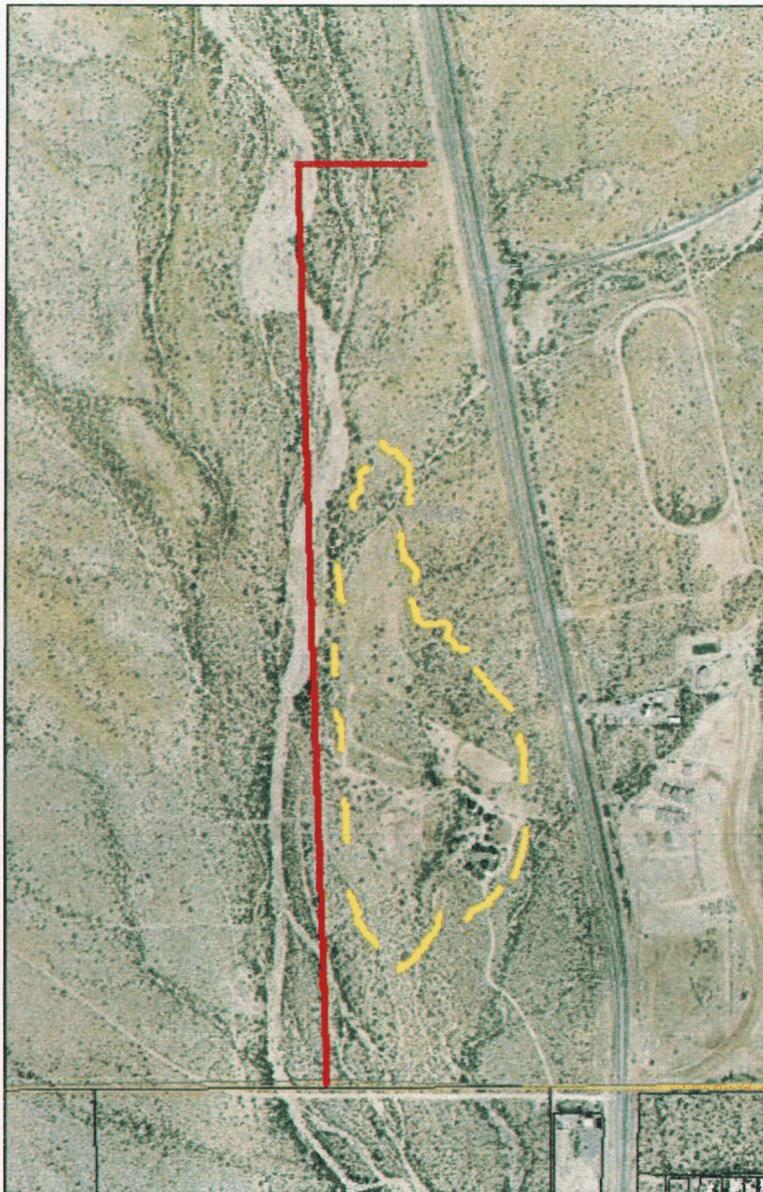
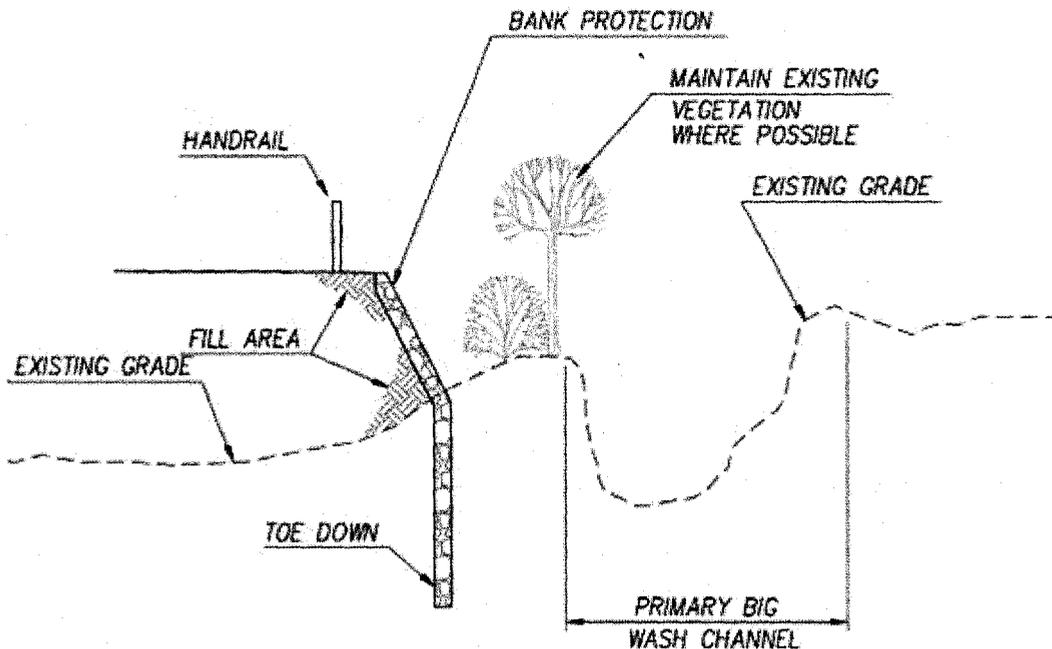


Figure 5 – IMPORTED FILL AREAS



BANK PROTECTION CROSS-SECTION

NTS

Figure 6 – BANK PROTECTION DETAIL

11.0 – Relationship to Surrounding Properties

Eagle Crest West is located along the southern boundary of Pinal County, adjacent to and west of State Highway 77. The westerly extension of Saddlebrooke Drive, the main entrance to the Saddlebrooke retirement community, will pass through the northern portion of the site. Oracle Junction is located approximately 2 miles north of the site.

