

ORIGINAL



0000039990

SONOITA VALLEY WATER COMPANY, INC  
P.O. Box 85160  
Tucson, AZ 85754  
520-623-5172

January 24, 2006

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

Attn: Ms. Blessing Ckukwu

Re: Sonoita Valley Water Co. Application for Transfer of Assets and CC&N  
Docket #W-04199A-05-0905 & W-20435A-05-0905

Dear Blessing;

I have enclosed a copy of the list of assets of Sonoita Valley Water Co., as filed in their year end annual report.

I have also enclosed a copy of the request for Sonoita Valley Water Co., franchise extension to Santa Cruz County Board of Supervisors. As you can see the application was mailed on December 1, 2005.

It is our intent to join the franchise areas and the Certificate of Convenience and Necessity (CC&N) of Sonoita Valley Water Co. and Southern Water Company so as to request permission from the Arizona Corporation Commission to form one company.

I have also enclosed a copy of the City or County Franchise from the Transferor to the Transferee.

We are aware that the Franchise has expired and are requesting the reinstatement of the existing Franchise as well as requesting the Franchise and the CC&N be extended to include Southern Water Company service area.

I have discussed our intention with Ms. Melinda Meek at the Santa Cruz County Board of Supervisors and she is currently working on getting this process completed.

In regard to your question (Item #3) concerning the 1,000 shares of stock for Sonoita Valley Water Co. they were issued March 15, 2005.

As always, thank you for your help with this application.

Please call if you need any further information.

Sincerely

Bonnie O'Connor

for

E.H. Lewis, Owner

Enclosure(s)

AZ CORP COMMISSION  
DOCUMENT CONTROL

2006 JAN 26 P 12:07

RECEIVED

COMPANY NAME

*Sonora Valley Water Company*

**WATER COMPANY PLANT DESCRIPTION**

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-633050	15 2	10	503	4"	5/8"	
55-528690	1	7	296	6"	5/8"	
55-633061	(not in use)					

\* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	2	5,000	1

COMPANY NAME

*Sonoma Valley Water*

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	300
3	PVC	4538
4	PVC	6570
5		
6		
8		
10		
12		
4	AC	6781

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	46
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

**TREATMENT EQUIPMENT:**

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**STRUCTURES:**

*250' of 5' chain link fence*

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**OTHER:**

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SONOITA VALLEY WATER COMPANY  
P.O. Box 85160  
Tucson, Arizona 85754  
(520)623-5172  
Fax (520)792-0377

COPY

December 1, 2005

Board of Supervisors  
Santa Cruz County, Arizona  
2150 N. Congress Drive  
Nogales, Arizona 85621

Dear Sirs;

We are including an application to extend or annex the previously existing Certificate of Convenience and Necessity (CC&N) of the Southern Water Company into the Sonoita Valley Water Company service area.

It should be noted that the Southern Water Company CC&N was cancelled by the Arizona Corporation Commission (ACC) because of Southern Water Company's failure to file the appropriate annual documents.

It should be further noted that Sonoita Valley Water has purchased the assets of the now bankrupt Southern Water Company and are in the process of having this approved by the ACC. However, in ACC proceedings they normally require the County to issue a franchise of the service area to Sonoita Valley Company prior to approving the extension of the CC&N.

We are attaching documents for your action regarding this matter. .

Sincerely,



E.H. Lewis, President

Enclosure(s)

APPLICATION TO EXTEND FRANCHISED AREAS

To the Honorable  
Board of Supervisors of  
Santa Cruz County, State of Arizona

Gentlemen:

Sonoita Valley Water Company, PO Box 85160, Tucson, AZ 85754 (520)623-5172

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Hereby respectfully applies to extend its franchised area by obtaining a license or franchise from the Board of Supervisors of Santa Cruz County, Arizona, to construct, operate and maintain a water distribution system or plant for domestic, commercial, industrial and municipal use within and adjacent to all of the following described property:

See Exhibit "A" Attached Hereto  
And By This Reference Made A Part Hereof:

