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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

AZ CORP COMMISSION
DOCUMENT CONTROL

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

IN THE MATTER OF THE APPLICATION
OF ARIZONA WATER COMPANY FOR
AN EXTENSION OF THE SERVICE
AREA UNDER ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER
UTILITY SERVICES

Docket No. W-01445A-03-0559

**CERTIFICATE OF FILING
OF DIRECT TESTIMONY AND EXHIBITS**

Arizona Water Company is today filing the direct testimony, attached hereto, of its witnesses William M. Garfield and Michael J. Whitehead, as directed by the procedural order entered in this matter on April 19, 2006; the exhibits for Mr. Garfield; and an exhibit list for Mr. Whitehead. Mr. Whitehead's exhibits will be filed and served tomorrow.

RESPECTFULLY SUBMITTED this 12th day of June 2006.

ARIZONA WATER COMPANY

By: Robert W. Geake

Robert W. Geake
Vice President and General Counsel
Arizona Water Company
P. O. Box 29006
Phoenix, AZ 85038
Attorney for Applicant

1 AN ORIGINAL and thirteen (13) copies of the Foregoing and attachments filed this 12th
2 day of June 2006 with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 W. Washington
6 Phoenix, AZ 85007

7 And copies of the foregoing and attachments delivered this 12th day of June 2006 to:

8 Teena Wolfe
9 Administrative Law Judge
10 Hearing Division
11 Arizona Corporation Commission
12 1200 W. Washington
13 Phoenix, AZ 85007

14 David Ronald, Staff Counsel
15 Legal Division
16 Arizona Corporation Commission
17 1200 W. Washington
18 Phoenix, AZ 85007

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22 400 E. Van Buren
23 Phoenix, AZ 85004-2202
24 Attorneys for Cornman Tweedy 560, LLC

25 By: Robert W. Meade
26
27
28

Michael J. Whitehead

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Jeff Hatch-Miller - Chairman
William A. Mundell
Marc Spitzer
Mike Gleason
Kristin K. Mayes

IN THE MATTER OF THE APPLICATION
OF ARIZONA WATER COMPANY FOR AN
EXTENSION OF ITS CERTIFICATE
OF CONVENIENCE AND NECESSITY
AT CASA GRANDE, PINAL COUNTY,
ARIZONA

DOCKET NO. W-01445A-03-0559

Direct Testimony
of
Michael J. Whitehead

1 ARIZONA WATER COMPANY

2
3 Direct Testimony of
4 Michael J. Whitehead
5

6 Q. WHAT ARE YOUR NAME, EMPLOYER AND OCCUPATION?

7 A. My name is Michael J. Whitehead. I am employed by Arizona Water
8 Company (the "Company") as Vice President — Engineering.

9 Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE AND EDUCATIONAL
10 BACKGROUND.

11 A. I was employed by Arizona Water Company in September 1980 as an
12 Engineer. I was promoted to Senior Engineer in 1985, Engineering
13 Manager in 1989, and in 1996 to Vice President - Engineering.

14
15 I completed my college degree at Arizona State University and received a
16 B.S.M.E. I became a Certified Professional Engineer in 1985. I am
17 currently a member of the American Water Works Association.

18 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

19 A. I will describe in general the Company's experience in contacts with
20 developers before the Company files an application for a new Certificate of
21 Convenience and Necessity (CCN) or an extension of an existing CCN,
22 and in contacts with developers after a CCN is approved by the
23 Commission (particularly with respect to CCNs with post-hearing
24 conditions). Next, I will describe and summarize the contacts the
25 Company had with the developers in this particular case both before and
26 after the CCN was approved by the Commission in Decision No. 66893,
27 and the Company's efforts to obtain main extension agreements from the
28 developers in this case.

1 Q. WILL YOU BE SPONSORING ANY EXHIBITS WITH YOUR DIRECT
2 TESTIMONY?

3 A. Yes. I will be sponsoring the exhibits listed on the attached exhibit list, with
4 the exhibits themselves following the exhibit list in tabbed order. The
5 documents are from the business records and files of the Company and
6 are of the type regularly kept in the course of our business activity as part
7 of our regular practice, or were prepared directly by me or my staff, or are
8 from the files of the ADWR.

9 Q. WHAT TYPES OF CONTACTS DOES THE COMPANY GENERALLY
10 HAVE WITH DEVELOPERS BEFORE IT FILES A CCN APPLICATION?

11 A. Generally, before an application is filed, the Company is approached by a
12 developer who owns or controls land in an uncertificated area, usually by
13 telephone, followed by one or more meetings at the Company's offices, to
14 discuss the developer's plans for developing his property and, in particular,
15 determining how the Company can provide water service to the proposed
16 development. The Company usually obtains a letter from the developer
17 requesting water service to the property, although at times the process
18 moves forward without a written request to provide service. Following
19 these further communications, an application for a CCN is prepared and
20 filed. The application usually involves more than one development.
21 Beginning with the initial contact, this process leading to the filing of a CCN
22 application can take a few months, or more than one year. There are
23 usually several contacts occurring at any particular time, and they may be
24 occurring simultaneously in several of the Company's service areas.
25 Some of the contacts end without a CCN application being filed, some
26 seem to end, then resume, and some occur with more than one developer
27 for a particular parcel of land. The developers control the timing and nature
28 of these contacts, as they are the ones developing the areas to be served.

1 One of the main points to take from this summary is a point made in Mr.
2 Garfield's testimony, and that is, the entire process of obtaining water
3 service, for a non-developer owned utility like the Company, is primarily
4 developer driven, with respect to when the Company provides water
5 service at the developer's request. Without the developer's cooperation
6 and initiative, it simply does not occur, nor would the Company have a
7 reason to make it occur before the developer is ready.

8 **Q. WHAT TYPES OF CONTACTS DOES THE COMPANY GENERALLY**
9 **HAVE WITH DEVELOPERS AFTER A CCN APPLICATION IS**
10 **APPROVED?**

11 **A.** As it is before the CCN is filed, the pace of development is for the most
12 part controlled by the developer. Once the CCN is filed, the contacts the
13 Company has with the developer are usually initiated by the developer,
14 such as for help from the Company in obtaining a certificated of assured
15 water supply (as described in detail in Mr. Garfield's direct testimony), for
16 review of the developer's plans, to provide information the Company needs
17 to make final designs of the water system or for preparation of main
18 extension agreements, and for information to file with the Arizona
19 Department of Environmental Quality and other appropriate agencies.
20 Almost all of these contacts are initiated by the developer, then followed up
21 by the Company as the developer requests or as may be necessary for
22 engineering reasons. Again, the developer controls the development
23 schedule. As with the contacts I described that occur before the CCN
24 application is filed, the amount of contacts with a particular developer and
25 the timing of the contacts vary with each developer, some occurring
26 weekly, some monthly, and some developments take a number of years
27 for completion, with contacts occurring sporadically during that time.
28

1 Again, it is not the Company's role to dictate the pace of the developer's
2 efforts, but to be responsive to the water utility needs of the developer.

3 **Q. TURNING TO THE CASE YOU ARE TESTIFYING IN TODAY, CAN YOU**
4 **SPECIFICALLY DESCRIBE WHERE THE CCN AREA EXTENDED BY**
5 **DECISION NO. 66893 IS LOCATED, AND WITHIN THAT AREA, WHERE**
6 **THE POST RANCH AND FLORENCE COUNTRY ESTATES**
7 **DEVELOPMENTS ARE LOCATED?**

8 **A.** Yes. These areas are described in a map I had prepared, Exhibit MJW-32.
9 The area included in the extended CCN that is the subject of Decision No.
10 66893 includes Sections 19, 20, 21, 22, 23, the west ½ of 24, the west ½
11 of 25, 26, 27, 28, 29 and 30, Township 6 South, Range 7 East, totaling 11
12 sections. Post Ranch, formerly known as the Harvard Investments project,
13 is located in the south ½ and the northeast ¼ of Section 29. Florence
14 County Estates, formerly known as the Core Group development, which is
15 now controlled by Cornman Tweedy, is located in the northeast ¼ of
16 Section 27 and the northwest ¼ of Section 26.

17 **Q. WHAT IS THE IMPORTANCE OF THESE DEVELOPMENTS AND THEIR**
18 **LOCATION WITH REGARD TO THE COMPANY'S PINAL VALLEY**
19 **WATER SYSTEM MASTER PLAN?**

20 **A.** The Company maintains and regularly amends a Master Plan for its Pinal
21 Valley operations, which includes its Casa Grande, Stanfield, Tierra
22 Grande, Arizona City and Coolidge systems. That Master Plan Map is
23 Exhibit MJW-2. This is an important part of the Company's provision of
24 public utility water service in this area. We are proactively planning our
25 water system based on development needs in this area and the overall
26 engineering plan for construction of storage facilities, transmission mains
27 and other physical plant and property. We are planning in terms of future
28 water supplies, water quality and treatment, fire suppression, and the most

1 efficient delivery of water to our present and future customers. Developer
2 requests were particularly important to the Company with regard to linking
3 the Casa Grande system with the Tierra Grande system. They provided
4 the means of applying for the necessary extension of the Company's CCN
5 to provide a vital linkage between these two systems along Florence
6 Boulevard, so that the future customers in those sections could be better
7 served in terms of supply, quality and cost. The geographic importance
8 and logic of applying for a CCN extension in this area is apparent from a
9 review of the Pinal Valley Water System Master Plan, referred to above.

10 **Q. DOES THE COMPANY HAVE A CERTIFICATE OF APPROVAL TO**
11 **CONSTRUCT THE INTERCONNECTION TRANSMISSION MAINS**
12 **ALONG FLORENCE BOULEVARD FROM THE ARIZONA**
13 **DEPARTMENT OF ENVIRONMENTAL QUALITY TO CONNECT THE**
14 **TIERRA GRANDE AND CASA GRANDE SYSTEMS?**

15 **A.** Yes. That Certificate is Exhibit MJW-1 and is dated November 9, 2005.

16 **Q. WHAT IS THE CHRONOLOGY OF CONTACTS THE COMPANY HAD**
17 **WITH THE DEVELOPERS REGARDING THE CCN FOR THESE**
18 **DEVELOPMENTS?**

19 **A.** The following list summarizes the contacts the Company has had with
20 developers before and after the entry of Decision No. 66393:

21 1. Post Ranch (Harvard Investments):

22 a. May 24, 2003 – The Company received a request from
23 the developer to extend its CCN into the Post Ranch area. See Exhibit
24 MJW-3.

25 b. April 27, 2004 – The Company responded to the
26 developer's request for a preliminary cost estimate. See Exhibit MJW-4.

27 c. April 19, 2005 – Fax to Post Ranch, re: Request for
28 CCN time extension. See Exhibit MJW-5.

- 1 d. May 5, 2005 – Plans received from Arcadis for initial
2 plan review. See Exhibit MJW-6.
- 3 e. May 9, 2005 – AWC Response to initial plan review.
4 See Exhibit MJW-7.
- 5 f. September 15, 2005 – Developer requests for a line
6 extension agreement contract. See Exhibit MJW-8.
- 7 g. October 12, 2005 – Line Extension Agreement mailed to
8 developer. See Exhibit MJW-9.
- 9 h. October 13, 2005 – The Company responds to second
10 Plan Review. See Exhibit MJW-10.
- 11 i. October 4, 2005 – Company receives final plans from
12 Arcadis for final review/approval. See Exhibit MJW-11.
- 13 j. October 14, 2005 – Plans conditionally approved by the
14 Company. See Exhibit MJW-12.
- 15 k. November 14, 2005 – Receive ADEQ's approval of
16 construction for off-site. See Exhibit MJW-13.
- 17 l. December 1, 2005 – resubmitted extension
18 agreements dated October 12, 2005. See Exhibit MJW-14.
- 19 m. May 18, 2006 – Revised extension agreement mailed to
20 the developer. See Exhibit MJW-15.
- 21 2. Florence Country Estates (Core Group):
- 22 a. September 25, 2002 – The Company sends a "will
23 serve" letter to the developer. See Exhibit MJW-16.
- 24 b. September 25, 2002 – Preliminary Cost Estimate. See
25 Exhibit MJW-17.
- 26 c. June 17, 2003 – Developer sends letter requesting the
27 Company to extend its CCN to serve its development. See Exhibit MJW-
28 18.

- 1 d. June 26, 2003 – first plan review response. See Exhibit
- 2 MJW-19.
- 3 e. August 8, 2003 – Core Group request for further plan
- 4 review. See Exhibit MJW-20.
- 5 f. August 19, 2003 – AWC's next response to plan review.
- 6 See Exhibit MJW-21.
- 7 g. September 2, 2003 – AWC's next response to plan
- 8 review. See Exhibit MJW-22.
- 9 h. September 10, 2003 – Company sends fax to Core
- 10 Group referencing map. See Exhibit MJW-23.
- 11 i. September 24, 2003 – Core Group request for
- 12 additional plan review. See Exhibit MJW-24.
- 13 j. September 29, 2003 – Core Group – request to use a
- 14 different type of water pipe. See Exhibit MJW-25.
- 15 k. October 9, 2003 – AWC mailed copy of Extension
- 16 Agreement to Core Group. See Exhibit MJW-26.
- 17 l. October 14, 2003 – Core Group submittal of final water
- 18 plans to the Company. See Exhibit MJW-27.
- 19 m. October 17, 2003 – AWC's approval of water plans
- 20 including will-serve letter and drinking water service agreement. See
- 21 Exhibit MJW-28.
- 22 n. December 3, 2003 – Fax from DWR with NOI. See
- 23 Exhibit WMG-4.
- 24 o. December 9, 2003 – Fax from DWR with revised NOI.
- 25 See Exhibit WMG-4.
- 26 p. December 11, 2003 – The Company provides NOI. See
- 27 Exhibit WMG-4.
- 28

1 q. January 8, 2004 – ADEQ's Certificate of Approval to
2 Construct. See Exhibit MJW-29.

3 r. April 21, 2004 – AWC receives Annual Reporting
4 Agreement from Madison Diversified Corp. See Exhibit MJW-30.

5 s. May 6, 2004 – Core Group request to revise NOI. See
6 Exhibit WMG-4.

7 t. May 17, 2004 – The Company completes revision of
8 NOI. See Exhibit WMG-4.

9 u. May 31, 2004 – Core Group Request to Revise NOI.
10 See Exhibit WMG-4.

11 v. June 7, 2004 – AWC completes revision of NOI. See
12 Exhibit WMG-4.

13 w. July 22, 2004 – AWC receives, completes and signs
14 Central Arizona Groundwater Replenishment District Member Land
15 Enrollment Application. See Exhibit MJW-31.

16 In addition, during this entire time period and in some cases afterward, I
17 and the other Company engineers had a series of telephone conversations
18 with either the developers or their representatives including consulting
19 engineers.

20 **Q. WAS THE NATURE OF THE CONTACTS THAT THE COMPANY HAS**
21 **HAD WITH THE POST RANCH AND FLORENCE COUNTRY ESTATES**
22 **DEVELOPERS DIFFERENT IN ANY WAY FROM THE CONTACTS**
23 **THAT THE COMPANY USUALLY HAS WITH DEVELOPERS OF**
24 **OTHER, SIMILAR PINAL COUNTY PROJECTS?**

25 **A.** No. As I described above, the contact that the Company has with
26 developers after CCN orders are entered varies in time and frequency with
27 each developer, as the development schedule for each project is unique.
28 It is not unusual at all for the development process to slow down, relatively,

1 after the CCN is approved, as this can occur for any number of reasons.
2 In this case, the amount of contact that the Company had with each
3 developer, and the timing of the contacts, was not at all unusual.

4 **Q. PLEASE DESCRIBE, IN GENERAL, THE EFFORTS THAT THE**
5 **COMPANY MAKES AFTER A CCN IS GRANTED TO OBTAIN A MAIN**
6 **EXTENSION AGREEMENT FROM A DEVELOPER?**

7 **A.** First of all, a main extension agreement is not usually prepared until the
8 developer is ready to develop and begin construction, and an extension of
9 facilities is required. The Company's process, in general, is to keep in
10 contact with the developer as needed and requested, through telephone
11 calls, meetings, and the like, and to cooperate with the developer and
12 prepare agreements when required and necessary.

13 **Q. TURNING TO THE CASE AT HAND, PLEASE DESCRIBE THE**
14 **COMPANY'S SPECIFIC ACTIVITIES, SINCE THE ENTRY OF DECISION**
15 **NO. 66893, TO ENTER INTO A MAIN EXTENSION AGREEMENT WITH**
16 **THE POST RANCH AND FLORENCE COUNTRY ESTATES**
17 **DEVELOPERS?**

18 **A.** The Company's activities relating to main extension agreements for Post
19 Ranch and Florence Country Estates can be summarized as follows:

20
21 1. Post Ranch.