The character of the surrounding properties is as follows:

- North: Vacant state land
- East: State Highway 77 and Eagle Crest Ranch
- South: Commercial
- Southeast: Scattered single family and mobile home dwellings on unsubdivided land
- West: Vacant state land including the Big Wash

Due to the natural topography which falls to the west, there will be very little visual impact to the developed properties east of SR 77.

The Catalina Mountains are approximately 5 miles south of the Eagle Crest West and, along with Catalina State Park, provide nearby recreational opportunities.

12.0 – Location and Accessibility

Excellent vehicular access is available to Eagle Crest West due to its proximity to State Highway 77 and Saddlebrooke Drive. To minimize congestion, the site layout proposes two primary entrances to the site off of State Highway 77 and one off of the future alignment of Edwin Road.

13.0 – Public Utilities

Sewer services will be provided by Pima County Department of Wastewater Management. Based on recent conversations with Pima County, there is adequate capacity in the line that was constructed to serve Eagle Crest Ranch and the line is capable of serving the Eagle Crest West project as well. An intergovernmental agreement between Pima and Pinal County will be needed or the existing agreement for Eagle Crest Ranch will need to be amended. Discussions to initiate this process are currently in progress. Approval of rezoning and the planned area development does not guarantee these agreements, amendments, or extensions.

The Goodman Water Company will provide potable water to serve Eagle Crest West. Goodman Water Company is currently in the process of annexing this development into its certificated area. The company was issued a Certificate of Convenience and Necessity and there is a Certificate of Assured Water Supply by the Arizona Department of Water Resources for Eagle Crest Ranch. The Goodman Water Company has a franchise agreement with Pinal County, approved by the Pinal County Board of Supervisors in August 1997. The franchise will need to be extended by Pinal County to this project. As development occurs, each phase of the project will be enrolled in the Central Arizona Groundwater Replenishment District (CAGR). Currently, there is an existing operational low-capacity well on the site which is being used to serve the existing ranch house and other irrigation uses. It has not been established at this time if the capacity of the well could be increased to serve this development. If not, the well will be capped in conformance with the standards of Arizona Department of Environmental Quality.

Electrical service to Eagle Crest West will be provided by either TRICO Electric Cooperative Inc. or San Carlos Irrigation Project. Both companies have adjacent power lines available for use.

Telephone service will be provided by U.S. West Communications.

14.0 – Public Safety

Police, fire, and ambulance protection are available for Eagle Crest West and will be serviced by the same providers as Eagle Crest Ranch. Police protection will be provided by the Pinal County Sheriff's Department. The nearest substation is located in Oracle, 11 miles to the northeast along SR 77. Fire and ambulance services will be provided by the

Golder Ranch Fire District, which is under contract with the Oracle Fire District and has a station in the Saddlebrooke project, 1 mile to the east.

15.0 – Maintenance of Streets and Common Area

A homeowners association will be created by the Conditions, Covenants & Restriction (CC & R's) of Eagle Crest West. This association will take ownership of all common tracts and will be responsible for the maintenance of any or all private streets, private drainage facilities, landscaping in public rights-of-way and common open space. The public loop roadway running through the site will be designed and constructed to Pinal County public roadway standards. Once the roadway construction has been completed and if accepted by Pinal County, the roadway will be maintenance will be provided by the county.

16.0 – Design Guidelines and Architectural Review Committee

The Covenants, Conditions and Restrictions (CC & R's) for this site will establish a set of design guidelines and create an Architectural Review Committee to protect the integrity of the community.

APPENDICES

Exhibit A

LEGAL DESCRIPTION of EAGLE CREST WEST

Parcel 1 - (137.948 ACRES)

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 77 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, 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;

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.

Parcel 2 (50 Acres)

Along with the easterly 412.5 feet of Section 31, Township 10 South, Range 14 East

Exhibit B
Land Use Restrictions for CB-2 Zoning

The following is a list of allowable uses within the CB-2 uses for Eagle Crest West.

ARTICLE 16
CB-2 GENERAL BUSINESS ZONE

Sec. 1601 USES PERMITTED:

- a. Any use permitted in the Section 1401-b thru Section 1401-j (TR Transitional zone) and in Section 1501 (CB-1 Local Business Zone).

