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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

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

FEB 02 2006

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
PALO VERDE UTILITIES COMPANY, LLC FOR
AN EXTENSION OF ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY.

DOCKET NO. SW-03575A-05-0307

IN THE MATTER OF THE APPLICATION OF
SANTA CRUZ WATER COMPANY, LLC FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE
OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-03576A-05-0307

DECISION NO. 68448

OPINION AND ORDER

DATE OF HEARING:

November 21, 2005

PLACE OF HEARING:

Phoenix, Arizona

ADMINISTRATIVE LAW JUDGE:

Yvette B. Kinsey

APPEARANCES:

Mr. Michael W. Patten, ROSHKA De
WULF & PATTEN PLC, on behalf of
Palo Verde Utilities and Santa Cruz
Water Company, LLC; and

Mr. David Ronald, Staff Attorney, Legal
Division, on behalf of the Utilities
Division of the Arizona Corporation
Commission.

BY THE COMMISSION:

On April 26, 2005, Palo Verde Utilities Company, LLC, ("Palo Verde") and Santa Cruz Water Company, LLC ("Santa Cruz") (jointly "Companies") jointly filed an application with the Arizona Corporation Commission ("Commission") for an extension off their respective Certificates of Convenience and Necessity ("CC&Ns") to provide wastewater and water service, respectively, in portions of Pinal County, Arizona.

On May 24, 2005, the Commission's Utilities Division Staff ("Staff") filed an Insufficiency

1 Letter listing the areas in the application that Staff determined did not meet the sufficiency
2 requirements set forth in the Arizona Administrative Code (“A.A.C.”).

3 On July 21, 2005, Palo Verde and Santa Cruz submitted a letter and additional information in
4 response to Staff’s Insufficiency Letter.

5 On August 19, 2005, Staff filed a Sufficiency Letter stating that the Companies’ application
6 met the sufficiency requirements set forth in the Commission’s rules.

7 On August 22, 2005, Staff filed an amended Sufficiency Letter.

8 On August 22, 2005, a Procedural Order was issued setting the hearing to commence on
9 November 21, 2005 on the application and also setting associated procedural deadlines including the
10 publication of notice of the hearing.

11 On September 20, 2005, Santa Cruz and Palo Verde filed its Affidavit of Publication and
12 Proof of Mailing.

13 On October 21, 2005, Staff filed its Staff Report recommending approval of the application to
14 extend the CC&Ns to provide wastewater and water services, subject to certain conditions.

15 On November 4, 2005, the Companies filed Comments to the Staff Report.

16 On November 21, 2005, a full public hearing was convened before a duly authorized
17 Administrative Law Judge of the Commission at its offices in Phoenix, Arizona. Palo Verde, Santa
18 Cruz and Staff appeared through counsel and presented evidence and testimony. Members of the
19 public appeared and gave public comment in support of the application. Pending late-filed exhibits,
20 all matters were taken under advisement at the the conclusion of the hearing.

21 On November 22, 2005, Staff filed a Notice of Filing Late-Filed Exhibit.

22 On November 30, 2005, Staff filed a Notice of Correction to Late-Filed Exhibit.

23 * * * * *

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

26 **FINDINGS OF FACT**

27 1. Pursuant to authority granted by the Commission Palo Verde and Santa Cruz are
28 Arizona Corporations engaged in the business of providing wastewater and water services in Pinal

1 County.

2 2. Palo Verde and Santa Cruz are Arizona Limited Liability Companies (“LLCs”), in
3 good standing with the Commission’s Corporation Division. Santa Cruz originally received
4 Commission authority to provide water services in Decision Nos. 61943 (September 17, 1999) and
5 67240 (September 15, 2004). Palo Verde originally received Commission authority to provide
6 wastewater services in Decision Nos. 61943 (September 17, 1999) and 67240 (September 15, 2004).¹

7 3. Palo Verde currently provides wastewater utility service to 3,785 customers and Santa
8 Cruz currently provides water utility service to approximately 4,865 customers in portions of Pinal
9 County, Arizona.

10 4. On April 26, 2005, Palo Verde and Santa Cruz jointly filed a application seeking
11 Commission authority to add approximately 12.5 square miles to their current 17 square miles of
12 certificated area. The legal description for the proposed extension area for Palo Verde and Santa Cruz
13 is set forth as Exhibit A attached hereto and incorporated herein by reference. The requested
14 extension area includes approximately 8,230 acres, which is proposed to be developed into several
15 master planned communities, comprised of over 28,000 lots.

