

NEW APPLICATION
ORIGINAL



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BEFORE THE ARIZONA CORPORATION COMMISSION

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2006 FEB 17 A 10: 25
AZ CORP COMMISSION
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IN THE MATTER OF THE NOTICE OF INTENT
OF SANTA CRUZ WATER COMPANY AND
PALO VERDE UTILITIES COMPANY TO
TRANSFER A PORTION OF THE MEMBERSHIP
INTERESTS IN GLOBAL WATER RESOURCES,
LLC.

Docket No. W-03575A-06-
Docket No. SW-03576A-06-

W-03576A-06-0103
SW-03575A-06-0103

NOTICE OF INTENT

Pursuant to Decision Nos. 67240 (Sept. 23, 2004) and 67830 (May 5, 2005), Santa Cruz Water Company and Palo Verde Utilities Company (collectively "Global Subsidiaries") provide this Notice of Intent to transfer a small portion of the membership interests in their parent, Global Water Resources, LLC ("Global") to existing Global officers or key management personnel. Due to an oversight, this Notice of Intent is being provided subsequent to the actual transfer described below ("Transfer"). Global apologizes for this oversight.

I. BACKGROUND.

The Commission ordered Global and the Global Subsidiaries to file a Notice of Intent for any "proposed change in the ownership of their respective membership interests (including transfer or additional memberships)." Decision No. 67240 (Sept. 23, 2004) at 16. Once the Notice has been filed, within 60 days, the Commission "may initiate a proceeding... to determine approval." *Id.* If the Commission takes "no action within 60 days after filing, the proposed transaction is permitted to proceed without approval." *Id.* This requirement was part of a Settlement Agreement entered into between the Global, the Global Subsidiaries, and Staff. *Id.* at Attachment B. The Commission approved this Settlement Agreement. *Id.* at 14.

1 The Commission adopted the same requirements a second time in another order concerning
2 the Global Subsidiaries. See Decision No. 67830 (May 5, 2005) at 12. The Commission later
3 modified this second order, but did not change the requirements described above. Decision No.
4 68186 (Sept. 30, 2005).

5 **II. THE TRANSFER.**

6 The Transfer involved transferring a small portion of the membership interests in Global to
7 existing Global officers or key management personnel. The Transfer is summarized in the
8 following chart:

9 <u>Name</u>	<u>Title</u>	<u>Ownership</u>
10 Graham Symmonds	Vice President of Operations and Compliance	2.5%
11 Cindy Liles	Vice President for Growth Management and 12 Chief Financial Officer	1.5%
13 Andrew Cohn	General Manager, Levine Investments, LLP	12.5%

14 In all other respects, the existing ownership of Global remains the same. Mr. Symmonds,
15 Ms. Liles, and Mr. Cohn have all been involved in Global for some time. The Commission may
16 be familiar with Mr. Symmonds and Ms. Liles, who have testified before the Commission
17 previously. Mr. Cohn is a longtime associate of Mr. Bill Levine, the owner of the largest interest
18 in Global. The Transfer did not involve the new members "buying" membership interests.
19 Instead, the other members rewarded the new members for their contributions to Global by giving
20 them membership interests in the amounts shown above. The Transfer only strengthens the
21 membership of Global, which combines experienced utility management with successful and
22 respected investors.

23 The existing ownership of the Global Subsidiaries remains unchanged. Specifically, the
24 Global Subsidiaries are 100% owned by Global.

25 Global remains committed to delivering innovative, cutting-edge water and wastewater
26 services to cope with unprecedented growth in its service areas and serve the citizens of Arizona.
27 Global will continue to work with the Commission and other government agencies to promote the

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1 use of reclaimed water and surface water and to conserve the use of groundwater. Global has
2 invested substantial equity in Arizona, and intends to continue to doing so, in accordance with
3 sound business practices.

4 Global recognizes that this Notice should have been provided prior to the completing the
5 Transfer. Global apologizes for this oversight. Global will ensure that any future notices of intent
6 required by Decision Nos. 67240 and 67830 will be filed before any transactions being completed.
7 This will enable the Commission to review any such transactions before they take effect, as was
8 contemplated by Decision Nos. 67240 and 67830.

9 **III. CONCLUSION.**

10 The Transfer rewards the new owners for their contributions to Global's success. Global's
11 commitment to Arizona and its customers remains unchanged. Global apologizes that this Notice
12 was not filed on time. Global requests that the Commission take no action on this Notice. In the
13 alternative, if the Commission does take action, Global requests that the Commission retroactively
14 approve the Transfer.

15 RESPECTFULLY submitted this 17th day of February 2006.

16 ROSHKA DEWULF & PATTEN, PLC

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19 By 

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25 Original + 15 copies of the foregoing
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1 Copies of the foregoing hand-delivered/mailed
2 this 17th day of February 2006, to:

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By *Mary Appolito*