22 On September 15, 2005 the Company received a request from the
23 developer for a main extension agreement. See Exhibit MJW-8. The
24 agreement was to be for the off-site improvements required to serve
25 the development that included the installation of a 12-inch main from
26 the Company's existing Casa Grande water distribution system
27 along Florence Boulevard to the entrance of Post Ranch.

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The Company completed and mailed the agreement on October 12, 2005. See Exhibit MJW-9.

On December 1, 2005 the Company forwarded another copy of the October 12, 2005 agreement to the developer as, apparently, the first agreement was misplaced.

On May 18, 2006 the Company forwarded a revised agreement to the developer. The Company anticipates that the agreement will be executed and returned shortly. See Exhibit MJW-15.

2. Florence Country Estates.

On October 9, 2003 the Company mailed a copy of the Company's standard main extension agreement to Core Group. See Exhibit MJW-26.

The Company has not yet been asked to prepare an agreement for either the off-site or on-site water facilities needed to serve this development.

Q. CONCERNING THE CCN EXPANSION AREA APPROVED IN DECISION NO. 66893, HAS THERE BEEN ANY OTHER ACTIVITY INITIATED BY DEVELOPERS, LANDOWNERS, OR THE COMPANY, CONCERNING THE PROVISION OF WATER SERVICE TO THE AREA?

A. Yes. The Company has been contacted by several developers/landowners concerning an interest in providing water service to their projects/properties. Again, I must emphasize, this type of activity is normal for an area like the expansion area, and it again illustrates that this

1 process is developer driven for non-developer owned water utilities. As a
2 result of this activity, the Company has:

- 3
- 4 1. Issued "will serve" letters to some of the developers/landowners.
 - 5 2. Prepared, and reviewed, several sets of water distribution system
6 plans for certain proposed developments/parcels of land.
 - 7 3. Had several meetings with certain developers/landowners
8 concerning the provision of water service to their projects/properties.
 - 9 4. Entered into a main extension agreement with a developer for the
10 extension of water service facilities to his property.

11

12 This type of activity, and the Company's response to it, illustrates what a
13 water provider should expect to see after a CCN extension has occurred.
14 Not all development occurs at the same pace; the extension of a CCN and
15 the corresponding plans for, and extension of, water facilities spurs
16 additional interest in development as word of water service availability in
17 the area spreads, resulting in additional land sales, new and revised
18 development plans, etc. A CCN area is filled out over a long period of time,
19 as growth occurs. Moreover, the contacts the Company has received from
20 other developers within the CCN area underscores the wisdom and
21 appropriateness of seeking a coherent CCN extension that logically tracks
22 anticipated areas of development. An experienced and long-term water
23 provider, such as the Company, must anticipate growth and plan for
24 facilities ahead of the actual requests for water service to maximize
25 efficiencies.

26 **Q. CAN YOU SUMMARIZE FOR US THE DEVELOPERS WHO HAVE**
27 **CONTACTED YOU FOR WATER SERVICE WITHIN THE CCN**
28 **DESCRIBED IN DECISION NO. 66893?**

1 A. Yes. As is typically the case when an appropriate area is selected for the
2 CCN extension, other developers want to take advantage of the
3 efficiencies that have been gained for water service, and approach the
4 Company to provide that service within that area. Here, the
5 interconnection along Florence Boulevard and the tie-in of the Tierra
6 Grande and Casa Grande systems has brought the full benefit of the
7 Company's water supply and management resources to bear for the
8 benefit of the developers and the ultimate water customers. The CCN
9 map, Exhibit MJW-32, shows the other developers who we have now
10 received inquiries from within the extension area.

11 JBC Development is in the northeast ¼ of Section 23. They have
12 submitted a cash deposit for the line extension to their development, and
13 the Company has prepared a cost estimate worksheet for that buildout.
14 See Exhibit MJW-33. The Company also has a Certificate of Approval to
15 Construct for the development from ADEQ (Exhibit MJW-34), a main
16 extension agreement with the developer (Exhibit MJW-35) and the
17 Company has prepared plans for construction of the utility facilities. See
18 Exhibit MJW-36.

19
20 Next, Storey Farms has requested service from the Company in portions of
21 Sections 20 and 21. See Exhibit MJW-37. The Company has provided
22 Storey Farms with a will-serve letter. Exhibit MJW-38.

23
24 Next, AG Robertson as made a request for service for portions of Sections
25 23, 22, 26 and 27. See Exhibit MJW-39 and CCN Map, Exhibit MJW-32.
26 The AG Robertson request nearly surrounds the Cornman Tweedy
27 parcels, making it very inefficient and illogical to have a virtual island of
28 service to be carved out of the Company's existing certificate in order to

1 have another utility serve Cornman Tweedy's property (formerly the
2 Florence Country Estates/Core Group parcel).

3
4 Next, Springwater Pointe, L.L.C is developing the southeast ¼ of Section
5 30 and has provided the Company with a preliminary analysis of a
6 distribution system for that development. See Exhibit MJW-40.

7
8 Finally, both the Hacienda Estates and Hacienda Highlands developments
9 have contacted the Company for service in the southwest ¼ of Section 30;
10 the developers of Hacienda Highlands have submitted plans for those
11 facilities. See Exhibit MJW-41.

12 **Q. DO YOU OVERSEE THE NEGOTIATION AND EXECUTION OF MAIN**
13 **EXTENSION AGREEMENTS ON BEHALF OF THE COMPANY?**

14 **A.** Yes, that is a function of the Engineering Department of the Company.

15 **Q. DO YOU HAVE A FORM MAIN EXTENSION AGREEMENT THAT THE**
16 **COMPANY USES AS A BASE FOR THE NEGOTIATIONS FOR THESE**
17 **AGREEMENTS?**

18 **A.** Yes. An example of our standard form is Exhibit MJW-42. The ownership
19 and management of Cornman Tweedy, a subsidiary of Robson
20 Communities, is well familiar with this form and the Company's policies
21 and procedures regarding main extension agreements. This familiarity is
22 based upon us having negotiated other main extension agreements with
23 Robson entities, an of course we are ready, willing and able to do so for
24 the Cornman Tweedy development in Sections 27 and 26, just as we had
25 been doing for its predecessor, Florence Garden Estates, and as we are
26 doing with developers to the north, south east and west of the Cornman
27 Tweedy parcels in the CCN extension area.

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Q. DID THE COMPANY AND CORNMAN TWEEDY SUBMIT DATA REQUESTS TO EACH OTHER?

A. Yes, copies of the text of the responses are attached hereto as Exhibits MJW-43 and MJW-44.

R. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?

A. Yes, it does.

Exhibits

ARIZONA WATER COMPANY/CORNMAN TWEEDY

EXHIBIT LIST

Michael J. Whitehead

I. General & Concerning Tierra Grande/Casa Grande Interconnection

- MJW 1** Approval to construct from ADEQ to AWC related to interconnection between Tierra Grande and Casa Grande systems, dated November 9, 2005.
- MJW 2** Current Pinal Valley Master Plan Map.

II. Concerning Post Ranch/Harvard Investments

- MJW 3** Harvard Investments request for service dated May 24, 2003.
- MJW 4** Company response to developer's request for preliminary cost estimate dated April 27, 2004.
- MJW 5** April 19, 2005 fax to Post Ranch re: request for CCN time extension.
- MJW 6** May 5, 2005 plans received from Arcadis for initial plan review.
- MJW 7** May 9, 2005 AWC Response to initial plan review.
- MJW 8** September 15, 2005 – Developer requests for a line extension agreement contract.
- MJW 9** October 12, 2005 Line Extension Agreement mailed to developer.
- MJW 10** Company response to second Plan Review dated October 13, 2005.
- MJW 11** October 4, 2005 Company receives plans from Arcadis for final review/approval.
- MJW 12** October 14, 2005 – Plans conditionally approved by the Company.
- MJW 13** November 14, 2005 – ADEQ approval of construction for off-site.
- MJW 14** December 1, 2005 – Resubmitted extension agreements dated October 12, 2005.

MJW 15 May 18, 2006 Revised extension agreement mailed to the developer.

III. Concerning Core Group/Florence Country Estates/Robson Property.

- MJW 16** September 25, 2002 – Company sends a “will serve” letter to the developer.
- MJW 17.** September 25, 2002 Preliminary Cost Estimate.
- MJW 18** June 17, 2003 letter from developer requesting the Company extend its CCN to serve its development.
- MJW 19** June 26, 2003 first plan review response.
- MJW 20** August 8, 2003 Core Group request for further plan review.
- MJW 21** August 19, 2003, AWC's next response to plan review.
- MJW 22** September 2, 2003 AWC's next response to plan review.
- MJW 23** September 10, 2003 – Company sends fax to Core Group referencing map.
- MJW 24** September 24, 2003 Core Group request for additional plan review.
- MJW 25** September 29, 2003 Core Group request to use a different type of water pipe.
- MJW 26** October 9, 2003 AWC mailed copy of Extension Agreement to Core Group.
- MJW 27** October 14, 2003 Core Group submittal of final water plans to the company.
- MJW 28** October 17, 2003 AWC's approval of water plans including will-serve letter drinking water service
- MJW 29** January 8, 2004 ADEQ's Certificate of Approval to Construct.
- MJW 30** April 21, 2004 – AWC receives Annual Reporting Agreement from Madison Diversified Corp.

MJW 31 July 22, 2004 AWC receives, completes and signs Central Arizona Groundwater Replenishment District Member Land Enrollment Application.

MJW 32 CCN Map

IV. Concerning JBC Development

MJW 33 JBC deposit for main extension plans, specifications and cost estimate.

MJW 34 Approval to construct from ADEQ to AWC related to JBC Development dated March 9, 2006

MJW 35 Main extension agreement between AWC and JBC Development dated March 13, 2006.

MJW 36 Selected designs or plans related to JBC Development

V. Concerning Storey Farms

MJW 37 Storey Farms request for service dated May 19, 2006.

MJW 38 "Will serve" letter from AWC to Storey Farms dated May 19, 2006.

VI. Concerning Rose Law Group

MJW 39 October 26, 2005 letter from Rose Law Group requesting service & CCN expansion.

VII. Concerning Spring Water Pointe

MJW 40 Selected designs or plans related to Spring Water Pointe.

VIII. Concerning Hacienda Highlands

MJW 41 Selected designs or plans related to Hacienda Highlands.

IX. General

MJW 42 Standard form of AWC Line Extension Agreement.

MJW 43 AWC data request responses.

MJW 44 Cornman Tweedy data request responses.

William M. Garfield

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Jeff Hatch-Miller - Chairman
William A. Mundell
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IN THE MATTER OF THE APPLICATION
OF ARIZONA WATER COMPANY FOR AN
EXTENSION OF ITS CERTIFICATE
OF CONVENIENCE AND NECESSITY
AT CASA GRANDE, PINAL COUNTY,
ARIZONA

DOCKET NO. W-01445A-03-0559

Direct Testimony
of
William M. Garfield

1 ARIZONA WATER COMPANY

2
3 **Direct Testimony of**

4 **William M. Garfield**

5
6 **Q. WHAT ARE YOUR NAME, EMPLOYER AND OCCUPATION?**

7 A. My name is William M. Garfield. I am employed by Arizona Water Company (the
8 "Company") as President.

9 **Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE, EDUCATIONAL**
10 **BACKGROUND AND PROFESSIONAL AFFILIATIONS.**

11 A. Since my initial employment with the Company in February 1984, I have held the
12 positions of Engineer, Senior Engineer, Operations Manager, Vice President of
13 Operations, and currently hold the position of President, which I have held since
14 July 18, 2003.

15
16 I completed my undergraduate work at Southern Illinois University at Carbondale
17 and received a Bachelor of Science degree with honors in Thermal and
18 Environmental Engineering. I have taken post-graduate course work at Arizona
19 State University in Civil Engineering, including coursework in hydrology, water
20 and wastewater treatment and statistics. I am a member of Tau Beta Pi, a
21 national honorary engineering society.

22
23 I am a member of the American Water Works Association, the Arizona Water and
24 Pollution Control Association and serve on the American Water Works
25 Association's Water Meter Standards Committee. I have been active in
26 numerous water industry stakeholder groups with the Arizona Department of
27 Environmental Quality ("ADEQ"), the Arizona Department of Water Resources
28 ("ADWR") and the Central Arizona Groundwater Replenishment District

1 ("CAGR"). I serve on the Company's Board of Directors, the Board of Directors
2 of the Water Infrastructure Finance Authority of Arizona, ADEQ's Water Systems
3 Coordinating Council, ADWR's Statewide Water Resource Advisory Group, and
4 the Board of Directors of the Water Utilities Association of Arizona as well as
5 currently serving as WJAA's Vice President. I also serve as Chairman of the
6 Water Management Subcommittee of the Pinal Active Management Area ("Pinal
7 AMA") Groundwater User Advisory Council.

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

9 A. I will describe the Company's efforts to comply with the requirement that it file
10 copies of the developers' Certificates of Assured Water supply ("CAWS") for the
11 proposed expansion area within 365 days of the entry of Decision No. 66893. I
12 will conclude my testimony by describing the Company's other contacts with the
13 developers concerning this case after the entry of Decision No. 66893 with
14 regard to CAWS issues.

15 **Q. WILL YOU BE SPONSORING ANY EXHIBITS WITH YOUR DIRECT**
16 **TESTIMONY?**

17 A. Yes. I will be sponsoring the exhibits listed on the attached exhibit list, with the
18 exhibits themselves following the exhibit list in tabbed order. These documents
19 are from the records of ADWR, or are from the business records and files of the
20 Company and are of the type regularly kept in the course of our business activity
21 as part of our regular practice, or were prepared directly by me or our staff.

22 **Q. ARE YOU FAMILIAR WITH THE GENERAL PROCESS THAT A DEVELOPER**
23 **MUST GO THROUGH TO OBTAIN A CAWS FROM ADWR?**

24 A. Yes, I am. I have become familiar with these requirements through my
25 experience at the Company in working with developers for this purpose, both as
26 an engineer and now as President, and through my many years serving on
27 several committees that were created by, or are associated with, ADWR and
28

1 which specifically addressed ADWR's Assured Water Supply Program, a
2 program set up specifically to manage assured water supply requirements.

3 **Q. PLEASE DESCRIBE THE PROCESS THAT A DEVELOPER MUST FOLLOW**
4 **TO OBTAIN A CAWS?**

5 A. The process is detailed in ADWR's regulations that set out the procedures for
6 obtaining a CAWS. One important thing to keep in mind is that ADWR, the
7 developer, and the water utility each has an important role, and there must be
8 cooperation. Whether or not a developer obtains a CAWS is out of the
9 Company's control--the developer ultimately controls the process. However, the
10 developer cannot obtain a CAWS without the cooperation of the water utility, and
11 the water utility must cooperate with ADWR as well. The municipal jurisdiction
12 that controls the land use process of development, such as approvals of
13 preliminary and final development plats, also has a role in this process. As to
14 two of the developments at issue in this case, those jurisdictions include the City
15 of Casa Grande (Post Ranch) and Pinal County (Florence Country Estates).
16 With that background, the roles of ADWR, the developer, and the water utility can
17 be summarized as follows:

18
19 The developer's role starts with the developer making application to ADWR for a
20 CAWS through forms provided by ADWR. The basic requirements for obtaining
21 a CAWS include demonstrating that the developer's subdivision has sufficient
22 supplies of water available to meet the development's full water demands for a
23 term of 100 years, and that such water supplies are continuously, physically and
24 legally available to serve the development. In addition, the developer must prove
25 that water use within the development complies with ADWR's management (i.e.,
26 conservation) plan for the active management area within which the development
27 is located. Water use within the development must also comply with ADWR's
28 management goal for the same active management area. The developer and

1 ADWR staff work to determine the water demand for the development at full
2 buildout. Lastly, the developer must provide some form of financial assurance
3 that the facilities needed to serve the water needs for the development will be
4 constructed, typically in the form of a construction assurance.

5
6 ADWR's role is as follows: ADWR reviews the developer's CAWS application for
7 completeness and corresponds with the developer to make sure that all required
8 information is contained within the application. Typically, there is much
9 correspondence during this time period until ADWR determines that the
10 application for a CAWS is administratively complete. ADWR then reviews the
11 application to determine if there are sufficient supplies of water continuously,
12 physically and legally available to serve the development's water needs for 100
13 years. ADWR also reviews the development's conservation plan to determine if
14 water use within the development complies with the management plan.
15 Typically, the developer submits information to ADWR about the use of low-flow
16 plumbing fixtures and limits placed on water intensive water features, such as turf
17 facilities. ADWR then reviews the application to determine if water use within the
18 development complies with the management goal. In the case of the Pinal AMA,
19 where the Florence Country Estates development is located, ADWR has
20 determined that 125 gallons per capita per day can be used from groundwater,
21 but all water use above this amount must come from a renewable source of
22 water. Typically, a developer will comply with the AMA's management goal
23 through enrollment of the development within the CAGR. A development with
24 irrigation grandfathered groundwater rights can also meet this requirement by
25 extinguishing such rights and pledging them to the development. The developer
26 must also provide proof of financial capacity to construct the necessary facilities,
27 typically demonstrated through some form of bonding or other financial
28 instrument. Throughout this process, ADWR will also determine if the

1 development is within the Certificate of Convenience and Necessity ("CCN") of a
2 private water company, and if not, whether or not an application has been filed
3 with the Commission for an extension of the water company's CCN. When
4 ADWR has determined that all of the ADWR's requirements have been met,
5 ADWR will provide public notice about its intent to issue a CAWS for the
6 development. Only when ADWR is satisfied that the requirements have been
7 met, will ADWR provide the public notice.