16 5. According to the Companies’ application, all of the developers in the extension area
17 have requested that the Companies provide water and wastewater utility service.

18 6. According to Companies’ application the proposed wastewater and water systems will
19 be financed through a combination of shareholder equity and advances in aid of construction or Main
20 Extension Agreements (“MXAs”).

21 7. Staff recommends that Santa Cruz file with Docket Control, for Staff’s review and
22 approval a copy of the fully executed MXAs for the water facilities within 365 days of a Decision in
23 this matter. The Companies propose that a copy of the fully executed MXAs be filed with the
24 Commission as the MXAs become available.

25
26 ¹ The Companies are wholly-owned subsidiaries of Global Water Resources, LLC (“GWR”). GWR owns three
27 certificated utility companies in the State of Arizona including Palo Verde, Santa Cruz and Cave Creek Water Company
28 and acts as the Interim Manager of Sabrosa Water Company. Altogether, GWR’s subsidiaries provide utility service to
approximately 18,600 customers in Arizona.

1
2 **WATER SYSTEM**

3 8. Santa Cruz's existing water system is comprised of two drinking water wells, with a
4 combined production rate of 2,950 gallons per minute ("GPM"), two storage tanks, with a combined
5 capacity of 3 million gallons, a booster pump station, two pressure tanks, with combined capacity of
6 20,000 gallons and one irrigation well.

7 9. Santa Cruz's existing water system has adequate production capacity to serve its
8 existing customer base.

9 10. The proposed water system will include three wells, two 2.5 million gallon storage
10 tanks, a pressure tank, a booster pump station and an on-site generator. The three wells will produce
11 a total of 2,000 GPM when in full production and Staff concluded that the proposed water system
12 will have adequate production and storage capacity to serve the new CC&N area within a
13 conventional five year planning period or can reasonably be expected to develop the needed storage
14 and production.

15 11. Staff recommended that Santa Cruz file a copy of the Arizona Department of
16 Environmental Quality ("ADEQ") Approval to Construct ("ATC") for the proposed wells and its
17 Production/Treatment Plant with Docket Control by December 31, 2006. Staff further recommended
18 that Santa Cruz file a copy of the ADEQ Approval of Construction ("AOC") for the proposed water
19 system with Docket Control by December 31, 2007. At the hearing, Staff verbally amended its
20 recommendation to propose that Santa Cruz file its ADEQ ATC for the proposed wells and its
21 Production Plant with Docket Control by December 31, 2006. Staff further amended its
22 recommendation to propose that Santa Cruz file its ADEQ ATC for the proposed Water Treatment
23 Plant with Docket Control by December 31, 2009 and that Santa Cruz file a copy of its ADEQ AOC
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1 for Phase 1 of the proposed system with Docket Control by December 31, 2007. The Companies
2 agreed with Staff's amended recommendations.

3 12. According to Staff's Report, ADEQ reported Santa Cruz is currently delivering water
4 that meets the water quality standards required by the Arizona Administrative Code.

5 13. Santa Cruz is located in the Pinal Active Management Area ("AMA") and according
6 to Staff's Report is in compliance with AMA requirements.

7 14. Staff recommended that Santa Cruz file a copy of its amended Designation of Assured
8 Water Supply, stating that there is adequate water supply, for the extension area within one year of
9 the effective date of a Decision in this matter.

10 15. According to Staff's Report, the Utilities Division Compliance Section found no
11 outstanding compliance issues for Santa Cruz.

12 16. The U.S. Environmental Protection Agency ("EPA") has reduced the arsenic
13 maximum containment level ("MCL") from 50 micrograms per liter ("ug/l") or parts per billion
14 ("ppb") to 10 ug/l by January 23, 2006. According to Staff's Report, Santa Cruz plans to use
15 blending for its existing system to meet the new arsenic standard and Santa Cruz is in the process of
16 installing the plant needed to facilitate the blending. Santa Cruz submitted testimony that the wells
17 that will be used for the proposed extension area have arsenic levels below the new arsenic MCL.

18 17. According to Staff's Report, Santa Cruz has an approved Curtailment Tariff on file
19 with the Commission, which was filed in October 2003 and was later amended.

20 18. Santa Cruz will provide service to the extension area at its existing rates and charges
21 on file with the Commission.