Including all additions thereto, within Santa Cruz County, Arizona for the purpose of furnishing water service to the public in general for a reasonable compensation and without unjust discrimination, and to lay the necessary mains, laterals and pipelines in the streets and alley of said property, and all additions thereto, and under and along the public highways, roads and thoroughfares, except state highways, and all additions thereto, under such limitations and restrictions and upon such terms as the Board of Supervisors may prescribe, and not inconsistent with the law or the order or rules of the Arizona Corporation Commission; it being understood that if said license or franchise be granted, the undersigned will bear all expenses, including damage and compensation for

Application to Extend Franchised Areas

Page 2

any alteration of the course, direction, surface, grade or alignment of any county road necessarily made by the undersigned or by the county on behalf of the undersigned for the purpose of such franchise, and in the event that the surface of any county highway, street or alley is used by the undersigned for trackage, that such franchise, if granted hereunder, shall include reasonable regulations for the maintenance by the undersigned of such portions of the highway as may be so used.

Dated this:

1<sup>st</sup> Day of December, 20 05

Sonoita Valley Water Company

Water Company

By:

A. Lewis, President

ATTACHMENT "A"

SONOITA VALLEY WATER COMPANY

Santa Cruz	31	20 S.	17 E.
COUNTY	SECTION	TOWNSHIP	RANGE

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

See Attached

Type or Print Description Here:

A portion of the West half of Section 31, Township 20 S., Range 17 E.,  
of Santa Cruz County, Arizona