8
9 The water utility's role is as follows: The water company signs a notice of intent
10 to serve ("NOI") for the development. It is not unusual for a water company to
11 sign more than one NOI since the water demands specified within an NOI are
12 subject to change during the course of ADWR's review of each application for a
13 CAWS. Once the final water demands are known for the development, and
14 approved by ADWR, the water company signs a final NOI. If the development is
15 not within the water company's existing CCN, the water company must also
16 make application to the Commission to extend its CCN to serve the development.
17 The CCN approval process typically occurs simultaneously with the developer's
18 CAWS application. For the Company's Casa Grande and Tierra Grande service
19 areas, the Company previously completed a physical availability demonstration
20 demonstrating sufficient water supplies to serve the Florence Country Estates
21 and Post Ranch developments, as well as future projects remaining to be served.
22 Lastly, a water company participates with the developer in executing agreements
23 with the Central Arizona Water Conservation District ("CAWCD"), which oversees
24 the CAGR, for enrollment of the development within the CAGR and which
25 requires the water company to report water deliveries to the development. These
26 steps are necessary for the developer to obtain its CAWS, and are part of the
27 ongoing planning process of the Company so that these resources are at hand
28

1 when the developer needs them within the Company's current and planned CCN
2 area.

3 **Q. TURNING TO THE SPECIFICS OF THIS CASE, PLEASE DESCRIBE THE**
4 **EFFORTS THAT THE COMPANY MADE SINCE THE ENTRY OF DECISION**
5 **NO. 66893 TO ASSIST HARVARD INVESTMENTS TO OBTAIN A**
6 **CERTIFICATE OF ASSURED WATER SUPPLY?**

7 A. The Company approved one or more NOIs for the Harvard Investment project,
8 now known as Post Ranch. See Exhibit WMG-2. The developer then filed an
9 application for a CAWS with ADWR, listing the Company as the water provider,
10 on November 15, 2005. See Exhibit WMG-1. The developer for Post Ranch
11 retired farmland within the development, extinguished irrigation grandfathered
12 groundwater rights associated with the farmland, and pledged the extinguishment
13 credits to the development, thereby demonstrating compliance with the Pinal
14 AMA management goal, so that the development was not required to enroll
15 within the CAGR. ADWR approved a CAWS for Post Ranch on February 22,
16 2006, again listing the Company as the water provider. A copy of that CAWS is
17 provided in this record at Exhibit WMG-3.

18 **Q. WHY, IN YOUR JUDGMENT, DID ADWR WAIT UNTIL FEBRUARY 22, 2006**
19 **TO ISSUE THE CAWS FOR THE POST RANCH/HARVARD INVESTMENTS**
20 **DEVELOPMENT?**

21 A. As far as the Company knows, solely because it took that long for the developer
22 to complete the requirements for obtaining a CAWS. Since the CAWS process
23 lies mostly within the developer's control, the Company is generally not directly
24 involved in the majority of the process. The City of Casa Grande did not sign off
25 on construction assurance for this development until September 26, 2005, and a
26 final NOI for this development was not completed until October 11, 2005, both of
27 which are required for a CAWS. The developer was also required to have
28

1 planning and zoning approval from the City of Casa Grande prior to the
2 preliminary plat stage as part of the CAWS process.

3 **Q. IN YOUR EXPERIENCE AND JUDGMENT, IS THE LENGTH OF TIME**
4 **BETWEEN THE ENTRY OF DECISION NO. 66893 AND THE DATE THAT**
5 **HARVARD INVESTMENTS OBTAINED ITS CAWS UNUSUAL?**

6 A. No, not at all. As I described above, the process that a developer must go
7 through to obtain a certificate is sometimes long and hard. It is expensive and
8 full of unpredictable twists and turns. In the Company's experience, a developer
9 may sell its property to another entity, transfer the development rights,
10 experience financial difficulties, defer progress based on market conditions or
11 capital conditions, or endure many other complications in its journey to obtain a
12 CAWS, any of which can lengthen the time for doing so. I again want to
13 emphasize that, although the conditions contained in orders such as Decision
14 No. 66893 give the Company the responsibility of filing the CAWS with the
15 Commission when it is obtained by the developer, the Company, in reality, has
16 almost no control over when the CAWS will be issued by ADWR. All that non-
17 developer controlled water utilities like the Company can really do is cooperate
18 with the developer to the best of its ability, and the Company did so here.

19 **Q. PLEASE BRIEFLY DESCRIBE THE COMPANY'S EFFORTS TO ASSIST THE**
20 **DEVELOPER OF ANOTHER DEVELOPMENT WITHIN THE CCN AREA**
21 **DESCRIBED IN DECISION NO. 66893, FLORENCE COUNTRY ESTATES, TO**
22 **OBTAIN A CAWS.**

23 A. The Company also approved one or more NOIs for this development [See WMG-
24 4], executed and recorded an annual reporting agreement between the Company
25 and the developer and the San Carlos Irrigation and Drainage District, and also
26 executed the standard municipal provider reporting agreement with the Central
27 Arizona Water Conservation District, since the development was being enrolled
28

1 within the CAGRD. The Company completed all of the requirements for a water
2 provider in the CAWS process for Florence Country Estates.

3
4 The developer filed an Application for a CAWS with ADWR on June 9, 2003,
5 listing Arizona Water Company as the water provider. See Exhibit WMG-5. On
6 November 25, 2003, consistent with the discussions he was having with the
7 Company and me at that time, Eric Stephenson of Core Group Consultants,
8 developer of Florence Country Estates, sent a notice to ADWR stating that the
9 Company would be the potable water provider to the development. See Exhibit
10 WMG-6 at p. ADWR000015.

11
12 On December 19, 2003, Mr. Stephenson followed up with ADWR confirming that
13 it was still planning for the Company to provide potable water service, and that
14 Core Group was awaiting Commission approval of the Company's application for
15 the extension of its CCN to include the Core Group Property. See Exhibit WMG-
16 7. On May 24, 2004, Core Group Consultants sent another notice to ADWR
17 revising its application for a CAWS, including a NOI from the Company,
18 confirming that the Company was still the water utility provider for the
19 development. See Exhibit WMG-8 and 9. From the Company's perspective,
20 everything was proceeding fairly normally for the CAWS for the development at
21 this time.

22 **Q. WAS A CAWS EVER ISSUED FOR THE FLORENCE GARDEN ESTATES**
23 **DEVELOPMENT?**

24 **A.** No, not to our knowledge.

25 **Q. WHAT IS YOUR UNDERSTANDING AS TO WHY A CAWS HAS NOT YET**
26 **BEEN ISSUED FOR THE FLORENCE COUNTRY ESTATES DEVELOPMENT?**

27 **A.** Based on our recent review of the ADWR file on this matter, the original
28 developer of Florence Country Estates suddenly and without notice to the

1 Company withdrew its application for a CAWS, asking ADWR to revoke its
2 application and close its CAWS application file, citing the fact that Robson
3 Communities was buying the development and intended that it, not Arizona
4 Water Company (the holder of the CCN), was going to provide water service
5 through one of its utility affiliates to the development. These communications are
6 set forth in Exhibits WMG-10 through 12.

7
8 Without notice to the Company, Robson Communities, under its development
9 called EJR Ranch, filed its own assured water supply application on October 18,
10 2004, including Sections 26 and 27 that had been the Florence Country Estates
11 development, listing Arizona Water Company as one of the water providers
12 together with Picacho Water Company. See Exhibit WMG-13.

13
14 Core Group Consultants formally withdrew and revoked its application for a
15 CAWS regarding Florence Country Estates on October 29, 2004, rendering it
16 literally impossible for the Company to comply with the portion of the
17 Commission's order in Decision No. 66893 to deliver that particular CAWS to the
18 Commission.

19 **Q. IN YOUR EXPERIENCE AT THE COMPANY IN DEALING WITH**
20 **APPLICATIONS FOR EXTENSIONS OF CCNS AND RELATED**
21 **COMMUNICATIONS WITH DEVELOPERS IN ASSISTING THEM TO OBTAIN**
22 **CAWS, HAS THIS TYPE OF SITUATION OCCURRED IN THE PAST?**

23 **A.** No, in my experience, it is unprecedented, and it is my hope that it was an
24 anomaly that will not occur again. We have never experienced a parent of a
25 competing water utility buying out property from under a developer (who had
26 requested service from the Company and whose land was included in the
27 Company's CCN), while at the same time the developer and the Company were
28 actively cooperating to complete the CAWS process. To add insult to injury, there

1 also seems to have been a further imposition upon the selling developer a secret
2 withdrawal of its CAWS application to set up an argument that the Company did
3 not comply with the conditions of Decision No. 66893, then a quick move to the
4 Commission to usurp the Company's CCN on this basis.

5 **Q. OTHER THAN YOUR EFFORTS IN COOPERATING WITH HARVARD**
6 **INVESTMENTS AND THE FLORENCE COUNTRY ESTATES DEVELOPERS**
7 **TO HELP THEM TO OBTAIN THEIR CAWS, PLEASE BRIEFLY DESCRIBE**
8 **OTHER CONTACTS THAT YOU HAD WITH THESE DEVELOPERS**
9 **CONCERNING THE PROVISION OF WATER UTILITY SERVICE?**

10 A. I have had several discussions with the Post Ranch/Harvard Investment
11 developer up through recent months, but have had no discussions with the
12 Florence Country Estates developer since late 2004. Those communications
13 seemed to have died off since Robson Communities acquired that property.

14 **Q. IN YOUR JUDGMENT, IS THIS LEVEL AND NATURE OF CONTACT**
15 **UNUSUAL?**

16 A. No, not at all. One of the main thoughts I want to leave with the Commission in
17 this limited proceeding is to emphasize that, when it comes to controlling the
18 pace of development for a development, a project, or a geographical area, and in
19 obtaining some of the important documents concerned with the development,
20 such as certificates of assured water supply, main extension agreements,
21 Arizona Department of Environmental Quality approvals to construct, municipal
22 or county land use approvals, and many other development steps that are crucial
23 to the issuance of the CAWS, the pace of approval is controlled almost
24 exclusively by the developer, not the water utility. This fact definitely affected the
25 Company's ability to comply with Decision No. 66893's post-hearing conditions,
26 as is almost always the case in CCN application cases. It would be one thing if
27 the developers could claim that the absence of a CAWS was solely due to a lack
28 of cooperation or outright opposition of the water utility, but the Company would

1 never have the motivation to act in such a manner since its mission is to provide
2 the requested service. Here the reasons these CAWS were not issued were one
3 hundred percent outside of the Company's control, despite the Company's
4 consistent cooperation and willingness to assist at every stage of the
5 development process.

6 **Q. HAS THE COMPANY ALWAYS BEEN READY, WILLING, AND ABLE TO**
7 **WORK WITH CORNMAN TWEEDY AND ROBSON COMMUNITIES TOWARDS**
8 **RECEIVING ITS CAWS FROM ADWR?**

9 **A.** Absolutely, and we have expressed that willingness on many occasions since
10 this information came to light to Mr. Jim Poulos, his attorneys, and other
11 representatives of Cornman Tweedy and Robson Communities. They are well
12 familiar with the role the Company plays in that process from other dealings they
13 have had with us. On top of our repeated offers to remain involved as we had
14 with their predecessor, Core Group Consultants, to clarify the issue one hundred
15 percent I sent a letter to Mr. Poulos on June 7, 2006 confirming the Company's
16 eagerness to provide water service to Cornman Tweedy and to comply with the
17 conditions in Decision No. 66893. That letter is Exhibit WMG-14. But Cornman
18 Tweedy's words and actions reveal that it has no intention of making it possible
19 for the Company to comply with those conditions, so that their utility entity,
20 Picacho Water Company, can take the position that it should provide service
21 within the Company's CCN.

22 **Q. DOES THIS COMPLETE YOUR PREPARED DIRECT TESTIMONY?**

23 **A.** Yes, it does.
24
25
26
27
28

Exhibits

ARIZONA WATER COMPANY/CORNMAN TWEEDY

EXHIBIT LIST

William M. Garfield

II. Concerning Post Ranch/Harvard Investments

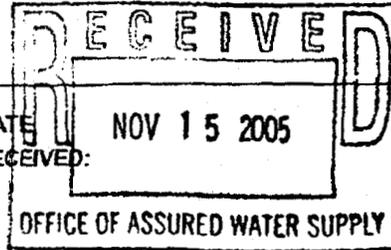
- WMG 1** November 15, 2005 application for CAWS by Harvard Investments for Post Ranch, listing AWC as water provider.
- WMG 2** Notice of Intent to Serve listing AWC related to Post Ranch.
- WMG 3** February 22, 2006 CAWS related to Post Ranch, listing AWC as water provider.

III. Concerning Core Group/Florence Country Estates/Robson Property.

- WMG 4** Florence Country Estates various Notices of Intent to Serve.
- WMG 5** Application for CAWS filed by Florence Country Estates on June 9, 2003.
- WMG 6** November 25, 2003 fax from Core Group to ADWR stating that the Core Group plans to obtain Notices of Intent to Serve from AWC.
- WMG 7** December 19, 2003 letter from Core Group to ADWR confirming that AWC has requested a CCN extension to cover the area.
- WMG 8** May 20, 2004 letter from Core Group to ADWR with revised application for CAWS, including AWC notice of intent to serve
- WMG 9.** May 21, 2004 Core Group's revised application for CAWS, listing AWC as water provider.
- WMG 10** October 2004 Email from Core Group to ADWR stating that the property is under contract with Robson, which wants to make its own arrangements, and therefore the CAWS application may be withdrawn.
- WMG 11** October 20, 2004 letter from Core Group to ADWR requesting that the CAWS application be put on a "two week hold."

- WMG 12** October 29, 2004 letter from Core Group to ADWR revoking the pending application for CAWS.
- WMG 13** October 8, 2004 Application for Analysis of Assured Water Supply related to EJR Ranch property, listing both Picacho and AWC as water providers.
- WMG 14** William Garfield's June 7, 2006 Letter to Jim Poulos re: AWC's readiness to negotiate line extension agreement.

WMG1



STATE OF ARIZONA
ARIZONA DEPARTMENT OF WATER
RESOURCES
OFFICE OF ASSURED AND ADEQUATE WATER SUPPLY
500 NORTH THIRD STREET
PHOENIX, ARIZONA 85004-3903
(602) 417-2465

27-401944.000
Post Ranch

APPLICATION FOR A CERTIFICATE OF ASSURED WATER SUPPLY

Read guidelines BEFORE completing application. Please submit three copies of all application materials.

PART A - GENERAL INFORMATION

- 1. Name of Subdivision: Post Ranch
2. Owner Name Harvard Casa Grande Ventures, LLC
3. Water Provider Arizona Water Company - Casa Grande
4. Consultant Name Southwest Ground-water Consultants, Inc. (SGC)
5. Primary Contact Name SGC (DeAnn Hauver) ANN SWOPE
6. Location: 6S 7E 29 Casa Grande Pinal Pinal
7. Assessors Parcel Number(s): Book Attachment I Map Parcel
8. Include three copies of the preliminary plat for the subdivision and reference as an attachment: Attachment II
9. If a final plat has been approved and recorded for this subdivision, indicate the year of approval:
10. Has a Certificate of Assured Water Supply previously been issued for this property? Yes X No

PART B - DEMAND ESTIMATE

- 1. a. Number and size of residential lots (categorize):
Number of lots: 1,685 Size: 6,850 (avg) SQFT
Number of lots: 732 Size: 800 (avg) SQFT
Number of lots: SQFT
b. Residential lot acreage (total): 340.91 Acres
c. Number of non-residential parcels: 4 Parcels
d. Non-residential parcel acreage (total): *Includes Open Space and Rights-of-way 310.04 Acres

2.a.

Provide the following residential demand information at build out (refer to guidelines):

	1	2	3	4	5
	Average Persons per Housing Unit	Gallons per Person per Day	Demand per Housing Unit per Year (AF/YR)	Number of Housing Units	Total Expected Demand per Year (AF/YR)
Single family	3.00	125	.042 af/lot/yr	1,685	707.8 af/yr
Multi-family	3.00	125	.042 af/lot/yr	732	307.5 af/yr
				Total Residential Demand	1,015.3 af/yr

- b. Indicate the source of the Average Persons per Housing Unit figure(s): DWR Office of Assured Water Supply
- c. Indicate the source of the Demand per Housing Unit per Year figure(s): DWR Office of Assured Water Supply
- d. If applicable, indicate the total demand per lot for urban irrigation or livestock pasture: N/A af/yr
 Is this amount included in the gallons per person per day figure in question B.2.a.? Yes No
 If "yes," please see question D.1.c.