22 19. Santa Cruz and Palo Verde entered into franchise agreements with Pinal County at the
23 time the City of Maricopa was unincorporated. According to Staff's Report, the extension area is not
24 within the jurisdictional boundary of the City of Maricopa; however, it is within the planning area of
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1 the City of Maricopa. Staff recommended that since the extension area is in an unincorporated area
2 of Pinal County, that Santa Cruz and Palo Verde file a copy of an amended Pinal County franchise
3 agreement with Docket Control within 365 days of the Decision in this matter.

4 20. Staff recommends approval of Santa Cruz's application for an extension of its CC&N
5 to provide water service, subject to compliance with the following conditions:

- 6 1. That Santa Cruz charge its authorized rates and charges in the extension area.
- 7 2. That Santa Cruz file with Docket Control, for Staff review and approval, a
8 copy of the fully executed main extension agreements for water facilities for
9 the extension area within 365 days of a Decision in this matter.
- 10 3. That Santa Cruz file a copy of the ADEQ Approval to Construct for the
11 proposed wells and its Production Plant with Docket Control by December 31,
12 2006.
- 13 4. That Santa Cruz file a copy of the ADEQ Approval to Construct for the
14 proposed water treatment plant with Docket Control by December 31, 2009.
- 15 5. That Santa Cruz file a copy of the ADEQ Approval of Construction for Phase
16 1 of the proposed system with Docket Control by December 31, 2007.
- 17 6. That Santa Cruz file with Docket Control a copy of the amendment to its
18 existing Designation of Assured Water Supply, stating that there is adequate
19 water supply, within a year of the effective date of a Decision in this matter.
- 20 7. That Santa Cruz file a copy of the amended Pinal County franchise agreement
21 for the extension area, with Docket Control within 365 days of the Decision in
22 this matter.

23 21. Staff further recommended that the Commission's Decision to grant the requested
24 CC&N extension to Santa Cruz be considered null and void, should Santa Cruz fail to meet
25 conditions 2, 3, 4, 5, 6 and 7 listed above within the time specified.

26 22. Staff recommendations in Findings of Fact Nos. 20 and 21 are reasonable, except that:
27 (1) we will modify the due date of submitting MXAs as follows: Phase I MXAs will be due within
28 365 days of the effective date of this Decision and the remaining MXAs shall be filed as required by
A.A.C. R14-2-406; (2) the CC&N extension will be considered null and void due to the failure to file
Phase I MXAs.

WASTEWATER SYSTEM

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23. With respect to Palo Verde's wastewater system, Palo Verde owns and operates an enclosed one million gallons per day ("MGD") sequential batch reactor treatment plant, sand filters, ultraviolet disinfection units and an effluent reuse and/or surface water disposal system to serve its existing CC&N area.

24. Staff's Report stated that Palo Verde's existing plant has adequate capacity to serve its existing customer base and that a new system will be installed to serve the extension area.

25. Palo Verde's proposed new treatment plant will be comprised of a one MGD sequential batch reactor. Staff concluded that the proposed plant will have adequate treatment capacity, but because of the way the proposed plant will dispose of treated effluent that Palo Verde will need to obtain a Surface Water Discharge Permit from ADEQ in addition to an Aquifer Protection Permit.

26. Staff recommended that Palo Verde file a copy of ADEQ's Surface Water Discharge Permit and Aquifer Protection Permit for the extension area by December 31, 2007. Staff further recommended that Palo Verde file a copy of its ATC and AOC for the proposed sewer collection system with Docket Control by December 31, 2007.

27. Pursuant to Section 208 of the Federal Water Pollution Control Act, the Central Arizona Association of Governments ("CAAG") is the designated water quality planning agency for the requested CC&N extension area. The CAAG has the authority to develop and approve general wastewater plans which include land development policies, service areas, objectives, principles, and standards for local growth and development. In September 2005, Palo Verde filed its CAAG Section 208 Plan amendment pursuant to this application. The amended Section 208 plan is pending approval by CAAG.

1 28. Staff recommended that Palo Verde file a copy of the approved amended Section 208
2 Plan with Docket Control by December 31, 2006.