# COUNTY Santa Cruz

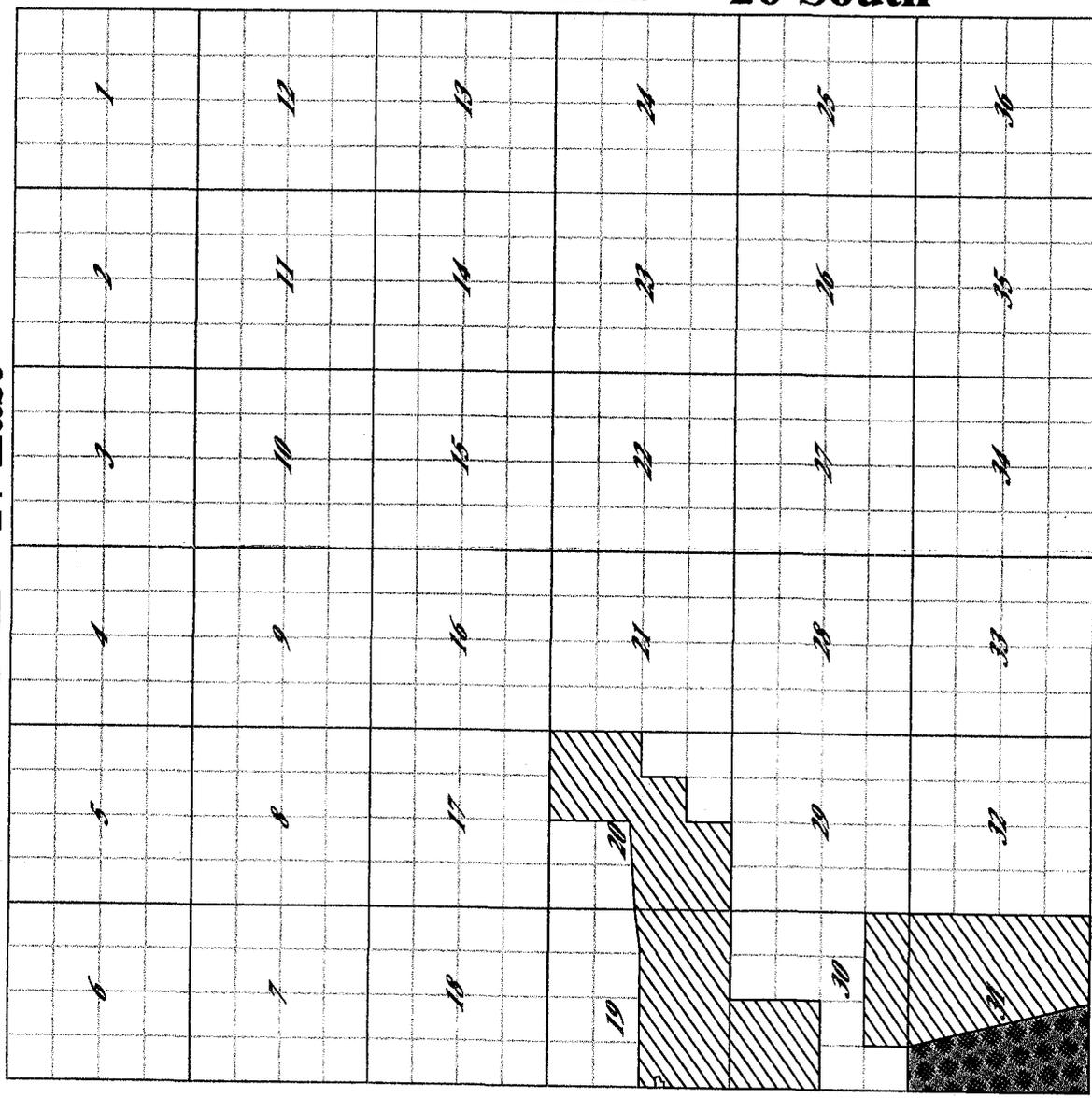
## RANGE 17 East

## TOWNSHIP 20 South


  
**W-4199 (1)**  
 Sonoita Valley Water Company


  
**W-2017 (2)**  
 Southern Water Corporation


  
 Sonoita Valley Water Company  
 Docket No. W-04199A-05-0905  
 Application to Transfer CC&N  
 from Sole Proprietorship to  
 an Arizona Corporation







ARIZONA  
CORPORATION COMMISSION  
MAPPING DIVISION

NAME OF COMPANY Sonicita Water Utility  
YAKOBIAN, GEORGE

DOCKET NUMBER 11-2017

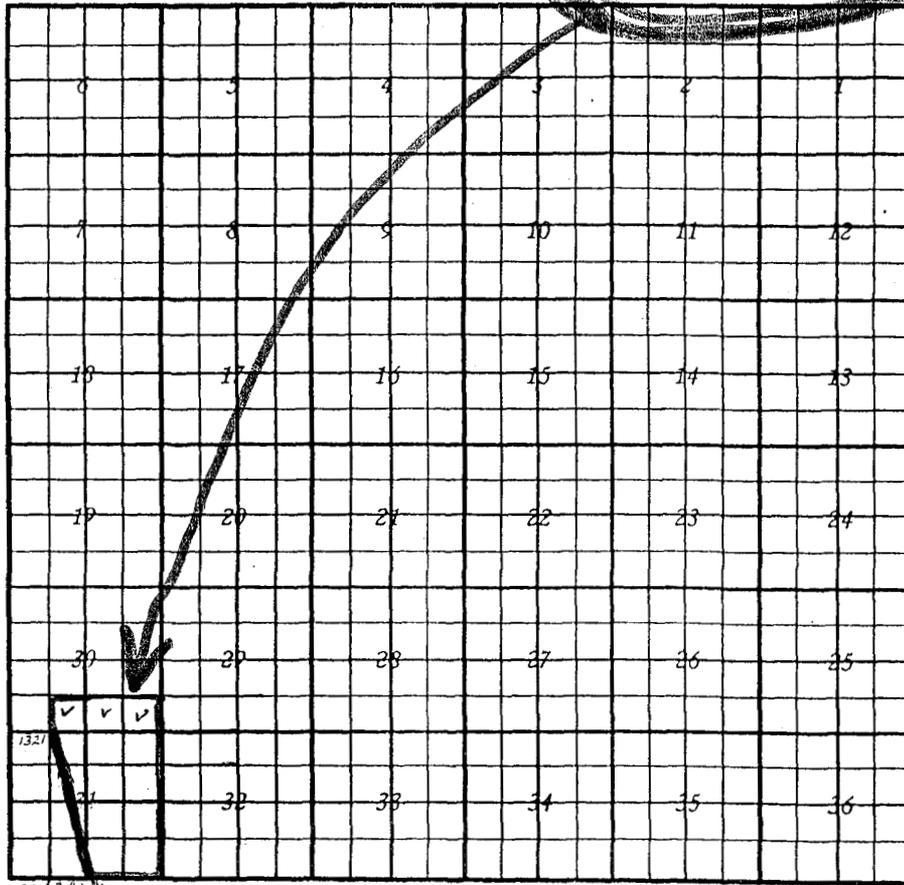
DECISION NO. 38906 --- APRIL 20, 1967

SEC. 30: SE<sup>4</sup>SW<sup>4</sup>; S<sup>2</sup>SE<sup>4</sup>.