3. a. Will there be any water demands within this master plan or subdivision that are not accounted for within the residential water use rates? X Yes No If "yes", please complete the following table:

Non-Residential Water Use Category:	Total Acreage or Sq. Ft.	Demand Factor af/ac or gal/Sq. Ft.	Total demand (AF/YR)
Golf Course or other Turf-Related Facilities:			
Common Areas:			
Schools: elementary school: 15.6 ac: assumed 20% of total area turf landscape, 10% low water using landscape, and student demand assumed .65 students per unit.	1,571 students 3.1 ac 1.6 ac	25 gal/day 4.8 af/ac 1.5 af/ac	43.99 af/yr 14.88 af/yr 2.4 af/yr
Parks: Parcel 5 & Tract 21B (Linear Park) = 14.6 ac 4.7 ac hardscape-playground, benches, grills & tables	2.47 ac 7.43 ac	4.8 af/ac 1.5 af/ac	11.86 af/yr 11.15 af/yr
Landscaping for Retention/Detention Basins: 117.38 ac—54.38 ac hardscape-concrete paths, armadas & tennis court.	3.46 ac 59.54 ac	4.8 af/ac 1.5 af/ac	16.61 af/yr 89.31 af/yr
Rights of Way: 140.16 acres total: landscapable area provided by landscape architect-Hadley Design Group	11.41 ac	1.5 af/ac	17.12 af/yr
Community Centers: Church (parcel 16)	6.7 ac	2.25 af/ac	15.08 af/yr
Commercial: Parcel 12	15.6 ac	2.25 af/ac	35.1 af/yr
Other Non-Residential Water Demand:			
		Total Non-Residential Demand	257.50 af/yr

- b. Describe assumptions and source of data used in this table: turf landscape assumed 4.8 af/ac; low water using landscape in tract areas and ROW assumed 1.5 af/ac; commercial and church assumed 2.25 af/ac per City of Tempe Study; information regarding non-residential landscape provided by Michael Bley, Hadley Design Group, landscape architect; construction demand assumed: 10,000 gal/per unit for single family, 5,000 gal/unit for multi-family & 1 gal/sq ft commercial & school; total multi-family units determined assuming 16 units per acre-per Casa Grande PAD for Post Ranch.

4. a. Projected build-out for entire plat: 2011
- b. Indicate the estimated amount of lost and unaccounted for water, as a percentage of total deliveries: 10% %
- c. Indicate estimated water demand for construction purposes: (0.68 afa) 68.03 af
- d. Indicate total expected build-out demand, from all water sources, including construction water and lost and unaccounted for water: 1,400.83 af/yr

ADWR000059

PART C - CONSISTENCY WITH MANAGEMENT PLAN

1. Conservation requirements have been prescribed for water providers through the Management Plan for each active management area. The following information is needed to support provider efforts to meet these requirements. **If the proposed subdivision is for 50 or fewer lots, these questions need not be completed.**
- a. List current and proposed conservation ordinances which apply to this subdivision: _____
Compliance with Pinal AMA Third Management Plan
If demand estimates rely on restrictions imposed by government ordinance, they must be attached.
- b. Will the subdivision incorporate CC&Rs or other restrictions to limit landscape water use? Yes No
If demand estimates rely on restrictions imposed by the CC&Rs, they must be attached.
- c. Will landscaping in public rights of way conform to ADWR's Low Water Use Plant List? Yes No
- d. Generally describe any other current or proposed conservation practices, rates, fees, restrictions, policies and devices to be utilized within the subdivision to meet the conservation requirements of the Management Plan.
If demand estimates rely on these conservation requirements, they must be attached.
Low water use fixtures and new construction technology

PART D - CONSISTENCY WITH MANAGEMENT GOAL

1. If any groundwater is proposed to be used as the source of water for this subdivision, how will the groundwater use meet the "consistency with management goal" requirement? Please check all that apply. **An applicant for a dry lot subdivision comprised of 20 or fewer lots is exempt from proving consistency with the management goal.**
- Enrollment of the subdivision lands in the Central Arizona Groundwater Replenishment District (Phoenix, Tucson and Pinal AMAs ONLY)
A separate application for membership must be filed with the Central Arizona Water Conservation District, and the membership documents must be executed and recorded before a Certificate will be issued.
- Extinguishment of grandfathered groundwater rights dedicated to this subdivision
Provide evidence and reference the attachment: Attachment II-A
- Dedication of Long-Term Storage Credits (Recharge)
Provide evidence and reference the attachment: _____
- Exemption for the withdrawal and use of poor quality water pursuant to a remedial action
Provide evidence that the exemption has been granted by the Director and reference as an attachment: _____
- Exemption for the withdrawal and use of groundwater from an area exempt from conservation requirements due to waterlogging.

PART E - LEGAL AVAILABILITY OF SOURCE WATER

1. a. Method of water distribution: central distribution system dry lot subdivision (individual wells)
If water is to be obtained from a water provider, include the attached "Notice of Intent to Serve" agreement.
Notice of Intent will be submitted after AMA demand review. Draft Notice of Intent Attachment III
- b. If served by a central distribution system, is the water provider currently delivering water to residential customers? Yes No If "no," an appropriate water right must be acquired.
- c. Will more than one provider deliver water of any type to the subdivision? Yes No
If "yes," please list the secondary provider: _____
- Type of water to be delivered by secondary provider: Groundwater CAP Effluent
 Other: _____
- For what use: Urban Irrigation (mini-farm) Livestock Grazing Other: _____
A "Notice of Intent to Serve" agreement must be submitted for both water providers.

ADWR000060

PART I - FEES

Please calculate fees by completing the appropriate items below, and include the total fees with your application. Payment may be made by cash, check, or in some cases, by entry in an existing Department fee credit account. Checks should be made payable to the Department of Water Resources. **Failure to enclose the required fees will cause the application to be returned.** Fees for certificates of assured water supply are authorized by A.R.S. § 45-113.

1.	Basic Application fee (includes first 20 lots)		<u>\$250.00</u>
2.	Per-lot review fee (for lots in excess of the first 20):		
	Total lots in this application	2,417	
	Less first 20 lots	<u>-20</u>	
	Lots subject to additional review fees	<u>2,397</u> x \$0.50 per lot	<u>\$1,198.50</u>
3.	Subtotal (add items #1 and #2) <u>NOT TO EXCEED \$1,000</u>		<u>\$1,000.00</u>
4.	Credit for previously reviewed hydrologic studies for this property (see #F-1 above)	0.20 x Subtotal (#3) \$	
5.	Credit for membership in the Central Arizona Groundwater Replenishment District	0.20 x Subtotal (#3) \$ 200.00	
6.	Total Credits (add items #4 and #5)		\$ _____
7.	Public Notice Fee		
	Indicate the appropriate AMA and add the associated Public Notice Fee		
	Phoenix AMA	\$ 52.00	
	Tucson AMA	\$ 225.00	
	Pinal AMA	\$ 125.00 X	
	Prescott AMA	\$ 75.00	
	Santa Cruz AMA	\$ 50.00	
8.	TOTAL FEE DUE (subtract #6 from #3 and add #7)		<u>\$ 1,125.00</u>

PART J - APPLICATION SIGNATURE

I DO HEREBY certify that the information contained in this application and all information accompanying it is true and correct to the best of my knowledge and belief.

Subdivision Name: Post Ranch

Owner Name (please print or type): Harvard Casa Grande Ventures, LLC

Please attach a copy of the deed or title report as proof of ownership. Attachment VII

Name of Owner's Authorized Agent (please type or print): _____

Title of Owner's Authorized Agent (please type or print): _____

See Attached Signature Block

Signature of Owner or Owner's Authorized Agent

Date

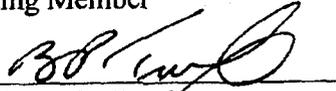
SIGNATURE PAGE ATTACHMENT TO:

Application for a Certificate of Assured Water Supply

HARVARD CASA GRANDE VENTURES, LLC,
a Delaware limited liability company

By: Troxler Residential Ventures XXIII, LLC,
a Delaware limited liability company

By: Troxler Ventures Partners II, Inc.,
a California corporation
its Operating Member

By: 
Name: Bryan P. Troxler
Its: President

Date: 10/11/05

WGM 2

ARIZONA DEPARTMENT OF WATER RESOURCES
 OFFICE OF ASSURED WATER SUPPLY
 500 NORTH THIRD STREET
 PHOENIX, ARIZONA 85004
 (602) 417-2460

NOTICE OF INTENT TO SERVE FOR PRIVATE WATER COMPANIES

Subdivision/Development Name: Post Ranch

Owner: Harvard Casa Grande Ventures, LLC

Private Water Company Name: Arizona Water Company - Casa Grande
 (If the water provider has several divisions, please specify in which service area the subdivision is located)

ADWR Service Area Right Number: 56-001307.0000 ADEQ Public Water System Number: 11-009
 (Number can be found on ADWR Annual Reports) (Please indicate the number valid for this subdivision)

Is the development located within the water provider's existing operating distribution system? Yes No
 If no, will the water provider be establishing a new service area right to serve the development? Yes No
 If yes, what type of right will be used to establish the service area right _____
If the development is not within the water provider's operating distribution system, a new service area right must be established before a Certificate of Assured Water Supply will be issued. Please contact your local AMA office for more information on establishing a new service area right.

Is the development within the water provider's existing Certificate of Convenience and Necessity (CC&N)? Yes No
 If no, has an application for an extension of the CC&N been filed? Yes No
 If yes, date of submittal: _____ Approved? Yes No
 Please include a copy of the application for extension and reference as an attachment: _____
If the development is not within the water provider's CC&N, a Certificate of Assured Water Supply will not be issued until the CC&N has been extended to include the development.

1	2	3	4	5	6
Number of Lots	Persons per Housing Unit	GPCD	Residential Demand (af/yr)	Other Demand (af/yr)	Total Annual Demand (af/yr)
2,417	3.00	172	1,015.3 af/yr	385.53 af/yr	1,400.83 af/yr

The undersigned private water company (PWC) agrees to provide to the development indicated above an amount of water sufficient to satisfy the water demands of the development as estimated above. This Notice of Intent to Serve is conditioned upon the PWC's receipt of necessary approvals from the Arizona Corporation Commission and other regulatory agencies and the PWC's receipt of all necessary payments. The PWC further attests that the development is either within the boundaries of the company's existing Certificate of Convenience and Necessity or that a formal request has been filed with the Arizona Corporation Commission to extend the boundaries to include the development. The PWC further attests that the development is either within the operating distribution system or that a new service area right will be established to serve the development. The PWC acknowledges that it has reviewed the total estimated water demand of this subdivision and understands the effect of this demand on its compliance with applicable conservation targets prescribed in the management plan for the Active Management Area. This Notice of Intent To Serve Agreement is agreed to under the signature of an agent of the PWC authorized to sign the agreement:

Private Water Company's Authorized Agent (please type or print): _____

Signature of Authorized Agent of Private Water Company <u>See Attached Signature Page</u>	Title _____	Date _____
Signature of Applicant _____	Title _____	Date _____

ADWR000064

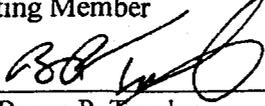
SIGNATURE PAGE ATTACHMENT TO:

Notice of Intent to Serve for Private Water Companies

HARVARD CASA GRANDE VENTURES, LLC,
a Delaware limited liability company

By: Troxler Residential Ventures XXIII, LLC,
a Delaware limited liability company

By: Troxler Ventures Partners II, Inc.,
a California corporation
its Operating Member

By: 
Name: Bryan P. Troxler
Its: President

Date: 10/11/05

WGM 3

STATE OF ARIZONA
DEPARTMENT OF WATER RESOURCES
CERTIFICATE OF ASSURED WATER SUPPLY

This is to certify that

Harvard Casa Grande Ventures, LLC, a Delaware Limited Liability Company

has met the requirements of A.R.S. §§ 45-576, 45-579, and the applicable regulations, and

By powers vested in the Director of the Arizona Department of Water Resources by the State of Arizona, and subject to the conditions contained in the applicable regulations,

Is issued this Certificate of Assured Water Supply for

Post Ranch

**Section 29 Township 06 South, Range 07 East
GSRB&M Pinal County, Pinal Active Management Area**

Sufficient water of adequate quality will be continuously available to satisfy the water demand of the referenced subdivision for at least one hundred years. The referenced subdivision consists of **2417 lots** as described in the preliminary plat on file with the Department, and has an estimated water demand of **1400.91 acre-feet per year**. The subdivision will be served **groundwater** by **Arizona Water Company - Casa Grande**.

This Certificate is invalid as to any entity not named above. A subsequent owner of the referenced property may apply for a new certificate pursuant to A.A.C. R12-15-708, within 90 days of the change of ownership. This Certificate may be assigned pursuant to A.R.S. § 45-579.

Certificate Number: 27-401944.0000



ARIZONA DEPARTMENT OF WATER RESOURCES

Sandra Talbert-Whitney
Assistant Director

2/22/2006
Date

ADWR000056

WGM 4

WMG 4

FAX TRANSMITTAL ARIZONA DEPARTMENT OF WATER RESOURCES

500 NORTH THIRD STREET
PHOENIX, ARIZONA 85004
602-417-2465
FAX: 602-417-2467

TO: MIKE WHITEHEAD

FROM: NORMA COUPAUD

COMPANY: ARIZONA WATER COMPANY

PAGES: 3, including this cover sheet

FAX #: 602-240-6878

DATE: 12-09-03

SUBJECT: NOTICE OF INTENT TO SERVE FORM

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY

NOTES/ COMMENTS:

SEE ATTACHED SPREADSHEET. PLEASE CONTACT CORE GROUP CONSULTANTS
INC. AT 602-954-7768 WHEN THIS IS SIGNED. THANK YOU.

ARIZONA DEPARTMENT OF WATER RESOURCES
 OFFICE OF ASSURED WATER SUPPLY
 500 NORTH THIRD STREET
 PHOENIX, ARIZONA 85004
 (602) 417-2465

NOTICE OF INTENT TO SERVE FOR PRIVATE WATER COMPANIES

Subdivision/Development Name: FLORENCE COUNTRY ESTATES

Owner: HWY 287 - FLORENCE BOULEVARD, INC.

Private Water Company Name: ARIZONA WATER COMPANY - CASA GRANDE

(If the water provider has several divisions, please specify in which service area the subdivision is located)

ADWR Service Area Right Number: 56- ADEQ Public Water System Number:
 (Number can be found on ADWR Annual Reports) (Please indicate the number valid for this subdivision)

Is the development located within the water provider's existing operating distribution system? Yes No
 If no, will the water provider be establishing a new service area right to serve the development? Yes No
 If yes, what type of right will be used to establish the service area right _____
If the development is not within the water provider's operating distribution system, a new service area right must be established before a Certificate of Assured Water Supply will be issued. Please contact your local AMA office for more information on establishing a new service area right.

Is the development within the water provider's existing Certificate of Convenience and Necessity (CC&N)? Yes No
 If no, has an application for an extension of the CC&N been filed? Yes No
 If yes, date of submittal: _____ Approved? Yes No
 Please include a copy of the application for extension and reference as an attachment: _____
If the development is not within the water provider's CC&N, a Certificate of Assured Water Supply will not be issued until the CC&N has been extended to include the development.

1	2	3	4	5	6
Number of Lots	Persons per Housing Unit	GPCD	Residential Demand (af/yr)	Other Demand (af/yr)	Total Annual Demand (af/yr)
246	3.5	125	120.56		120.56

The undersigned private water company (PWC) agrees to provide to the development indicated above an amount of water sufficient to satisfy the water demands of the development as estimated above. This Notice of Intent to Serve is conditioned upon the PWC's receipt of necessary approvals from the Arizona Corporation Commission and other regulatory agencies and the PWC's receipt of all necessary payments. The PWC further attests that the development is either within the boundaries of the company's existing Certificate of Convenience and Necessity or that a formal request has been filed with the Arizona Corporation Commission to extend the boundaries to include the development. The PWC further attests that the development is either within the operating distribution system or that a new service area right will be established to serve the development. The PWC acknowledges that it has reviewed the total estimated water demand of this subdivision and understands the effect of this demand on its compliance with applicable conservation targets prescribed in the management plan for the Active Management Area. This Notice of Intent To Serve Agreement is agreed to under the signature of an agent of the PWC authorized to sign the agreement:

Private Water Company's Authorized Agent (please type or print): _____

 Signature of Authorized Agent of Private Water Company

 Title

 Date

 Signature of Applicant

 Title

 Date

CAWS Calculation Worksheet

Florence County Estates

File Number: 27-400985

Category	PPHU	GPCD or per house/day	Demand/HU/YR (af/yr)	No. HU (Lots)	Residential Demand/Yr (af/yr)
Single Family (int)	3.50	125.00	0.49	246.00	
Multi-Family (int)					
Residential Landscape (ext)	1.00	0.00	0.00		
Demand/HU/YR (af/yr)			5.29		
Average Lot Size	Square Feet	Acres	Demand Factor (af/yr)		
TMP Model Lot Size	53560.00	1.23			
Large Lot Adjustment	10000.00	0.23			
1/2 low water use	43560.00	1.00			
1/2 turf	49560.00	0.09	1.50	246.00	
Total Residential Demand			4.89		
Category	Square Feet	Acres	Demand Factor (af/ac)	Non-Residential Demand (af/yr)	
Common Area					
Right of Way			1.50		
Griff Course			0.15		
Community Center			0.08		
Pool			0.09		
			0.00		
Total Non-Residential Demand					
Demand af/yr	Residential	Non-Residential	Total	Loss Factor %	Distribution Losses (af/yr)
	1301.36	0.23	1301.58	10.00	130.16
Total Demand Per Year	No. of Lots	Demand (gals/lot)	100 yr demand (af)	Construction Demand (af/yr)	
	246.00	10000.00	7.55	0.07549	
Applicant's Estimate:					

Residential by AZ Water
120.56

Large lot delivery by
San Carlos Irrigation
District
1,311.27

This total includes
all nonresidential
deliveries +
large lot adjustment.