3 29. Staff's Report indicated that ADEQ's compliance status report showed that Palo
4 Verde had "numerous exceedence violations" and that ADEQ stated that Palo Verde was in
5 substantial compliance. Staff's Report recommended that the proposed Decision not become
6 effective until Palo Verde was in full compliance with ADEQ. At the hearing, Staff's witness
7 testified that prior to the hearing the Companies filed an updated compliance report from ADEQ
8 showing they were in full compliance. Staff verbally amended its recommendation at the hearing to
9 delete this condition.
10

11 30. According to Staff's Report, the Utilities Division Compliance Section found no
12 outstanding compliance issues for Palo Verde.

13 31. Palo Verde will provide service to the extension area at its existing rates and charges
14 on file with the Commission.
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16 32. Staff recommends approval of Palo Verde's application for an extension of its
17 CC&N to provide wastewater service, subject to compliance with the following conditions:

- 18 1. That Palo Verde charge its authorized rates and charges in the extension
19 area.
- 20 2. That Palo Verde file a copy of its Surface Water Discharge Permit and
21 Aquifer Protection Permit, issued by ADEQ, for the extension area by
22 December 31, 2006.
- 23 3. That Palo Verde file its ATC for Phase 1 for the proposed sewer collection
24 system, issued by ADEQ, with Docket Control by December 31, 2006.
- 25 4. That Palo Verde file a copy of its AOC for Phase 1 for the proposed sewer
26 collection system with Docket Control by December 31, 2007.
- 27 5. That Palo Verde file a copy of the amended CAAG Section 208 Plan with
28 Docket Control by December 31, 2006.

1 are fit and proper entities to receive extensions of their water and wastewater Certificates, for the
2 proposed extension area in Pinal County set forth in Exhibit A.

3 6. Staff's recommendations, as set forth herein as modified by Finding of Fact No. 22,
4 are reasonable and shall be adopted.

5 **ORDER**

6 IT IS THEREFORE ORDERED that the application of Santa Cruz Water Company, LLC and
7 Palo Verde Utilities Company, LLC to extend their Certificates of Convenience and Necessity to
8 provide water and wastewater services in Pinal County as described in Exhibit A attached hereto and
9 incorporated herein by reference is approved subject to the conditions and requirements
10 recommended by Staff, in the following ordering paragraphs.

12 IT IS FURTHER ORDERED that Santa Cruz Water Company, LLC and Palo Verde Utilities
13 Company, LLC shall charge their existing rates and charges currently on file with the Commission in
14 the extension area, until further Order of the Commission.

16 IT IS FURTHER ORDERED that Santa Cruz Water Company, LLC shall file with Docket
17 Control as a compliance item in this case a copy of the fully executed main extension agreements for
18 water facilities for Phase I of the extension area within 365 days of the effective date of this Decision
19 and all remaining fully executed main extension agreements for water facilities for the extension area
20 shall be filed as required by A.A.C. R14-2-406.

22 IT IS FURTHER ORDERED that Santa Cruz Water Company, LLC shall file a copy of the
23 Arizona Department of Environmental Quality Approval to Construct for the proposed wells and its
24 Production Plant with Docket Control as a compliance item in this case by December 31, 2006.

26 IT IS FURTHER ORDERED that Santa Cruz Water Company, LLC shall file a copy of the
27 Arizona Department of Environmental Quality Approval to Construct for the proposed water
28 Treatment Plant with Docket Control as a compliance item in this case by December 31, 2009.

1 IT IS FURTHER ORDERED that Santa Cruz Water Company, LLC shall file a copy of the
2 Arizona Department of Environmental Quality Approval of Construction for Phase 1 of the proposed
3 water system with Docket Control as a compliance item in this case by December 31, 2007.

4 IT IS FURTHER ORDERED that Santa Cruz Water Company, LLC shall file a copy of the
5 amendment to its existing Designation of Assured Water Supply, stating that there is adequate water
6 supply with Docket Control as a compliance item in this case, within 365 days of the effective date of
7 this Decision.
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9 IT IS FURTHER ORDERED that Santa Cruz Water Company, LLC and Palo Verde Utilities
10 Company, LLC shall file an amended Pinal County Franchise Agreement for the extension area, with
11 Docket Control as a compliance item in this case within 365 days of the effective date of this
12 Decision.

13 IT IS FURTHER ORDERED that Palo Verde Utilities Company, LLC shall file a copy of its
14 Surface Water Discharge Permit and Aquifer Protection Permit, issued by Arizona Department of
15 Environmental Quality with Docket Control as a compliance item in this case, by December 31,
16 2006.
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18 IT IS FURTHER ORDERED that Palo Verde Utilities Company, LLC shall file a copy of its
19 Approval to Construct for Phase 1 of the proposed sewer collection system with Docket Control as a
20 compliance item in this case by December 31, 2006.