- b. ~~Advertising sign, structure or billboard, subject to Article 22:~~
Amusement or recreational enterprise (within a completely enclosed structure) including billiard or pool hall, bowling alley, dance hall, gymnasium, penny arcade, shooting gallery, skating rink, sports arena
Amusement or recreational enterprise (outdoor) including archery range, miniature golf or practice driving or putting range, games of skill or science, pony riding ring without stables, swimming pool or commercial beach or bathhouse, tennis court
Auction, public (no animals)
Auditorium or assembly hall
Auto rental garage
Auto repair, mechanical or steam washracks, battery service (no body or fender work, painting or upholstery, except as incidental)
Bar, cocktail lounge, night club, tavern
Baths (Turkish, Swedish, steam, etc.)
Blueprinting, photostating
Boats, storage or rental
Burglar alarm service
Carpenter shop
Cigar manufacturing (custom hand-rolled)
Cleaning establishment, if only 2 clothes cleaning units of not more than 40 pounds rated capacity, and using cleaning fluid which is non-flammable, and nonexplosive at temperatures below 138.5 degrees Fahrenheit
Club: Athletic, private, social, sport or recreational (operated for profit) except sports stadium or field
Engraving, photo-engraving, lithographing
~~Fortune telling~~
~~Garage, public (for commercial use)~~
Juke box or coin machine business (limited to assembly, repair and servicing)
Laundry, steam or wet-wash
~~Lumber yard, retail (provided no machinery is used other than a rip saw and cut-off saw)~~
Locksmith, tool or cutlery sharpening, lawnmower repairing, fix-it or handyman shop
Massage establishment, reducing salon or gymnasium
Mattress shop for repairing only (no renovating)
Merchandise broker's display, wholesale
Motorcycle or motor scooter repair or storage
Mortuary or embalming establishment or school
Newspaper office
Oxygen equipment, rental or distribution
~~Pawn shop~~
Piano repairing
Plumbing, retail custom

- Printing or publishing
- Record recording studio or sound score production (no manufacturing or treatment of records)
- Refrigeration installation or service
- School or college (operated as a commercial enterprise for dancing or musical instruction; industrial or trade school teaching operations or occupation permitted in this zone)
- Sheet metal or tinsmith shop
- Sign painting shop
- Storage building

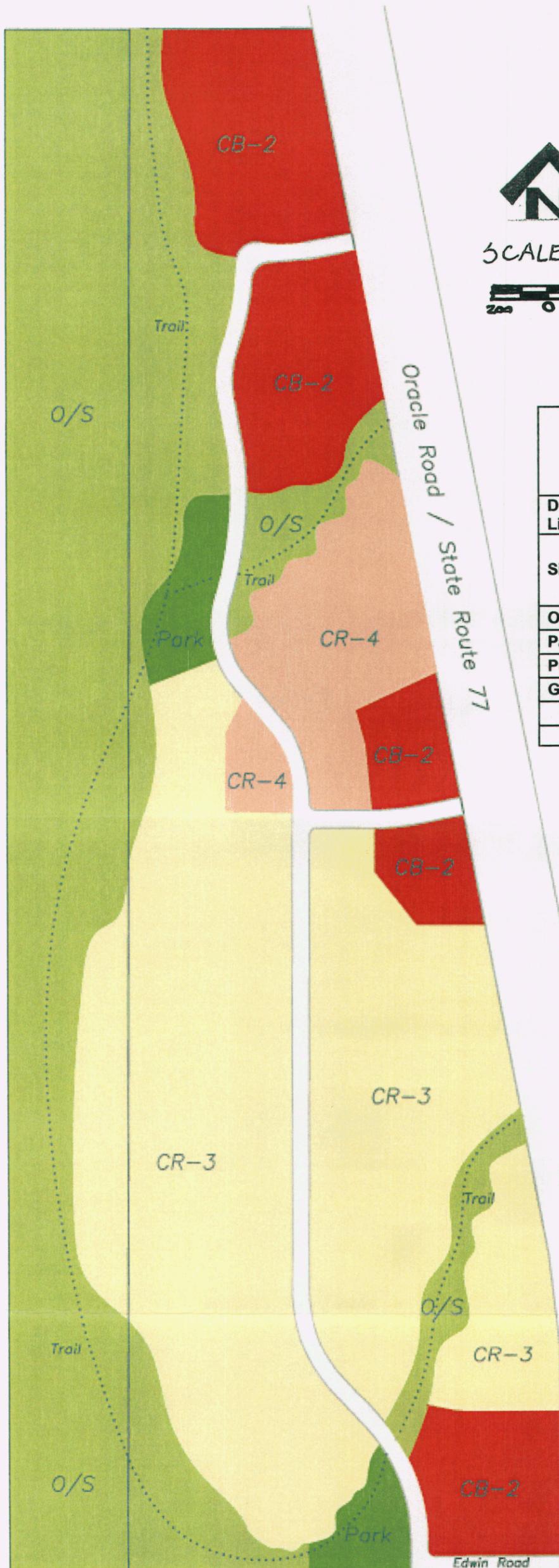
- Trade show, industrial show or exhibition
- Transfer or express service
- Upholstery shop
- Wallpaper sales, paper hanging
- c. Sale, rental or display of:
 - ~~Airplanes or parts~~
 - Automobiles, recreational vehicles, travel trailers, motorhomes, and trailers will not be allowed except in the two northernmost "commercial properties".
 - Barber's supplies or beauty shop equipment
 - Butcher's supplies
 - Clothing or accessories (wholesale)
 - Contractor's equipment or supplies
 - Drugs or medical, dental, or veterinary supplies (wholesale)
 - Farm equipment or machinery
 - Feed (wholesale)
 - Garage equipment
 - Hardware (retail or wholesale)
 - Hotel equipment or supplies
 - Household appliances, sewing machines, etc. (wholesale)
 - ~~Machinery, commercial and industrial~~
 - Monuments or tombstones (no wholesale)
 - Office equipment (safes, business machines, etc.) (wholesale)
 - Orthopedic appliances (trusses, wheelchairs, etc.)
 - Painting equipment or supplies (paint, varnish, etc.)
 - Pet (no boarding or hospital)
 - Plastic or plastic products (wholesale)
 - Plumbing, heating and ventilating fixtures or supplies
 - Restaurant or soda fountain equipment or supplies
 - Second-hand goods: Personal, furniture, books, magazines, automobiles, but not second-hand auto parts
 - Tents or awnings
 - Trunks or luggage (wholesale)
 - Upholsterer's supplies
 - Venetian blinds
 - Window shades
- d. ~~Light manufacturing or assembling incidental to retail sales from the premises, provided that not more than 25% of the floor is occupied by businesses engaged in manufacturing, processing, assembling, treatment, installation and repair of products.~~
- e. Wholesaling of products permitted in Section 1601-c unless specifically prohibited, with storage space not exceeding 1,500 square feet of floor area.
- f. ~~Cemetery or crematory, provided that cemeteries for human remains shall be located on a site of not less than 5 acres and for animal pets not less than one acre, and that no crematory be erected closer than 500 feet from any boundary of said site adjoining property in a rural or residential zone.~~
- g. ~~Drive-in theater, provided that the face of any projection screen be not visible from any county road or any street or route shown on the adopted Map of Major Thoroughfares and Proposed Routes (Map C, Section 502), which is within 500~~