FAX TRANSMITTAL ARIZONA DEPARTMENT OF WATER RESOURCES

500 NORTH THIRD STREET
PHOENIX, ARIZONA 85004
602-417-2465
FAX: 602-417-2467

TO: MIKE WHITEHEAD FROM: NORMA COUPAUD
COMPANY: ARIZONA WATER COMPANY PAGES: 3, including this cover sheet
FAX#: 602-240-6878 DATE: 12-09-03
SUBJECT: NOTICE OF INTENT TO SERVE FORM

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY

NOTES/ COMMENTS:

SEE ATTACHED SPREADSHEET. PLEASE CONTACT CORE GROUP CONSULTANTS
INC. AT 602-954-7768 WHEN THIS IS SIGNED. THANK YOU.

*Please disregard the first NOI. Refer
to the form marked REVISED.*

ARIZONA DEPARTMENT OF WATER RESOURCES
OFFICE OF ASSURED WATER SUPPLY
500 NORTH THIRD STREET
PHOENIX, ARIZONA 85004
(602) 417-2465

NOTICE OF INTENT TO SERVE FOR PRIVATE WATER COMPANIES

Subdivision/Development Name: FLORENCE COUNTRY ESTATES **REVISED**

Owner: HWY 287 - FLORENCE BOULEVARD, INC.

Private Water Company Name: ARIZONA WATER COMPANY - CASA GRANDE

(If the water provider has several divisions, please specify in which service area the subdivision is located)

ADWR Service Area Right Number: 56- ADEQ Public Water System Number: _____
 (Number can be found on ADWR Annual Reports) (Please indicate the number valid for this subdivision)

Is the development located within the water provider's existing operating distribution system? Yes No
 If no, will the water provider be establishing a new service area right to serve the development? Yes No
 If yes, what type of right will be used to establish the service area right _____
If the development is not within the water provider's operating distribution system, a new service area right must be established before a Certificate of Assured Water Supply will be issued. Please contact your local AMA office for more information on establishing a new service area right.

Is the development within the water provider's existing Certificate of Convenience and Necessity (CC&N)? Yes No
 If no, has an application for an extension of the CC&N been filed? Yes No
 If yes, date of submittal: _____ Approved? Yes No
 Please include a copy of the application for extension and reference as an attachment: _____
If the development is not within the water provider's CC&N, a Certificate of Assured Water Supply will not be issued until the CC&N has been extended to include the development.

1	2	3	4	5	6
Number of Lots	Persons per Housing Unit	GPCD	Residential Demand (af/yr)	Other Demand (af/yr)	Total Annual Demand (af/yr)
246	3.5	125	120.56	130.46	251.02

The undersigned private water company (PWC) agrees to provide to the development indicated above an amount of water sufficient to satisfy the water demands of the development as estimated above. This Notice of Intent to Serve is conditioned upon the PWC's receipt of necessary approvals from the Arizona Corporation Commission and other regulatory agencies and the PWC's receipt of all necessary payments. The PWC further attests that the development is either within the boundaries of the company's existing Certificate of Convenience and Necessity or that a formal request has been filed with the Arizona Corporation Commission to extend the boundaries to include the development. The PWC further attests that the development is either within the operating distribution system or that a new service area right will be established to serve the development. The PWC acknowledges that it has reviewed the total estimated water demand of this subdivision and understands the effect of this demand on its compliance with applicable conservation targets prescribed in the management plan for the Active Management Area. This Notice of Intent To Serve Agreement is agreed to under the signature of an agent of the PWC authorized to sign the agreement:

Private Water Company's Authorized Agent (please type or print): _____

 Signature of Authorized Agent of Private Water Company Title Date

 Signature of Applicant Title Date

ARIZONA DEPARTMENT OF WATER RESOURCES
OFFICE OF ASSURED WATER SUPPLY
500 NORTH THIRD STREET
PHOENIX, ARIZONA 85004
(602) 417-2460

NOTICE OF INTENT TO SERVE FOR PRIVATE WATER COMPANIES

Subdivision/Development Name: Florence Country Estates

Owner: Hwy 287 - Florence Boulevard, Inc.

Private Water Company ("PWC") Name: Arizona Water Company - Casa Grande
 (If the water provider has several divisions, please specify in which service area the subdivision is located.)

ADWR Service Area Right Number: 56-001307
 (Number can be found on ADWR Annual Reports
 subdivision)

ADEQ Public Water System Number: 11009
 (Please indicate the number valid for this

Will Development be served from the PWC's existing, or an extension of, the water distribution system? Yes No

If no, will the PWC be establishing a new service area right to serve the Development? Yes No
 If yes, what type of right will be used to establish the service area right _____
 If the Development is not served from the existing, or an extension of, the water distribution system, a new service area right must be established before a Certificate of Assured Water Supply will be issued. Please contact your local AMA office for more information on establishing a new service area right.

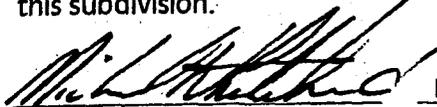
Is the Development within the PWC's existing Certificate of Convenience and Necessity ("CC&N")? Yes No

If no, has an application for an extension of the CC&N been filed? Yes No
 If yes, date of submittal: August 12, 2003 Approved? Yes No
 Please include a copy of the application for extension and reference as an attachment: _____
 If the Development is not within the PWC's CC&N, a Certificate of Assured Water Supply will not be issued until the CC&N has been extended to include the Development.

1	2	3	4	5	6
Number of Lots	Person per Housing Unit	GPCD	On-Site Residential Demand (af/yr)	On-Site Non-Residential Demand (af/yr)	Total On-Site Demand (af/yr)
246	3.5	125	120.56	130.46***	251.02

***including 10% Lost & Unaccounted For

Arizona Water Company (the "Company") certifies that the Development is within the Company's existing CC&N or that it has filed an application with the ACC to extend its CC&N to include the Development and that it will provide water service to the Development, subject to the Company's Terms and Conditions for the Provision of Water Service, and all other applicable Tariffs on file with the Arizona Corporation Commission ("ACC"), with an amount of water sufficient to satisfy water demands of the Development, which are estimated above. This Notice of Intent to serve is conditioned upon the Company's receipt of all necessary approvals from the ACC and other regulatory agencies and the Company's receipt of all necessary permits. The Company further certifies that the Development will be served from the existing, or an extension of the existing water distribution system and, if not, a new service area right will be established using the water right specified above. The Company acknowledges that it has reviewed the total estimated water demand of this subdivision.

 Michael J. Whitehead Vice President - Engineering 12-11-2003
 Company Representative Signature Name Title Date

 CAWS Applicant Signature Name Title Date

CoreGroup CONSULTANTS

3743 North 24th Street, Phoenix, Arizona 85016
TEL (602) 954-7768
FAX (602) 522-9733

TRANSMITTAL

ATTN: Michael Whitehead

FROM: Natasha Reed

COMPANY: Arizona Water Company

PROJECT: 1154 - XMT - 026 Arizona.doc

ADDRESS: 3805 Black Canyon Highway

DATE: May 7, 2004

Phoenix, Arizona 85015-5351

FAX: _____

PHONE: _____

RE: NOI Revision

SENT BY: MAIL COURIER BY HAND PICKUP

ITEM NO.	QTY	DESCRIPTION
1.	1	Letter (1145-LET-009)
2.	1	NOI

NOTE: Please initial NOI and return a copy. Thanks.

SENT BY:

N. Reed

Core Group Consultants

RECEIVED BY: _____

Please sign and return this transmittal to our office via fax (602) 522-9733 to confirm that you have received the items listed above.

May 6, 2004

PROJECT: 1154

Arizona Water Company
3805 Black Canyon Highway
Phoenix, Arizona
85015-5351

TO: Michael Whitehead

RE: NOTICE OF INTENT FOR FLORENCE COUNTRY ESTATES

Please find the notice of intent that you signed on December 11, 2003. We have since made one revision to the notice. We have added the other owner of Florence Country Estates (owner = Madison Diversified Corp) to the NOI. Could you please initial the NOI, indicating that you have received and accepted this change?

We trust that the above is to your satisfaction, however, should you require additional information please contact the undersigned.

Yours truly,
CORE GROUP CONSULTANTS
Per;



Cormac Nolan, P.E.

File: 1154-LET-009 Arizona Water R0.doc

Encl. NOI

ARIZONA DEPARTMENT OF WATER RESOURCES
OFFICE OF ASSURED WATER SUPPLY
 500 NORTH THIRD STREET
 PHOENIX, ARIZONA 85004
 (602) 417-2460

NOTICE OF INTENT TO SERVE FOR PRIVATE WATER COMPANIES

Subdivision/Development Name: Florence Country Estates

Owner: Hwy 287 - Florence Boulevard, Inc. Y MADISON DIVERSIFIED CORP.

Private Water Company ("PWC") Name: Arizona Water Company - Casa Grande
 (If the water provider has several divisions, please specify in which service area the subdivision is located.)

ADWR Service Area Right Number: 56-001307
 (Number can be found on ADWR Annual Reports) subdivision)

ADEQ Public Water System Number: 11009
 (Please indicate the number valid for this

Will Development be served from the PWC's existing, or an extension of, the water distribution system? Yes No

If no, will the PWC be establishing a new service area right to serve the Development? Yes No
 If yes, what type of right will be used to establish the service area right
 If the Development is not served from the existing, or an extension of, the water distribution system, a new service area right must be established before a Certificate of Assured Water Supply will be issued. Please contact your local AMA office for more information on establishing a new service area right.

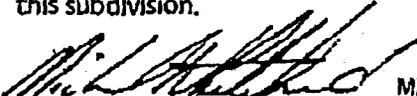
Is the Development within the PWC's existing Certificate of Convenience and Necessity ("CC&N")? Yes No

If no, has an application for an extension of the CC&N been filed? Yes No
 If yes, date of submittal: August 12, 2003 Approved? Yes No
 Please include a copy of the application for extension and reference as an attachment.
 If the Development is not within the PWC's CC&N, a Certificate of Assured Water Supply will not be issued until the CC&N has been extended to include the Development.

1	2	3	4	5	6
Number of Lots	Person per Housing Unit	GPCD	On-Site Residential Demand (af/yr)	On-Site Non-Residential Demand (af/yr)	Total On-Site Demand (af/yr)
246	3.5	125	120.56	130.46***	251.02

***including 10% Lost & Unaccounted For

Arizona Water Company (the "Company") certifies that the Development is within the Company's existing CC&N or that it has filed an application with the ACC to extend its CC&N to include the Development and that it will provide water service to the Development, subject to the Company's Terms and Conditions for the Provision of Water Service, and all other applicable Tariffs on file with the Arizona Corporation Commission ("ACC"), with an amount of water sufficient to satisfy water demands of the Development, which are estimated above. This Notice of Intent to serve is conditioned upon the company's receipt of all necessary approvals from the ACC and other regulatory agencies and the Company's receipt of all necessary permits. The Company further certifies that the Development will be served from the existing, or an extension of the existing water distribution system and, if not, a new service area right will be established using the water right specified above. The Company acknowledges that it has reviewed the total estimated water demand of this subdivision.


 Company Representative Signature

Michael J. Whitehead
 Name

Vice President - Engineering
 Title

12-11-2003
 Date


 CAWS Applicant Signature

Brian Carpenter
 Name

Secretary / Treasurer
 Title

May 6 / 2004
 Date

FILE COPY

Hwy 287 FLORENCE BOULEVARD INC
MADISON DIVERSIFIED 882 CORP.

ARIZONA DEPARTMENT OF WATER RESOURCES
OFFICE OF ASSURED WATER SUPPLY
500 NORTH THIRD STREET
PHOENIX, ARIZONA 85004
(602) 417-2460

NOTICE OF INTENT TO SERVE FOR PRIVATE WATER COMPANIES

Subdivision/Development Name: Florence Country Estates

Owner: Hwy 287 - Florence Boulevard, Inc./ Madison Diversified Corp.

Private Water Company ("PWC") Name: Arizona Water Company - Casa Grande

(If the water provider has several divisions, please specify in which service area the subdivision is located.)

ADWR Service Area Right Number: 56-001307

(Number can be found on ADWR Annual Reports)

ADEQ Public Water System Number: 11009

(Please indicate the number valid for this subdivision)

Will Development be served from the PWC's existing, or an extension of, the water distribution system? Yes No

If no, will the PWC be establishing a new service area right to serve the Development? Yes No

If yes, what type of right will be used to establish the service area right _____

If the Development is not served from the existing, or an extension of, the water distribution system, a new service area right must be established before a Certificate of Assured Water Supply will be issued. Please contact your local AMA office for more information on establishing a new service area right.

Is the Development within the PWC's existing Certificate of Convenience and Necessity ("CC&N")? Yes No

If no, has an application for an extension of the CC&N been filed? Yes No

If yes, date of submittal: August 12, 2003 Approved? Yes No

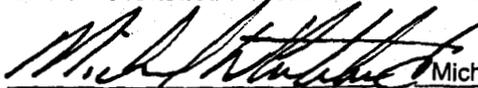
Please include a copy of the application for extension and reference as an attachment: _____

If the Development is not within the PWC's CC&N, a Certificate of Assured Water Supply will not be issued until the CC&N has been extended to include the Development.

1	2	3	4	5	6
Number of Lots	Person per Housing Unit	GPCD	On-Site Residential Demand (af/yr)	On-Site Non-Residential Demand (af/yr)	Total On-Site Demand (af/yr)
246	3.5	125	120.56	130.46***	251.02

***Including 10% Lost & Unaccounted For

Arizona Water Company (the "Company") certifies that the Development is within the Company's existing CC&N or that it has filed an application with the ACC to extend its CC&N to include the Development and that it will provide water service to the Development, subject to the Company's Terms and Conditions for the Provision of Water Service, and all other applicable Tariffs on file with the Arizona Corporation Commission ("ACC"), with an amount of water sufficient to satisfy water demands of the Development, which are estimated above. This Notice of Intent to serve is conditioned upon the Company's receipt of all necessary approvals from the ACC and other regulatory agencies and the Company's receipt of all necessary permits. The Company further certifies that the Development will be served from the existing, or an extension of the existing water distribution system and, if not, a new service area right will be established using the water right specified above. The Company acknowledges that it has reviewed the total estimated water demand of this subdivision.


 Company Representative Signature Name: Michael J. Whitehead

Vice President - Engineering
 Title

5-18-2004
 Date

CAWS Applicant Signature
 KD

Name

Title

Date

CoreGroup CONSULTANTS

3743 North 24th Street, Phoenix, Arizona 85016
TEL (602) 954-7768
FAX (602) 522-9733

TRANSMITTAL

ATTN: Michael Whitehead

FROM: Natasha Reed

COMPANY: Arizona Water Company

PROJECT: 1154 - XMT - 031 Arizona.doc

ADDRESS: 3805 Black Canyon Highway

DATE: May 31, 2004

Phoenix, Arizona 85015-5351

FAX: _____

PHONE: _____

RE: NOI Revision

SENT BY: MAIL COURIER BY HAND PICKUP

ITEM NO.	QTY	DESCRIPTION
1.	1	Letter (1145-LET-013)
2.	1	NOI

NOTE: Please initial NOI and return a copy. Thanks.

SENT BY: N. Reed

RECEIVED BY: _____

Core Group Consultants

Please sign and return this transmittal to our office via fax (602) 522-9733 to confirm that you have received the items listed above.