21 IT IS FURTHER ORDERED that Palo Verde Utilities Company, LLC shall file a copy of the
22 Approval of Construction for Phase 1 of the proposed sewer collection system with Docket Control
23 as a compliance item in this case by December 31, 2007.
24

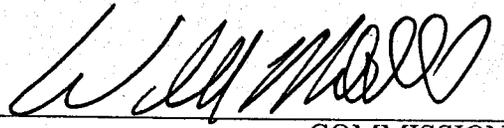
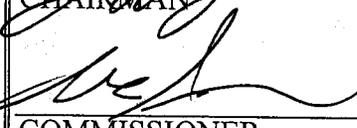
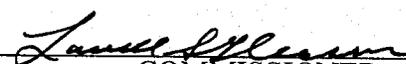
25 IT IS FURTHER ORDERED that Palo Verde Utilities Company, LLC shall file a copy of the
26 amended CAAG Section 208 Plan with Docket Control as a compliance item in this case by
27 December 31, 2006.
28

1 IT IS FURTHER ORDERED that failure by Santa Cruz Water Company, LLC and Palo
2 Verde Utilities Company, LLC to comply with Staff's recommendations, within the specified time
3 frames, set forth above, will render the Certificates null and void.

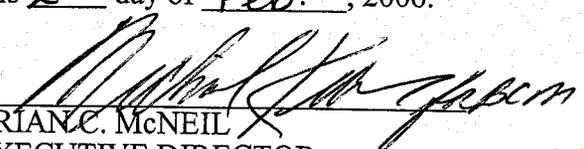
4 IT IS FURTHER ORDERED that Santa Cruz Water Company, LLC and Palo Verde Utilities
5 Company, LLC shall annually file as part of their annual reports, an affidavit with the Utilities
6 Division attesting that the Companies are current on paying their property taxes in Arizona.

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

8 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
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12 CHAIRMAN COMMISSIONER
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14 COMMISSIONER COMMISSIONER COMMISSIONER

15
16 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
17 Director of the Arizona Corporation Commission, have
18 hereunto set my hand and caused the official seal of the
19 Commission to be affixed at the Capitol, in the City of Phoenix,
20 this 2nd day of Feb., 2006.

21 
BRIAN C. McNEIL
EXECUTIVE DIRECTOR

22 DISSENT _____

23
24 DISSENT _____

25 YBK:mj

1 SERVICE LIST FOR:

PALO VERDE UTILITIES COMPANY, LLC and
SANTA CRUZ WATER COMPANY, LLC

2
3 DOCKET NO.:

SW-03575A-05-0307 and W-03576A-05-0307

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**LEGAL DESCRIPTION FOR
SOUTHWEST AREA EXPANSION #1
SANTA CRUZ WATER COMPANY
&
PALO VERDE UTILITIES COMPANY**

PAGE 1 OF 4

TOWNSHIP 5 SOUTH, RANGE 2 EAST, G&SRB&M, PINAL COUNTY,
ARIZONA

THE SOUTH HALF OF SECTION 11.

THAT PORTION OF THE NORTH HALF OF SECTION 16 DESCRIBED AS
FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 16;
THENCE SOUTH ALONG THE EAST LINE OF SAID SECTION 16 A DISTANCE
OF 2642.89 FEET;
THENCE WEST A DISTANCE OF 1319.00 FEET;
THENCE NORTH A DISTANCE OF 678.00 FEET;
THENCE WEST A DISTANCE OF 614.70 FEET;
THENCE N 32°25' 59" W A DISTANCE OF 417.07 FEET;
THENCE N 68° 20' 28" W A DISTANCE OF 581.41 FEET;
THENCE N 18° 01' 03" W A DISTANCE OF 873.50 FEET;
THENCE S 86° 13' 51" W A DISTANCE OF 631.79 FEET;
THENCE N 42° 39' 04 " W A DISTANCE OF 828.22 FEET TO A POINT ON THE
NORTH LINE OF SAID SECTION 16;
THENCE EAST ALONG THE NORTH LINE OF SAID SECTION 16 A DISTANCE
OF 4159.50 FEET TO THE POINT OF BEGINNING.

THE NORTH HALF OF SECTION 17.