feet of said screen; provided further that the site for said theater shall consist of not less than 10 acres of land and be a single tract or parcel not intersected or divided by any street, alley or by property belonging to any other owners; that any lights used to illuminate the theater site shall be so arranged as to reflect the light away from adjoining property and streets; that the plans for said theater shall have been approved by the County Engineer, indicating no undue traffic congestion, due to the location and arrangement of the theater, including the car rows and aisles and minimizing the danger of fire and panic; that acceleration and deceleration lanes shall be provided along the public thoroughfare adjacent to the entrance and exit of the theater, that parking space or storage lanes for patrons awaiting admission shall be provided on the site in an amount equal to not less than 30% of the vehicular capacity of the theater; that vehicular circulation shall be so designed and constructed as to permit only one-way traffic within the boundaries of the tract on which the theater is located; that emergency exits shall be provided; that sanitary facilities and the method of food handling shall be approved by the County Health Department; that definite plans for shrubbery and landscaping shall be presented to the Zoning Inspector and made a part of the permit; that the nearest point of the theater property, including driveways and parking areas shall be a least 750 feet from the boundary of a district zoned for residential use; and, provided further, that all other conditions of the zone are fully observed.

- h. ~~(DELETED 3-30-87)~~
- i. ~~Racetrack or sports stadium, subject to the conditions set forth in Subsection 601.0 of this Ordinance, except the requirements for the filing of the consent of owners of adjacent property.~~
- j. ~~Radio or television tower or booster station, provided such tower is no closer to any boundary of said site than the height thereof.~~
- k. ~~Veterinary hospital or kennels, provided no such building or structure be within 100 feet of any boundary of said site abutting property in a rural or residential zone.~~
- l. ~~One family dwelling unit, conventional construction, mobile home, or manufactured home in conjunction with an established, permitted use~~

Exhibit C EAGLE CREST WEST

Proposed Land Use



SCALE: 1" = 400'



LAND USE TABLE

Use	Zoning	Minimum Lot Size		Approx. Acreage	% of Total	
		Width	(sq. ft.)			
Duplex/Zero Lot Line	CR-4	32.5	3125	12	6.4%	
Single Family	CR-3	40	4500	69	36.7%	
	CR-3	55	6000			
	CR-3	55	7000			
Open Space	CR-3			68	36.2%	
Parks	CR-3			5	2.7%	
Public Loop Road	n/a			7	3.7%	
General Business	CB-2			27	14.3%	
Total Project				188	100.0%	
				Subtotal Non-Commercial	161	85.6%
				Total Parks & Open Space	73	38.8%

Land Owner:

D M & Glenda Martin
23090 W Ash Creek Rd
Willcox, AZ 85643

Developer/Applicant:

Sears Financial Corp.
3567 E Sunrise Dr, #119
Tucson, AZ 85718

Eagle Crest West, LLC
3567 E Sunrise Dr, #119
Tucson, AZ 85718

J. A. Shiner, Inc.
6651 N Campbell Ave, #146
Tucson, AZ 85715

Engineer/Planner:

EEC
4625 E Fort Lowell Rd
Tucson, AZ 85712

Exhibit C – Development Plan



OVERSIZED

PLAT MAPS

DOCUMENT

**(A PORTION OF
SECTION 32, T-10-S, R-
14-E, G & S.R.M, PINAL
COUNTY, ARIZONA)**

DOCKET NO.

W-02500A-05-0443

**PLEASE SEE
DOCKET CONTROL
FOR VIEWING**

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

GOODMAN WATER COMPANY
DOCKET NO. W-02500A-05-0443

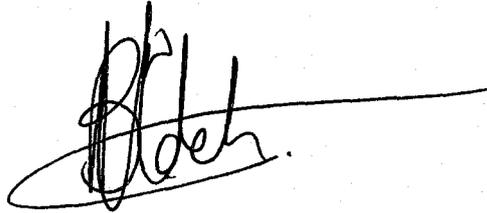
APPLICATION FOR EXTENSION
OF EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY

NOVEMBER 18, 2005

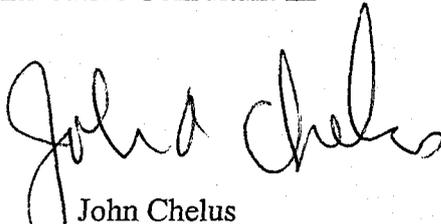


STAFF ACKNOWLEDGMENT

The Staff Report for Goodman Water Company (Docket No. W-02500A-05-0443) was the responsibility of the Staff members signed below. Blessing Chukwu was responsible for the review and analysis of the Company's application. John Chelus was responsible for the engineering and technical analysis.

