

**NEW APPLICATION**  
**ORIGINAL**  
**JOHNSON UTILITIES L.L**



0000040467

5230 East Shea Boulevard \* Scottsdale, Arizona 8.  
PH: (480) 998-3300; FAX: (480) 483-7908

February 7, 2006

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

WS-02987A-06-0077

Attached is an application by Johnson Utilities, L.L.C. for an Extension of Certificate of Convenience and Necessity. The purpose of this application is to expand the existing service area to include an area encompassing the development known as Ironwood Crossing and Section 7, Township 2 South, Range 8 East, G&SRM. The application also requests that some revisions be made to the tariffs of Johnson Utilities, L.L.C., and H2O, Inc., to allow the termination of water services by H2O, Inc, a water only provider, for the non-payment of the wastewater service as attached hereto as attachment 11.

Along with the items requested in the application Johnson Utilities is submitting a letter from Norm Nicholls, President of Fulton Homes Corporation, requesting wastewater service to Ironwood Crossing's attached hereto as Attachment 8. Also attached are the Master Utility Agreement and Master Wastewater Report for Ironwood Crossing attached hereto as attachment 9 & 10 respectfully. Thank you for your time and consideration in this matter.

Sincerely,  
Johnson Utilities, L.L.C.

Daniel Hodges

AZ CORP COMMISSION  
DOCUMENT CONTROL

2006 FEB - 8 A 9:56

RECEIVED

**ARIZONA CORPORATION COMMISSION**

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

**SEWER**

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

Johnson Utilities, L.L.C.  
5230 E. Shea Blvd., Suite 200  
Scottsdale, AZ. 85254  
480-998-3300

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

Brian P. Tompsett  
Johnson Utilities, L.L.C.  
5230 E. Shea Blvd., Suite 200  
Scottsdale, AZ. 85254  
480-998-3300

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

Robert Gonzales  
Johnson Utilities, L.L.C.  
968 E. Hunt Hwy.  
Queen Creek, AZ. 85242-7450  
480-987-9870

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

Richard Sallquist  
Sallquist, Drummond & O'Connor  
4500 South LakeShore Dr., Suite 339  
Tempe, AZ. 85282  
480-839-5202

E. Attach the following documents that apply to you:

1. Certificate of Good Standing (if corporation)

See Attachment 1

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

Not Applicable

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.

See Attachment 2

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.

See Attachment 3

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

See Attachment 4

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:

See Attachment 5

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.

Not Applicable

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

1st Year	\$32,256
2nd Year	\$161,280
3rd Year	\$355,320
4th Year	\$549,864
5th Year	\$744,660

• **Complete Attachment "D" (Water Use Data Sheet) for the past 13 months.**

Not Applicable

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

1st Year	\$25,805
2nd Year	\$129,024
3rd Year	\$284,256
4th Year	\$439,891
5th Year	\$595,728

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

See Attachment 6

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

The construction of the additional utility facilities needed to serve the area covered by this Application will be financed primarily by advances in aid of construction and hook-up fees in accordance with Commission regulations and Johnson Utilities applicable tariffs, as well as pursuant to the terms of any main extension agreements between Johnson Utilities and Fulton Homes Corporation. Copies of all fully executed main extension agreements for water facilities between parties shall be filed with the Commission in support of this Application when completed.

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

Start date: July, 2006

Completion date: July, 2011

M. Attach the following permits:

1. Franchise from either the City or County for the area requested.

See Attachment 7

2. Arizona Department of Environmental Quality or designee's approval to construct facilities

Arizona Department of Environmental Quality Approvals to Construct the facilities to serve the requested extension area will be provided to the Commission as soon as they are received by Johnson Utilities.

3. Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.)

Not Applicable

4. U.S. Forest Service approval-

Not Applicable

5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of 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.

Not Applicable

• 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.

Not Applicable

- 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.

Not Applicable

*Daniel R. Hodges*  
(Signature of Authorized Representative)

Daniel R. Hodges  
(Print of Type Name Here)

Vice President  
(Title)

SUBSCRIBED AND SWORN to before me this 7 day of February, 2008



*[Signature]*  
NOTARY PUBLIC

My Commission Expires 12/23/2008

# ATTACHMENT 1

# 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

**\*\*\*JOHNSON UTILITIES, L.L.C.\*\*\***

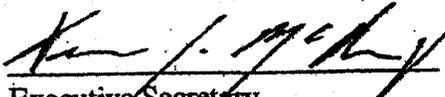
a domestic limited liability company organized under the laws of the State of Arizona, did organize on the 5th day of June 1997.

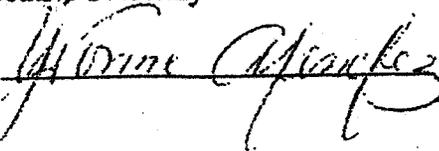
I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company is not administratively dissolved for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed Articles of Termination 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 December, 2004, A. D.



  
Executive Secretary

By 

# ATTACHMENT 2

**Legal Description**

ALL OF SECTION 7, TOWNSHIP 2 SOUTH, RANGE 8 EAST OF THE GILA AND  
SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA

**EXHIBIT "A"**  
**FULTON HOMES**  
**WITH COMMERCIAL SITE**  
**LEGAL DESCRIPTION**

That portion of Section 18, Township 2 South, Range 8 East of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

**BEGINNING** at an aluminum cap accepted as the Northwest corner of said Section 18 from which a 2-1/2" GLO brass cap accepted as the North quarter corner thereof bears North 89 degrees 53 minutes 02 seconds East a distance of 3395.56 feet;

Thence along the north line of the Northwest quarter of said Section 18, North 89 degrees 53 minutes 02 seconds East a distance of 3395.56 feet to the North quarter corner of said Section 18;

Thence along the north line of the Northeast quarter of said Section 18, North 89 degrees 49 minutes 42 seconds East a distance of 2642.05 feet to the Northeast corner of said Section 18;

Thence along the east line of said Northeast quarter, South 00 degrees 11 minutes 57 seconds East a distance of 2642.94 feet to the East quarter corner of said Section 18;

Thence along the east line of the Southeast quarter of said Section 18, South 00 degrees 13 minutes 40 seconds East a distance of 2640.26 feet to the Southeast corner of said Section 18;

Thence along the south line of said Southeast quarter, South 89 degrees 50 minutes 19 seconds West a distance of 2642.33 feet to the South quarter corner of said Section 18;

Thence along the south line of the Southwest quarter of said Section 18, South 89 degrees 50 minutes 20 Seconds West a distance of 2642.76 feet to the east line of lot 10;

Thence along said east line, North 00 degrees 12 minutes 26 seconds West a distance of 1320.03 feet to the north line of said lot 10;

Thence along said north line, South 89 degrees 50 minutes 16 seconds West a distance of 731.26 feet to a point on the west line of said Southwest quarter;

Thence along said west line, North 00 degrees 31 minutes 02 seconds West a distance of 1138.87 feet to the East quarter corner of Section 13, Township 2 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona;

Thence along the east line of the Northeast quarter of said Section 13, North 00 degrees 31 minutes 47 seconds West a distance of 2618.40 feet to the Northeast corner of said Section 13;

Thence along the east line of the Southeast quarter of Section 12, Township 2 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona, North 00 degrees 27 minutes 37 seconds West a distance of 208.19 feet to the **POINT OF BEGINNING.**

Site area contains 30,862,676 Square Feet or 708.5096 Acres, more or less and being subject to any easements, restrictions, rights-of-way of record or otherwise.

Prepared by: CMX L.L.C.  
7740 N. 16th Street, Suite 100  
Phoenix, AZ 85020  
Project No. 6987.01  
August 30, 2005



SECTION 12

NORTHWEST CORNER  
SECTION 18, T2S, R8E  
FOUND ALUMINUM CAP  
P.O.B.

NORTHEAST CORNER  
SECTION 18, T2S, R8E  
FOUND 3-1/2" ALUMINUM CAP

### PIMA ROAD ALIGNMENT

N89°53'02"E ;

N89°49'42"E

3395.56'

2642.05'

N00°27'37"W

208.19'

NORTH QUARTER CORNER

SECTION 18, T2S, R8E

FOUND 2-1/2" GLO  
BRASS CAP

NORTHEAST CORNER

SECTION 13, T2S, R7E

FOUND 3-1/8" BRASS CAP

ROAD

2642.94'

S00°11'57"E

SECTION 13

MERIDIAN ROAD ALIGNMENT

N00°31'47"W

2618.40'

WEST QUARTER CORNER

SECTION 18, T2S, R8E

NOTHING FOUND OR SET  
(CALCULATED POSITION)

EAST QUARTER CORNER

SECTION 13, T2S, R7E

FOUND ALUMINUM CAP

S89°50'16"W

731.26'

EAST QUARTER CORNER

SECTION 18, T2S, R8E

FOUND 3/4" IRON PIPE

SECTION 18

2618.89'

1138.87'

LOT 10

1320.03'

N00°12'26"W

SOUTH QUARTER CORNER

SECTION 18, T2S, R8E

FOUND 2-1/2" GLO  
BRASS CAP

2642.76'



IRONWOOD

2640.26'

S00°13'40"E

N00°31'02"W

S89°50'20"W

3366.88'

2642.33'

S89°50'19"W

### OCOTILLO ROAD

SOUTHWEST CORNER

SECTION 18, T2S, R8E

FOUND 3" BRASS CAP  
IN HAND HOLE

SOUTHEAST CORNER

SECTION 18, T2S, R8E

FOUND 3" BRASS CAP  
IN HAND HOLE

SOUTHEAST CORNER

SECTION 13, T2S, R7E

FOUND 3-1/2" BRASS CAP  
IN HAND HOLE

SITE AREA CONTAINS 30,862,676 SQ. FT.  
OR 708.5096 ACRES MORE OR LESS.



CMX PROJ.	6987.01
DATE:	08/30/05
SCALE:	N.T.S.
DRAWN BY:	JDL
CHECKED BY:	KCO

FULTON HOMES W/ COMMERCIAL SITE  
 IRONWOOD RD & OCOTILLO RD  
 PINAL COUNTY, ARIZONA  
**EXHIBIT "B"**

7740 N. 16TH ST. STE.100  
 PHOENIX, AZ 85020  
 PH (602) 567-1900  
 FAX (602) 567-1901  
 www.cmxinc.com

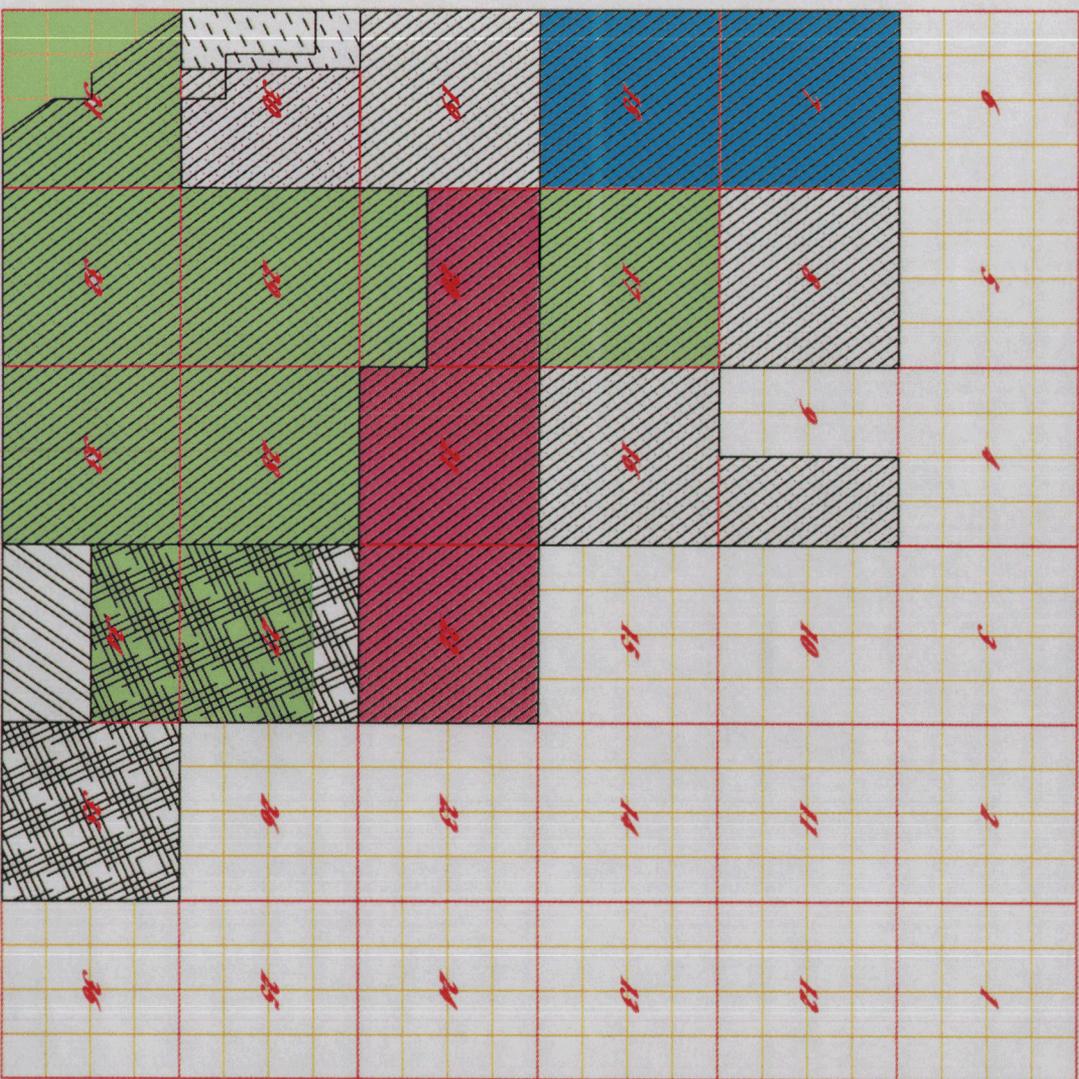


X:\6900\6987.01\Exhibits\EXHIBIT-D1 FULTON GROSS EXHIB1.dwg 09-07-2005 10:19am

# ATTACHMENT 3

# COUNTY: Pinal

## RANGE 8 East



## TOWNSHIP 2 South

-  Sewer SW-4002 (1)  
Arizona Utility Supply & Services, LLC
-  Sewer Area Requested
-  Sewer JOHNSON UTILITIES, LLC  
EXISTING AREA
-  W-1395 (2)  
Queen Creek Water Company
-  W-2425 (2)  
Sun Valley Farms Unit VI Water Company
-  W-2859 (3)  
Diversified Water Utilities, Inc.
-  W-2234 (2)  
H<sub>2</sub>O, Inc.

# ATTACHMENT 4

**ULLMANN**  
**& COMPANY P.C.**  
Certified Public Accountants

COPY

To The Members of  
Johnson Utilities, L.L.C.  
Scottsdale, Arizona

We have compiled the accompanying balance sheet of Johnson Utilities, L.L.C. as of December 31, 2004 and the related statement of income for the year then ended, in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by, or provided for, the Company. Members are taxed individually on their shares of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the operating agreement of the Company.

This report is intended solely for the information and use of the owners, management, and others within the company and is not intended to be and should not be used by anyone other than these specified parties.

*Ullmann & Company*

Ullmann & Company, P.C.  
Certified Public Accountants

March 22, 2005

**Johnson Utilities, L.L.C.**  
**Balance Sheet**  
**December 31, 2004**

**ASSETS**

**Utility Plant**

Plant in Service	\$ 43,401,105
Less: Accumulated Depreciation	(3,059,198)
<b><u>Net Utility Plant in Service</u></b>	<b><u>\$ 40,341,907</u></b>

Construction Work in Progress	11,683,873
<b><u>Net Utility Plant</u></b>	<b><u>\$ 52,025,780</u></b>

**Current Assets**

Cash	\$ 12,095,748
Accounts Receivable	1,426,269
Other Receivables	46,475
<b><u>Total Current Assets</u></b>	<b><u>\$ 13,568,492</u></b>

**Other Assets**

Deferred Legal Fees	\$ 562,395
Deferred Engineering Fees	234,000
<b><u>Total Other Assets</u></b>	<b><u>\$ 796,395</u></b>

<b><u>Total Assets</u></b>	<b><u>\$ 66,390,667</u></b>
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**MEMBER'S CAPITAL & LIABILITIES**

<b><u>Member's Capital</u></b>	<b><u>\$ 5,903,909</u></b>
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<b><u>Contributions in Aid of Construction</u></b>	<b><u>\$ 34,719,161</u></b>
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<b><u>Long-Term Debt</u></b>	<b><u>\$ 772,000</u></b>
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**Current Liabilities**

Accounts Payable	\$ 2,140,236
Current Portion of Advances in Aid of Construction	333,000
Customer Deposits	173,317
Accrued Taxes	234,177
<b><u>Total Current Liabilities</u></b>	<b><u>\$ 2,880,730</u></b>

**Deferred Liabilities**

Advances in Aid of Construction, Less Current Portion	\$ 22,114,867
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<b><u>Total Member's Capital &amp; Liabilities</u></b>	<b><u>\$ 66,390,667</u></b>
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**See Accountants' Compilation Report**

**Johnson Utilities, L.L.C.**  
**Statement of Income**  
**December 31, 2004**

<b><u>Operating Revenue</u></b>	
Water Sales	\$ 4,558,747
Sewer Fees	2,518,206
Other Revenue	540,856
<b><u>Total Revenue</u></b>	<b><u>\$ 7,617,809</u></b>
<b><u>Operating Expenses</u></b>	
Purchased Water	\$ 606,867
Purchased Power	456,162
Repairs & Maintenance	99,644
Outside Services	3,721,256
Water Testing	159,832
Insurance	105,090
Sludge Removal	53,533
Wastewater Treatment	1,070
Miscellaneous Operating Expense	301,219
Depreciation and Amortization	304,449
Taxes Other Than Income	10,265
Property Taxes	97,798
<b><u>Total Operating Expenses</u></b>	<b><u>\$ 5,917,185</u></b>
<b><u>Net Operating Income</u></b>	<b><u>\$ 1,700,624</u></b>
<b><u>Other Income (Expenses)</u></b>	
Interest Income	\$ 24,641
Non-Utility Income	1,767
Interest Expense	(67,678)
<b><u>Total Other Income (Expenses)</u></b>	<b><u>\$ (41,270)</u></b>
<b><u>Net Income</u></b>	<b><u>\$ 1,659,354</u></b>