RECEIVED
JUN 05 2004

ARIZONA WATER COMPANY
PHOENIX ENGINEERING

CoreGroup CONSULTANTS

May 31, 2004

PROJECT: 1154

Arizona Water Company
3805 Black Canyon Highway
Phoenix, Arizona
85015-5351

TO: Michael Whitehead

RE: NOTICE OF INTENT FOR FLORENCE COUNTRY ESTATES

Please find the notice of intent that you signed on December 11, 2003. We have since made another revision to the notice. We have added the other owner of Florence Country Estates (owner = Madison Diversified 882 Corp) to the NOI. The previous revision did not reflect the full owner's name. Could you please initial the NOI, indicating that you have received and accepted this change?

We trust that the above is to your satisfaction, however, should you require additional information please contact the undersigned. Thank you for your patience and cooperation.

Yours truly,
CORE GROUP CONSULTANTS
Per,

Natasha Reed for

Cormac Nolan, P.E.

File: 1154-LET-013 Arizona Water R0.doc

Encl. NOI

ARIZONA DEPARTMENT OF WATER RESOURCES
OFFICE OF ASSURED WATER SUPPLY
500 NORTH THIRD STREET
PHOENIX, ARIZONA 85004
(602) 417-2460

NOTICE OF INTENT TO SERVE FOR PRIVATE WATER COMPANIES

Subdivision/Development Name: Florence Country Estates

Owner: Hwy 287 - Florence Boulevard, Inc. & MADISON DIVERSIFIED CORP.

Private Water Company ("PWC") Name: Arizona Water Company - Casa Grande
 (If the water provider has several divisions, please specify in which service area the sub division is located.)

ADWR Service Area Right Number: 56-001307
 (Number can be found on ADWR Annual Reports) subdivision)

ADEQ Public Water System Number: 71009
 (Please indicate the number valid for this

Will Development be served from the PWC's existing, or an extension of, the water distribution system? Yes No

If no, will the PWC be establishing a new service area right to serve the Development? Yes No
 If yes, what type of right will be used to establish the service area right

If the Development is not served from the existing, or an extension of, the water distribution system, a new service area right must be established before a Certificate of Assured Water Supply will be issued. Please contact your local AMA office for more information on establishing a new service area right.

Is the Development within the PWC's existing Certificate of Convenience and Necessity ("CC&N")? Yes No

If no, has an application for an extension of the CC&N been filed? Yes No

If yes, date of submittal: August 12, 2003 Approved? Yes No

Please include a copy of the application for extension and reference as an attachment.

If the Development is not within the PWC's CC&N, a Certificate of Assured Water Supply will not be issued until the CC&N has been extended to include the Development.

1	2	3	4	5	6
Number of Lots	Person per Housing Unit	GPCD	On-Site Residential Demand (af/yr)	On-Site Non-Residential Demand (af/yr)	Total On-Site Demand (af/yr)
248	3.5	125	120.56	130.46**	251.02

**Including 10% Lost & Unaccounted For

Arizona Water Company (the "Company") certifies that the Development is within the Company's existing CC&N or that it has filed an application with the ACC to extend its CC&N to include the Development and that it will provide water service to the Development, subject to the Company's Terms and Conditions for the Provision of Water Service, and all other applicable Tariffs on file with the Arizona Corporation Commission ("ACC"), with an amount of water sufficient to satisfy water demands of the Development, which are estimated above. This Notice of Intent to serve is conditioned upon the Company's receipt of all necessary approvals from the ACC and other regulatory agencies and the Company's receipt of all necessary permits. The Company further certifies that the Development will be served from the existing, or an extension of the existing water distribution system and, if not, a new service area right will be established using the water right specified above. The Company acknowledges that it has reviewed the total estimated water demand of this subdivision.

Michael J. Whitehead
 Company Representative Signature Name
Brian Carpenter
 CAWS Applicant Signature Name

Vice President - Engineering
 Title
12-11-2003
 Date
Secretary / Treasurer
 Title
May 6 / 2004
 Date

FILE COPY

Hwy 287 Florence Boulevard Inc
 Madison Diversified 882 Corp.

ARIZONA DEPARTMENT OF WATER RESOURCES
OFFICE OF ASSURED WATER SUPPLY
500 NORTH THIRD STREET
PHOENIX, ARIZONA 85004
(602) 417-2460

NOTICE OF INTENT TO SERVE FOR PRIVATE WATER COMPANIES

Subdivision/Development Name: Florence Country Estates

Owner: Hwy 287 - Florence Boulevard, Inc./ Madison Diversified 882 Corp.

Private Water Company ("PWC") Name: Arizona Water Company - Casa Grande
 (If the water provider has several divisions, please specify in which service area the subdivision is located.)

ADWR Service Area Right Number: 56-001307
 (Number can be found on ADWR Annual Reports)

ADEQ Public Water System Number: 11009
 (Please indicate the number valid for this subdivision)

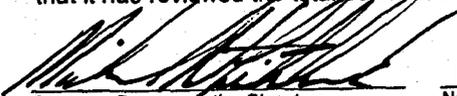
Will Development be served from the PWC's existing, or an extension of, the water distribution system? X Yes ___ No
 If no, will the PWC be establishing a new service area right to serve the Development? ___ Yes ___ No
 If yes, what type of right will be used to establish the service area right _____
 If the Development is not served from the existing, or an extension of, the water distribution system, a new service area right must be established before a Certificate of Assured Water Supply will be issued. Please contact your local AMA office for more information on establishing a new service area right.

Is the Development within the PWC's existing Certificate of Convenience and Necessity ("CC&N")? ___ Yes X No
 If no, has an application for an extension of the CC&N been filed? X Yes ___ No
 If yes, date of submittal: August 12, 2003 Approved? ___ Yes ___ No
 Please include a copy of the application for extension and reference as an attachment: _____
 If the Development is not within the PWC's CC&N, a Certificate of Assured Water Supply will not be issued until the CC&N has been extended to include the Development.

1	2	3	4	5	6
Number of Lots	Person per Housing Unit	GPCD	On-Site Residential Demand (af/yr)	On-Site Non-Residential Demand (af/yr)	Total On-Site Demand (af/yr)
246	3.5	125	120.56	130.46***	251.02

***Including 10% Lost & Unaccounted For

Arizona Water Company (the "Company") certifies that the Development is within the Company's existing CC&N or that it has filed an application with the ACC to extend its CC&N to include the Development and that it will provide water service to the Development, subject to the Company's Terms and Conditions for the Provision of Water Service, and all other applicable Tariffs on file with the Arizona Corporation Commission ("ACC"), with an amount of water sufficient to satisfy water demands of the Development, which are estimated above. This Notice of Intent to serve is conditioned upon the Company's receipt of all necessary approvals from the ACC and other regulatory agencies and the Company's receipt of all necessary permits. The Company further certifies that the Development will be served from the existing, or an extension of the existing water distribution system and, if not, a new service area right will be established using the water right specified above. The Company acknowledges that it has reviewed the total estimated water demand of this subdivision.


 Company Representative Signature Name: Michael J. Whitehead Title: Vice President - Engineering Date: 6/7/04

CAWS Applicant Signature Name: _____ Title: _____ Date: _____
 KD

FILE COPY

ARIZONA DEPARTMENT OF WATER RESOURCES
OFFICE OF ASSURED WATER SUPPLY
 500 NORTH THIRD STREET
 PHOENIX, ARIZONA 85004
 (602) 417-2460

NOTICE OF INTENT TO SERVE FOR PRIVATE WATER COMPANIES

Subdivision/Development Name: Florence Country Estates

Owner: See Owner's Page

Private Water Company ("PWC") Name: Arizona Water Company - Casa Grande
 If the water provider has several divisions, please specify in which service area the subdivision is located.

ADWR Service Area Right Number: 56-001307
 (Number can be found on ADWR Annual Reports subdivision)

ADEQ Public Water System Number: 11009
 (Please indicate the number valid for this subdivision)

Will Development be served from the PWC's existing, or an extension of, the water distribution system? Yes No

If no, will the PWC be establishing a new service area right to serve the development? Yes No
 If yes, what type of right will be used to establish the service area right.

If the Development is not served from the existing, or an extension of, the water distribution system, a new service area right must be established before a Certificate of Assured Water Supply will be issued. Please contact your local AMA office for more information on establishing a new service area right.

Is the Development within the PWC's existing Certificate of Convenience and Necessity (CC&N)? Yes No

If no, has an application for an extension of the CC&N been filed? Yes No

If yes, date of submittal: August 12, 2003 Approved? Yes No

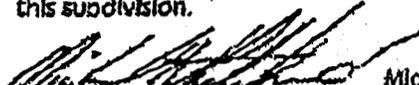
Please include a copy of the application for extension and reference as an attachment.

If the Development is not within the PWC's CC&N, a Certificate of Assured Water Supply will not be issued until the CC&N has been extended to include the Development.

1	2	3	4	5	6
Number of Lots	Person per Housing Unit	GPCD	On-Site Residential Demand (af/yr)	On-Site Non-Residential Demand (af/yr)	Total On-Site Demand (af/yr)
246	3.5	125	120.56	130.46***	251.02

***Including 10% Lost & Unaccounted For

Arizona Water Company (the "Company") certifies that the Development is within the Company's existing CC&N or that it has filed an application with the ACC to extend its CC&N to include the Development and that it will provide water service to the Development, subject to the company's Terms and Conditions for the Provision of Water Service, and all other applicable Tariffs on file with the Arizona Corporation Commission ("ACC"), with an amount of water sufficient to satisfy water demands of the Development, which are estimated above. This Notice of Intent to serve is conditioned upon the Company's receipt of all necessary approvals from the ACC and other regulatory agencies and the Company's receipt of all necessary permits. The Company further certifies that the Development will be served from the existing, or an extension of the existing water distribution system and, if not, a new service area right will be established using the water right specified above. The Company acknowledges that it has reviewed the total estimated water demand of this subdivision.


 Company Representative Signature

Michael J. Whitehead
 Name

Vice President - Engineering
 Title

12-11-2003
 Date

B Cooper
 CAWS Applicant Signature

BRIAN CARLENTER
 Name

SECRETARY/TREASURER
 Title

02/11/2004
 Date

W:\04\1\008\020\ADWR NOTICE OF INTENT TO SERVE FLORENCE COUNTRY ESTATE\008.DWG
 12/20/03 10:08

High 287 FLORENCE BVD INC

A-BL-011-MAR-04

Signature

Name

Title

Date

ARIZONA DEPARTMENT OF WATER RESOURCES
OFFICE OF ASSURED WATER SUPPLY
 800 NORTH THIRD STREET
 PHOENIX, ARIZONA 85004
 (602) 417-2465

NOTICE OF INTENT TO SERVE
UNTREATED WATER BY IRRIGATION DISTRICTS

Subdivision/Development Name: FLORENCE COUNTRY ESTATES
 Owner: See Owners Page
 Irrigation District Name: SAN CARLOS IRRIGATION & DRAINAGE DISTRICT
 ADWR Service Area Right Number: 57 (Number can be found on ADWR Annual Reports)
 Is this subdivision to be served within the irrigation district's service area? Yes No

1	2	3	4	5
Number of Lots	Estimated Demand per Housing Unit Served by Irrigation District	Estimated Residential Demand (acft/yr) Served by Irrigation District	Estimated Other Demand (acft/yr) Served by Irrigation District	Total Estimated Annual Demand (acft/yr) Served by District
246		1180.80	130.45	1311.27

The undersigned irrigation district agrees to provide to the development indicated above an amount of untreated water sufficient to satisfy part of the water demands of the development as indicated above, subject to the law of priority and other applicable laws, including laws relating to the distribution of water in the event of shortage, and the terms and conditions of service imposed by the irrigation district. This Notice of Intent to Serve is conditioned upon the irrigation district's receipt of any necessary approvals from the relevant regulatory agencies and the irrigation district's receipt of all necessary payments. The irrigation district further attests that the development is within the irrigation district's service area and is eligible to receive untreated water deliveries from the irrigation district for non-irrigation use by the subdivision. The irrigation district also acknowledges that it has reviewed the estimated water demand of this subdivision, as listed above, and understands the effect of this demand on its compliance with any applicable conservation targets prescribed in the management plan for the Active Management Area. This Notice of Intent To Serve Agreement is agreed to under the signature of an agent of the irrigation district authorized to sign the agreement.

Irrigation District's Authorized Agent (please type or print): Douglas D Mason

Douglas D Mason General Manager 12/17/03
 Signature of authorized agent of irrigation district Title Date

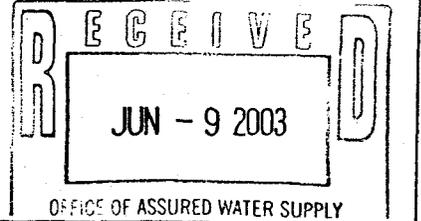
BC Spitzer SECRETARY/TREASURER 02/11/2003
 Signature of Applicant Title Date
HUNY 287 FLORENCE
CONCRETE/PAVING INC

Signature of Options/ or Authorized Agent Title Date

WGM 5

STATE OF ARIZONA
ARIZONA DEPARTMENT OF WATER RESOURCES
OFFICE OF ASSURED AND ADEQUATE WATER SUPPLY
500 NORTH THIRD STREET
PHOENIX, ARIZONA 85004-3903
(602) 417-2465
Fax: (602) 417-2467

DATE RECEIVED:



27-400985
Florence County Estates

APPLICATION FOR A CERTIFICATE OF ASSURED WATER SUPPLY

Read guidelines BEFORE completing application. Please submit three copies of all application materials.

ORIGINAL

PART A - GENERAL INFORMATION

- Name of Subdivision: Florence Country Estates
- Owner Name: HWY 287 - Florence Boulevard Inc Phone: 1-800-663-8133 Fax: (604) 685-2533
Must indicate the legal owner of record. This is how the owner name will appear on the public notice and the Certificate of Assured Water Supply.
Address: 40 Taina Group of Companies #115-988 Beach Avenue Vancouver BC V6Z 2N
- Water Provider: Arizona Water Company Phone: 602 240 6860 Fax: 602 240-6878
Address: 3805 N. Black Canyon Highway, Phoenix, AZ 85015-5351
- Consultant Name: Core Group Consultants Phone: 602 778-6876 Fax: 602 522-9733
Address: 3743 N 24th Street, Phoenix, AZ 85016
- Primary Contact Name: Cornac Nolan P.E. Phone: 602 778-6876 Fax: 602 522-9733
Address: 3743 N 24th Street, Phoenix, AZ 85016
E-Mail Address: C.Nolan@coregroupconsultants.com
- Location: T6S R7E 26, 27 (Casa Grande) Pinal Pinal
Township Range Section(s) City County AMA
401 15 00305
- Assessors Parcel Number(s):
Book 401 Map 01 Parcel 063A0
Book 401 Map 01 Parcel 063B8
- Include three copies of the preliminary plat for the subdivision and reference as an attachment:
Are any changes to this plat expected prior to final approval by the local platting authority? Yes No
If "yes," explain: There will be minor changes to this plan as the design is finalized for final Plat
- If a final plat has been approved and recorded for this subdivision, indicate the year of approval: _____
- Has a Certificate of Assured Water Supply previously been issued for this property? Yes No
If "yes," please attach a copy of the Certificate. Please indicate why a new Certificate of Assured Water Supply is being applied for: Change of Ownership Changes to Plat Other: _____

PART B - DEMAND ESTIMATE

- a. Number and size of residential lots (categorize):
Number of lots: 246 Size: 54,450 SQ FT
Number of lots: _____ Size: _____ SQ FT
Number of lots: _____ Size: _____ SQ FT
- b. Residential lot acreage (total): 312.75 Acres
- c. Number of non-residential parcels: _____ Parcels
- d. Non-residential parcel acreage (total): _____ Acres

2. a. Provide the following estimated residential demand information at build out (refer to guidelines):

	1	2	3	4	5
	Average Persons per Housing Unit	Gallons per Person per Day	Demand per Housing Unit per Year (AF/YR)	Number of Housing Units	Total Expected Demand per Year (AF/YR)
Single Family	3.5	125	0.49	246	120.56
Multi-Family				large lot -	1,180.80
				Total Residential Demand	1,301.36

- b. Indicate the source of the Average Persons per Housing Unit figure(s): City of Casa Grande Design Standards
- c. Indicate the source of the Demand per Housing Unit per Year figure(s): ADWR demand numbers
- d. If applicable, indicate the total demand per lot for urban irrigation or livestock pasture: 2.6 af/yr
 Is this amount included in the gallons per person per day figure in question B.2.a.? Yes No
 Will irrigation or livestock water be provided by a secondary provider? Yes No
 If "yes," please see question D.1.c.

3. a. Will there be any water demands within this master plan or subdivision that are not accounted for within the residential water use rates? Yes No If "yes," please complete the following table.