A handwritten signature in black ink, appearing to read 'Blessing Chukwu', with a long horizontal line extending to the right.

Blessing Chukwu
Executive Consultant III

A handwritten signature in black ink, appearing to read 'John Chelus', written in a cursive style.

John Chelus
Utilities Engineer

**EXECUTIVE SUMMARY
GOODMAN WATER COMPANY
DOCKET NO. W-02500A-05-0443**

On June 17, 2005, Goodman Water Company ("Goodman" or "Company") filed its application with the Arizona Corporation Commission ("ACC" or "Commission") for an extension of its Certificate of Convenience and Necessity ("CC&N") to provide water service to a portion of Pinal County, Arizona. On August 23, 2005, Staff filed a Sufficiency Letter indicating that the application had met the sufficiency requirements of the Arizona Administrative Code.

By this application, the Company is seeking Commission authority to extend its service territory to include a development known as Eagle Crest West. Eagle Crest West will add approximately 188 acres to its existing 800 acres of certificated area. Eagle Crest West is located in all of Section 32, Township 10 South, Range 14 East, west of State Highway 77 and is contiguous to Goodman's current water CC&N on its eastern border, near Oracle Junction in Pinal County.

Based on Staff's review and analysis of the application, Staff believes that the existing system has adequate production and storage capacity to serve the existing and proposed CC&N extension area within a conventional five year planning period and can reasonably be expected to develop additional storage and production as required in the future.

Staff recommends the Commission approve the Goodman application for an extension of its CC&N within portions of Pinal County, Arizona, to provide water service, subject to compliance with the following conditions:

1. To require Goodman to charge its authorized rates and charges in the extension area.
2. To require Goodman to file with Docket Control, as a compliance item in this docket, for Staff review and approval, a copy of the fully executed main extension agreements for water facilities for the extension area within 365 days of a decision in this case.
3. To require Goodman to obtain and file with Docket Control, as a compliance item in this docket, a copy of the developer's Certificate of Assured Supply for the "Eagle Crest West" extension area, stating that there is adequate water supply, where applicable or when required by statute, within one year of the effective date of the final decision and order issued pursuant to this application.
4. To require Goodman to file with Docket Control, as a compliance item in this docket, a copy of the franchise agreement from Pinal County for the requested area within 365 days of the decision in this matter.

Staff further recommends that the Commission's Decision granting the requested CC&N extension to Goodman be considered null and void should Goodman fail to meet Condition Nos. 2, 3, and 4 listed above within the time specified.

TABLE OF CONTENTS

Page

INTRODUCTION.....1

BACKGROUND.....1

FINANCE OF UTILITY FACILITIES1

THE WATER SYSTEM.....2

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY COMPLIANCE2

ARIZONA DEPARTMENT OF WATER RESOURCES (“ADWR”) COMPLIANCE2

ACC COMPLIANCE.....3

ARSENIC.....3

CURTAILMENT PLAN TARIFF3

PROPOSED RATES.....3

COUNTY FRANCHISE4

RECOMMENDATIONS4

ATTACHMENT(S)

ENGINEERING REPORT..... A

ENGINEERING MAP B

Introduction

On June 17, 2005, Goodman Water Company ("Goodman" or "Company") filed an application with the Arizona Corporation Commission ("ACC" or "Commission") for an extension of its Certificate of Convenience and Necessity ("CC&N") to provide water service to a portion of Pinal County, Arizona.

On July 12, 2005, the ACC Utilities Division ("Staff") filed an Insufficiency Letter, indicating that the Company's application did not meet the sufficiency requirements of Arizona Administrative Code ("A.A.C.") R14-2-402(C). A copy of the Insufficiency Letter was sent to the Company via U.S mail. In the letter, Staff listed the deficiencies that needed to be cured for administrative purposes.

On August 23, 2005, the Company provided additional documentation to support its relief requested.

On September 16, 2005, Staff filed a Sufficiency Letter indicating that the application had met the sufficiency requirements of the A.A.C. R14-2-402(C).

Background

Goodman is an Arizona Corporation, in good standing with the Commission's Corporation Division, and engaged in providing water service to customers in portions of Pinal County, Arizona. Goodman was originally incorporated in 1985 as Panorama Properties, Inc. dba Goodman Water Company. On March 5, 2003, Goodman filed a Notice of Name Change, pursuant to Decision No. 65651, that the corporate name Panorama Properties, Inc. was changed to Goodman Water Company. The Commission approved the original CC&N for Panorama Properties dba Goodman Water Company in Decision No. 56118, issued on September 15, 1988, for approximately two and one half sections of land. The only shareholders of Goodman are Mr. James Shiner (the President), Mr. Alexander Sears, and D. R. Horton, Inc.

By this application, the Company is seeking Commission authority to extend its service territory to include a development known as Eagle Crest West. Eagle Crest West will add approximately 188 acres to its existing 800 acres of certificated area. Eagle Crest West is located in all of Section 32, Township 10 South, Range 14 East, west of State Highway 77 (also known as U.S. Highway 89) and is contiguous to Goodman's current water CC&N on its eastern border, near Oracle Junction in Pinal County.