**See Accountants' Compilation Report**

# ATTACHMENT 5

**IRONWOOD CROSSING**

*Fulton Homes*

Johnson Utilities Absorption Analysis

Date: 9/14/2005

Single-Family Residential				
	Lot Size	Total Units	Monthly Sales	Annual Sales
1	48' x 115'	718	12	144
2	60' x 120'	803	12	144
3	70' x 125'	591	8	96
<b>Totals</b>		<b>2,112</b>	<b>32</b>	<b>384</b>

New Customers					
Year 1 Units (2007)	Year 2 Units (2008)	Year 3 Units (2009)	Year 4 Units (2010)	Year 5 Units (2011)	5-Year Total Units
48	144	144	144	144	624
48	144	144	144	144	624
32	96	96	96	96	416
<b>128</b>	<b>384</b>	<b>384</b>	<b>384</b>	<b>384</b>	<b>1,564</b>

<b>Commercial</b>
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0	0	2	2	3	7
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# ATTACHMENT 6

**Project Name: Ironwood Crossing Sewer Summary**

**Engineer: CMX, L.L.C.**

**Contact Name: Sherri Koshiol**

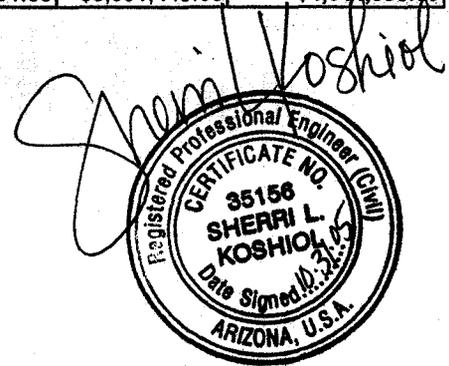
**Contact Phone #: 480-648-1900 x104**

**Developer: Fulton Homes**

**Contact Name: Chris Webb**

**Contact Phone #: 480-753-6789**

	UNIT	Offsite	Onsite	EXTENDED COST
<b>SEWER IMPROVEMENTS</b>				
8" SDR 35 Sewer Line	LF	\$98,931.00	\$2,129,295.00	\$2,228,226.00
8" SDR 35 Sewer Line Force Main	LF	\$248,640.00	\$0.00	\$248,640.00
10" SDR 35 Sewer Line	LF	\$40,500.00	\$0.00	\$40,500.00
4" PVC Sewer Service	EA	\$0.00	\$852,000.00	\$852,000.00
4' Dia Conc Manhole	EA	\$4,900.00	\$850,150.00	\$855,050.00
5' Dia Conc Manhole	EA	\$44,800.00	\$0.00	\$44,800.00
8" Valves	EA	\$680.00	\$0.00	\$680.00
Sewer Lift Station	EA	\$375,000.00	\$0.00	\$375,000.00
<b>Sewer Improvements Total</b>		<b>\$813,451.00</b>	<b>\$3,831,445.00</b>	<b>\$4,644,896.00</b>



**Project Name: Ironwood Crossing Offsite Sewer**

**Engineer: CMX, L.L.C.**

**Contact Name: Sherri Koshiol**

**Contact Phone #: 480-648-1900 x104**

**Developer: Fulton Homes**

**Contact Name: Chris Webb**

**Contact Phone #: 480-753-6789**

	UNIT	Phase I Infra	Collector Ph I	UNIT COST	EXTENDED COST
<b>SEWER IMPROVEMENTS</b>					
8" SDR 35 Sewer Line	LF		4,711	\$ 21.00	\$98,931.00
8" SDR 35 Sewer Line Force Main	LF	11,840		\$ 21.00	\$248,640.00
10" SDR 35 Sewer Line	LF		1,620	\$ 25.00	\$40,500.00
12" PVC Sewer Line	LF			\$ 43.00	\$0.00
18" PVC Sewer Line	LF			\$ 60.00	\$0.00
4" PVC Sewer Service	EA			\$ 400.00	\$0.00
4' Dia Conc Manhole	EA		2	\$ 2,450.00	\$4,900.00
5' Dia Conc Manhole	EA		14	\$ 3,200.00	\$44,800.00
Cleanout	EA			\$ 450.00	\$0.00
8" Valves	EA	20		\$ 34.00	\$680.00
Sewer Lift Station	EA	1		\$ 375,000.00	\$375,000.00
<b>SEWER IMPROVEMENTS TOTAL</b>					<b>\$813,451.00</b>

*Sherri Koshiol*

Registered Professional Engineer (Civil)  
 CERTIFICATE NO. 35156  
 SHERRI L. KOSHIOL  
 Date Signed 10-31-10  
 ARIZONA, U.S.A.



**Project Name: Ironwood Crossing**

**Engineer: CMX, L.L.C.**

**Contact Name: Sherri Koshiol**

**Contact Phone #: 480-648-1900 x104**

	UNIT	Parcel 14	Parcel 15	Parcel 17	Parcel 18	Parcel 19	Parcel 20	UNIT COST	EXTENDED COST
<b>SEWER IMPROVEMENTS</b>									
8" SDR 35 Sewer Line	LF	4,735	5,430	4,635	5,930	7,370	6,900	\$ 21.00	\$2,129,295.00
4" PVC Sewer Service	EA	69	113	99	165	146	122	\$ 400.00	\$852,000.00
4' Dia Conc Manhole	EA	16	19	16	20	25	23	\$ 2,450.00	\$850,150.00
<b>SEWER IMPROVEMENTS TOTAL</b>									<b>\$3,831,445.00</b>

*Sherri Koshiol*

# ATTACHMENT 7

9

When recorded mail to:

Pinal County Board of Supervisors  
P.O. Box 827  
Florence, Arizona 85232

	<b>OFFICIAL RECORDS OF PINAL COUNTY RECORDER LAURA DEAN-LYTTLE</b>
DATE: 06/01/01	TIME: 1542
FEE: \$ .00	
PAGES: 6	
FEE NO: 2001-024621	

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(The above space reserved for recording information)

**CAPTION HEADING**

Seventh expansion of Johnson Utilities Company water and sewer utility franchise

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**Expansion and Amendment Of The Johnson Utility Water and Sewer Franchise**

WHEREAS, Johnson Utilities L.L.C. had received a water and sewer franchise from Pinal County to establish and maintain water and sewer services on October 12, 1995 (1995-033065), amended on July 9, 1997 (1997-030624), May 20, 1998 (1998-031193), November 4, 1998 (1998-050223), November 17, 1999 (1999-053478), August 2, 2000 (2000-032663), and December 13, 2000 (2001-002045) (hereinafter "Existing Franchise").

WHEREAS, Johnson Utilities L.L.C., an Arizona limited liability corporation, duly authorized to conduct business in the State of Arizona, has duly filed and presented to the Board of Supervisors of the County of Pinal, State of Arizona, its application for expansion of the Existing Franchise for the purpose of constructing, operating and maintaining water and sewer lines and related appurtenances along, under and across the public streets, alleys and highways, except federal and state highways, within the unincorporated area of Pinal County, Arizona, as described in Exhibit "A" attached hereto (hereinafter "Expansion").

WHEREAS, upon filing of Johnson Utilities L.L.C.'s application for the Expansion, a copy of which is attached hereto as Exhibit "C" without its exhibits, the Board of Supervisors of Pinal County ordered a public notice of its intent to consider the granting of the Expansion to be published in a newspaper of general circulation, in Pinal County, Arizona, stating the time and place for consideration of the Expansion was set for 9:30 A.M. on May 30<sup>th</sup>, 2001, at the Pinal County Board of Supervisors' Hearing Room, Administration Building No. 1, Florence, Arizona.

WHEREAS, said application for the Expansion and Amendment having come on regularly for hearing at 9:30 A.M. on May 30<sup>th</sup>, 2001; and it appearing from the affidavit of the publisher of the Florence Reminder & Blade Tribune that due and regular notice of said time and place set for the consideration of such action has been published for at least once a week for three consecutive weeks prior to said hearing date, to-wit: in the issues of the Florence Reminder and Blade-Tribune published on May 10, 2001, May 17, 2001, and May 24, 2001; and the matter being called for hearing at 9:30 A.M., and an opportunity having been given to all interested parties to be heard.

WHEREAS, the Board of Supervisors of Pinal County has the power to amend an existing franchise under its general police powers in such matters.

Seventh Amended  
Johnson Utility Water and Sewer Franchise

**NOW, THEREFORE,****Section 1: DEFINITIONS**

The following terms used in this expansion and amendment of the Existing Franchise shall have the following meanings:

- A. County: Pinal County, Arizona
- B. Board: Board of Supervisors of Pinal County, Arizona.
- C. Grantor: Pinal County, by and through its Board of Supervisors
- D. Grantee: Johnson Utilities L.L.C., an Arizona limited liability corporation, its successors and assigns
- E. Grantee's Facilities: water and sewer lines and related appurtenances

**Section 2: GRANT**

Grantor, on May 30<sup>th</sup>, 2001, hereby grants to Grantee, for a period of time not to exceed the Existing Franchise, this expanded and amended franchise (hereinafter "Seventh Amended Franchise") for the purpose of constructing, operating and maintaining water and sewer lines and related appurtenances along, under and across public streets, alleys and highways, except federal and state highways, under the terms and conditions set forth herein within the unincorporated area of Pinal County, Arizona, as described in the Expansion and the Existing Franchise (hereinafter "Franchise Area").

**Section 3: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE**

The Seventh Amended Franchise shall be accepted by Grantee by written instrument in the form attached hereto as Exhibit "B" (hereinafter "Acceptance"), executed and acknowledged by it as a deed is required to be, and filed with the Clerk of the Pinal County Board of Supervisors within thirty days after the date this Sixth Amended Franchise is accepted by County. This Seventh Amended Franchise shall be effective upon delivery of the Acceptance to the Clerk of the Pinal County Board of Supervisors in the form required and within the time specified above.

**Section 4: LIMITS ON GRANTEE'S RECOURSE**

A. Grantee by its acceptance of the Seventh Amended Franchise acknowledges such acceptance relies upon grantee's own investigation and understanding of the power and authority of the County to grant said franchise. Grantee by its acceptance of the Seventh Amended Franchise accepts the validity of the terms and conditions of the Seventh Amended Franchise in their entirety and agrees it will not, at any time, proceed against County in any claim or proceeding challenging any term or provision of the Seventh Amended Franchise as unreasonable, arbitrary or void, or that County did not have the authority to impose such term or condition.

B. Grantee by accepting the Seventh Amended Franchise acknowledges that it has not been induced to accept the same by any promise, verbal or written, by or on behalf of County or by any third person regarding any term or condition of the Seventh Amended Franchise not expressed therein. Grantee by its acceptance of the Seventh Amended Franchise further pledges that no promise or inducement, oral or written, has been made to any employee or official of County regarding receipt of the Seventh Amended Franchise.

C. Grantee by its acceptance of the Seventh Amended Franchise further acknowledges that it has carefully read the terms and conditions of the Seventh Amended Franchise and accepts without reservation the obligations imposed by the terms and conditions herein.

D. In case of conflict or ambiguity between the Seventh Amended Franchise and the Existing Franchise, the provision which provides the greatest benefit to County, as determined solely by County, shall prevail.

E. The Board's decision concerning its selection and awarding of the Seventh Amended Franchise shall be final.

#### **Section 5: SEVERABILITY**

If any section, provision, term or covenant or any portion of any section, provision, term or covenant of the Seventh Amended Franchise is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on any remaining portion of such section, provision, term or covenant or the remaining sections, provisions, terms or covenants of the Seventh Amended Franchise, all of which will remain in full force and effect for the term of the Seventh Amended Franchise or any renewal or renewals thereof.

#### **Section 6: NOTICE**

Notices required under the Seventh Amended Franchise shall be delivered or sent by certified mail, postage prepaid to:

Grantor:

Clerk of the Pinal County Board of Supervisors  
P.O. Box 827  
31 N. Pinal  
Florence, Arizona 85232

Grantee:

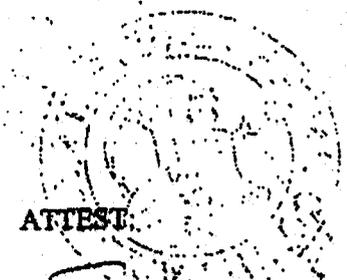
Johnson Utilities L.L.C.  
5320 E. Shea Blvd.  
Scottsdale, Arizona 85254

Seventh Amended  
Johnson Utility Water and Sewer Franchise

The delivery or mailing of such notice shall be equivalent to direct personal notice and shall be deemed to have been given at the time of delivery. Either party may change its address under this section by written notice to the other party.

IN WITNESS WHEREOF, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and cause its official seal to be affixed on May 30<sup>th</sup>, 2001.

PINAL COUNTY BOARD OF SUPERVISORS



Jimmie B. Kerr  
Jimmie B. Kerr, Chairman 5/30/01

ATTEST

Sheri Cluff  
Sheri Cluff, Deputy Clerk of the Board

APPROVED AS TO FORM:

ROBERT CARTER OLSON  
PINAL COUNTY ATTORNEY

Rick V. Husk  
Rick V. Husk  
Deputy County Attorney

**Pinal County  
Exhibit A**

**Requested Utility Franchise  
Johnson Utilities Company**

**Property located in Sections 7, 8, 9, 16, 17, and 18, Township 2 South, Range 8 East, G. & S.R.M., Pinal County, Arizona, being more particularly described as follows:**

**All of Section 7,  
All of Section 8,  
The East half of Section 9,  
All of Section 16,  
All of Section 17,  
and  
All of Section 18;**

**All in Township 2 South, Range 8 East, G. & S.R.M., Pinal County, Arizona**

**Exhibit B****SAMPLE ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE**

To: Board of Supervisors Pinal County, Arizona

Grantee, Johnson Utilities L.L.C., an Arizona limited liability corporation, does hereby accept the \_\_\_\_\_ grant of a Seventh Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain water and sewer 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, a copy of which is attached to the Seventh Amended Franchise, 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 Seventh 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 Seventh Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Seventh Amended Franchise recited to have been or to be made by Grantee.

sttyov7franchiseVolnson Utility Sixth E&A Franchise Pinal



The delivery or mailing of such notice shall be equivalent to direct personal notice and shall be deemed to have been given at the time of delivery. Either party may change its address under this section by written notice to the other party.

IN WITNESS WHEREOF, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and cause its official seal to be affixed on May 30<sup>th</sup>, 2001.

PINAL COUNTY BOARD OF SUPERVISORS



*Jimmie B. Kerr*  
Jimmie B. Kerr, Chairman 5/30/01

ATTEST

*Sheri Cluff*  
Sheri Cluff, Deputy Clerk of the Board

APPROVED AS TO FORM:

ROBERT CARTER OLSON  
PINAL COUNTY ATTORNEY

*Rick V. Husk*  
Rick V. Husk  
Deputy County Attorney

# ATTACHMENT 8



November 3, 2005

Via Facsimile and Mail

Brian P. Tompsett, P.E.  
JOHNSON UTILITIES, L.L.C.  
5230 East Shea Boulevard  
Scottsdale, Arizona 85254

***Re: Ironwood Crossing - Request for Wastewater Utility Service***

Dear Brian:

Fulton Homes owns certain real property described on the enclosed legal description and located in Section 18, Township 2 South, Range 8 East, G&SRB&M, Pinal County, Arizona. The property is being developed by Fulton Homes as a master-planned development known as Ironwood Crossing, and will consist of approximately 2,112 single-family homes, a school site and a 50-acre commercial site.<sup>1</sup> The Ironwood Crossing development is located within the existing certificate of convenience and necessity ("CC&N") of H2O, Inc., for water service, but is not within the CC&N of any private wastewater provider. Therefore, Fulton Homes requests that Johnson Utilities Company ("JUC" or the "Company") provide wastewater service to the development. Fulton Homes acknowledges that before JUC can provide wastewater service to the Ironwood Crossing development, the Company must obtain approval from the Arizona Corporation Commission ("Commission") to extend its CC&N to include the development. Fulton Homes further acknowledges that it will be required to enter into JUC's standard main extension agreement for wastewater service, pursuant to which Fulton Homes must pay for all on-site wastewater collection infrastructure and hook up fees approved by the Commission and set forth in JUC's tariff. Fulton Homes further acknowledges that wastewater service will be provided to the development pursuant to all orders, rules, regulations, tariffs, terms and conditions authorized by the Commission and applicable to JUC. Finally, Fulton Homes acknowledges that JUC must obtain the approval of Pinal County to extend its franchise to include the Ironwood Crossing development, and must obtain approval from the Central Arizona Association of Governments ("CAAG") to include the development in CAAG's 208 planning document.

---

<sup>1</sup> The 50-acre commercial site is owned by Barnes Farm Commercial, L.L.C., of which Fulton Homes Corporation has a 25% interest. The remaining 75% interest is held by Vanderbilt Farms, L.L.C., and KevinP, L.L.C., which have authorized Fulton Homes to request that the commercial site be included in JUC's CC&N.