Non-Residential Water Use Category:	Total Acreage or Sq. Ft.	Demand Factor af/ac or gal/Sq. Ft.	Total Demand (AF/YR)
Golf Course or other Turf-Related Facilities:			
Common Areas:			
Schools:			
Parks:			
Landscaping for Retention/Detention Basins:	N/A		
Rights of Way:			
Community Centers:			
Commercial:			
Other Non-Residential Water Demand:			
		Total Non-Residential Demand	

b. Describe assumptions and source of data used in this table: _____

4. a. Projected build-out year for entire plat: 2005
- b. Indicate the estimated amount of lost and unaccounted for water, as a percentage of total deliveries: 10 %
- c. Indicate estimated water demand for construction purposes: _____ af

2. a. Provide the following estimated residential demand information at build out (refer to guidelines):

Interior
exterior

	1	2	3	4	5
	Average Persons per Housing Unit	Gallons per Person per Day	Demand per Housing Unit per Year (AF/YR)	Number of Housing Units	Total Expected Demand per Year (AF/YR)
Single Family	3.5	57	0.223	246	55.0
Multi-Family			0.167	246	41.0
				Total Residential Demand	96.0

b. Indicate the source of the Average Persons per Housing Unit figure(s): _____

City of Casa Grande Design Standards

c. Indicate the source of the Demand per Housing Unit per Year figure(s): _____

ADWR Uniform Demand Numbers

d. If applicable, indicate the total demand per lot for urban irrigation or livestock pasture: 640 af/yr

Is this amount included in the gallons per person per day figure in question B.2.a.? Yes No Total

Will irrigation or livestock water be provided by a secondary provider? Yes No

If "yes," please see question D.1.c.

2.6 af/yr per lot

3. a. Will there be any water demands within this master plan or subdivision that are not accounted for within the residential water use rates? Yes No If "yes," please complete the following table.

Non-Residential Water Use Category:	Total Acreage or Sq. Ft.	Demand Factor af/ac or gal/Sq. Ft.	Total Demand (AF/YR)
Golf Course or other Turf-Related Facilities:			
Common Areas:			
Schools:			
Parks:			
Landscaping for Retention/Detention Basins:			
Rights of Way:			
Community Centers:			
Commercial:			
Other Non-Residential Water Demand:			
			Total Non-Residential Demand

b. Describe assumptions and source of data used in this table: _____

4. a. Projected build-out year for entire plat: 2005

b. Indicate the estimated amount of lost and unaccounted for water, as a percentage of total deliveries: 8 %

c. Indicate estimated water demand for construction purposes: 7.5 af

d. Indicate total expected build-out demand, from all water sources, _____

ARIZONA DEPARTMENT OF WATER RESOURCES
 OFFICE OF ASSURED WATER SUPPLY
 500 NORTH THIRD STREET
 PHOENIX, ARIZONA 85004
 (602) 417-2465

NOTICE OF INTENT TO SERVE FOR PRIVATE WATER COMPANIES

Subdivision/Development Name: Florence Country Estates

Owner: HWY 287-Florence Boulevard, Inc.

Private Water Company Name: Arizona Water Company (Casa Grande Division)

(If the water provider has several divisions, please specify in which service area the subdivision is located)

ADWR Service Area Right Number: 56 ADEQ Public Water System Number: _____
 (Number can be found on ADWR Annual Reports) (Please indicate the number valid for this subdivision)

Is the development located within the water provider's existing operating distribution system? Yes No
 If no, will the water provider be establishing a new service area right to serve the development? Yes No
 If yes, what type of right will be used to establish the service area right _____
If the development is not within the water provider's operating distribution system, a new service area right must be established before a Certificate of Assured Water Supply will be issued. Please contact your local AMA office for more information on establishing a new service area right.

Is the development within the water provider's existing Certificate of Convenience and Necessity (CC&N)? Yes No
 If no, has an application for an extension of the CC&N been filed? Yes No
 If yes, date of submittal: _____ Approved? Yes No
 Please include a copy of the application for extension and reference as an attachment: _____
If the development is not within the water provider's CC&N, a Certificate of Assured Water Supply will not be issued until the CC&N has been extended to include the development.

1	2	3	4	5	6
Number of Lots	Persons per Housing Unit	GPCD	Residential Demand (af/yr) (Interior)	Other Demand (af/yr) (Exterior)	Total Annual Demand (af/yr)
246	3.5	57	55.0	41.0	96.0

The undersigned private water company (PWC) agrees to provide to the development indicated above an amount of water sufficient to satisfy the water demands of the development as estimated above. This Notice of Intent to Serve is conditioned upon the PWC's receipt of necessary approvals from the Arizona Corporation Commission and other regulatory agencies and the PWC's receipt of all necessary payments. The PWC further attests that the development is either within the boundaries of the company's existing Certificate of Convenience and Necessity or that a formal request has been filed with the Arizona Corporation Commission to extend the boundaries to include the development. The PWC further attests that the development is either within the operating distribution system or that a new service area right will be established to serve the development. The PWC acknowledges that it has reviewed the total estimated water demand of this subdivision and understands the effect of this demand on its compliance with applicable conservation targets prescribed in the management plan for the Active Management Area. This Notice of Intent To Serve Agreement is agreed to under the signature of an agent of the PWC authorized to sign the agreement:

Private Water Company's Authorized Agent (please type or print): _____

 Signature of Authorized Agent of Private Water Company Title Date

 Signature of Applicant Title Date

PART C - CONSISTENCY WITH MANAGEMENT PLAN

1. Conservation requirements have been prescribed for water providers through the Management Plan for each active management area. The following information is needed to support provider efforts to meet these requirements. If the proposed subdivision is for 50 or fewer lots, these questions need not be completed.

a. List current and proposed conservation ordinances which apply to this subdivision: _____

If demand estimates rely on restrictions imposed by government ordinance, they must be attached.

b. Will the subdivision incorporate CC&Rs or other restrictions to limit landscape water use? Yes No
If demand estimates rely on restrictions imposed by the CC&Rs, they must be attached.

c. Will landscaping in public rights of way conform to ADWR's Low Water Use Plant List? Yes No

d. Generally describe any other current or proposed conservation practices, rates, fees, restrictions, policies and devices to be utilized within the subdivision to meet the conservation requirements of the Management Plan. If demand estimates rely on these conservation requirements, they must be attached.

PART D - CONSISTENCY WITH MANAGEMENT GOAL

1. If any groundwater is proposed to be used as the source of water for this subdivision, how will the groundwater use meet the "consistency with management goal" requirement? Please check all that apply. An applicant for a dry lot subdivision comprised of 20 or fewer lots is exempt from proving consistency with the management goal.

Enrollment of the subdivision lands in the Central Arizona Groundwater Replenishment District (Phoenix, Tucson and Pinal AMAs ONLY)

A separate application for membership must be filed with the Central Arizona Water Conservation District, and the membership documents must be executed and recorded before a Certificate will be issued.

Extinguishment of grandfathered groundwater rights dedicated to this subdivision
Provide evidence and reference the attachment: _____

Dedication of Long-Term Storage Credits (Recharge)
Provide evidence and reference the attachment: _____

Exemption for the withdrawal and use of poor quality water pursuant to a remedial action
Provide evidence that the exemption has been granted by the Director and reference as an attachment: _____

Exemption for the withdrawal and use of groundwater from an area exempt from conservation requirements due to waterlogging.

PART E - LEGAL AVAILABILITY OF SOURCE WATER

1. a. Method of water distribution: central distribution system dry lot subdivision (individual wells)
If water is to be obtained from a water provider, include the attached "Notice of Intent to Serve" agreement.

b. If served by a central distribution system, is the water provider currently delivering water to residential customers? Yes No If "no," an appropriate water right must be acquired.

c. Will more than one provider deliver water of any type to the subdivision? Yes No
If "yes," please list the secondary provider: San Carlos Irrigation District

Type of water to be delivered by secondary provider: Groundwater CAP Effluent
 Other: _____

For what use: Urban Irrigation(mini-farm) Livestock Grazing Other: _____
A "Notice of Intent to Serve" agreement must be submitted for both water providers.

2. If the subdivision will be receiving any water pursuant to an exchange agreement, provide a copy of the agreement

and reference the attachment: See 3 pages of San Carlos I&DD Attachments
 3. Indicate water sources to be used: Appendix B

Source of Supply	100 Year Volume (acre feet)	Required Supporting Information (reference any attached documents)
Groundwater		Indicate any grandfathered groundwater right or permit number(s) and type(s): _____
Central Arizona Project Water Directly Delivered		What is the term of the contract? _____ Please attach a copy and reference as an attachment: _____
Surface Water Directly Delivered	<u>75,000</u>	Surface water right number(s) and type(s) or water district name: <u>San Carlos I&DD</u>
Effluent Directly Delivered		Name of entity providing effluent: _____ Any related contracts or agreements (attachment): _____
Total 100 Year Volume		

PART F - FINANCIAL CAPABILITY

- Is water service currently available to each lot? Yes No
 If "no," a completed "Verification of Construction Assurance" form (attached) must be submitted.
 If development is a dry lot subdivision, no financial assurances are required.
- Will wells, off-site pipelines, storage or treatment facilities be constructed to serve this subdivision? Yes No
 If "yes," please provide A) A description of the improvements (reference the attachment): See Appendix C
 B) Evidence of financial capability (reference the attachment): " " "
 C) Schedule for completion of improvements (reference the attachment): " "

PART G - PHYSICAL AVAILABILITY OF SOURCE WATER

- If the development consists of more than 20 lots, a comprehensive hydrologic study must be submitted with this application, unless the Department has previously reviewed the hydrologic conditions for this area and has issued a valid Letter of Water Availability, Physical Availability Determination or Analysis of Assured Water Supply. Please indicate the evidence of physical availability and reference as an attachment: _____
 Water Availability Letter Physical Availability Determination
 New Hydrologic Study Subdivision of less than 20 lots
 Other, please specify Arizona Water Company mentioned previous hydrologic study has been conducted on this area

PART H - WATER QUALITY

- If the subdivision will be served by a provider regulated by the Arizona Department of Environmental Quality, ADWR will request a report to assess the water quality of the proposed supply. It may be necessary for the applicant to provide further information in order for ADWR to determine the quality of the proposed supply. If the proposed subdivision is located within one mile of a Water Quality Assurance Revolving Fund or Superfund site, or if the proposed supply fails to meet safe drinking water quality standards, a contaminant migration analysis must be submitted. Reference either the attached study or a copy of a previous determination of water quality: _____
ADEQ ID# 11-009 on 12/11/02 determined no major deficiencies for the water quality

PART I - FEES

Please calculate fees by completing the appropriate items below, and include the total fees with your application. Payment may be made by cash, check, or in some cases, by entry in an existing Department fee credit account. Checks should be made payable to the Department of Water Resources. Failure to enclose the required fees will cause the application to be returned. Fees for certificates of assured water supply are authorized by A.R.S. § 45-113.

- | | | | |
|----|--|--------------------------------------|------------------|
| 1. | Basic Application fee (includes first 20 lots) | | <u>\$250.00</u> |
| 2. | Per-lot review fee (for lots in excess of the first 20): | | |
| | Total lots in this application | <u>246</u> | |
| | Less first 20 lots | <u>-20</u> | |
| | Lots subject to additional review fees | <u>226</u> x \$0.50 per lot: | <u>\$ 113.00</u> |
| 3. | Subtotal (add items #1 and #2) <u>NOT TO EXCEED \$1,000</u> | | <u>\$ 363.00</u> |
| 4. | Credit for previously reviewed hydrologic studies for this property (see #F-1 above) | 0.20 x Subtotal (#3) <u>\$ 72.60</u> | |
| 5. | Credit for membership in the Central Arizona Groundwater Replenishment District | 0.20 x Subtotal (#3) \$ _____ | <u>290.40</u> |
| 6. | Total Credits (add items #4 and #5) | | <u>\$ /</u> |
| 7. | Public Notice Fee | | |
| | Indicate the appropriate AMA and add the associated Public Notice Fee | | |
| | Phoenix AMA | \$ 52.00 <u> </u> | |
| | Tucson AMA | \$ 225.00 <u> </u> | |
| | Pinal AMA | \$ 125.00 <u> ✓ </u> | |
| | Prescott AMA | \$ 75.00 <u> </u> | |
| | Santa Cruz AMA | \$ 50.00 <u> </u> | <u>415.40</u> |
| 8. | TOTAL FEE DUE (subtract #6 from #3 and add #7) | | <u>\$ 488.00</u> |

PART J - PUBLIC NOTICE AND APPLICATION SIGNATURE

1. Do you want to request early public notice, pursuant to A.R.S. § 45-578? Yes No
By checking "Yes" for this question, you are certifying that you understand the Department of Water Resources will fulfill your request before its evaluation of the application has been completed. You are requesting public notice be given before the application has been determined to be correct. You are also certifying that you will bear the cost of an additional public notice if necessary. The publication of a public notice does not guarantee issuance of a Certificate of Assured Water Supply. (For more information about public notice, please see the application guidelines.)

I DO HEREBY certify that the information contained in this application and all information accompanying it is true and correct to the best of my knowledge and belief.

Subdivision Name: Florence Country Estates

Owner Name (please print or type): HWY 287 - Florence Boulevard, Inc.

Please attach a copy of the deed or title report as proof of ownership.

Name of Owner's Authorized Agent (please type or print): CORNAC NOGAN P.E.

Title of Owner's Authorized Agent (please type or print): PROJECT ENGINEER

 June 5 2003
Signature of Owner or Owner's Authorized Agent Date

Appendix A

Water Demand Calculations Florence Country Estates Hwy 287 and Curry Road Pinal County, AZ

	Average People Per House	Gallons Per Person Per Day	Demand Per Housing Unit Per Day (Gallons)	Demand Per Housing Unit (AF/YR)	Number of Housing Units	Total Expected Demand Per Year (AF/YR)
Single Family Ranch	3.5	57	200	0.223	246	54.97
			Demand Per Housing Unit Per Day (Gallons)	Demand Per Housing Unit (AF/YR)	Number of Housing Units	Total Expected Demand Per Year (AF/YR)
Exterior (under 10,000 sq)	-	-	149	0.167	246	41.06
Total				0.390	246	96.0

ARIZONA DEPARTMENT OF WATER RESOURCES
OFFICE OF ASSURED WATER SUPPLY
 500 NORTH THIRD STREET
 PHOENIX, ARIZONA 85004
 (602) 417-2465

SUPPLEMENT TO APPLICATION
FOR A CERTIFICATE OF ASSURED WATER SUPPLY

VERIFICATION OF CONSTRUCTION ASSURANCE
FOR A PROPOSED SUBDIVISION

To satisfy one of the requirements for obtaining a Certificate of Assured Water Supply pursuant to A.R.S. § 45-576, a developer must demonstrate financial capability to construct the water delivery system and any required storage or treatment facilities for a proposed subdivision. To fulfill this requirement, the Department will accept confirmation from the local platting authority that construction assurance will be secured prior to the sale of lots in accordance with the requirements of A.R.S. § 9-463.01 (if the platting entity is a city or town) or A.R.S. § 11-806.01 (if the platting entity is a county). This document is to be signed by the appropriate platting authority.

Section One - Subdivision Information (to be completed by applicant)

Subdivision name: Florence Country Estates # of lots: 246
 Location by section, township & range: Sec 26-27 T6S R7E County: Pinal
 Owner of subdivision: HWY 287 - Florence Boulevard, Inc.
 Owner's address: C/O Core Group Consultants
3743 North 24th Street, Phoenix, AZ
85016

Section Two - Verification of Construction Assurance (to be completed by platting authority)

With regard to the referenced subdivision, the below-named platting authority certifies that it has or will receive construction assurances, pursuant to the appropriate statutes, for the following elements of the water delivery system (check as applicable):

- | | | |
|---|---|--|
| <input checked="" type="checkbox"/> potable delivery system | <input type="checkbox"/> potable storage facilities | <input type="checkbox"/> potable treatment facilities |
| <input checked="" type="checkbox"/> off-site pipeline | <input type="checkbox"/> effluent delivery system | <input type="checkbox"/> effluent treatment facilities |
| <input type="checkbox"/> other-please specify: _____ | | |

<u>DR RITTENBACK</u>	<u>DR Rittenback</u>	<u>6/5/03</u>	<u>Deputy Director</u>
Name-Please Print/Type	Signature	Date	Title

City/county name: Pinal County Department: PLANNING DEPT.
 Address: P.O. BOX 2973 FLORENCE, AZ Phone #: 480 866 6452
85232

WGM 6

Fax

To: Douglas W. Dunham	From: Eric Stephenson
Company: Office of Assured Water Supply	Project: 1154 / 27-400985
Fax: (602) 417-2467	Pages: 3
Phone: (602) 417-2465	Date: November 25, 2003
Re: Florence Country Estates	CC:

Urgent
 For Review
 Please Comment
 Please Reply
 Please Recycle

Dear Mr. Dunham,

We received your letter from earlier this month and are close to submitting all of the requested information. I am faxing you a revised Demand Worksheet for your review. I would like to prepare and send out the two *Notice of Intent to Serve* forms to Arizona Water Company and San Carlos Irrigation and Drainage District as soon as possible. Please review the following numbers to ensure that our *Notice of Intent to Serve* forms will be correct for submittal.