Finance of Utility Facilities

The Company indicated in the application that it will finance the required utility facilities through a combination of restricted sale of stock and Developer Line Extension Agreements. Advances in aid of construction are often in the form of Main or Line Extension Agreements ("MXAs"). MXAs are standard industry practice. The minimal acceptable criteria for line

extension agreements between water utilities and private parties are established by A.A.C. R14-2-406. These agreements generally require the developer to design, construct and install (or cause to be), all facilities to provide adequate service to the development. The developer is required to pay all costs of constructing the required facilities necessary to serve the development. Upon acceptance of the facilities by the Utility Company, the developer conveys the utility facilities through a warranty deed to the Utility Company. Utility Companies will often refund ten (10) percent of the annual water revenue associated with development for a period of ten (10) years.

Staff recommends that Goodman file with Docket Control, as a compliance item in this docket, for Staff review and approval, a copy of the fully executed main extension agreements for water facilities for the extension area within 365 days of a decision in this case.

The Water System

Goodman has two well(s) with a total production capacity of 1,240 gallons per minute ("gpm"), 4,000,000 gallons of storage capacity, booster pumps, pressure tanks, and a distribution system serving approximately 500 connections. Based on historical growth rates, it is anticipated that the existing service area could have a total of 1,300 customers at the end of five years. The Company has predicted an additional 450 customers for the proposed CC&N extension area, at the end of five years. The existing production and storage can serve approximately 1,000 connections. A new 800 gpm well and a 530,000 gallon storage tank are planned.

Staff concludes that the existing system has adequate production and storage capacity to serve the existing and proposed CC&N extension area within a conventional five year planning period and can reasonably be expected to develop additional storage and production as required in the future.

Arizona Department of Environmental Quality Compliance

The ADEQ regulates the water system under ADEQ Public Water System I.D. No. 11-130. ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.

Arizona Department of Water Resources ("ADWR") Compliance

Goodman is within the Tucson Active Management Area. Since Goodman supplies less than 250 acre-feet per year for non-irrigation use, it is considered a "small provider" and is not subject to the gallons per capita per day ("GPCD") limit and conservation rules, and is only required to monitor and report water use. ADWR has indicated that the Goodman Water Company is in compliance with its monitoring and reporting requirements.

Every developer is required to demonstrate an assured water supply that will be physically, legally, and continuously available for the next 100 years before the developer can record plats or sell parcels in an Active Management Area. The Arizona Department of Real Estate ("ADRE") will not issue a public report, which allows the developer to sell lots, without a demonstration of an assured water supply. The developer can prove a 100 year supply by satisfying the requirements to obtain a Certificate of Assured Water Supply or by written commitment of service from a provider with Designation of Assured Water Supply. Goodman attached a copy of a Certificate of Assured Water Supply for "Eagle Crest Ranch" to the application. "Eagle Crest West" development is the subject of the instant application and not "Eagle Crest Ranch". "Eagle Crest Ranch" was the subject of Goodman's initial application in Docket No. U-2500-87-168, approved by Decision No. 56118, issued on September 14, 1988.

As such Staff recommends that Goodman be required to obtain and file with Docket Control, as a compliance item in this docket, a copy of the developer's Certificate of Assured Supply for the "Eagle Crest West" extension area, stating that there is adequate water supply, where applicable or when required by statute, within one year of the effective date of the final decision and order issued pursuant to this application.

ACC Compliance

According to the Utilities Division Compliance Section, Goodman has no outstanding ACC compliance issues.

Arsenic

The U.S. Environmental Protection Agency ("EPA") has reduced the arsenic maximum contaminant level ("MCL") in drinking water from 50 micrograms per liter (" $\mu\text{g/l}$ ") or parts per billion ("ppb") to 10 $\mu\text{g/l}$. The date for compliance with the new MCL is January 23, 2006. The most recent lab analysis by the Company indicated that the arsenic level in its source supply wells is 2 $\mu\text{g/l}$. Based on this arsenic concentration, the Company is in compliance with the new arsenic MCL.

Curtailment Plan Tariff

A Curtailment Plan Tariff ("CPT") is an effective tool to allow a water company to manage its resources during periods of shortages due to pump breakdowns, droughts, or other unforeseeable events.

Goodman has an approved Curtailment Plan Tariff that has been in effect since February 18, 2003.

Proposed Rates

Goodman has proposed to provide water utility service to the extension area under its authorized rates and charges.

County Franchise

Every applicant for a CC&N and/or CC&N extension is required to submit to the Commission evidence showing that the applicant has received the required consent, franchise or permit from the proper authority. If the applicant operates in an unincorporated area, the company has to obtain the franchise from the County. If the applicant operates in an incorporated area of the County, the applicant has to obtain the franchise from the City/Town.

Staff recommends that Goodman be required to file with Docket Control, as a compliance item in this docket, a copy of the franchise agreement from Pinal County for the requested area within 365 days of the decision in this matter.