In reaching the decision to request wastewater service from JUC, Fulton Homes considered all available options for wastewater service to the Ironwood Crossing development. As you are aware, the Town of Queen Creek has claimed a desire to provide wastewater service to the development despite the fact that the development is located outside the municipal boundaries of the Town and outside Maricopa County. Fulton Homes had many meetings and discussions with the Town over a nearly two-year period regarding the provision of wastewater service to the development, but the Town will not provide wastewater service outside of its municipal boundaries. Annexation of the Ironwood Crossing development by the Town is simply not a viable option. The Planned Area Development ("PAD") for this development has been approved by the Pinal County Board of Supervisors since 2001. Annexation by the Town of Queen Creek at this juncture would result in an estimated 30% reduction in density due to the current planning and zoning requirements of the Town. Annexation would also result in lengthy delays in the zoning and platting process, which would further delay the project in getting to market. In addition, the development would become subject to the municipal policies of the Town, placing it at a near insurmountable economic disadvantage to adjacent developments in Pinal County along the Ironwood Road corridor. In short, annexation of the Ironwood Crossing development by the Town would threaten the economic viability and competitiveness of the project. Thus, Fulton Homes ruled out the Town of Queen Creek as a wastewater provider.

Fulton Homes also considered forming a new wastewater utility and on-site wastewater treatment plant to serve the development. However, given the proximity of JUC's existing force main and lift station in Ironwood Road immediately adjacent to the development, and the fact that JUC has available capacity at its regional Pecan Plant immediately south of the development, Fulton Homes determined that JUC was the logical wastewater service provider. For the same reasons, Fulton Homes elected not to pursue formation of a non-profit wastewater provider that would dispose of wastewater pursuant to a bulk wastewater agreement.

A final point of consideration in requesting wastewater service from JUC as opposed to the Town of Queen Creek is Fulton Homes' support for the important policy that effluent produced in Pinal County should remain in Pinal County. Wastewater effluent is a valuable resource which plays a vital role in water conservation. Wastewater collected in the Town's systems ends up in Maricopa County, and the effluent resource is lost to Pinal County. We believe that Pinal County officials would share our view that effluent produced from Ironwood Crossing should be safeguarded to provide for growth and development in Pinal County.

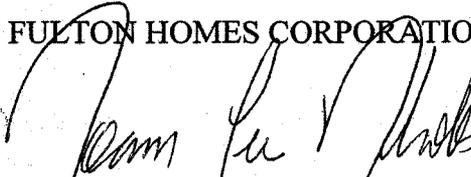
We are anxious to proceed with the extension of JUC's CC&N to include the Ironwood Crossing development. Enclosed for your use in JUC's various filings is a copy of a Master Wastewater Report for Ironwood Crossing dated October 2005 prepared by CMX, L.L.C. The Master Wastewater Report provides a description of the proposed sewer system for Ironwood Crossing (including hydraulic analysis and anticipated locations and sizes of the proposed onsite sewer lines) and addresses how the on-site infrastructure will connect to JUC's existing infrastructure in Ironwood Road.

Brian P. Tompsett, P.E.  
November 3, 2005  
Page 3

If we can provide further assistance to Johnson Utilities Company in obtaining the required authorizations, please do not hesitate to call my office at (480) 753-6789.

Very truly yours,

FULTON HOMES CORPORATION

A handwritten signature in black ink, appearing to read "Norm Nicholls", written over the printed name below.

Norm Nicholls, President

NN/jwc  
Enclosures  
cc with enclosures: Jeff Crockett

# ATTACHMENT 9

**MASTER UTILITY AGREEMENT  
FOR  
WASTEWATER FACILITIES**

**BETWEEN**

**JOHNSON UTILITIES, L.L.C.  
dba JOHNSON UTILITIES COMPANY**

**AND**

**FULTON HOMES CORPORATION**

**FOR**

**IRONWOOD CROSSING  
PINAL COUNTY, ARIZONA**

**JANUARY 20, 2006**

## MASTER UTILITY AGREEMENT

THIS MASTER UTILITY AGREEMENT ("Master Agreement"), entered into this 20th day of January, 2006, by and between JOHNSON UTILITIES, L.L.C., dba JOHNSON UTILITIES COMPANY (hereinafter referred to as the "Company") and FULTON HOMES CORPORATION, an Arizona corporation, or its successors or assigns, (hereinafter referred to as the "Developer"), is regarding the provision of wastewater utility services to Ironwood Crossing, a multi-phase master planned development in Pinal County, Arizona (hereinafter referred to as the "Development").

### WITNESSETH

WHEREAS, the Company owns and operates a public service corporation and holds a Certificate of Convenience and Necessity ("CC&N") authorizing it to provide the public with wastewater utility services; and

WHEREAS, the Developer has requested that the Company provide wastewater service to the Development, which Development is described by metes and bounds on **Attachment A** hereto; and

WHEREAS, the Development is not located within the CC&N of the Company, or any other regulated public service corporation, but the Company is willing to apply to the Arizona Corporation Commission ("Commission") for an extension of its CC&N to include the Development; and

WHEREAS, Developer intends to develop a total of approximately 2,112 residential units within the Development; and

WHEREAS, the Developer has obtained zoning authorizations and approvals for the master plan on a Development-wide basis; and

WHEREAS, the homes within the Development will be constructed in four phases identified as Units 1 (comprised of Phase 1A and Phase 1B), 2, 3 and 4; and

WHEREAS, for the Developer to obtain: (1) the required approvals for the Development, or (2) commitments from prospective builders of subdivisions within the Development, or (3) necessary financing for development of and improvements within the Development, it is necessary for the Developer to have certain assurances regarding the provision of wastewater services and facilities within the entire Development at this time; and

WHEREAS, in connection with it providing utility services, the Company is authorized and required to assess Off-Site Facilities Hook-Up Fees ("HUFs") for wastewater service pursuant to Commission Tariffs authorized for the Company; and

WHEREAS, in areas such as the Development in which the Company does not presently own and operate wastewater collection systems, the Commission Rules and Regulations contemplate the Company and the Developer entering into Line Extension Agreement(s) as more particularly described below; and

WHEREAS, the Developer needs certain assurances as to the timing of construction of the necessary wastewater facilities and the adequacy of wastewater services for the Development.

NOW, THEREFORE, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. As soon as reasonably practicable following execution of this Master Agreement, the Company shall file an application with the Commission to extend its CC&N for wastewater utility service to include the Development. Except for payment of the Master Agreement Administrative Fee as set forth in Paragraph 4 below, all of Company's and Developer's respective obligations under this Master Agreement shall be conditioned upon Company obtaining approval from the Commission to include the Development in Company's CC&N for wastewater utility service. Developer hereby consents to and approves inclusion of the Development in Company's CC&N. Further, Developer covenants and agrees to support Company's application to extend its CC&N, and shall, upon request by Company, provide testimony and/or public comment supporting Company's application in connection with any proceeding before the Commission.

2. To permit the Company to provide wastewater treatment plant capacity, lift-stations, transmission mains, an effluent delivery system, and sludge disposal facilities necessary to meet the Company's requirements and to serve the Development, Developer agrees to advance to Company HUFs for 2,112 residential units, all in accordance with the Commission approved Tariff for the Company. For this Development, the HUFs total \$2,112,000.00 based on 2,112 residential units. Payment of such HUFs shall be made in accordance with the schedule set forth in Paragraph 3 below. Any applicable Gross-Up Tax associated with the HUFs shall be assessed and refunded under the Line Extension Agreement(s) described below. All funds collected by the Company as HUFs shall be deposited into an interest bearing account and used for the purpose of paying for the costs of off-site facilities, including repayment of loans obtained for the installation of off-site facilities. Notwithstanding any provision of this Master Agreement, or by the payment of any HUF, the Developer shall have no right, title or interest in, or claim to service from, any specific plant of the Company.

3. Developer, or its successors and assigns, will advance to the Company HUFs for each phase of the Development as follows:

<b>HOOK-UP FEE PAYMENT SCHEDULE FOR IRONWOOD CROSSING</b>			
<b>PHASE</b>	<b>UNITS</b>	<b>HUFs DUE</b>	<b>PAYMENT DUE DATE</b>
Unit 1 Phases 1A and 1B	662	\$662,000	Within 7 Days of Commission Decision approving CC&N Extension to include Ironwood Crossing Development
Unit 2	365	\$365,000	Within 7 days of Recording Final Plat for Unit 2
Unit 3	560	\$560,000	Within 7 days of Recording Final Plat for Unit 3
Unit 4	525	\$525,000	Within 7 days of Recording Final Plat for Unit 4

4. Upon execution of this Master Agreement, Developer shall pay the Company a non-refundable administrative fee in the amount of \$20,000 (the "Master Agreement Administrative Fee") to cover Company's cost of negotiating and preparing this Master Agreement and Company's anticipated cost in preparing, filing and prosecuting an application to extend its CC&N for wastewater utility service to include the Development. In the event that the Company obtains an extension of its CC&N to include the Development, then the Master Agreement Administrative Fee shall be applied as a credit against administrative costs payable by Developer under the Line Extension Agreement for Unit 1 of the Development. In the event the Commission does not approve an extension of Company's CC&N to include the Development, then Company shall have no obligation to refund the Master Agreement Administrative Fee to Developer.

5. It is understood and agreed that at the time a water meter installation request has been executed for a lot within the Development, the wastewater service to that lot shall start, and the tariffed charges for sewer service to that lot shall commence, whether that service is utilized or not.

6. Upon payment of the HUFs for Unit 1 of the Development, the Company shall take all reasonable actions to assist the Developer with plat approval.

7. Commencing September 1 of the year first following the Company's service to the first customer within the Development, Developer shall provide the Company with a schedule indicating, to the best of Developer's knowledge, the projected development schedule for the Development, including the numbers and types of residential units expected to be constructed, any commercial and industrial development, the phasing of the projects within the Development, and the estimated number of units constructed annually until build-out is reached. Developer shall thereafter provide the Company updated projections on or before September 1 of each succeeding calendar year through build-out.

8. The HUFs and applicable Line Extension Agreement costs, if any, for any service established outside of a phase of the Development (*i.e.*, commercial, multi-family or industrial) shall be based on the Tariff charges and shall be paid at the time the service is requested.

9. All HUFs under this Master Agreement are non-refundable advances pursuant to the Company's approved Tariff.

10. The Company will supply wastewater service to the Development as and when requested to the planned 2,112 residential units and related commercial property within the Development, provided that the Developer has paid the HUFs in accordance with this Master Agreement and further provided that the Developer has given no less than nine (9) months advance written notice of that required service to the Company for all phases subsequent to the first 175 lots. Said services shall be provided to the Development at service standards no less than the standards provided to other utility customers within the Company's service area. Upon payment of the HUFs for each phase, the Company shall undertake such advance planning, process all government approvals and permits, and undertake construction so as to timely serve potential customers as and when service to such customers is requested and needed.

11. Upon execution of this Master Agreement, Developer shall provide to the Company in a digital format (*i.e.*, AutoCad, MicroStation or .dxf format or as otherwise specified by the Company) all available data for the Development, including ALTA surveys, topographical, aerials, tentative plats, engineering plans, and final plats.

12. Wastewater service to the Development shall be conditioned on the Developer constructing one sanitary lift station at a mutually agreeable location within the Development, and appropriate force mains through dedicated rights-of-way connecting the Development to the Company's existing force main located along Ironwood Road for transmission to the Pecan Wastewater Treatment Plant. The required lift station site within the Development is more fully described in **Attachment B** hereto, and will be platted as a parcel in the Development and conveyed to the Company by Special Warranty Deed substantially in the form of **Attachment C** hereto and must include legal access via dedicated public utility easements and rights-of-way identified on recorded plats, or alternatively, via a maintenance, ingress and egress easement substantially in the form attached as **Attachment D** hereto. Said conveyance of the lift station site shall be completed in conjunction with the recording of the plat for Unit 1, Phase 1A, of the Development. Developer's cost for the lift station shall be included in the Line Extension Agreement as contemplated in Paragraph 14 for Unit 1 of the Development.

13. All facilities constructed under this Master Agreement will be operated and maintained in accordance with good utility practice, including but not limited to the use of qualified operators and engineers. All services shall be subject to the Provisions of Service regulations set forth in Commission and the applicable Arizona Department of Environmental Quality Regulations. The election to build a new plant or expand any existing wastewater facilities to meet the demands of the Development or the Company's

system, and the decision as to which wastewater facilities shall be used to serve the Development, shall be at the sole discretion of the Company.

14. For each of Units 1, 2, 3 and 4 within the Development, Developer shall enter into separate line extension agreements (the "Line Extension Agreements") for wastewater service in accordance with the Commission's Rule and Regulations and the Company's Tariff. Under the terms of those Line Extension Agreements, the Developer shall construct, or cause to be constructed, all on-site facilities consistent with the Company's engineering requirements and specifications, and thereafter, convey all right, title and interest in and under those facilities, and any easements if necessary, to the Company. The Company shall annually refund five percent of the total gross revenue from wastewater sales to each bona fide customer whose service is connected to the main lines covered by the Line Extension Agreement, less all applicable sales, transaction and privilege taxes and regulatory assessments and surcharges, until such time as the entire advance has been fully refunded. The form of the Line Extension Agreements shall be substantially in the form of **Attachment E** hereto.

15. Wastewater service shall be provided to the Developer, builder, or the ultimate occupants of the buildings in accordance with the Commission's Orders, Rules, Regulations, Rates, Charges, Tariffs, Terms and Conditions as applicable to the Company which are currently on file with the Commission. Developer hereby acknowledges that at the time the ultimate occupant/customer requests service, certain additional charges may be payable to the Company by the customer. All rates, charges, terms and conditions are subject to change from time to time as approved by the Commission.

16. Developer may assign its rights under this Master Agreement to a third party developer or homebuilder buying property from Developer, or partially assign its rights under this Master Agreement with respect to any part of the Development sold by Developer to a third party developer or homebuilder. A copy of the written Assignment and Assumption shall be delivered to the Company as provided in Paragraph 17. Upon assignment of this Master Agreement to a third party developer or homebuilder, and the Company's approval of that assignment which approval shall not be unreasonably withheld, the Developer shall be relieved of all liabilities under this Master Agreement.

17. Except as otherwise required by law, any notice required or permitted under this Master Agreement must be in writing and must be given by either: (i) personal delivery; (ii) United States certified mail, return receipt requested, with all postage prepaid and properly addressed; (iii) any reputable, private overnight delivery service with delivery charges prepaid and proof of receipt; or (iv) by facsimile machine or telecopier. Notice sent by any of the foregoing methods must be addressed or sent to the party to whom notice is to be given, as the case may be, at the addresses or telecopy numbers set forth below:

Developer: Fulton Homes Corporation  
9140 South Kyrene, Suite 202  
Tempe, Arizona 85284  
Attn: Norm Nicholls  
Phone: (480) 753-6789  
Facsimile: (480) 753-5554

Company: JOHNSON UTILITIES  
5230 East Shea Boulevard  
Scottsdale, Arizona 85254  
Attn: George H. Johnson  
Phone: (480) 998-3300  
Facsimile: (480) 783-7908

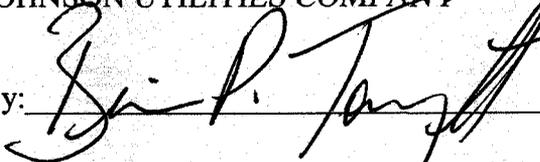
Any party may change its address or telecopy number for purposes of delivery and receipt of notices by advising the other parties in writing of the change. Notice provided by the methods described above will be deemed to be received: (i) on the day of delivery, if personally delivered; (ii) on the date which is three (3) days after deposit in the United States mail, if given by certified mail; (iii) on the next regular business day after deposit with an express delivery service for overnight, "same day", or "next day" delivery service; or (iv) on the date of transmittal, if given on a regular business day and during regular business hours by facsimile machine or telecopy. No notice will be effective unless provided by one of the methods described above.

IN WITNESS WHEREOF, the parties have executed this Master Agreement as of the day and year first above written.

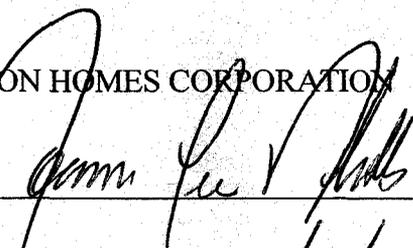
JOHNSON UTILITIES COMPANY

FULTON HOMES CORPORATION

By:



By:



Its:

EXECUTIVE VICE PRESIDENT  
"Company"

Its:

PRES

1/20/06

"Developer"

## ATTACHMENTS

- A. Legal Description or Plat Plan of the Development.
- B. Legal Description of Lift Station Site.
- C. Special Warranty Deed for Lift Station Site.
- D. Utility Easement.
- E. On-Site Line Extension Agreement for Developer Installed Wastewater Facilities.