SEC. 31:

AREA DESCRIBED AS ALL THAT PORTION OF SECTION 31 LYING EAST OF A DIAGONAL LINE COMMENCING AT A POINT 1321 FEET NORTH 89° 15' 20" EAST FROM THE COMMON SECTION CORNER OF SECTIONS 25 AND 36 IN TOWNSHIP 20 SOUTH, RANGE 16 EAST AND SECTIONS 30 AND 31, TOWNSHIP 20 SOUTH, RANGE 17 EAST, G&SRB&M, SANTA CRUZ COUNTY, ARIZONA, THENCE SOUTH 14° 2' 50" EAST, TO A POINT ON THE SOUTH LINE OF SECTION 31, APPROXIMATELY 2607.40 FEET EASTERLY FROM THE SOUTHWEST CORNER OF SAID SECTION 31; AND THE SOUTHEAST QUARTER (SE<sup>1</sup>/<sub>4</sub>) OF THE SOUTHWEST QUARTER (SW<sup>1</sup>/<sub>4</sub>) AND THE SOUTH HALF (S<sup>1</sup>/<sub>2</sub>) OF THE SOUTHEAST QUARTER (SE<sup>1</sup>/<sub>4</sub>) OF SECTION 30, TOWNSHIP 20 SOUTH, RANGE 17 EAST, G&SRB&M, SANTA CRUZ COUNTY, ARIZONA.

SANTA CRUZ COUNTY	20S TOWNSHIP NO.	17E RANGE NO.	ORIGINAL AREA AREA	PLATTED APR 24 1967 BY H. HARRIS
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PLAT NO. \_\_\_\_\_ Scale 1" = 1 mile (80 chains)  
AREA NO. \_\_\_\_\_