Recommendations

Staff recommends the Commission approve the Goodman application for an extension of its CC&N within portions of Pinal County, Arizona, to provide water service, subject to compliance with the following conditions:

1. To require Goodman to charge its authorized rates and charges in the extension area.
2. To require Goodman to file with Docket Control, as a compliance item in this docket, for Staff review and approval, a copy of the fully executed main extension agreements for water facilities for the extension area within 365 days of a decision in this case.
3. To require Goodman to obtain and file with Docket Control, as a compliance item in this docket, a copy of the developer's Certificate of Assured Supply for the "Eagle Crest West" extension area, stating that there is adequate water supply, where applicable or when required by statute, within one year of the effective date of the final decision and order issued pursuant to this application.
4. To require Goodman to file with Docket Control, as a compliance item in this docket, a copy of the franchise agreement from Pinal County for the requested area within 365 days of the decision in this matter.

Staff further recommends that the Commission's Decision granting the requested CC&N extension to Goodman be considered null and void should Goodman fail to meet Condition Nos. 2, 3, and 4 listed above within the time specified.

MEMORANDUM

DATE: October 7, 2005

TO: Blessing N. Chukwu
Executive Consultant III

FROM: John A. Chelus *JAC*
Utilities Engineer

RE: Goodman Water Company
CC&N Extension – Water
Docket No. W-02500A-05-0443

Introduction

Goodman Water Company has applied to extend its Certificate of Convenience and Necessity (CC&N). The requested area will serve a development called Eagle Crest West and will add approximately 188 acres to its existing 800 acre certificated area. The requested area will consist of all of Section 32 west of State Route 77 and the easterly 412 feet of Section 31, Township 10 S Range 14 E. Eagle Crest West will eventually serve approximately 1,302 residential customers. The existing Goodman Water Company is located northeast of State Highway 77 at Oracle Road and Edwin Road near Oracle Junction in Pinal County.

Capacity

Goodman Water Company has in existence two well(s) with a total production capacity of 1,240 gal/min, 4,000,000 gallons of storage capacity, booster pumps, pressure tanks, and a distribution system serving approximately 500 connections. Based on historical growth rates, it is anticipated that the existing service area could have 1,300 total customers at the end of five years. The company has predicted an additional 450 customers for the proposed CC&N extension, at the end of five years. The existing production and storage can serve approximately 1,000 connections. A new 800 gal/min well and a 530,000 gallon storage tank are planned. Staff concludes that the existing system has adequate production and storage capacity to serve the existing and proposed CC&N area and can reasonably be expected to develop additional storage and production as required in the future.

Arizona Department of Environmental Quality (ADEQ) Compliance

ADEQ regulates the water system under ADEQ Public Water System I.D. # 11-130. Compliance data supplied by ADEQ indicates that Goodman Water Company is currently delivering water which meets the water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.

Arizona Department of Water Resources (ADWR) Compliance

Goodman Water Company is within the Tucson Active Management Area. Since the water company supplies less than 250 acre-feet per year for non-irrigation use, it is considered a "small provider" and is not subject to the gallons per capita per day (GPCD) limit and conservation rules, and is only required to monitor and report water use. ADWR indicated that the Goodman Water Company is in compliance with its monitoring and reporting requirements.

It is recommended that Goodman Water Company file with Docket Control, as a compliance item in this docket, a copy of the Developer's Certificate of Assured Supply for the new service area in this CC&N application. Goodman Water Company shall file such ADWR certificate within one year of the effective date of the final decision and order in this matter.

Arsenic

The U.S. Environmental Protection Agency (EPA) has reduced the arsenic maximum contaminant level (MCL) in drinking water from 50 micrograms per liter ($\mu\text{g/l}$) to 10 $\mu\text{g/l}$. The date for compliance with the new MCL is January 23rd, 2006. The most recent lab analysis by the Company indicated that the arsenic level in its source supply wells is 2 $\mu\text{g/l}$. Based on this arsenic concentration, the Company is in compliance with the new arsenic MCL.

Curtailment Tariff

Goodman Water Company has a curtailment tariff on file with the Commission.

Summary

Conclusions

1. Staff concludes that the existing system has adequate production and storage capacity to serve the existing and proposed CC&N area and can reasonably be expected to develop additional storage and production as required in the future.
2. ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.
3. ADWR indicated that the Goodman Water Company is in compliance with its monitoring and reporting requirements.
4. Goodman Water Company has a curtailment tariff on file with the Commission.

Recommendations

1. It is recommended that Goodman Water Company file with Docket Control, as a compliance item in this docket, a copy of the Developer's Certificate of Assured Supply for the new service area in this CC&N application. Goodman Water Company shall file such ADWR certificate within one year of the effective date of the final decision and order in this matter.

MEMORANDUM

TO: Blessing Chukwu
Executive Consultant III
Utilities Division

FROM: Barb Wells 
Information Technology Specialist
Utilities Division

THRU: Del Smith 
Engineering Supervisor
Utilities Division

DATE: November 16, 2005

RE: **GOODMAN WATER COMPANY (DOCKET NO. W-02500A-05-0443)**
REVISED LEGAL DESCRIPTION

The area requested by Goodman for an extension has been plotted using a revised legal description (filed for the purpose of clarifying the highway reference), which has been docketed. This legal description is attached and should be used in place of the original description submitted with the application.

Also attached is a copy of the map for your files.