**ATTACHMENT A**

**LEGAL DESCRIPTION OF DEVELOPMENT**

**EXHIBIT "A"**  
**FULTON HOMES**  
**WITH COMMERCIAL SITE**  
**LEGAL DESCRIPTION**

That portion of Section 18, Township 2 South, Range 8 East of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

**BEGINNING** at an aluminum cap accepted as the Northwest corner of said Section 18 from which a 2-1/2" GLO brass cap accepted as the North quarter corner thereof bears North 89 degrees 53 minutes 02 seconds East a distance of 3395.56 feet;

Thence along the north line of the Northwest quarter of said Section 18, North 89 degrees 53 minutes 02 seconds East a distance of 3395.56 feet to the North quarter corner of said Section 18;

Thence along the north line of the Northeast quarter of said Section 18, North 89 degrees 49 minutes 42 seconds East a distance of 2642.05 feet to the Northeast corner of said Section 18;

Thence along the east line of said Northeast quarter, South 00 degrees 11 minutes 57 seconds East a distance of 2642.94 feet to the East quarter corner of said Section 18;

Thence along the east line of the Southeast quarter of said Section 18, South 00 degrees 13 minutes 40 seconds East a distance of 2640.26 feet to the Southeast corner of said Section 18;

Thence along the south line of said Southeast quarter, South 89 degrees 50 minutes 19 seconds West a distance of 2642.33 feet to the South quarter corner of said Section 18;

Thence along the south line of the Southwest quarter of said Section 18, South 89 degrees 50 minutes 20 Seconds West a distance of 2642.76 feet to the east line of lot 10;

Thence along said east line, North 00 degrees 12 minutes 26 seconds West a distance of 1320.03 feet to the north line of said lot 10;

Thence along said north line, South 89 degrees 50 minutes 16 seconds West a distance of 731.26 feet to a point on the west line of said Southwest quarter;

Thence along said west line, North 00 degrees 31 minutes 02 seconds West a distance of 1138.87 feet to the East quarter corner of Section 13, Township 2 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona;

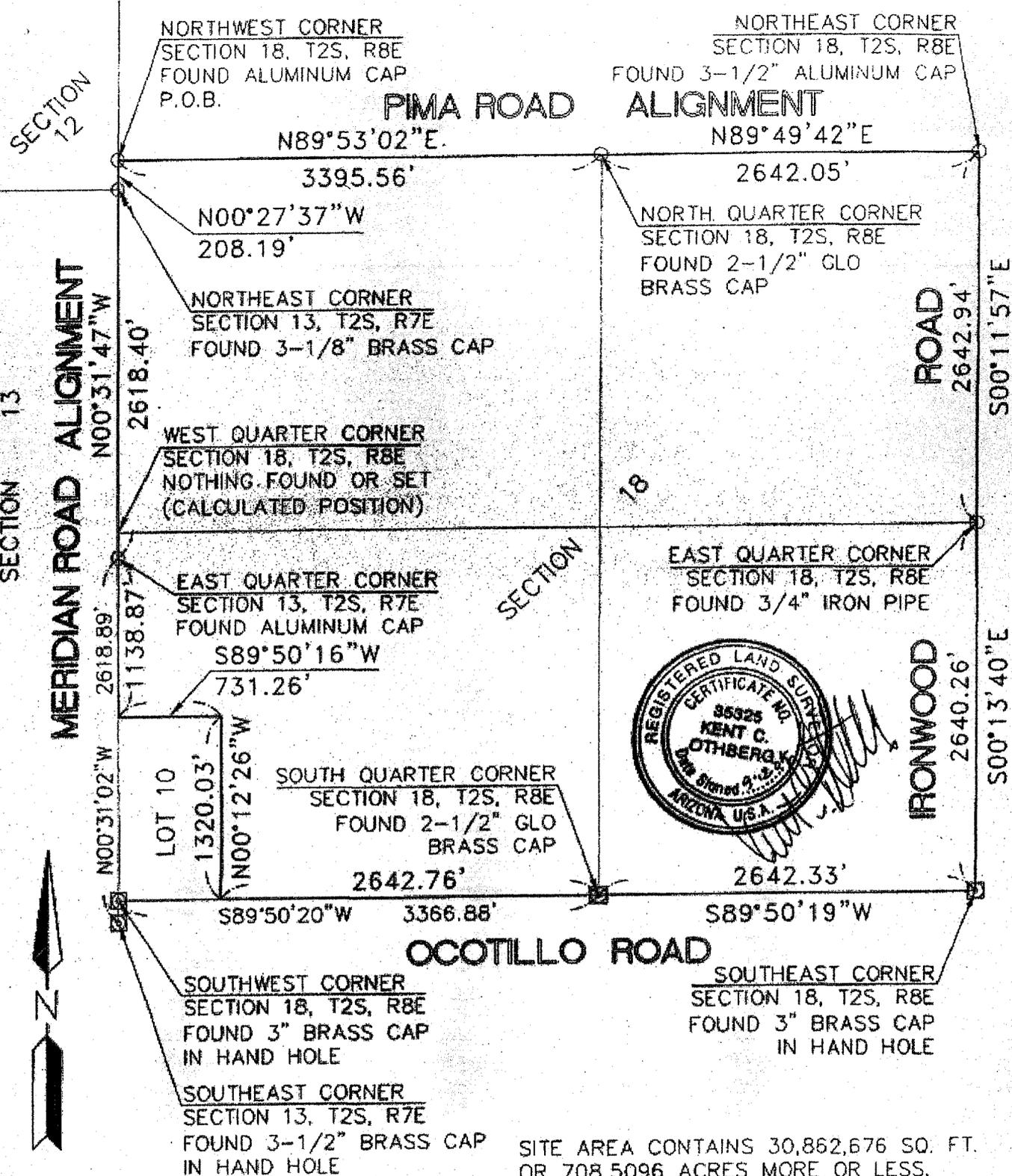
Thence along the east line of the Northeast quarter of said Section 13, North 00 degrees 31 minutes 47 seconds West a distance of 2618.40 feet to the Northeast corner of said Section 13;

Thence along the east line of the Southeast quarter of Section 12, Township 2 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona, North 00 degrees 27 minutes 37 seconds West a distance of 208.19 feet to the POINT OF BEGINNING.

Site area contains 30,862,676 Square Feet or 708.5096 Acres, more or less and being subject to any easements, restrictions, rights-of-way of record or otherwise.

Prepared by: CMX L.L.C.  
7740 N. 16th Street, Suite 100  
Phoenix, AZ 85020  
Project No. 6987.01  
August 30, 2005





SITE AREA CONTAINS 30,862,676 SQ. FT. OR 708.5096 ACRES MORE OR LESS.

CMX PROJ. 6987.01	FULTON HOMES W/ COMMERCIAL SITE	7740 N. 16TH ST. STE.100 PHOENIX, AZ 85020 PH (602) 567-1900 FAX (602) 567-1901 www.cmxinc.com	
DATE: 08/30/05	IRONWOOD RD & OCOTILLO RD		
SCALE: N.T.S.	PINAL COUNTY, ARIZONA		
<b>EXHIBIT "B"</b>			
DRAWN BY: JDL			
CHECKED BY: KCO			

E:\9800\6987.01\Exhibits\6987-01 FULTON CROSS EXHIBIT.dwg 00-02-2005 - 10:19am

**ATTACHMENT B**

**LEGAL DESCRIPTION OF LIFT STATION SITE**

**TO BE PROVIDED**

**ATTACHMENT C**

**SPECIAL WARRANTY DEED FOR LIFT STATION SITE**

**TO BE PROVIDED**

**ATTACHMENT D**

**UTILITY EASEMENT**

**TO BE PROVIDED**

**ATTACHMENT E**

**ON-SITE LINE EXTENSION AGREEMENT FOR DEVELOPER  
INSTALLED WASTEWATER FACILITIES**

**ON-SITE LINE EXTENSION AGREEMENT**

**FOR**

**DEVELOPER INSTALLED WASTEWATER FACILITIES**

**BETWEEN**

**JOHNSON UTILITIES, L.L.C.  
dba JOHNSON UTILITIES COMPANY**

**AND**

**FULTON HOMES CORPORATION**

**FOR**

**IRONWOOD CROSSING**

**PINAL COUNTY, ARIZONA**

\_\_\_\_\_, 200\_\_

**ON-SITE LINE EXTENSION AGREEMENT  
FOR DEVELOPER INSTALLED WASTEWATER FACILITIES**

THIS ON-SITE LINE EXTENSION AGREEMENT ("Agreement"), entered into this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, by and between JOHNSON UTILITIES, L.L.C. dba JOHNSON UTILITIES COMPANY (hereinafter referred to as the "Company") and FULTON HOMES CORPORATION, an Arizona corporation (hereinafter referred to as the "Developer"), is for the construction of utility infrastructure necessary to provide wastewater utility service to Ironwood Crossing, a master planned development in Pinal County, Arizona as shown in Attachment 1 (hereinafter called the "Development").

**WITNESSETH:**

WHEREAS, Company owns and operates a public service corporation and holds a Certificate of Convenience and Necessity and other permits and governmental approvals authorizing it to serve the public with wastewater service at the Development; and

WHEREAS, Developer is developing the Development within the certificated area of the Company, which Development consists of approximately 2,112 residential units on approximately 708.5 acres as more fully described in **Attachment 1** hereto and incorporated herein by reference for all purposes; and

WHEREAS, the Company and Developer have entered into a Master Utility Agreement for Wastewater Facilities dated January 20, 2006 (the "Master Agreement") pertaining to the advance of certain Off-Site Facilities Hook-Up Fees as defined in the Company's Tariffs; and

WHEREAS, the Company currently owns and operates one or more permitted wastewater treatment facilities or will build such facilities sufficient to serve the Development; and

WHEREAS, the Developer is developing the Development in phases, commencing with Unit 1 ("Unit 1") which consists of 662 residential units to be developed as Unit 1 Phase 1A and Phase 1B; and

WHEREAS, the Company does not presently have wastewater collection lines within Unit 1 sufficient to serve Unit 1; and

WHEREAS, under such circumstances the Arizona Corporation Commission's ("Commission") Rules and Regulations permit the Company to require an Advance In Aid Of Construction to provide such facilities; and

WHEREAS, unless otherwise provided in this Agreement, the defined terms herein shall have the same meaning as set forth in the Commission Rules and Regulations.

NOW, THEREFORE, it is mutually covenanted and agreed by and between the parties hereto as follows:

**I. CONSTRUCTION OF WASTEWATER FACILITIES; COST OF CONSTRUCTION; CONVEYANCE OF WASTEWATER FACILITIES; OFF-SITE HOOK-UP FEES; SERVICE LINE CONNECTION CHARGE; ADMINISTRATION FEE**

**A. Construction of Wastewater Facilities.** The Developer will construct, or cause to be constructed, the wastewater facilities ("Wastewater Facilities") described on **Attachment 2**, the cost of which is estimated on **Attachment 3**. The Wastewater Facilities are for Unit 1, Phase 1A and Phase 1B, of the Development. For subsequent phases of the Development, the Company and the Developer shall enter into separate agreements in substantially the same form as this Agreement.

**B. Cost of Construction.** The cost of construction of the Wastewater Facilities, as more fully detailed in **Attachment 3** attached hereto which is incorporated herein by reference for all purposes, is estimated to be \$ \_\_\_\_\_ (the "Estimated Cost"). The actual cost of construction of the Wastewater Facilities ("Actual Cost") shall constitute an advance in aid of construction (the "Advance"), and such Advance shall be refunded to Developer in accordance with Article VII. The Advance shall include the Administration Fee as defined in Article I.G and as set forth on Attachment 3, and the Gross-Up Tax as defined in Article VII.C, if applicable.

**C. Conveyance of Wastewater Facilities.** Developer shall convey the Wastewater Facilities constructed pursuant to this Agreement in accordance with Articles III and VI. Developer's obligation to advance funds for construction of on-site wastewater collection infrastructure to serve Unit 1 of the Development shall be deemed fully satisfied upon completion of the Wastewater Facilities in accordance with this Agreement and presentation of the documents required under Article VI; provided, however, that Developer must pay to the Company upon execution of this Agreement the Administration Fee.

**D. Hook-Up Fees.** In addition to Developer's obligation to construct, or to cause to be constructed, the Wastewater Facilities and to make such other payments as are required under this Agreement, Developer shall pay to the Company, as applicable, the Off-Site Facilities Hook-Up Fees ("Hook-Up Fees") required under the Company's Tariffs and as set forth on **Attachment 3**. The payment and timing of payment of the Hook-Up Fees is subject to the Master Agreement.

**E. Service Line Connection Charge.** At the time Developer or any lot owner requests that a service line be installed at a specific service address within the Development, the party requesting service shall pay to the Company the applicable Service Line Connection Charge as specified in the Company's Tariffs. The Service Line Connection Charge is refundable.

**F. Administration Fee.** Developer shall pay to the Company a fee equal to ten percent (10%) of the Estimated Cost to cover the Company's engineering costs, legal fees, inspection costs and other overheads (collectively, the "Administration Fee") associated with the administration of this Agreement. The Administration Fee shall be included in the Advance which is subject to refund pursuant to Article VII. In the event that the Actual Cost of constructing the Wastewater Facilities is less than the Estimated Cost, then the Company shall refund to the Developer, upon request by the Developer, ten percent (10 %) of the difference between the Actual Cost and the Estimated Cost. In the event that the Actual Cost is greater than the Estimated Cost, then the Developer shall remit to the Company, at the time Developer submits the documentation required

under Article VI, ten percent (10%) of the difference between the Actual Cost and the Estimated Cost.

## II. SERVICE; COMPANY LIABILITY; APPLICABLE RATES; COMPANY REPRESENTATIONS AND WARRANTIES

A. **Service.** The subject Wastewater Facilities are being installed for the purpose of providing domestic wastewater service to the Development consistent with the Company's Rules and Regulations. Service will be provided in accordance with good utility practice.

B. **Company Liability.** Company's obligation for service shall be as set by the stricter of Arizona Administrative Code ("AAC") R14-2-607(C) and (D), the controlling Master Agreement, or this Agreement. Company shall comply with such regulations and any other applicable law.

C. **Applicable Rates.** It is mutually understood and agreed that the charges for wastewater services to said Development shall be at the applicable rates of the Company which are currently on file with the Commission. Those rates are subject to change from time to time upon application of the Company and as approved by the Commission.

D. **Company Representations and Warranties.** The Company represents and warrants to Developer that Company has existing sewer treatment capacity adequate in all respects to provide sewer service to each lot within Unit 1, Phase 1A and Phase 1B, of the Development, and that the Company is ready, willing and able to provide sewer service to Unit 1, Phase 1A and Phase 1B, of the Development contingent only upon Developer's construction of the Wastewater Facilities required hereunder and Developer's performance of all other Developer obligations under this Agreement.

## III. PERMITS AND LICENSES; PUBLIC UTILITY EASEMENT; TITLE

A. **Permits and Licenses.** Developer agrees to obtain at its own expense all licenses, permits, certificates and approvals from public authorities which may be required for the construction of the Wastewater Facilities under this Agreement or development of the subject Development and to comply with all municipal and other public laws, ordinances and requirements in regard to the same. The cost of obtaining such licenses, permits, certificates and approvals shall be added to the amount of the refundable Advance in accordance with Article VII. The Company shall be responsible for obtaining at its own expense all licenses, permits, certificates and approvals from public authorities which may be required for the installation and operation of the off-site wastewater treatment and collection facilities that will serve the Development and into which the Developer-constructed Wastewater Facilities shall intertie and connect. The Company shall be responsible for the construction at its cost of all other wastewater treatment and collection facilities necessary to serve the Development.

B. **Public Utility Easement.** At the time Company issues its written final acceptance of the Wastewater Facilities, Developer shall provide Company with evidence satisfactory to Company that the Wastewater Facilities are located within dedicated streets, public rights-of-way or public utility easements which protect the Company's sewer system and provide unrestricted and

uninhibited access to the sewer lines and equipment of the Company and rights to enforce the same, as determined by the Company, in its reasonable discretion (the "Public Utility Easement"). In the event that any Wastewater Facilities are not located within the Public Utility Easement, then Developer shall grant to Company, at the time Company issues its final written acceptance of the Wastewater Facilities, and at no cost to Company, non-exclusive easements and/or rights-of-way (collectively, "Easements"), free from all liens and security interests thereon, and in a form that is satisfactory to Company, over, under, and across any real property, within or outside the Development, as necessary to operate, maintain and repair the Wastewater Facilities. Unless otherwise mutually agreed upon in writing, the Public Utility Easement and any Easements shall be free of physical encroachments, encumbrances or obstacles, and shall have a minimum width of fifteen (15) feet and the mains and collection lines shall be separated by a reasonable distance from other utility lines and facilities to prevent damage or conflicts in the event of repairs or maintenance.

C. **Title.** All materials installed, facilities constructed and equipment provided by Developer in connection with construction of facilities under this Agreement and the completed facilities as installed for which an Approval of Construction has been issued by the Arizona Department of Environmental Quality ("ADEQ"), and which facilities the Company has provided written acceptance, shall become the sole property of the Company, and full legal and equitable title thereto shall be then vested in the Company, free and clear of any liens, without the requirement of any written document of transfer to the Company or acceptance by the Company. Developer agrees to execute or cause to be executed promptly such documents as counsel for the Company may request to evidence good and merchantable title to said facilities free and clear of all liens. The Company shall confirm in writing the acceptance of title to the facilities.

#### **IV. COMMENCEMENT OF PERFORMANCE AND TIME OF COMPLETION; PLANS AND SPECIFICATIONS; WORKMANSHIP, MATERIALS, EQUIPMENT AND MACHINERY; CONNECTING WASTEWATER FACILITIES; EXISTING UNDERGROUND FACILITIES RESPONSIBILITIES**

A. **Commencement of Performance and Time of Completion.** It is estimated that the Developer will start the construction work to be performed under this Agreement on or about \_\_\_\_\_, 2006, and will complete the construction work to be performed under this Agreement on or about \_\_\_\_\_, 2006. Failure to meet those estimated dates shall in no way relieve the Developer or Company of any of their obligations under this Agreement.

B. **Plans and Specifications.** All plans, specifications and construction shall be in accordance with good utility practices and in accordance with all rules, regulations and requirements of regulatory agencies having jurisdiction over construction of the Wastewater Facilities. All of said plans and specifications shall have all requisite approvals in writing of all necessary agencies and the approval in writing of Company before construction is commenced. The Company's review, revisions and approval shall be provided as promptly as possible. Plans and specifications as approved by the Company for Wastewater Facilities to be constructed hereunder will be incorporated herein by reference and made part of this Agreement when so approved.

C. **Workmanship, Materials, Equipment and Machinery.** All materials shall be new and both workmanship and materials shall be of good quality which meet the specifications and standards of the Commission, ADEQ, the Arizona Department of Health Services and all local

regulatory agencies having jurisdiction over the construction of sewer systems. Developer shall assign to the Company the warranties of its contractor for the Wastewater Facilities to be built pursuant to this Agreement or, if the Developer constructs the Wastewater Facilities itself, Developer agrees to pay all costs for removing and replacing any defective part or parts upon the Company providing written notice to the Developer within one year after such Wastewater Facilities being placed in regular operation.

**D. Connecting Wastewater Facilities.** The Wastewater Facilities constructed pursuant to this Agreement shall not be connected to the Company's existing facilities without the prior written approval of Company, which approval shall not be unreasonably withheld or delayed. Nor shall the Wastewater Facilities be operated prior to connection to the Company's facilities. Any such operation may result in either rejection of the Wastewater Facilities by the Company, or extraordinary charges to the Developer to purge the subject Wastewater Facilities prior to acceptance.