SECTION 21, EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED
AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 21;
THENCE N 00° 09' E ALONG THE WEST LINE OF SAID SECTION 21 A
DISTANCE OF 2638.1 FEET TO THE WEST QUARTER CORNER OF SAID
SECTION 21;
THENCE S 89° 56' E ALONG THE NORTH LINE OF THE SOUTHWEST
QUARTER OF SAID SECTION 21 A DISTANCE OF 1402.3 FEET;
THENCE S 01° 46' W A DISTANCE OF 750.70 FEET;
THENCE S 13° 10' E A DISTANCE OF 556.8 FEET;
THENCE S 46° 47' E A DISTANCE OF 382.8 FEET;
THENCE S 53° 08' E TO A POINT ON THE EAST LINE OF SAID SOUTHWEST
QUARTER OF SECTION 21;
THENCE SOUTH ALONG SAID EAST LINE TO THE SOUTH QUARTER CORNER
OF SAID SECTION 21;
THENCE WEST ALONG THE SOUTH LINE OF SAID SECTION 21 TO THE TRUE
POINT OF BEGINNING.

PAGE 2 OF 4

SECTION 22, EXCEPTING THEREFROM THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER, AND THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER THEREOF; AND

EXCEPT A PARCEL OF LAND IN SECTION 22 DESCRIBED AS FOLLOWS: THAT PORTION OF SAID SECTION 22, EXCEPT THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHEAST QUARTER THEREOF THAT LIES WITHIN THE FOLLOWING DESCRIBED AREA; BEGINNING AT A POINT IN THE SOUTH BOUNDARY OF SAID SECTION 22 THAT BEARS N 89° 52' 17" W 837.00 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 22;

THENCE N 89° 52' 17" W 180.00 FEET ALONG THE SAID SOUTH BOUNDARY;

THENCE N 00° 12' 06" W 1067.08 FEET;

THENCE N 07° 49' 20" W 344.78 FEET;

THENCE N 15° 26' 33" W 772.29 FEET;

THENCE N 07° 46' 42" E 2002.56 FEET;

THENCE N 34° 25' 06" E 1384.65 FEET TO THE NORTH BOUNDARY OF SAID SECTION 22;

THENCE S 89° 52' 15" E 217.86 FEET ALONG THE NORTH BOUNDARY TO A POINT THAT BEARS N 89° 52' 15" W 27.45 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 22;

THENCE S 34° 25' 06" W 1057.55 FEET;

THENCE S 21° 05' 54" W 792.54 FEET;

THENCE S 07° 46' 42" W 1203.44 FEET;

THENCE S 03° 49' 55" E 611.82 FEET;

THENCE S 15° 26' 33" E 621.02 FEET

THENCE S 00° 12' 06" E 1266.13 FEET TO THE POINT OF BEGINNING.

THE SOUTHEAST QUARTER OF SECTION 23.

THE EAST HALF OF SECTION 26, EXCEPT THE NORTH HALF OF THE NORTH HALF THEREOF; AND EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 26; THENCE N 00° 00' 35" E ALONG THE EAST LINE OF SAID SECTION 2383.90 FEET;

THENCE S 89° 39' 20" W 123.00 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING S 89° 39' 20" W 677.00 FEET;

THENCE N 01° 57' 00" W 72.22 FEET;

THENCE S 89° 35' 30" W 531.48 FEET;

THENCE N 00° 25' 00" W 440.50 FEET;

THENCE N 89° 35' 23" E 1214.23 FEET;

THENCE S 00° 00' 35" W 513.50 FEET TO THE POINT OF BEGINNING.

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 27 DESCRIBED AS FOLLOWS; BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 27;

PAGE 3 OF 4

THENCE N 89° 27' E ALONG THE NORTH LINE OF SAID SECTION 27 A
 DISTANCE OF 1532.8 FEET;
 THENCE S 10° 27' W A DISTANCE OF 982.1 FEET;
 THENCE S 82° 38' W A DISTANCE OF 844.2 FEET;
 THENCE N 85° 41' W A DISTANCE OF 512.7 FEET TO A POINT ON THE WEST
 LINE OF SAID SECTION 27;
 THENCE N 00° 21' W ALONG SAID WEST LINE A DISTANCE OF 1020.4 FEET
 TO THE POINT OF BEGINNING.