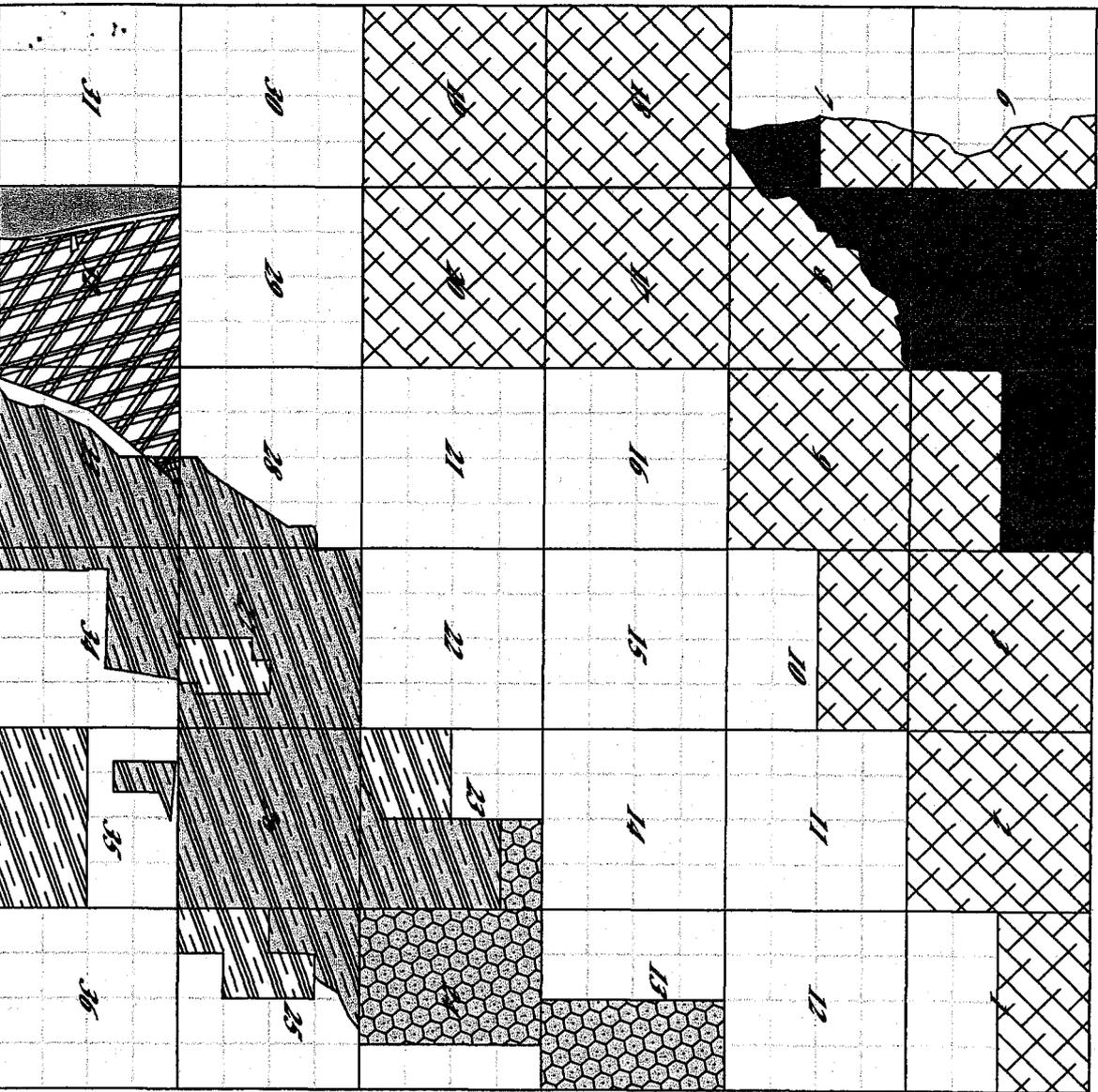
:bsw

Attachments

cc: Docket Control
Mr. Michael McNulty
Ms. Deb Person (Hand Carried)
File

COUNTY OF Pinal

RANGE 14 East



TOWNSHIP 10 South

-  W-1445 (34)(5)
Arizona Water Company (Oracle)
-  W-1944 (2)
Lago Del Oro Water Company, Inc.
-  W-3861 (1)
Ridgeview Utility Company
-  W-2500 (1)
Goodman Water Company
-  SW-2849 (1)
Saddlebrooke Utility Company
-  SW-3841 (2)
Mountain Pass Utility Company
-  Goodman Water Company
Docket No. W-02500A-05-0443
Application for Extension

AMENDED 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 77 (also known as U.S. 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.

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NOV 14 2005

AZ Corporation Commissioner
Director of Utilities

AZ CORP COMMISSION
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MEMORANDUM

RELEGAL

2005 NOV 18 A 11: 58

TO: Docket Control
Arizona Corporation Commission

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AZ CORP COMMISSION
DOCUMENT CONTROL

FROM: Ernest G. Johnson
for Director
Utilities Division

NOV 18 2005

LEGAL DIV.
ARIZ CORPORATION COMMISSION

Date: November 18, 2005

RE: STAFF REPORT FOR GOODMAN WATER COMPANY - APPLICATION
FOR EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND
NECESSITY FOR WATER SERVICE (DOCKET NO. W-02500A-05-0443)

Attached is the Staff Report for Goodman Water Company's application for extension of
it existing Certificate of Convenience and Necessity for water service. Staff is recommending
approval with conditions.

EGJ:BNC:red

Originator: Blessing Chukwu

FILE COPY

Attachment: Original and 13 Copies

Service List for: Goodman Water Company
Docket No. W-02500A-05-0443

Mr. Christopher W. Hill
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