**E. Existing Underground Facilities Responsibility.** Developer shall be responsible for complying with A.R.S. 40-360.21, *et seq.*, and related local regulations, and will assume all costs and liabilities associated with (1) coordination with the owners or agents of all underground facilities within and adjacent to the Development regarding the location of such facilities, and (2) construction near, or damage to, such underground facilities. Developer will conduct, or cause to be conducted, all excavation in a careful and prudent manner in its construction of all Wastewater Facilities subject to this Agreement.

**F. Additional Terms and Conditions.** Any additional terms and conditions applicable to this Agreement are contained in **Attachment 4** attached hereto and incorporated herein.

## **V. INSPECTION, TESTING AND CORRECTION OF DEFECTS**

Developer shall comply with the inspection and testing requirements of the Company for the Wastewater Facilities to be constructed hereunder; said requirements shall be reasonable and shall not cause Developer unwarranted delays in the ordinary course of construction. Developer shall promptly notify the Company when Wastewater Facilities under construction are ready for inspection and testing, and the Company shall inspect promptly after being so notified. The Company agrees to conduct any "open trench" inspection within forty-eight (48) hours of the inspection date designated by Developer, provided Developer gives the Company at least three (3) working days advance written notice of the inspection date, and the condition will be deemed automatically approved by Company if it fails to inspect the condition of the Wastewater Facilities within such 48-hour period, provided the Company received such 3 working days advance written notice. If not inspected and approved by the Company, Developer shall provide within ten (10) working days its Engineer's Certificate of Approval that the Wastewater Facilities were installed in accordance with the approved plans and specifications.

For the purpose of inspection and testing of everything covered by this Agreement, or the work thereon, Developer shall give the Company and any inspectors appointed by it, free access to the working places and furnish every facility for properly inspecting such materials and work and shall furnish them with full information whenever requested as to the progress of the work on its

various parts. The approval of work by any such inspector shall not relieve Developer from its obligation to comply in all respects with the instructions and specifications to make the work a finished job of its kind, completed in accordance with the plans and specifications approved by the Company and are satisfactory to the Company upon inspection and testing. Developer agrees that no inspection by or on behalf of the Company shall relieve Developer from its obligation to do and complete the work in accordance with this Agreement. If at any time before the final completion and acceptance of the work any part of the work is found to be defective or deficient in any way, or in any way fails to conform to this Agreement, the Company is hereby expressly authorized to reject or revoke acceptance of such defective or deficient work and require Developer to do over and make good on such defective work. No costs incurred by Developer to do over or make good on defective or deficient work shall be included in the Advance subject to refund pursuant to Article VII.A. The Company specifically reserves the right to withhold approval and to forbid connection of the Wastewater Facilities constructed pursuant to this Agreement to the Company's system unless such facilities have been constructed in accordance with the plans and specifications as approved by the Company and are satisfactory to the Company upon inspection and testing. Developer agrees that it will promptly correct all defects and deficiencies in construction, materials and workmanship upon request by the Company made subsequent to inspection by the Company.

## **VI. INVOICES; LIENS; "AS-BUILT" PLANS**

**A. Invoices.** Developer agrees to furnish Company, within sixty (60) days after completion of construction, copies of Developer's, subcontractors', vendors' and all others' invoices for all engineering, surveying, and other services, materials installed, construction performed, equipment provided, materials purchased and all else done for construction pursuant to this Agreement at the actual cost thereof.

**B. Liens.** Developer acknowledges its duty to obtain lien waivers from all providing labor, materials or services hereunder. Developer hereby irrevocably waives any rights it may now have or which it may acquire during the course of this Agreement to record liens against the Company or its property. Developer shall also pay, satisfy and discharge, or bond over, all mechanics', materialmen's and other liens, and all claims, obligations and liabilities which may be asserted against the Company or its property by reason of the Developer's construction of the Wastewater Facilities to be constructed pursuant to this Agreement.

**C. "As-Built" Plans.** Developer agrees to furnish the Company, within sixty (60) days after completion of construction, "as-built" drawings showing the locations of all wastewater man holes, lift stations, mains, valves, and service connections to all structures served from Wastewater Facilities which are constructed pursuant to this Agreement. The drawings shall be certified by the Developer's engineer of record and shall be provided on reproducible milar prints, and in a digital format (*i.e.*, AutoCad, MicroStation or .dxf format or as otherwise specified by the Company), all available data for the Development, including ALTA surveys, topographical, aerials, tentative plats, engineering plans, and final plats.

**VII. AMOUNT OF ADVANCE; TIME OF PAYMENT; INCOME TAXES; COMPUTATION OF REFUND; MAXIMUM REFUND; INTEREST ON ADVANCE; LIMITATION ON REVENUES; TRANSFER OF FACILITIES; COMPANY'S RIGHT OF FIRST REFUSAL**

A. **Amount of Advance.** The Actual Cost of constructing the Wastewater Facilities together with the Administration Fee, if applicable, the Gross-Up Tax, if applicable, and the \$20,000 Master Agreement Administrative Fee paid pursuant to the Master Agreement shall be a refundable advance in aid of construction.

B. **Time of Payment.** Upon execution of this Agreement, Developer shall pay the Administration Fee based upon the Estimated Cost of the Wastewater Facilities as set forth in **Attachment 3.**

C. **Income Taxes.** In the event it is determined by Congress, the Internal Revenue Service, the Arizona Legislature or the Arizona Department of Revenue that all or a portion of the Advance is taxable income to the Company as of the date of this Agreement, or upon the date of receipt of funds or written acceptance of the Wastewater Facilities by the Company, the Developer will advance funds equal to the applicable income taxes for the Company's state and federal tax liability on all funds advanced pursuant to this Agreement (the "Gross-Up Tax"). The Gross-Up Tax shall be payable by the Developer to the Company immediately upon notification to the Developer of the determination by the appropriate agency having jurisdiction. At the time the refunds of the Advance are made pursuant to Article VII.D, the Company shall also refund the allocable portion of the Gross-Up Tax (the "Gross-Up Tax Refund") associated with the amount of the Advance that is being refunded. The Gross-Up Tax Refund shall be based on the annual refund amount under Article VII.D, and computed at the same rate the Advance was originally assessed.

D. **Computation of Refund.** Refunds of the Advance In Aid of Construction shall be made by the Company on or before the 31st day of August of each year commencing with August of 2006, covering any refunds owing from wastewater revenues received during the preceding July 1 to June 30 period. Any additional charge made by the Company based on any sales, privilege tax, excise tax, or regulatory assessment, shall not be included in the computation. The annual refund shall equal five percent (5%) of the total gross annual revenue from wastewater sales to each bona fide customer in Unit 1 of the Development until the Advance is fully refunded.

E. **Maximum Refund; Interest on Advance; Limitation on Revenues.** The refund to the Developer under this Agreement shall in no event exceed the amount of the Advance, as adjusted. No interest shall be paid by the Company on the Advance. The Company shall make no refunds under this Agreement from any revenue received from properties other than those located within Unit 1 of the Development.

F. **Transfer of Facilities.** In the event of the sale, conveyance or transfer by the Company, pursuant to the approval of the Commission, of any portion of its wastewater system, including the Wastewater Facilities serving the Development and installed pursuant to the terms of this Agreement, the Company's obligation under Article VII.D hereto shall cease (except as to any payment which is then due) conditioned upon the transferee assuming, and agreeing to pay

the Developer, any sums becoming payable to Developer thereafter in accordance with the provisions of Article VII.D of this Agreement.

G. **Company's Right of First Refusal.** Before selling or transferring the right of Developer to receive refunds of the Advance under this Agreement, Developer shall first give the Company, or its assigns, reasonable opportunity to purchase the same at the same price and upon the same terms as contained in any bona fide offer which Developer has received from any third person or persons which he may desire to accept. This provision shall not apply to Developer's assigning or pledging the Agreement in connection with any lender's requirements.

## VIII. RISK; LIABILITY; INSURANCE

A. **Risk.** Developer shall carry on all work required hereunder at its own risk until the same is fully completed and accepted by the Company and will, in case of accident, destruction or injury to the work or material before such final completion and acceptance, replace or repair forthwith the work of materials so injured, damaged or destroyed, in accordance with the original approved plans and specifications and to the satisfaction of the Company and at Developer's own expense.

B. **Liability.** Developer hereby assumes the entire responsibility and liability for injury or death of any person, or loss for damage to any property contributed to or caused by the active or passive negligence of Developer, its agents, servants, employees, or subcontractors incurred during the course of construction of the Wastewater Facilities. Accordingly, DEVELOPER WILL INDEMNIFY AND HOLD HARMLESS the Company, its officers, directors, engineers, agents and employees from and against such claims or expenses, including penalties and assessments, to which they or any of them may be subjected by reason of such injury, death, loss, claim, penalty, assessment or damage, and in case any suit or other proceeding shall be brought on account thereof, Developer will assume the defense at Developer's own expense and will pay all judgments rendered therein.

C. **Insurance.** Developer agrees to produce and maintain all insurances described below, including insurance covering the obligations assumed by Developer under Articles VIII.A and VIII.B hereof. Certificates of issuance shall be provided to the Company before the commencement of actual construction.

1. Workmens' compensation in the benefit amounts, and occupational disease disability insurance, as required by the laws and regulations of the state.
2. Commercial general liability insurance, with minimum combined single limits of \$1,000,000.00, and including operations and protective liability coverages. When the work to be performed requires blasting, Developer's insurance shall specifically cover that risk.
3. Comprehensive automobile liability insurance, with minimum combined single limits of \$1,000,000.00, and covering all owned and non-owned automobiles or trucks used by or on behalf of Developer, in connection with the work.

**IX. MISCELLANEOUS**

This Agreement may not be modified or amended except by a writing signed by both parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement is consistent with all Rules and Regulations of the Commission and authorized Tariffs of the Company and therefore does not require specific approval of the Commission. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and expressly supersedes and revokes all other prior or contemporaneous promises, representations and assurances of any nature whatsoever with respect to the subject matter hereof. The remedies provided in this Agreement shall not be deemed exclusive remedies but shall be in addition to all other remedies available at law or in equity. No waiver by either party of any breach of this Agreement nor any failure by either party to insist on strict performance by the other party of any provision of this Agreement shall in any way be construed to be a waiver of any future or subsequent breach by such defaulting party or bar the non-defaulting party's right to insist on strict performance by the defaulting party of the provisions of this Agreement in the future. Developer is an independent contractor and not an agent or employee of the Company. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

JOHNSON UTILITIES, L.L.C.

FULTON HOMES CORPORATION

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

"Company"

"Developer"

**ATTACHMENT 1**

**MAP AND LEGAL DESCRIPTION OF DEVELOPMENT**

**ATTACHMENT 2**

**ENGINEERING PLAN OF WASTEWATER FACILITIES**

Please see attached.

[To be provided by the Developer]



### ATTACHMENT 3 WORKSHEET

#### OFF-SITE WASTEWATER FACILITIES HOOK-UP FEES<sup>2</sup>

<u>Service Lateral Size</u>	<u>Fee</u>	<u>Number</u>	<u>Extended</u>
4"	\$1,000.00	-0-	-0-
6"	\$2,000.00		
8 or greater	\$4,000.00		
Total Hook-up Fees		-0-	<u>-0-</u>

---

<sup>2</sup> Developer has entered into a separate Master Agreement for payment of these fees.

**ATTACHMENT 4**

**ADDITIONAL TERMS AND CONDITIONS**

Check and initial if none

\_\_\_\_\_  
Company

\_\_\_\_\_  
Developer

Crockej\PHX\1752628.2

# ATTACHMENT 10

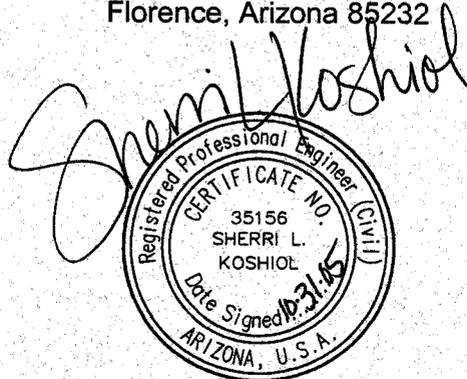


# MASTER WASTEWATER REPORT FOR *IRONWOOD CROSSING*

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Submitted to:  
**Pinal County**  
31 North Pinal Street, Building F  
Florence, Arizona 85232



October 2005  
CMX Project No. 6987

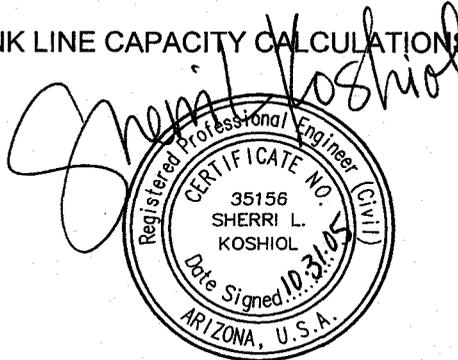
# MASTER WASTEWATER REPORT FOR IRONWOOD CROSSING

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## **INTRODUCTION**

This report presents the Wastewater Master Plan for Ironwood Crossing. Ironwood Crossing, part of Ironwood Crossing Planned Area Development (PAD), is a proposed 708.5 acre, 2111-dwelling unit, multi-use community located in north central Pinal County, Arizona, a portion of Section 18, in Township 2 South, Range 8 East of the Gila and Salt River Base and Meridian. The property is generally bounded by Ironwood Road on the east, Pima Road on the north, Ocotillo Road on the south and Meridian Road on the west, as seen on Figure 1 (Appendix A).

The site is located on land that was previously fallow farm land. The property to the immediate east is currently being developed as "Taylor Ranch" residential subdivision. The property to the north is owned by the LDS church and is currently used as farm land. The property to the immediate west is farm land; however it will most likely be developed as residential in the future. The property to the south is existing residential development consisting of housing on large lots.

The phasing of Ironwood Crossing is shown in Figure 4.

The intent of this Wastewater Master Report is to provide a description of the proposed overall sewer system, including hydraulic analysis and anticipated locations and sizes of the proposed onsite sewer lines. The design parameters provided in this report will be used in preparation of the construction plans. This Master Wastewater Report has been prepared in accordance with ADEQ requirements and those of the anticipated service provider, Johnson Utilities Company.

## **LAND USE / DEVELOPMENT**

### **Planned Area Development (PAD)**

Ironwood Crossing is an amended PAD combining Barnes Farm and The Commons at Era Mae. The amended PAD is scheduled to go to the Planning and Zoning commission on October 20<sup>th</sup>, 2005 and then to the Pinal County Board of Supervisors the third week of November, 2005. The project consists of a mix of primarily single-family residential land uses, one school tract, and various open space areas. The Land Use Plan is provided in Figure 2 (Appendix A).

## **OFFSITE WASTEWATER SYSTEM**

### **Force Main**

All onsite wastewater will gravity flow to a proposed lift station located at the northwest corner of the site, near the intersection of Pima and Meridian Road (Fig. 3). At the lift station all wastewater from Ironwood Crossing will be pumped into a new 8" force main. The new 8" force main will carry the wastewater east to the intersection of Pima and Euell Drive, then south along Euell Drive until it intersects with Barnes Parkway, where it will continue south to the intersection of Barnes Parkway and Ocotillo Road. At Ocotillo Road the 8" Force Main will carry the wastewater east and tie into an existing stub located at the northeast corner of Ironwood and Ocotillo Road. At this intersection, the

existing 8" force main becomes a 10" force main and continues south along Gantzel Road (Ironwood Road becomes Gantzel Road south of Ocotillo) to the existing Johnson Utilities Wastewater Treatment Plant at the southeast corner of Gantzel Road and the Queen Creek Wash.

### Lift Stations

As mentioned above, a lift station will be needed at the northwest corner of the site. The proposed lift station will be designed and constructed to handle the wastewater from the Ironwood Crossing subdivision, as well as the wastewater from the 50 acre commercial site located at the northwest corner of Ironwood and Ocotillo Road. A detailed design and analysis of the lift station will be provided during the improvement plan process.

## DESIGN CRITERIA

### A. JOHNSON UTILITIES COMPANY STANDARDS

The flow requirements used in this report are based on criteria required by Johnson Utilities Company, as stated in the Standard Specifications for Water & Sewer Construction (Ref. 1).

The following is a summary of the design criteria utilized.

1. The average wastewater flow generated per single-family residential unit is 234 gpd, based on 90 gpd/person times 2.6 people per unit. However, all trunk lines were sized using 3.0 persons per unit instead.
2. The average wastewater flows assigned for the nonresidential land uses in Ironwood Crossing are:

Commercial	1,000 gpd/acre
School	1,000 gpd/acre

3. All wastewater lines shall be designed to provide mean velocities, when flowing full, of not less than 2.0 feet per second (fps), nor greater than 10.0 fps. The following table indicates the minimum slopes considered necessary to maintain a minimum 2.0 fps velocity based upon Manning's formula with an "n" value of 0.013 for all sewers.

<u>Size</u>	<u>Minimum Design Slope (with n = 0.013)*</u>
8"	0.0033
10"	0.0025
12"	0.0020
15"	0.0015
18"	0.0012

\*Per "Specific Engineering Company" criteria

Please note that the minimum slopes listed differ from ADEQ's recommendation; however, they are more conservative in nature.

## B. ADDITIONAL DESIGN REQUIREMENTS

In addition to the design criteria used above, the following additional standards will be utilized in designing and constructing the wastewater system for Ironwood Crossing. These standards are based on criteria from Johnson Utilities Company (Ref. 1), the Arizona Administrative Code (Ref. 2), and Arizona Department of Environmental Quality (Ref. 3).