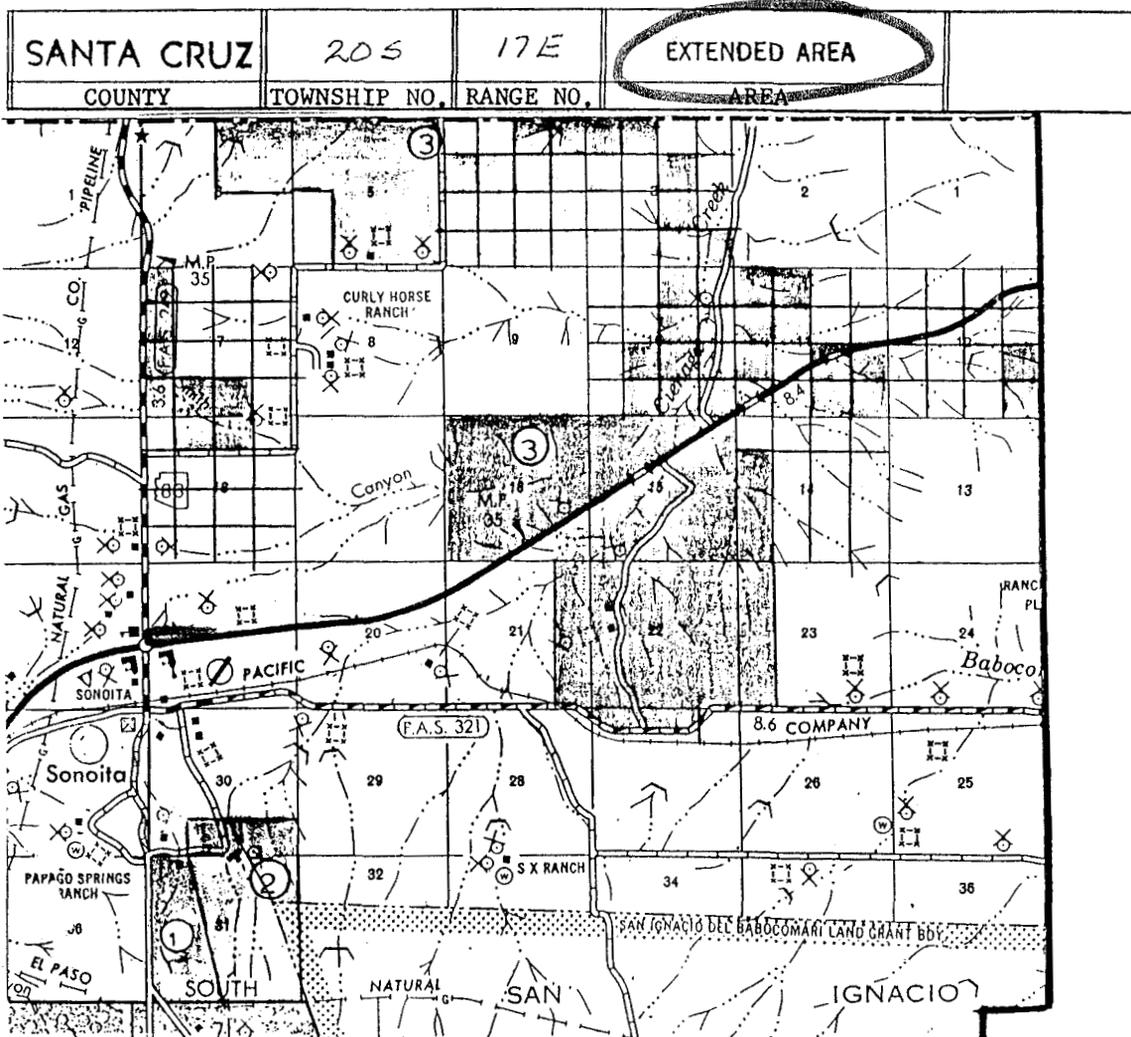
ARIZONA  
CORPORATION COMMISSION  
MAPPING DIVISION

NAME OF COMPANY Sonoita Water Utility

DOCKET NUMBER U 2017

APPLICATION 1978-Oct 19 AREA OPEN DECISION NO. 99594 1979-JAN 11

Sec. 19; SWA that portion lying N of N/4 line of St. Hwy 82 & lying E of N/4 line of St. Hwy 83



Scale 1" = 1 mile (80 chains)