THAT PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF
 SECTION 28 DESCRIBED AS FOLLOWS; BEGINNING AT THE NORTHEAST
 CORNER OF SAID SECTION 28;
 THENCE S 00° 21' E ALONG THE EAST LINE OF SAID SECTION 28 A
 DISTANCE OF 1020.4 FEET;
 THENCE N 85° 41' W A DISTANCE OF 56.1 FEET;
 THENCE N 78° 07' W A DISTANCE OF 613.3 FEET;
 THENCE N 68° 21' W A DISTANCE OF 962.2 FEET;
 THENCE N 72° 25' W A DISTANCE OF 568.6 FEET;
 THENCE N 36° 19' W A DISTANCE OF 430.5 FEET TO A POINT ON THE NORTH
 LINE OF SAID SECTION 28;
 THENCE N 89° 34' E ALONG SAID NORTH LINE A DISTANCE OF 2340.1 FEET
 TO THE POINT OF BEGINNING.

**TOWNSHIP 5 SOUTH, RANGE 3 EAST, G&SRB&M, PINAL COUNTY,
 ARIZONA**

SECTION 17.

SECTION 18, EXCEPT THE EASTERLY 1015.75 FEET OF THE SOUTH 725.00
 FEET OF THE SOUTHEAST QUARTER OF SAID SECTION 18.

THE EAST HALF OF SECTION 19, EXCEPT THAT PART DESCRIBED AS
 FOLLOWS: BEGINNING AT A POINT, SAID POINT BEING THE NORTHWEST
 CORNER OF SAID SECTION 19;
 THENCE N 88° 36' E 4200.00 FEET TO A POINT;
 THENCE S 01° 24' E 40 FEET TO A POINT, SAID POINT BEING THE POINT OF
 BEGINNING;
 THENCE S 33° 00' E 1505.00 FEET TO A POINT;
 THENCE N 89° 30' E 300.00 FEET TO A POINT;
 THENCE N 00° 30' W 1287.02 FEET TO A POINT;
 THENCE S 88° 36' W 1108.34 FEET TO A POINT, SAID POINT BEING THE POINT
 OF BEGINNING; AND EXCEPT THAT PART OF THE EAST HALF OF SAID
 SECTION 19 DESCRIBED AS FOLLOWS; COMMENCING AT THE NORTH
 QUARTER CORNER OF SAID SECTION 19;

PAGE 4 OF 4

THENCE SOUTHERLY ALONG THE NORTH-SOUTH MIDSECTION LINE,
BEARING S 00° 02' 22" E A DISTANCE OF 2940.00 FEET TO THE TRUE POINT
OF BEGINNING;
THENCE EASTERLY BEARING N 89° 57' 38" E A DISTANCE OF 190.00 FEET TO
A POINT;
THENCE SOUTHERLY BEARING S 00° 02' 22" E A DISTANCE OF 300.00 FEET
TO A POINT;
THENCE WESTERLY BEARING S 89° 57' 38" W A DISTANCE OF 190.00 FEET
TO A POINT;
THENCE NORTHERLY ALONG SAID MIDSECTION LINE BEARING N 00° 02'
22" W A DISTANCE OF 300.00 FEET TO THE POINT OF BEGINNING.

SECTION 20, EXCEPT THE SOUTHWEST QUARTER THEREOF.

THE NORTHWEST QUARTER OF SECTION 21.

SECTION 28.

SECTION 29.

THE SOUTHWEST QUARTER OF SECTION 31, TOGETHER WITH THE NORTH
HALF OF THE NORTHWEST QUARTER THEREOF.

**TOWNSHIP 6 SOUTH, RANGE 2 EAST, G&SRB&M, PINAL COUNTY,
ARIZONA**

SECTION 1, EXCEPT THE SOUTHWEST QUARTER THEREOF, AND EXCEPT
THE SOUTH 285 FEET OF GOVERNMENT LOT 6.

THAT PORTION OF SECTION 12 DESCRIBED AS FOLLOWS; GOVERNMENT
LOTS 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, THE NORTH HALF OF THE
NORTHEAST QUARTER OF GOVERNMENT 17, THE SOUTHEAST QUARTER OF
GOVERNMENT LOT 17, 21, 22, 23, AND 24.

THAT PORTION OF SECTION 13 DESCRIBED AS FOLLOWS; GOVERNMENT
LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, AND 12, EXCEPT THAT PORTION OF THE
SANTA ROSA CANAL LYING WITHIN SAID GOVERNMENT LOTS 4, 5, 9, AND
10.