1. The Peaking Factors used to calculate peak flow rates for the Ironwood Crossing internal wastewater system are shown in the Johnson Utilities Company Design Guide and Standard Details manual dated May 2003 (Ref. 1).
2. All wastewater collector lines shall be a minimum of 8-inches in diameter (Ref. 1).
3. Manholes shall be installed at all grade changes, all size changes, all alignment changes, all sewer intersections (except with service connections), and at any location necessary to comply with the following spacing requirements (Ref. 2):

<u>Pipe Size</u>	<u>Maximum Spacing</u>
8" - 18"	500'
18" - 36"	600'

Cleanouts may be used in place of manholes at the end of laterals less than 200 feet in length (Ref. 1).

4. The pipe material used shall meet the requirements of the American Society for Testing Materials (ASTM), as well as the manufacturer's recommended standards. The following types of pipe material are acceptable. Johnson Utilities shall allow alternative pipe materials subject to approval (Ref. 1).

a) All lateral sewer lines shall be polyvinyl chloride (PVC) unless ductile iron is required to satisfy the separation requirements of ADEQ.

b) All interceptor and larger sewer lines shall be PVC lined reinforced concrete pipe. All PVC lining systems shall cover the entire interior of the pipe, 360 degree lining, and be of a type approved by the company.

5. Wastewater lines will generally be located in the center of the driving lane, on the south and west sides of the roadway centerline, and on the opposite side of the street from any potable water line. Manholes will be located 6 feet off the centerline to the south and west. This change from the Johnson Utilities specifications is due to the fact that water provider, H<sub>2</sub>O Water Company, has a design specification of placing the potable water lines to the north and east of the centerline of the roadway (Ref. 1).

6. Easement widths provided for wastewater lines shall be a minimum of twelve (12) feet. The minimum horizontal separation from a wastewater line to another underground utility shall be six (6) feet. Exceptions must be approved by Johnson Utilities Company (Ref. 1).

7. The minimum vertical separation of a wastewater line crossing under a water line shall be one (1) foot. Both the water and wastewater lines shall be encased in concrete of 6-inch minimum thickness for at least ten (10) feet in both directions from the crossing. If a vertical separation of two (2) feet or more is used, then the wastewater line need not be encased in concrete. When a water line must cross under a wastewater line, a vertical separation of at least two (2) feet between the bottom of the wastewater line and the top of the water line shall be maintained with support provided for the wastewater line to prevent settling. The wastewater line shall be constructed of cast iron pipe with mechanical joints, or other approved pipe, for at least ten (10) feet in both directions from the crossing, and both the water and wastewater lines shall be encased in concrete of 6-inch minimum thickness for the same distance (Ref. 3).

8. All collectors, trunk, and interceptor lines shall have sufficient depth to serve the ultimate drainage area with a minimum cover of four (4) feet measured from finished grade to the top of the pipe (Ref. 1).

9. When applicable special construction will be required for all manhole and wastewater lines under wash crossings to eliminate drainage flow (Ref. 2).

10. On wastewater lines 6 to 12 inches in diameter, manholes shall be four (4) feet in diameter with standard 24-inch frames and covers. On lines 15 inches in diameter and larger, manholes shall be five (5) feet in diameter with standard 30-inch frames and covers. Five (5) foot diameter manholes shall be provided on all wastewater lines, regardless of size, where the depth of the line from the finished grade to the pipe invert is greater than twelve (12) feet (Ref. 1).

11. All developments within Ironwood Crossing will be required to connect to the wastewater system. No on-site disposal systems will be allowed.

12. All wastewater lift stations shall follow the design requirements of R18-9-E301. 4.01 General Permit: Sewage Collection Systems, D. Design Requirements, 5. Lift Stations (Ref. 2) and as required by Johnson Utilities Company (Ref. 1).

13. The design of force mains shall follow the requirements of R18-9-E301. 4.01 General Permit: Sewage Collection Systems, D. Design Requirements, 4. Force Mains (Ref. 2) and as required by Johnson Utilities Company (Ref. 1).

## **ONSITE WASTEWATER SYSTEM**

The project site gradually slopes to the northwest. All flows from the site will be conveyed to a proposed lift station at the northwest corner of the property.

All of the wastewater collector lines were sized to a minimum diameter of 8 inches. All wastewater trunk lines were sized using 3.0 persons per dwelling unit instead of the 2.6 value that Johnson Utilities recommends. This change is conservative in nature and increases the flow rates within the wastewater pipe network.

All wastewater trunk lines were evaluated at the minimum slope allowed for its diameter. Table 1 is a summary table of the sewer flows in the wastewater trunk lines within Ironwood Crossing. Table 2 is a summary of the flows for both the school and commercial sites. Table 3 displays the Johnson Utilities peaking factors that were utilized in this project. Table 4 summarizes the diameter, minimum slope, capacity (maximum number of units), and approximate number of units served by each of the main sewer line segments shown in Figure 3. The sewer flow calculations for the wastewater trunk lines are included in Appendix C.

## CONCLUSIONS

Based upon this study, the following can be concluded:

- Sewer mains within the development will be sized and sloped to provide a minimum design velocity of 2.0 fps at full flow.
- The onsite wastewater collection system will ultimately convey wastewater from Ironwood Crossing by gravity flow to a proposed lift station located at the northwest corner of the site.
- From the lift station the wastewater will be pumped through an 8" force main to an existing force main located at the northeast corner of Ironwood and Ocotillo Road. The wastewater will then be pumped through the existing force main to the Johnson Utilities Wastewater Treatment Plant south of Queen Creek Wash.
- Detailed design of the various collector lines will be provided in the individual subdivision plats and plans.

## REFERENCES

1. Johnson Utilities Company, Design Guide and Standard Details, May 2003.
2. Title 18. Environmental Quality, Chapter 9. Department of Environmental Quality Water Pollution Control, Article 3. Aquifer Protection Permits – General Permits, Part E. Type 4 General Permits, 4.01 General Permit: Sewage Collection Systems, Arizona Department of Environmental Quality, Aquifer Protection Permit Rules, Effective January 1, 2001.
3. Arizona Department of Environmental Quality, July 1978. *Minimum requirements for Design, Submission of Plans and Specification of Sewage Works.* Engineering Bulletin No. 11. Phoenix, Arizona.

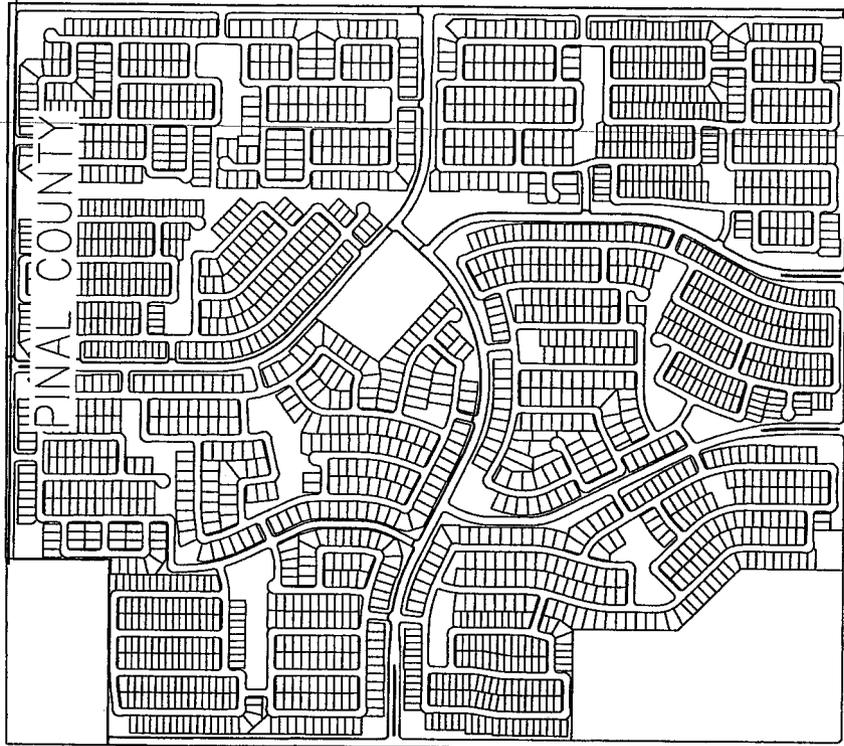
GERMANN ROAD

MERIDIAN ROAD

SECTION  
7

PIMA ROAD

MARICOPA COUNTY  
PINAL COUNTY



IRONWOOD ROAD

OCOTILLO ROAD  
VICINITY MAP  
N.T.S.



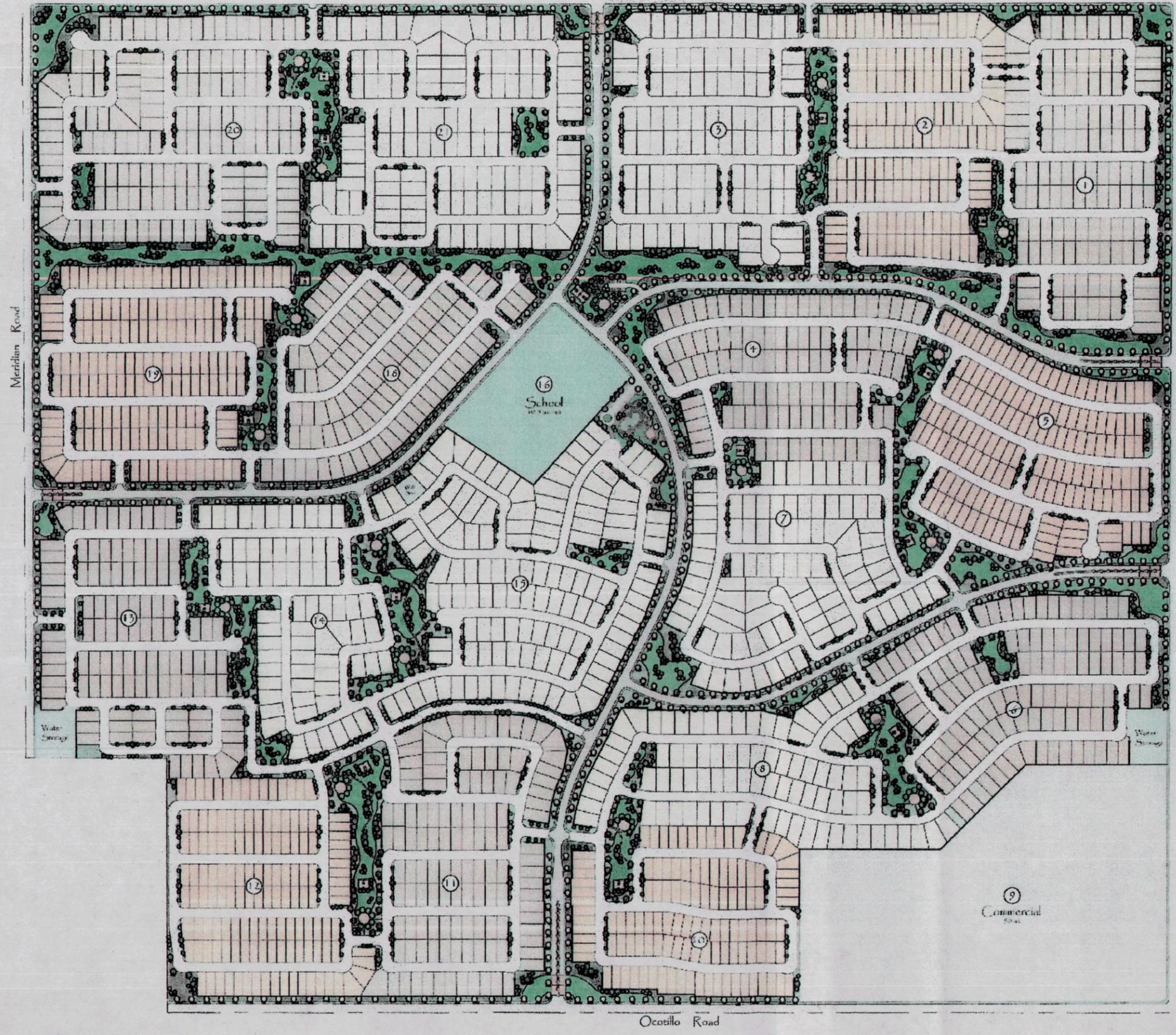
CMX PROJ.	6987
DATE:	SEPT 2005
SCALE:	N.T.S.
DRAWN BY:	CMX
CHECKED BY:	CMX

**IRONWOOD CROSSING**  
 IRONWOOD & OCOTILLO ROAD  
 PINAL COUNTY, ARIZONA  
**FIGURE 1**

EAST VALLEY OFFICE  
 3100 WEST RAY RD. STE.201  
 CHANDLER, AZ 85226  
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 FAX (480) 648-1918  
 www.cmxinc.com



**APPENDIX A**  
**FIGURES**



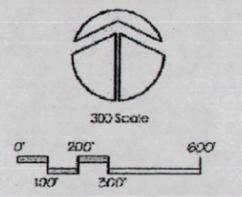
Single Family  
SITE DATA

PARCEL	ACRES	DU/ac	LOT SIZE	UNITS
1	38.65	3.08	60' x 120'	118
2	36.37	3.96	48' x 115'	144
3	40.25	2.53	70' x 125'	102
4	31.34	3.32	60' x 120'	104
5	42.27	3.62	48' x 115'	153
6	36.01	3.08	60' x 120'	111
7	32.95	2.76	70' x 125'	91
8	32.84	2.53	70' x 125'	83
10	28.47	4.08	48' x 115'	116
11	36.10	3.30	60' x 120'	119
12	37.94	4.98	48' x 115'	139
13	30.99	3.58	60' x 120'	111
14	27.40	2.48	70' x 125'	68
15	47.83	2.66	70' x 125'	123
18	33.88	2.86	60' x 120'	97
19	36.23	4.57	48' x 115'	166
20	44.40	3.20	60' x 120'	142
21	45.82	2.62	70' x 125'	120
TOTAL				2107

Open Space	172.7
School	10.5
Commercial	50

Lot Mix

DIMENSION	SIZE	UNITS
48' x 115'	5520 sf	718
60' x 120'	7200 sf	802
70' x 125'	8750 sf	587
		2107



Owner / Developer: FULTON HOMES  
9140 South Kyrene / Suite 20  
Tumpe, AZ 85284  
480.753.6789

Land Planner / Landscape Architect: PD/SAUREY ASSOCIATES  
3850 East Baseline Road / S.  
Mesa, AZ 85206  
480.633.9569

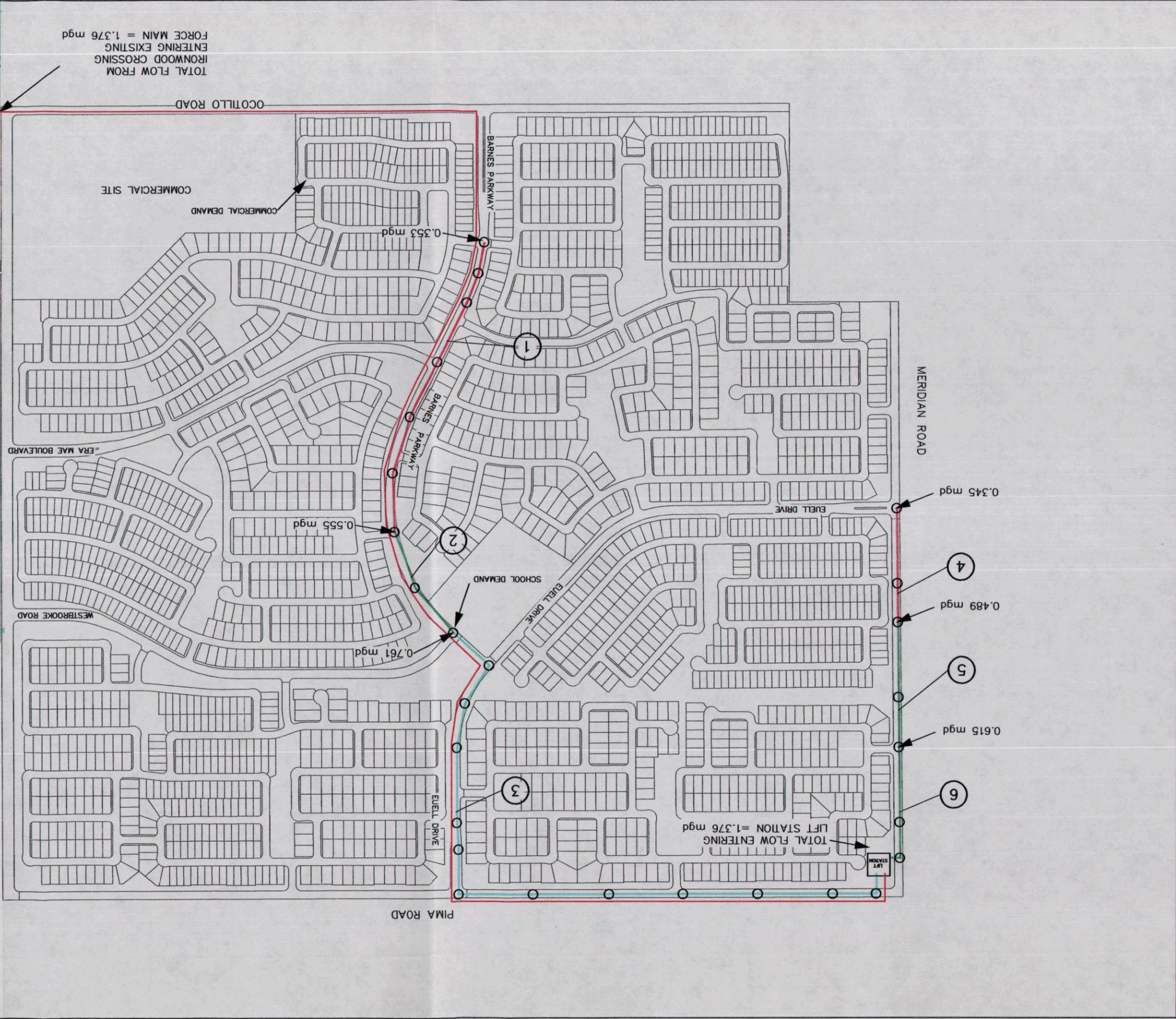


July 18, 2006

FIGURE 2 - LAND USE PLAN



*Ironwood Crossing*



TOTAL FLOW FROM IRONWOOD CROSSING ENTERING EXISTING FORCE MAIN = 1.376 mgd

TOTAL FLOW ENTERING LIFT STATION = 1.376 mgd

- LEGEND**
- SEWER TRUNK LINE 8" (Red line)
  - SEWER TRUNK LINE 10" (Green line)
  - SEWER TRUNK LINE 12" (Cyan line)
  - 8" FORCE MAIN (Red line)
  - EXISTING 8" FORCE MAIN (Yellow line)
  - EXISTING 10" FORCE MAIN (Blue line)
  - LINE SEGMENT NUMBER (Circle with number)
  - SEWER INPUT LOCATION & CUMULATIVE PEAK FLOW (Arrow)