ARIZONA  
CORPORATION COMMISSION  
MAPPING DIVISION

ACC-MD-1

NAME OF COMPANY *Sonita Water Utility*

DOCKET NUMBER *4-2017*

APPLICATION *1980 - March 18 sh 1 of 2* DECISION NO. *51179 - 1980 July 23*

*T205-R16E*  
*Sec 25: E<sup>2</sup>E<sup>2</sup>NE<sup>4</sup> Parcel # 7*

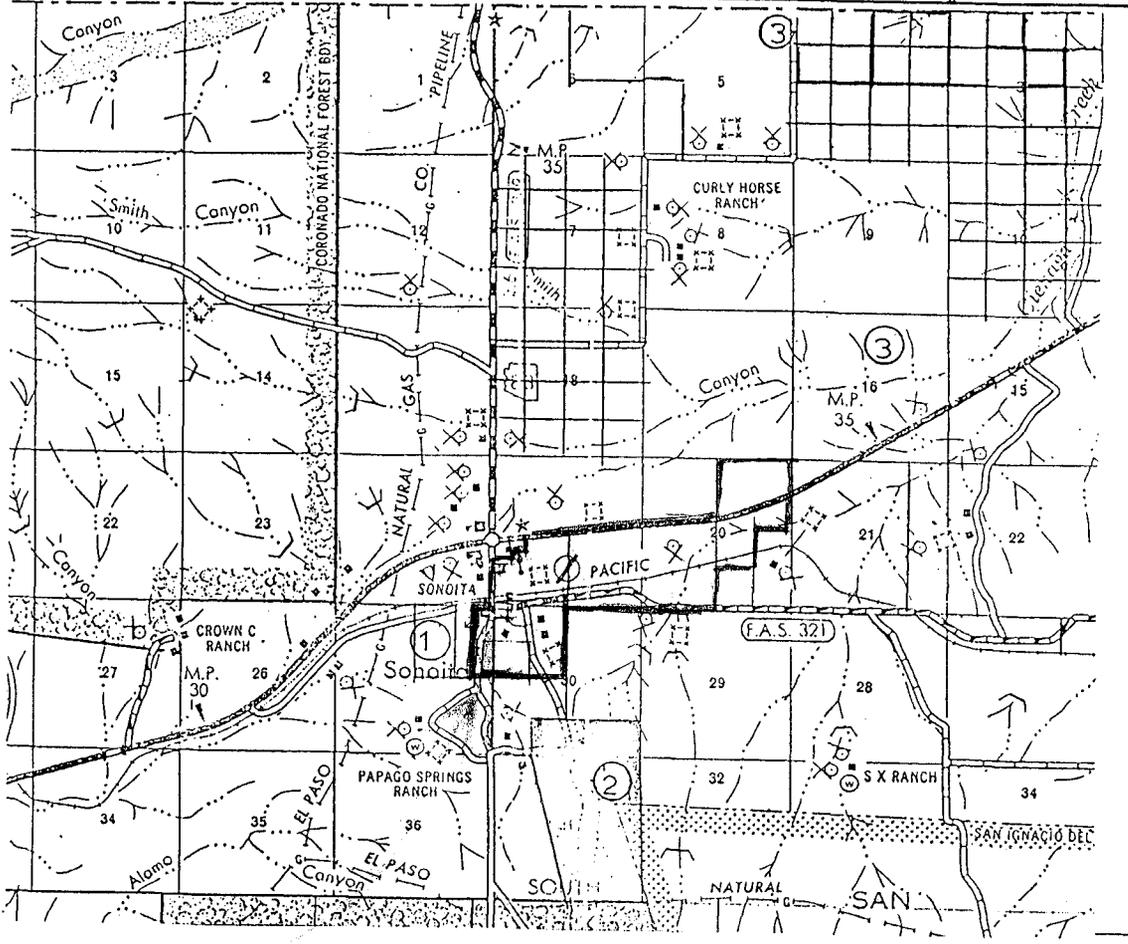
*T205-R16E*  
*Sec 30: W 3000' of N<sup>2</sup> Parcel # 6*

*Sec 20: NE<sup>4</sup> Parcel # 1*

*NW<sup>4</sup>SE<sup>4</sup> Parcel # 2*

*W<sup>2</sup> that portions lying S of the S & W line of Hwy # 82 Parc 1 # 3 & 4*  
*Sec 19: S<sup>2</sup> that portion lying S of the S & W line of Hwy # 82 Parc 1 # 5*  
*excepting the Steakout parcel & the Ranch Restaurant Parcel*

SANTA CRUZ	205	16E	EXTENDED AREA
COUNTY	TOWNSHIP NO.	RANGE NO.	AREA



Scale 1" = 1 mile (80 chains)

The tiny area shaded in Green was later declared to be the *unincorporated area of* *the Municipality of Papago Springs, Ar.*

FRANCHISE TO

SONOITA VALLEY WATER COMPANY, INC.  
an Arizona corporation

KNOW ALL MEN BY THESE PRESENTS: That,

WHEREAS, Sonoita Valley Water Company, Inc., an Arizona corporation, by its officers has duly and regularly applied and petitioned, pursuant to Section 40-283, A.R. S., to the Board of Supervisors of Santa Cruz County, Arizona, for the franchise, right, privilege and easement to construct, install, maintain and operate a water plant and water distribution system to supply water for domestic, commercial and municipal use within the confines of the area hereinafter described, which area is without the confines of an incorporated city or town in Santa Cruz County, Arizona; and

WHEREAS, the said Sonoita Valley Water Company, Inc., in said application prayed for a franchise for the use of certain highways, streets, roads and alleys; and

WHEREAS, it appears that notice of hearing on said application has been duly given as required by law; and

WHEREAS, said application came on regularly to be heard on the 4<sup>th</sup> day of February, 1974, before the Board of Supervisors of Santa Cruz County, and no petition to the Board to deny such privilege and franchise was filed or presented according to law, and the Board considered the application for the franchise;

NOW, THEREFORE, it being determined by the Board of Supervisors of Santa Cruz County that the grant of this franchise is regular, proper, authorized by law and in the best interest of Santa Cruz County and the inhabitants thereof;

IT IS HEREBY RESOLVED, that Sonoita Valley Water Company, Inc., be and it is hereby enfranchised and empowered to use all streets, highways,

roads and alleys now established, used or dedicated to the public use or which may hereafter be established, used or dedicated to the public use lying within those portions of Papago Springs # 1 Subdivision, situated in Santa Cruz County, Arizona, as described on the attached exhibit for the purpose of installing, constructing, maintaining and operating a water plant and water distribution system and all such appurtenances and installations as may be necessary for the purpose of engaging in the business of supplying consumers with water for domestic and commercial use; PROVIDED HOWEVER, that:

1. All rights hereunder are granted under the express condition that the BOARD OF SUPERVISORS of said Santa Cruz County shall have the power at any time to impose such restrictions and limitations, and to make such regulations as to the use of said highways, roads, streets and alleys by the said Sonoita Valley Water Company, Inc., as may be deemed best for the public safety or welfare. The rights of Santa Cruz County in and to the use of the highways, roads, streets and alleys shall forever be paramount and superior to the rights of the Water Company.

2. The said Sonoita Valley Water Company, Inc., shall bear all expenses made or incurred for the purpose of this franchise, including damage and compensation for any alteration of the direction, surface, grade or alignment of any of the aforesaid highways, roads, streets and alleys.

3. The expense of lowering pipes or changing the locations of installations of the Water Company, made reasonably necessary by changes in the direction, surface, grade or alignment of the highways, roads, streets and alleys shall be borne by the Water Company, unless otherwise provided by law.

1999

4. This franchise is granted for a term of twenty-five (25) years from the date of the granting of the same. This franchise and the rights and privileges granted herein shall be salable, assignable and transferable by the said Sonoita Valley Water Company, Inc., but no sale, assignment or transfer in whole or in part of any of the rights or privileges granted herein shall be effective as against Santa Cruz County until notice of the same in writing has been given the Board of Supervisors of Santa Cruz County until notice of the same in writing has been given the Board of Supervisors of Santa Cruz County.

5. This franchise and the privileges granted herein shall not be exclusive, and the Board of Supervisors expressly reserves the right to grant from time to time similar franchises and privileges over the same highways, roads, streets and alleys, or any thereof, to any other persons, firms or corporations.

6. This franchise shall not be effective for any purpose until the acceptance of said Sonoita Valley Water Company, Inc., is endorsed herein in writing, provided, that after any sale, assignment or transfer of the Water Company's rights hereunder, the said Water Company shall not be obligated under the terms hereof.

7. By its acceptance of this franchise, and for and in consideration of the grant of the franchise, Sonoita Valley Water Company, Inc., agrees that it will save and hold Santa Cruz County harmless from liability for any act or practice of Sonoita Valley Water Company, Inc., while operating under this franchise, and from any claim or liability asserted against Santa Cruz County arising from its grant of this franchise.

IN WITNESS WHEREOF, the BOARD OF SUPERVISORS OF SANTA CRUZ COUNTY, ARIZONA, has caused these presents to be executed and signed by the chairman of the Board and attested by the Clerk and the Seal of the

Board affixed hereto this 4th day of February, 1974.

BOARD OF SUPERVISORS OF SANTA CRUZ  
COUNTY

BY William G. Berger  
Chairman

ATTEST:

J. Rainey  
Clerk

Sonoita Valley Water Company, Inc., an Arizona corporation  
hereby accepts the within and foregoing franchise this \_\_\_\_ day of  
\_\_\_\_\_, 1974.

SONOITA VALLEY WATER COMPANY, INC.