IRONWOOD ROAD  
TO WWTP AT SOUTHEAST CORNER OF GANTZEL & QUEEN CREEK WASH

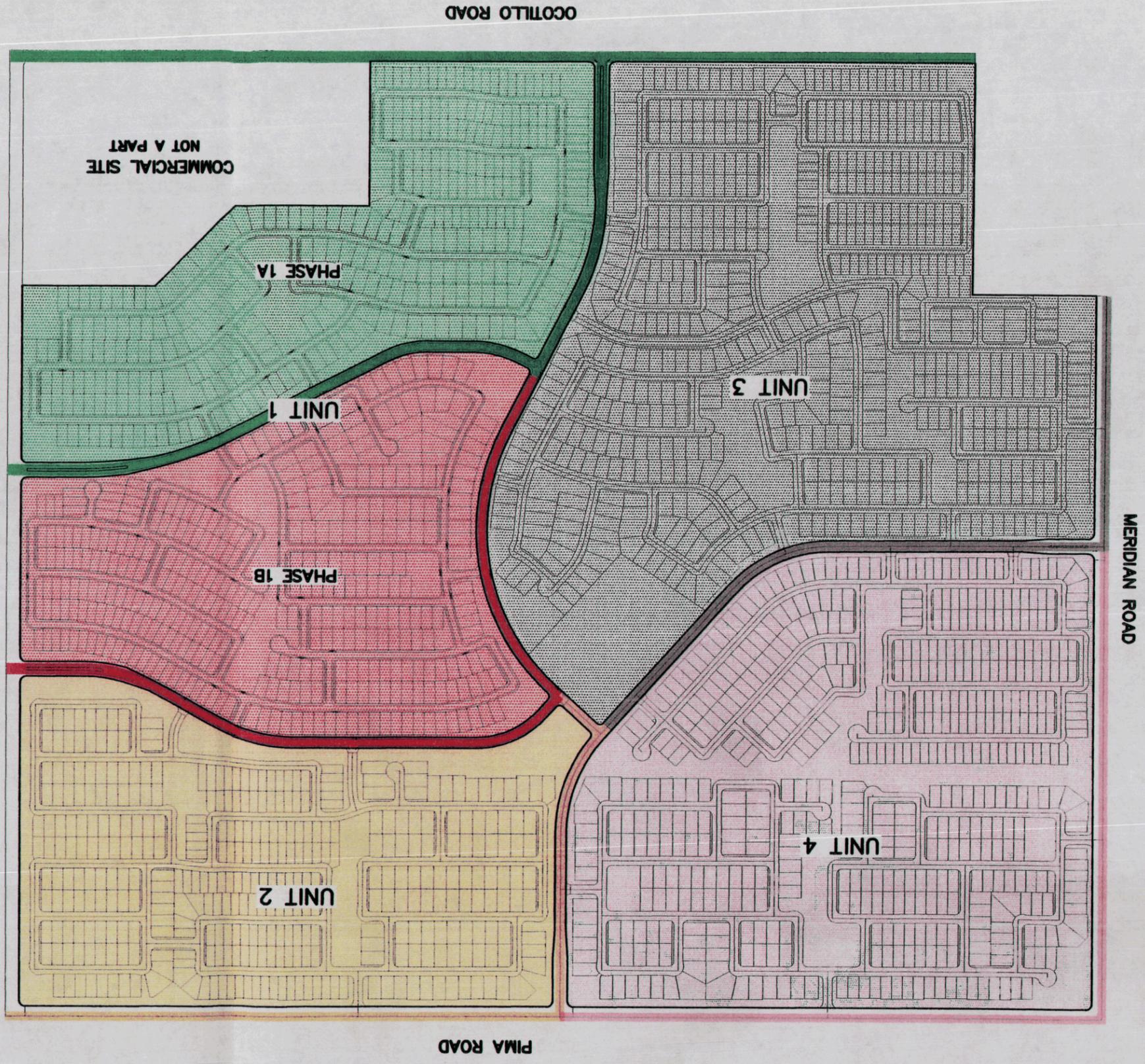


DWG. NO.	CMX PROJ: 6987	DATE: SEPT 2005	SCALE: 1" = 300'
REV.	DRAWN:	APPROVED:	
1			

**IRONWOOD CROSSING**  
NWC OF IRONWOOD & OCOTILLO ROAD  
PINAL COUNTY, ARIZONA

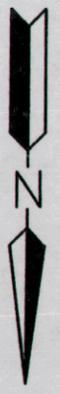
**CH2M**  
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FAX: (480) 648-1918  
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- UNIT 4
- UNIT 3
- UNIT 2
- PHASE 1B
- PHASE 1A

LEGEND



DWG. NO.	DATE	SCALE
1	SEPT 2005	N.T.S.
DESIGNED:	DRAWN:	APPROVED:
REV.		

SH. 1 OF 1

**IRONWOOD CROSSING**  
 NWC IRONWOOD & OCOTILLO RD.  
 PINAL COUNTY, ARIZONA

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FIGURE 4 - PHASING EXHIBIT

**APPENDIX B**

**TABLES**

**TABLE 1: SEWER FLOW SUMMARY TABLE**  
**IRONWOOD CROSSING SEWER ANALYSIS**  
**PROJECT NO. 6987**

DESIGN CRITERIA:												
AVERAGE DEMAND =		90		gpcd								
PERSONS PER DWELLING UNIT =		3.0										
PEAKING FACTOR= PER TABLE 3												
PIPE SEGMENT	PIPE DIAMETER (in)	MINIMUM DESIGN SLOPE (ft/ft)	DWELLING UNITS SERVED	EFFECTIVE POPULATION	AVG DEMAND (gpd)	AVG DEMAND (gpm)	PEAKING FACTOR	RESIDENTIAL PEAK FLOW (gpd)	ADDITIONAL PEAK FLOW (gpd) ***	TOTAL PEAK FLOW (mgd)	LINE CAPACITY @ MIN. SLOPE (mgd)	
1*	8	0.0033	310	930	83,700	58.1	2.42	202,554	150,000	0.353	0.409	
2	10	0.0025	658	1,974	177,660	123.4	2.28	405,065	150,000	0.555	0.646	
3**	12	0.0020	1,022	3,066	275,940	191.6	2.10	579,474	181,500	0.761	0.939	
4	8	0.0033	560	1,680	151,200	105.0	2.28	344,736	N/A	0.345	0.409	
5	10	0.0025	823	2,469	222,210	154.3	2.20	488,862	N/A	0.489	0.646	
6	10	0.0025	1,085	3,255	292,950	203.4	2.10	615,195	N/A	0.615	0.646	
										<b>TOTAL=</b>	<b>1.376</b>	<b>MGD</b>

TOTAL= 2107

COMMERCIAL FLOWS (PEAK) = 150,000 gpd

SCHOOL FLOWS (PEAK) = 31,500 gpd

\*CONNECTION POINT FOR THE COMMERCIAL SITE = 150,000 gpd

\*\* CONNECTION POINT FOR THE SCHOOL FLOWS = 31,500 gpd

\*\*\* ADDITIONAL PEAK FLOW REPRESENTS THE CUMULATIVE FLOWS FROM THE COMMERCIAL & SCHOOL SITES. REFER TO TABLE 2 FOR CALCULATIONS.

<b>TABLE 2: SCHOOL &amp; COMMERCIAL FLOW CALCULATIONS</b> <b>IRONWOOD CROSSING SEWER ANALYSIS</b> <b>CMX GROUP PROJECT NO. 6987</b>						
ADDITIONAL FLOWS	PIPE SEGMENT ADDED TO	TOTAL AREA (ACRES)	AVERAGE DEMAND (gpd)**	PEAKING FACTOR*	PEAK FLOW (gpd)	PEAK FLOW (mgd)
COMMERCIAL	1	50	50,000	3	150,000	0.15
SCHOOL	3	10.5	10,500	3	31,500	0.0315
TOTAL=					181,500	0.1815

\*NOTE: PEAKING FACTOR BASED ON JOHNSON UTILITIES CRITERIA (TABLE 3)

\*\*NOTE: THE EFFECTIVE FLOWS FOR THE SCHOOL & COMMERCIAL SITES WAS DETERMINED USING 1000 GPD/ACRE.

TABLE 3: JOHNSON UTILITIES PEAKING FACTORS	
POPULATION*	PEAKING FACTOR*
100	3.62
200	3.14
300	2.9
400	2.74
500	2.64
600	2.56
700	2.5
800	2.46
900	2.42
1000	2.38
1500	2.28
2000	2.2
2500	2.15
3000	2.1
4000	2.02
5000	1.98
6000	1.93
7000	1.92
8000	1.89
9000	1.87
10000	1.85
15000	1.8
20000	1.74
25000	1.71
30000	1.69

\* PER JOHNSON UTILITIES DESIGN GUIDE (Ref. 1), TABLE 1 PAGE 4

TABLE 4: SEWER SUMMARY TABLE IRONWOOD CROSSING SEWER ANALYSIS CMX GROUP PROJECT NO. 6987					
PIPE SEGMENT	PIPE DIAMETER (in)	MINIMUM SLOPE (ft/ft)	DWELLING UNITS SERVED	MAXIMUM NUMBER OF DWELLING UNITS SERVED <sup>1</sup>	
1	8	0.0033	310	626	
2	10	0.0025	658	1049	
3	12	0.0020	1022	1656	
4	8	0.0033	560	665	
5	10	0.0025	823	1087	
6	10	0.0025	1085	1139	
<b>TOTAL</b>			<b>2107</b>		

<sup>1</sup> The maximum number of dwelling units that can be served was calculated based on the minimum allowable slope for the corresponding pipe size (See Appendix C).

**APPENDIX C**  
**WASTEWATER TRUNK LINE CAPACITY CALCULATIONS**

## SEWER FLOW CALCULATIONS - PIPE SEGMENT #1

Pipe Diameter, d (in) = 8  
 Pipe Slope, S (ft/ft) = 0.0033  
 Pipe Roughness = 0.013  
 Peaking Factor = 2.42

y/d **	y (in)	theta (radians)	Area (ft <sup>2</sup> )	Wetted Perimeter (ft)	Hydraulic Radius (ft)	Conveyance		Flow Rate		Velocity (fps)	No. of Lots That Can Be Serviced*
						Factor	(cfs)	(gpd) †	(gpd) ‡		
0.10	0.80	1.2870	0.0182	0.4290	0.0423	0.2523	0.0145	9,368	0.8	14	
0.15	1.20	1.5908	0.0328	0.5303	0.0619	0.5874	0.0337	21,810	1.0	33	
0.20	1.60	1.8546	0.0497	0.6182	0.0804	1.0582	0.0608	39,292	1.2	60	
0.25	2.00	2.0944	0.0682	0.6981	0.0978	1.6553	0.0951	61,462	1.4	94	
0.30	2.40	2.3186	0.0881	0.7729	0.1140	2.3664	0.1359	87,867	1.5	134	
0.35	2.80	2.5322	0.1089	0.8441	0.1290	3.1774	0.1825	117,978	1.7	181	
0.40	3.20	2.7389	0.1304	0.9130	0.1428	4.0722	0.2339	151,203	1.8	231	
0.45	3.60	2.9413	0.1523	0.9804	0.1554	5.0334	0.2891	186,892	1.9	286	
0.50	4.00	3.1416	0.1745	1.0472	0.1667	6.0421	0.3471	224,344	2.0	343	
0.55	4.40	3.3419	0.1967	1.1140	0.1766	7.0778	0.4066	262,802	2.1	402	
0.60	4.80	3.5443	0.2187	1.1814	0.1851	8.1186	0.4664	301,447	2.1	461	
0.65	5.20	3.7510	0.2402	1.2503	0.1921	9.1405	0.5251	339,392	2.2	519	
0.70	5.60	3.9646	0.261	1.3215	0.1975	10.1173	0.5812	375,659	2.2	575	
0.75	6.00	4.1888	0.2808	1.3963	0.2011	11.0192	0.6330	409,149	2.3	626	
0.80	6.40	4.4286	0.2994	1.4762	0.2028	11.8118	0.6785	438,579	2.3	671	
0.85	6.80	4.6924	0.3162	1.5641	0.2022	12.4520	0.7153	462,347	2.3	708	
0.90	7.20	4.9962	0.3309	1.6654	0.1987	12.8792	0.7399	478,212	2.2	732	
0.95	7.60	5.3811	0.3425	1.7937	0.1910	12.9846	0.7459	482,123	2.2	738	
1.00	8.00	6.2832	0.3491	2.0944	0.1667	12.0841	0.6942	448,689	2.0	687	

MAXIMUM FLOW = 0.409 MGD

† P.V.C. pipe with manholes (n=0.013)

‡ 1 cfs = 646,358 gpd

\* Assumes 90 gpd per person with 3.0 persons per unit and a peaking factor according to Table 3 in Appendix B

\*\* The maximum flow the pipe can carry was calculated using the corresponding pipe sizes minimum allowable slope. The pipe was also sized assuming a maximum pipe capacity of 75% full, i.e., y/d = 0.75

## SEWER FLOW CALCULATIONS - PIPE SEGMENT #2

Pipe Diameter, d (in) = 10  
 Pipe Slope, S (ft/ft) = 0.0025  
 Pipe Roughness = 0.013  
 Peaking Factor = 2.28

y/d **	y (in)	theta (radians)	Area (ft <sup>2</sup> )	Wetted		Hydraulic		Conveyance		Flow Rate		Velocity (fps)	No. of Lots That Can Be Serviced*
				Perimeter (ft)	Radius (ft)	Factor	(cfs)	(gpd) ‡					
0.10	1.00	1.2870	0.0284	0.5363	0.0929	0.4574	0.0229	14,783	0.8	24			
0.15	1.50	1.5908	0.0513	0.6628	0.0774	1.0650	0.0533	34,420	1.0	56			
0.20	2.00	1.8546	0.0777	0.7727	0.1005	1.9187	0.0959	62,008	1.2	101			
0.25	2.50	2.0944	0.1066	0.8727	0.1222	3.0013	0.1501	96,995	1.4	158			
0.30	3.00	2.3186	0.1376	0.9661	0.1425	4.2907	0.2145	138,665	1.6	225			
0.35	3.50	2.5322	0.1701	1.0551	0.1612	5.7610	0.2881	186,184	1.7	302			
0.40	4.00	2.7389	0.2037	1.1412	0.1785	7.3834	0.3692	238,616	1.8	388			
0.45	4.50	2.9413	0.238	1.2255	0.1942	9.1262	0.4563	294,938	1.9	479			
0.50	5.00	3.1416	0.2727	1.3090	0.2083	10.9550	0.5477	354,042	2.0	575			
0.55	5.50	3.3419	0.3074	1.3925	0.2207	12.8329	0.6416	414,733	2.1	674			
0.60	6.00	3.5443	0.3417	1.4768	0.2314	14.7200	0.7360	475,720	2.2	773			
0.65	6.50	3.7510	0.3753	1.5629	0.2401	16.5729	0.8286	535,601	2.2	870			
0.70	7.00	3.9646	0.4078	1.6519	0.2469	18.3439	0.9172	592,835	2.2	963			
0.75	7.50	4.1888	0.4388	1.7453	0.2514	19.9792	0.9990	645,687	2.3	1049			
0.80	8.00	4.4286	0.4678	1.8452	0.2535	21.4163	1.0708	692,129	2.3	1124			
0.85	8.50	4.6924	0.4941	1.9552	0.2527	22.5769	1.1288	729,639	2.3	1185			
0.90	9.00	4.9962	0.517	2.0817	0.2484	23.3516	1.1676	754,675	2.3	1226			
0.95	9.50	5.3811	0.5352	2.2421	0.2387	23.5426	1.1771	760,847	2.2	1236			
1.00	10.00	6.2832	0.5454	2.6180	0.2083	21.9100	1.0955	708,085	2.0	1150			

MAXIMUM FLOW = 0.646 MGD

† P.V.C. pipe with manholes (n=0.013)

‡ 1 cfs = 646,358 gpd

\* Assumes 90 gpd per person with 3.0 persons per unit and a peaking factor according to Table 3 in Appendix B

\*\* The maximum flow the pipe can carry was calculated using the corresponding pipe sizes minimum allowable slope. The pipe was also sized assuming a maximum pipe capacity of 75% full, i.e., y/d = 0.75