BY \_\_\_\_\_  
President

**DO NOT PUBLISH THIS SECTION ARTICLE 1**

The corporate name must contain a corporate ending which may be "corporation," "association," "company," "limited," "incorporated" or an abbreviation of any of these words. If you are the holder or assignee of a tradename or trademark, attach Declaration of Tradename Holder form.

**ARTICLE 2**  
The name cannot imply that the corporation is organized for any purpose other than the initial business indicated in this article.

**ARTICLE 3**  
The total number of authorized shares cannot be "Zero" or "Not Applicable."

**ARTICLE 4**  
May be in care of the statutory agent.

**ARTICLE 5**  
The agent must provide both a physical and mailing address. If statutory agent has a P.O. Box, then they must also provide a physical description of their street address/location. The agent must sign the Articles or provide a consent to acceptance of the appointment.

**AZ CORPORATION COMMISSION FILED**

**MAR 08 2005**

**FILE NO. 1186770-2**

**ARTICLES OF INCORPORATION**

**OF**

**(An Arizona Business Corporation)**

1. Name. The name of the Corporation is Sonoita Valley Water Company

2. Initial Business.

The Corporation initially intends to conduct the business of Production and distribution of potable water to customers in accordance with ACC rules and regulations for public water utilities

3. Authorized Capital.

The Corporation shall have authority to issue 10,000 shares of Common Stock.

4. Known Place of Business. (In Arizona)

The street address of the known place of business of the Corporation is:

2102 N. Forbes Blvd., Suite 107

Tucson, AZ, 85745

Mail Address: P.O. Box 85160, Tucson, AZ 85754

5. Statutory Agent. (In Arizona)

The name and address of the statutory agent of the Corporation is:

E.H. Lewis

2644 Leisure World

Mesa, AZ 85206

DO NOT PUBLISH THIS SECTION

A minimum of 1 director is required.

6. Board of Directors

The initial board of directors shall consist of 1 director(s). The name(s) and address(es) of the person(s) who is(are) to serve as the director(s) until the first annual meeting of shareholders or until his(her)(their) successor(s) is(are) elected and qualifies is(are):

Name: E.H. Lewis

Address: 2644 Leisure World

City, State, Zip: Mesa, AZ 85206

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

The number of persons to serve on the board of directors thereafter shall be fixed by the Bylaws.

7. Incorporators.

The name(s) and address(es) of the incorporator(s) is (are):

Name: E.H. Lewis

Address: 2644 Leisure World

City, State, Zip: Mesa, AZ 85206

All powers, duties and responsibilities of the incorporators shall cease at the time of delivery of these Articles of Incorporation to the Arizona Corporation Commission.

ARTICLE 7

A minimum of 1 incorporator is required. All incorporators must sign both the Articles of Incorporation and the Certificate of Disclosure.

8. Indemnification of Officers, Directors, Employees and Agents.

The Corporation shall indemnify any person who incurs expenses or liabilities by reason of the fact he or she is or was an officer, director, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law.

9. Limitation of Liability.

To the fullest extent permitted by the Arizona Revised Statutes, as the same exists or may hereafter be amended, a director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for any action taken or any failure to take any action as a director. No repeal, amendment or modification of this article, whether direct or indirect, shall eliminate or reduce its effect with respect to any act or omission of a director of the Corporation occurring prior to such repeal, amendment or modification.

DO NOT PUBLISH  
THIS SECTION

EXECUTED this 8th day of March, 2005 by all of the  
incorporators.

Signed: \_\_\_\_\_

E. H. Lewis \_\_\_\_\_  
[Print Name Here] [Print Name Here]

Phone and fax  
numbers are optional

PHONE 480-981-1005 FAX \_\_\_\_\_

**Acceptance of Appointment By Statutory Agent**

The agent must  
consent to the  
appointment by  
executing the  
consent.

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the

above-named corporation effective this 8th day of March, 2005.

Signed E. H. Lewis

E. H. Lewis  
[Print Name Here]

The Articles must be  
accompanied by a  
Certificate of  
Disclosure, executed  
within 30 days of  
delivery to the  
Commission, by all  
incorporators.

\_\_\_\_\_  
[If signing on behalf of a company serving as  
statutory agent, print company name here]