### SEWER FLOW CALCULATIONS - PIPE SEGMENT #3

Pipe Diameter, d (in) = 12  
 Pipe Slope, S (ft/ft) = 0.0020  
 Pipe Roughness = 0.013  
 Peaking Factor = 2.10

y/d **	y (in)	theta (radians)	Area (ft <sup>2</sup> )	Wetted		Hydraulic Radius (ft)	Conveyance		Flow Rate		Velocity (fps)	No. of Lots That Can Be Serviced*
				Perimeter (ft)			Factor		(cfs)	(gpd)†		
0.10	1.20	1.2870	0.0409	0.6435		0.0635	0.7438	0.0333	21,501	0.8	38	
0.15	1.80	1.5908	0.0739	0.7954		0.0929	1.7319	0.0775	50,061	1.0	88	
0.20	2.40	1.8546	0.1118	0.9273		0.1206	3.1200	0.1395	90,187	1.2	159	
0.25	3.00	2.0944	0.1535	1.0472		0.1466	4.8804	0.2183	141,073	1.4	249	
0.30	3.60	2.3186	0.1982	1.1593		0.1709	6.9771	0.3120	201,680	1.6	356	
0.35	4.20	2.5322	0.245	1.2661		0.1935	9.3680	0.4190	270,792	1.7	478	
0.40	4.80	2.7389	0.2934	1.3694		0.2142	12.0062	0.5369	347,052	1.8	612	
0.45	5.40	2.9413	0.3428	1.4706		0.2331	14.8401	0.6637	428,969	1.9	757	
0.50	6.00	3.1416	0.3927	1.5708		0.2500	17.8140	0.7967	514,932	2.0	908	
0.55	6.60	3.3419	0.4426	1.6710		0.2649	20.8677	0.9332	603,203	2.1	1064	
0.60	7.20	3.5443	0.492	1.7722		0.2776	23.9364	1.0705	691,904	2.2	1220	
0.65	7.80	3.7510	0.5404	1.8755		0.2881	26.9494	1.2052	778,998	2.2	1374	
0.70	8.40	3.9646	0.5872	1.9823		0.2962	29.8291	1.3340	862,241	2.3	1521	
0.75	9.00	4.1888	0.6319	2.0944		0.3017	32.4884	1.4529	939,111	2.3	1656	
0.80	9.60	4.4286	0.6736	2.2143		0.3042	34.8252	1.5574	1,006,659	2.3	1775	
0.85	10.20	4.6924	0.7115	2.3462		0.3033	36.7126	1.6418	1,061,214	2.3	1872	
0.90	10.80	4.9962	0.7445	2.4981		0.2980	37.9723	1.6982	1,097,627	2.3	1936	
0.95	11.40	5.3811	0.7707	2.6906		0.2865	38.2829	1.7121	1,106,605	2.2	1952	
1.00	12.00	6.2832	0.7854	3.1416		0.2500	35.6280	1.5933	1,029,865	2.0	1816	

MAXIMUM FLOW = 0.939 MGD

† P.V.C. pipe with manholes (n=0.013)

‡ 1 cfs = 646,358 gpd

\* Assumes 90 gpd per person with 3.0 persons per unit and a peaking factor according to Table 3 in Appendix B

\*\* The maximum flow the pipe can carry was calculated using the corresponding pipe sizes minimum allowable slope. The pipe was also sized assuming a maximum pipe capacity of 75% full, i.e., y/d = 0.75

### SEWER FLOW CALCULATIONS - PIPE SEGMENT #4

Pipe Diameter, d (in) = 8  
 Pipe Slope, S (ft/ft) = 0.0033  
 Pipe Roughness = 0.013  
 Peaking Factor = 2.28

y/d **	y (in)	theta (radians)	Area (ft <sup>2</sup> )	Wetted		Hydraulic Radius (ft)	Conveyance		Flow Rate		Velocity (fps)	No. of Lots That Can Be Serviced*
				Perimeter (ft)	Factor		(cfs)	(gpd)†				
0.10	0.80	1.2870	0.0182	0.4290	0.0423	0.2523	0.0145	9,368	0.8	15		
0.15	1.20	1.5908	0.0328	0.5303	0.0619	0.5874	0.0337	21,810	1.0	35		
0.20	1.60	1.8546	0.0497	0.6182	0.0804	1.0582	0.0608	39,292	1.2	64		
0.25	2.00	2.0944	0.0682	0.6981	0.0978	1.6553	0.0951	61,462	1.4	100		
0.30	2.40	2.3186	0.0881	0.7729	0.1140	2.3664	0.1359	87,867	1.5	143		
0.35	2.80	2.5322	0.1089	0.8441	0.1290	3.1774	0.1825	117,978	1.7	192		
0.40	3.20	2.7389	0.1304	0.9130	0.1428	4.0722	0.2339	151,203	1.8	246		
0.45	3.60	2.9413	0.1523	0.9804	0.1554	5.0334	0.2891	186,892	1.9	304		
0.50	4.00	3.1416	0.1745	1.0472	0.1667	6.0421	0.3471	224,344	2.0	364		
0.55	4.40	3.3419	0.1967	1.1140	0.1766	7.0778	0.4066	262,802	2.1	427		
0.60	4.80	3.5443	0.2187	1.1814	0.1851	8.1186	0.4664	301,447	2.1	490		
0.65	5.20	3.7510	0.2402	1.2503	0.1921	9.1405	0.5251	339,392	2.2	551		
0.70	5.60	3.9646	0.261	1.3215	0.1975	10.1173	0.5812	375,659	2.2	610		
0.75	6.00	4.1888	0.2808	1.3963	0.2011	11.0192	0.6330	409,149	2.3	665		
0.80	6.40	4.4286	0.2994	1.4762	0.2028	11.8118	0.6785	438,579	2.3	712		
0.85	6.80	4.6924	0.3162	1.5641	0.2022	12.4520	0.7153	462,347	2.3	751		
0.90	7.20	4.9862	0.3309	1.6654	0.1987	12.8792	0.7399	478,212	2.2	777		
0.95	7.60	5.3811	0.3425	1.7937	0.1910	12.9846	0.7459	482,123	2.2	783		
1.00	8.00	6.2832	0.3491	2.0944	0.1667	12.0841	0.6942	448,689	2.0	729		

MAXIMUM FLOW = 0.409 MGD

† P.V.C. pipe with manholes (n=0.013)

‡ 1 cfs = 646,358 gpd

\* Assumes 90 gpd per person with 3.0 persons per unit and a peaking factor according to Table 3 in Appendix B

\*\* The maximum flow the pipe can carry was calculated using the corresponding pipe sizes minimum allowable slope. The pipe was also sized assuming a maximum pipe capacity of 75% full, i.e., y/d = 0.75

### SEWER FLOW CALCULATIONS - PIPE SEGMENT #5

Pipe Diameter, d (in) = 10  
 Pipe Slope, S (ft/ft) = 0.0025  
 Pipe Roughness = 0.013  
 Peaking Factor = 2.20

y/d **	y (in)	theta (radians)	Area (ft <sup>2</sup> )	Wetted		Hydraulic Radius (ft)	Conveyance		Flow Rate		Velocity (fps)	No. of Lots That Can Be Serviced*
				Perimeter (ft)	Factor		(cfs)	(gpd)†				
0.10	1.00	1.2870	0.0284	0.5363	0.0529	0.4574	0.0229	14,783	0.8	25		
0.15	1.50	1.5908	0.0513	0.6628	0.0774	1.0650	0.0533	34,420	1.0	58		
0.20	2.00	1.8546	0.0777	0.7727	0.1005	1.9187	0.0959	62,008	1.2	104		
0.25	2.50	2.0944	0.1066	0.8727	0.1222	3.0013	0.1501	96,995	1.4	163		
0.30	3.00	2.3186	0.1376	0.9661	0.1425	4.2907	0.2145	138,665	1.6	233		
0.35	3.50	2.5322	0.1701	1.0551	0.1612	5.7610	0.2881	186,184	1.7	313		
0.40	4.00	2.7389	0.2037	1.1412	0.1785	7.3834	0.3692	238,616	1.8	402		
0.45	4.50	2.9413	0.238	1.2255	0.1942	9.1262	0.4563	294,938	1.9	497		
0.50	5.00	3.1416	0.2727	1.3090	0.2083	10.9550	0.5477	354,042	2.0	596		
0.55	5.50	3.3419	0.3074	1.3925	0.2207	12.8329	0.6416	414,733	2.1	698		
0.60	6.00	3.5443	0.3417	1.4768	0.2314	14.7200	0.7360	475,720	2.2	801		
0.65	6.50	3.7510	0.3753	1.5629	0.2401	16.5729	0.8286	535,601	2.2	902		
0.70	7.00	3.9646	0.4078	1.6519	0.2469	18.3439	0.9172	592,835	2.2	998		
0.75	7.50	4.1888	0.4388	1.7453	0.2514	19.9792	0.9990	650,687	2.3	1087		
0.80	8.00	4.4286	0.4678	1.8452	0.2535	21.4163	1.0708	692,129	2.3	1165		
0.85	8.50	4.6924	0.4941	1.9552	0.2527	22.5769	1.1288	729,639	2.3	1228		
0.90	9.00	4.9962	0.517	2.0817	0.2484	23.3516	1.1676	754,675	2.3	1270		
0.95	9.50	5.3811	0.5352	2.2421	0.2387	23.5426	1.1771	760,847	2.2	1281		
1.00	10.00	6.2832	0.5454	2.6180	0.2083	21.9100	1.0955	708,085	2.0	1192		

MAXIMUM FLOW = 0.646 MGD

† P.V.C. pipe with manholes (n=0.013)

‡ 1 cfs = 646,358 gpd

\* Assumes 90 gpd per person with 3.0 persons per unit and a peaking factor according to Table 3 in Appendix B

\*\* The maximum flow the pipe can carry was calculated using the corresponding pipe sizes minimum allowable slope. The pipe was also sized assuming a maximum pipe capacity of 75% full, i.e., y/d = 0.75

## SEWER FLOW CALCULATIONS - PIPE SEGMENT #6

Pipe Diameter, d (in) = 10  
 Pipe Slope, S (ft/ft) = 0.0025  
 Pipe Roughness = 0.013  
 Peaking Factor = 2.10

y/d **	y (in)	theta (radians)	Area (ft <sup>2</sup> )	Wetted Perimeter (ft)	Hydraulic Radius (ft)	Conveyance		Flow Rate		Velocity (fps)	No. of Lots That Can Be Serviced*
						Factor	(cfs)	(gpd) †	(gpd) †		
0.10	1.00	1.2870	0.0284	0.5363	0.0529	0.4574	0.0229	14,783	0.8	26	
0.15	1.50	1.5908	0.0513	0.6628	0.0774	1.0650	0.0533	34,420	1.0	61	
0.20	2.00	1.8546	0.0777	0.7727	0.1005	1.9187	0.0959	62,008	1.2	109	
0.25	2.50	2.0944	0.1066	0.8727	0.1222	3.0013	0.1501	96,995	1.4	171	
0.30	3.00	2.3186	0.1376	0.9661	0.1425	4.2907	0.2145	138,665	1.6	245	
0.35	3.50	2.5322	0.1701	1.0551	0.1612	5.7610	0.2881	186,184	1.7	328	
0.40	4.00	2.7389	0.2037	1.1412	0.1785	7.3834	0.3692	238,616	1.8	421	
0.45	4.50	2.9413	0.238	1.2255	0.1942	9.1262	0.4563	294,938	1.9	520	
0.50	5.00	3.1416	0.2727	1.3090	0.2083	10.9550	0.5477	354,042	2.0	624	
0.55	5.50	3.3419	0.3074	1.3925	0.2207	12.8329	0.6416	414,733	2.1	731	
0.60	6.00	3.5443	0.3417	1.4768	0.2314	14.7200	0.7360	475,720	2.2	839	
0.65	6.50	3.7510	0.3753	1.5629	0.2401	16.5729	0.8286	535,601	2.2	945	
0.70	7.00	3.9646	0.4078	1.6519	0.2469	18.3439	0.9172	592,835	2.2	1046	
0.75	7.50	4.1888	0.4388	1.7453	0.2514	19.9792	0.9990	645,687	2.3	1139	
0.80	8.00	4.4286	0.4678	1.8452	0.2535	21.4163	1.0708	692,129	2.3	1221	
0.85	8.50	4.6924	0.4941	1.9552	0.2527	22.5769	1.1288	729,639	2.3	1287	
0.90	9.00	4.9962	0.517	2.0817	0.2484	23.3516	1.1676	754,675	2.3	1331	
0.95	9.50	5.3811	0.5362	2.2421	0.2387	23.5426	1.1771	760,847	2.2	1342	
1.00	10.00	6.2832	0.5454	2.6180	0.2083	21.9100	1.0955	708,085	2.0	1249	

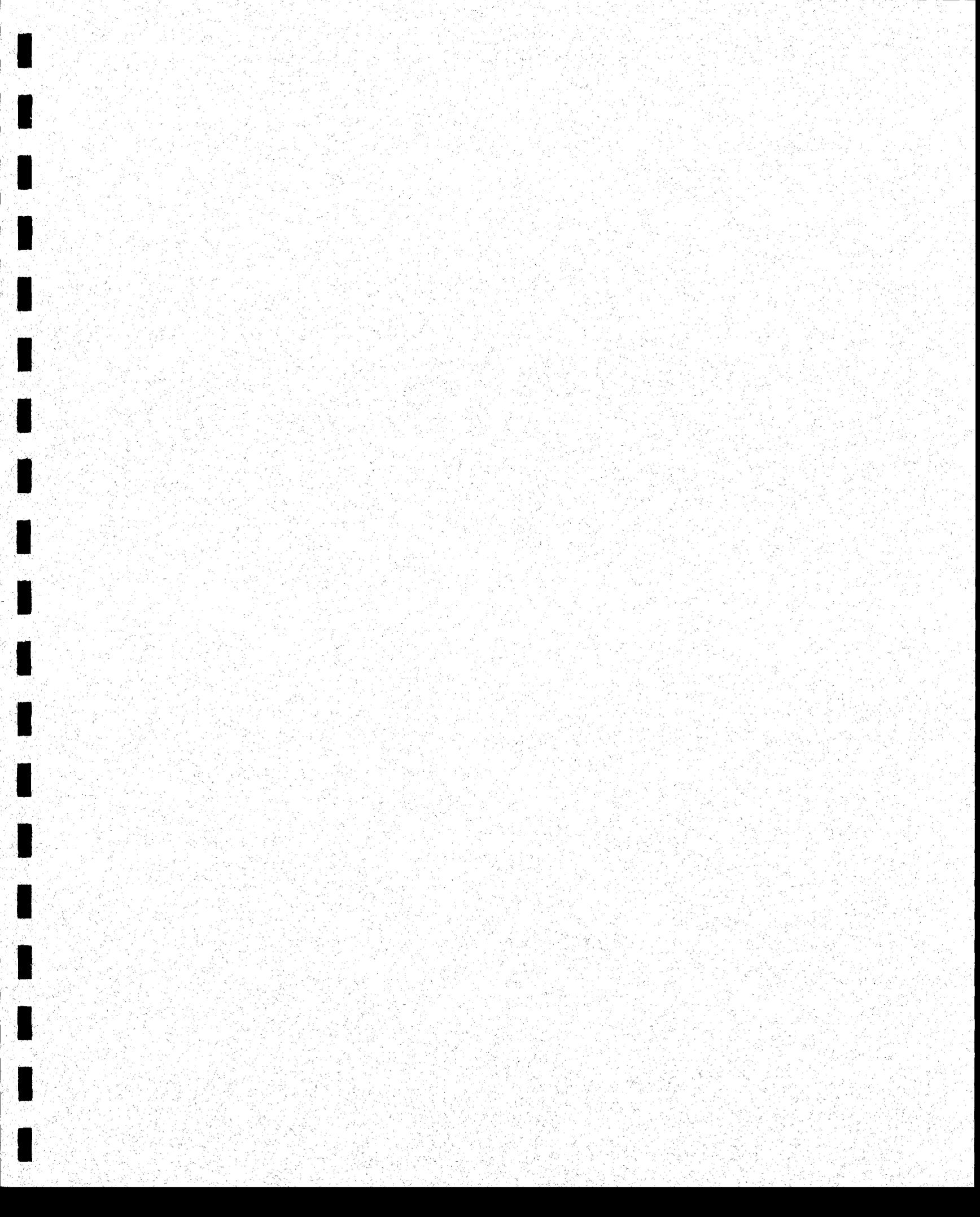
MAXIMUM FLOW = 0.646 MGD

† P.V.C. pipe with manholes (n=0.013)

‡ 1 cfs = 646,358 gpd

\* Assumes 90 gpd per person with 3.0 persons per unit and a peaking factor according to Table 3 in Appendix B

\*\* The maximum flow the pipe can carry was calculated using the corresponding pipe sizes minimum allowable slope. The pipe was also sized assuming a maximum pipe capacity of 75% full, i.e., y/d = 0.75



# ATTACHMENT 11

JOHNSON UTILITIES L.L.C. dba JOHNSON UTILITIES COMPANY  
TARIFF REVISION

PART FOUR- SECTION III. TERMINATION OF WATER SERVICE FOR NON-  
PAYMENT OF WASTEWATER BILL

- III. Those Company customers who also receive water service from either H2O, Inc. ("H2O") or Diversified Water Utilities, Inc ("Diversified") are hereby notified that the Companies have been authorized by the Commission that in the event the wastewater bill of the Company is not paid in a timely fashion, and following notice by both Companies, the water service from H2O or Diversified may be terminated. Water service will not be restored until the customer pays to the Company the delinquent balance, plus all Reconnection of Service and Deposit Requirements pursuant to PART THREE, SECTION III of this Tariff, and the payment to H2O or Diversified of the applicable H2O or Diversified Reconnection of Service charges. Please see the H2O or Diversified Tariff, as applicable, in this regard.

Renumber to conform

## H2O, Inc. TARIFF REVISIONS

### TERMINATION OF WATER SERVICE FOR NON-PAYMENT OF WASTEWATER BILL

- I. Company customers who also receive wastewater service from Johnson Utilities Company ("JUC") are hereby notified that the Companies have been authorized by the Commission that in the event the wastewater bill of JUC is not paid in a timely fashion, and following notice by both Companies, the water service from H2O may be terminated. Water service will not be restored until the customer pays to JUC the delinquent balance, plus all-Reconnection of Service and Deposit Requirements pursuant to the JUC Tariff, and the payment to the Company of the applicable Reconnection of Service charges pursuant to the Company's Tariff. Please see the JUC Tariff in this regard.

Renumber to conform