Arizona Water Company will be providing potable water to the subdivision. This service will include all Interior Water uses, Exterior water for the 10,000 sq ft surrounding the houses, Public Landscaping Irrigation and all Construction Demands.

San Carlos Irrigation District will be providing irrigation water for the remaining areas of each lot (approximately 1 acre for each of the 246 lots). We are including in our CC&Rs limitations for exterior water use at a proposed ratio of 50% turf and 50% low-water use plants.

	Number of Lots	Persons/ Housing unit	GPCD	Residential Demand (af/yr)	Other Demand (af/yr)	Total Annual Demand (af/yr)
Arizona Water Co	246	3.5	57 (interior) 149 (exterior) gallons/lot/d	54.97 41.06	Landscape. 5.95 Lost 10.2 Const. .075	112.3
SCIDD	246	N/A	½ Acre Turf ½ Acre Low Water Use	188.48 603.14	Lost 79.16	870.8
Total	246			887.65	95.38	983.1

November 25, 2003

The values in the previous table will be added to each of the Notice of Intent to Serve for the two Private Water Companies. Please verify that these numbers will be acceptable to ADWR.

I also have a few other questions regarding CAGR and Part E – Legal Availability of source water. Please call me at (602) 778-6876 to give feedback about our demand numbers and answer the couple other questions I have.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Stephenson", with a long horizontal flourish extending to the right.

Eric Stephenson E.I.T. (BC)
Core Group Consultants

WGM 7

Date: Dec. 19, 2003
DWR No: 27-400985
Our File No: 1154

Arizona Department of Water Resources
Office of Assured and Adequate Water Supply
500 North Third Street
Phoenix, Arizona
85007

ATTN: Norma Coupaud

RE: **FLORENCE COUNTRY ESTATES
HIGHWAY 287 AND CURRY ROAD, PINAL COUNTY
ASSURED WATER SUPPLY APPLICATION EXTENSION**

Dear Madam:

We would like to formally request that our 60 day-time frame to respond to all the points from Douglas Dunham's letter, dated November 5, 2003 be extended. Although we have already responded to several items from his list a few decisions are beyond our control.

For example a decision from the Arizona Corporation Commission will might not be made until February 2004. I have included a letter from the ACC confirming that the Arizona Water Company's CC&N extension application was docketed on August 12, 2003 but they still have several months to complete their review.

I have also contacted Jenny Martin at the CAGR and they are currently re-working their application process and will not except any new applications until the changes are finalized. We are currently assembling all the required documents for that application.

Thank you for your assistance on this matter, should you require additional information please contact me at (602) 778-6876.

Yours truly,
CORE GROUP CONSULTANTS LTD
Per:



Eric Stephenson, E.I.T. (BC)

ADWR000021

WGM 8

May 20, 2004

PROJECT: 1154

Arizona Department of Water Resources
Office of Assured Water Supply
500 North 3rd Street
Phoenix, Arizona 85004

TO: Norma Coupaud

RE: FLORENCE COUNTRY ESTATES
REVISED APPLICATION

Please find the enclosed revised application for Certificate of Assured Water Supply.
The following is included:

- Revised Application for a Certificate of Assured Water Supply
- Revised Owner's Information Sheet
- Notice of Intent for Arizona Water Company – Casa Grande
- Notice of Intent for San Carlos Irrigation and Drainage District
- 3 Copies of Preliminary Plat Drawings

Thank you for all your assistance with this project.

We trust that the above is to your satisfaction, however, should you require additional information please contact the undersigned.

Yours truly,
CORE GROUP CONSULTANTS
Per;

Norma Coupaud

Cormac Nolan, P.E.

File: 1154-LET-012 ADWR R0.doc

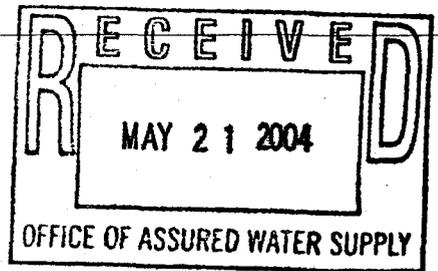
Encl. Revised Application for a Certificate of Assured Water Supply
Revised Owner's Information Sheet
Notice of Intent for Arizona Water Company – Casa Grande
Notice of Intent for San Carlos Irrigation and Drainage District
3 Copies of Preliminary Plat Drawings

ADWR000025

WGM 9

STATE OF ARIZONA
ARIZONA DEPARTMENT OF WATER RESOURCES
 OFFICE OF ASSURED AND ADEQUATE WATER SUPPLY
 500 NORTH THIRD STREET
 PHOENIX, ARIZONA 85004-3903
 (602) 417-2465
 Fax: (602) 417-2467

DATE RECEIVED:



APPLICATION NO: 27-400985

APPLICATION FOR A CERTIFICATE OF ASSURED WATER SUPPLY

Read guidelines BEFORE completing application. Please submit three copies of all application materials.

PART A - GENERAL INFORMATION

REVISED

1. Name of Subdivision: Florence Country Estates
2. Owner Name: See Owner's Information Sheet - Attached
 Must indicate the legal owner of record. This is how the owner name will appear on the public notice and the Certificate of Assured Water Supply.
 Address: See Owner's Information Sheet - Attached
3. Water Provider: Arizona Water Company Phone: (602) 240-6860 Fax: (602) 240-6876
 Address: 3805 North Black Canyon Highways, Phoenix, Arizona 85015-535
4. Consultant Name: Core Group Consultants Phone: (602) 778-6876 Fax: (602) 522-9733
 Address: 3743 North 24th Street, Phoenix, Arizona 85016
5. Primary Contact Name: Cornac Nolan, P.E. / Natasha Reed Phone: (602) 778-6876 Fax: (602) 522-9733
 Address: 3743 North 24th Street, Phoenix, Arizona 85016
 E-Mail Address: cnolan@coregroupconsultants.com
6. Location: T6S R7E 26, 27 (Close to Casa Grande) Pinal Pinal AMA
 Township Range Section(s) City County AMA
7. Assessors Parcel Number(s):
 Book 401 Map 01 Parcel 063A0
 Book 401 Map 01 Parcel 063B8
 Book 401 Map 01 Parcel 06401
 Book 401 Map 15 Parcel 00305
 Book 401 Map 15 Parcel 00206
8. Include three copies of the preliminary plat for the subdivision and reference as an attachment: YES
 Are any changes to this plat expected prior to final approval by the local platting authority? Yes X No
 If "yes," explain: _____
9. If a final plat has been approved and recorded for this subdivision, indicate the year of approval: NO
10. Has a Certificate of Assured Water Supply previously been issued for this property? Yes X No
 If "yes," please attach a copy of the Certificate. Please indicate why a new Certificate of Assured Water Supply is being applied for: Change of Ownership Changes to Plat Other: _____

PART B - DEMAND ESTIMATE

1. a. Number and size of residential lots (categorize): Number of lots: 246 Size: 55,0154 SQ FT
- b. Residential lot acreage (total): 310.91 Acres
- c. Number of non-residential parcels: 2 Parcels
- d. Non-residential parcel acreage (total): 1.765 Acres

ADWR000026

Owner's Information Sheet

Florence Country Estates

Pinal County, AZ

May 28, 2004

Applicant's Parcels

HWY 287 - FLORENCE BOULEVARD INC

Parcel Number: 401-01-063A0
Legal Description: 4.22 AC in NE of SEC. 27-6S-7E

Parcel Number: 401-01-063B8
Legal Description: 75.78 AC in NE of SEC. 27-6S-7E

Parcel Number: 401-15-00305
Legal Description: 158.74 AC in NW of SEC. 26-6S-7E

Parcel Number: 401-15-00206
Legal Description: 1.26 AC in NW of SEC. 26-6S-7E

Owner: HWY 287 - FLORENCE BOULEVARD INC
C/O Taina Group of Companies
Address 988 Beach Avenue - Suite #115
Vancouver BC V6Z 2N9 Canada
Telephone Number: 1-800-663-8013
Legal Entity: Arizona Corporation

MADISON DIVERSIFIED 882 INC

Parcel Number: 401-01-06401
Legal Description: 80 AC in NE of SEC. 27-6S-7E

Owner: MADISON DIVERSIFIED 882 CORP
C/O Taina Group of Companies
Address 988 Beach Avenue - Suite #115
Vancouver BC V6Z 2N9 Canada
Telephone Number: 1-800-663-8013
Legal Entity: Arizona Corporation

WGM 10

WMG 10

From: "Jeni Martin" <jmartin@cap-az.com>
To: "Norma Coupaud (E-mail)" <njcoupaud@ADWR.STATE.AZ.US>
Date: 10/7/04 1:20PM
Subject: FW: Florence Country Estates

Here is the response I got from Brian.

Thanks, Jeni

-----Original Message-----

From: Brian Carpenter [mailto:briancarpenter_tainamgt@telus.net]
Sent: Thursday, October 07, 2004 1:35 PM
To: Jeni Martin
Cc: Cormac Nolan
Subject: Re: Florence Country Estates

We have the property under contract to Robson Communities, who are in their Due Dilligence period until Oct 15...If they buy it , we will withdraw our Application, since Robson will include this land in their master plan and make their own arrangements for water supply...We will let you know, when we find out if they are going to buy the land...Thanks for your reminder..

----- Original Message -----

From: Jeni Martin <jmartin@cap-az.com>
To: Brian Carpenter <mailto:briancarpenter_tainamgt@telus.net>
Cc: Natasha Reed (E-mail) <mailto:natasha_j_reed@hotmail.com>
Sent: Thursday, October 07, 2004 12:59 PM
Subject: RE: Florence Country Estates

Hi Brian -

We still haven't received the two corporate resolutions. As soon as we get them we will send the documents for recording. Please let me know if there is any problem or if you need me to send those to you again.

Thanks, Jeni

-----Original Message-----

From: Brian Carpenter [mailto:briancarpenter_tainamgt@telus.net]
Sent: Wednesday, September 01, 2004 11:46 AM
To: Jeni Martin
Subject: Re: Florence Country Estates

Thanks ..I will get at it..

----- Original Message -----

From: Jeni <jmartin@cap-az.com> Martin
To: bcarpenter@taina.com
Sent: Wednesday, September 01, 2004 11:15 AM
Subject: Florence Country Estates

Hi Brian,

ADWR000035

I hope you are doing good and have enjoyed your summer. I just got the executed documents along with the certified copy of corporate resolution. The resolution was not filled out completely and we need one for each corporation. I have completed one for each owner and have attached them to this email. Please print them out, have them signed and notarized and send me the originals. Also, it doesn't look like we have a complete copy of the by-laws for Madison Diversified 882 Corp. only the first four pages. Please send a complete copy with the original resolutions, or you can fax me the by-laws. I will go ahead and have the Agreements signed by our Board President. Once I receive the resolutions and by-laws, I will send the documents to the recorders office. Please let me know if you have any questions.

Thanks,
Jeni Martin
CAGR

Central Arizona Project Disclaimer - 9/1/2004

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Central Arizona Project Disclaimer - 10/7/2004

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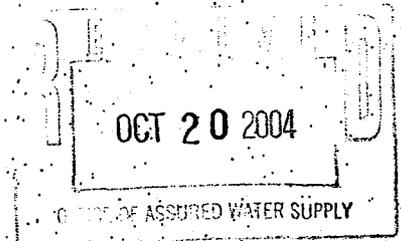
ADWR000036

WGM 11

October 20, 2004

PROJECT: 1154

Arizona Department of Water Resources
Office of Assured Water Supply
500 North 3rd Street
Phoenix, Arizona 85004



TO: Norma Coupaud

RE: FLORENCE COUNTRY ESTATES

Further to your conversation this morning with Natasha Reed, this letter is to notify you that our client, HWY 287 - Florence Boulevard Inc. and Madison Diversified 882 Corp. has instructed us to waive the return of fees in the amount \$415.40 regardless of the outcome of this project.

At this time we request a two week hold on our file at which time you will be contacted directly by our client to verify whether they wish to continue or close the file. We understand that failure to respond within two weeks will result in a decision of denial for our application and the file will be closed.

Your continuous support and assistance with our application has been noted and we very much appreciate all your help. Thank you for your time and patience.

Yours truly,
CORE GROUP CONSULTANTS
Per;

Cormac Nolan, P.E.

File: 1154-LET-018 ADWR R0.doc

cc: Brian Carpenter, HWY 287 - Florence Boulevard Inc. and Madison Diversified 882 Corp

ADWR000037

WGM 12

October 29, 2004

PROJECT: 1154

Arizona Department of Water Resources
Office of Assured Water Supply
500 North 3rd Street
Phoenix, Arizona 85004

TO: Norma Coupaud

RE: FLORENCE COUNTRY ESTATES

Please be advised that we have been instructed by our client, HWY 287 - Florence Boulevard Inc. and Madison Diversified 882 Corp. to revoke the pending application for the certificate of assured water supply regarding Florence Country Estates.

Therefore, this letter is to request that you close our file promptly.

We apologize for any inconvenience this has caused. Again much thanks for your professional dedication to our project.

Yours truly,
CORE GROUP CONSULTANTS
Per,



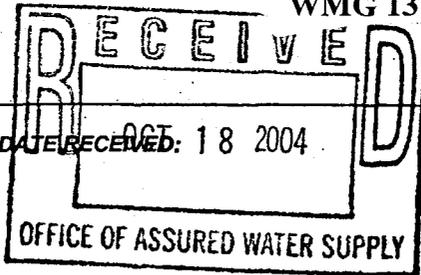
Cormac Nolan, P.E.

File: 1154-LET-019 ADWR R0.doc

cc: Brian Carpenter, HWY 287 - Florence Boulevard Inc. and Madison Diversified 882 Corp

ADWR000051

WGM 13



ARIZONA DEPARTMENT OF WATER RESOURCES
 OFFICE OF ASSURED AND ADEQUATE WATER SUPPLY
 500 NORTH THIRD STREET
 PHOENIX, ARIZONA 85004-3903
 (602) 417-2465 FAX (602) 417-2467

28-401544.0000
 EJR RANCH

APPLICATION FOR AN ANALYSIS OF ASSURED WATER SUPPLY

NOTE: Where insufficient space exists on this form, please submit attachments and reference them on the form.
 Refer to application guidelines for assistance in completing this form

IMPORTANT NOTE: This application is intended to be used for master plan communities where one owner will be developing the entire master plan. If six or more parcels, any one of which will be less than 36 acres, will be sold, then you must complete an application for a Certificate of Assured Water Supply.

PART A - GENERAL INFORMATION

1. Name of Development: EJR Ranch
2. Location: 6 S 7 E 26,27,28,32,33,&34 Pinal Pinal
 Township Range Section(s) County AMA
 7 S 7 E 1 & 2 Pinal Pinal
3. Owner Name: Attachment I Phone: Attachment I
 Address: Attachment I
4. Water Provider: Picacho Water Company and Arizona Water Company Phone: Attachment I
 Address: Attachment I
5. Consultant Name: Southwest Ground-water Consultants, Inc. Phone: (602) 955-5547
 Address: 3900 E. Camelback Rd., Suite 200, Phoenix, AZ 85018-2636
6. Primary Contact: Name: Nathan Miller Phone: (602) 955-5547
 Address: 3900 E. Camelback Rd., Suite 200, Phoenix, AZ 85018-2636

PART B - WATER DEMAND INFORMATION

1. Include a map of the proposed development plan, and reference as an attachment: See Attachment II
2. a. Estimated number of residential lots: 8,099 Lots
 b. Residential lot acreage (total): 1,972 Acres
 c. Non-residential acreage (total): 638 Acres

3. a. Projected build-out year for entire plat: 2018
 b. Indicate total expected demand for each year (through the build-out year only):

Calendar Year	Demand (AF)	Calendar Year	Demand (AF)	Calendar Year	Demand (AF)	Calendar Year	Demand (AF)
1. 200 <u>5</u>	402	6. 2010	2,409	11. 2015	4,417	16.	
2. 200 <u>6</u>	803	7. 2011	2,811	12. 2016	4,819	17.	
3. 2007	1,205	8. 2012	3,213	13. 2017	5,220	18.	
4. 2008	1,606	9. 2013	3,614	14. 2018	5,622	19.	
5. 2009	2,008	10. 2014	4,016	15.		20.	

4. a. Provide the following residential demand information (refer to guidelines for acceptable methods):

	1	2	3	4	5	6
Category	Average Persons per Housing Unit	Gallons per Person per Day	Demand per Housing Unit per Year (AF/YR)	Number of Housing Units	Total Expected Demand per Year (AF/YR)	100 Year Demand (AF/YR)
Single family	3.0	125	0.42	7,644	3,211	321,100
Multi-family	2.0	125	0.28	455	127	12,700

b. Indicate the source of the "persons per household" figure(s): Pinal AMA staff

c. Indicate the source of the "demand per housing unit" figure(s): ADWR Office of Assured Water Supply

5. a. Will there be any water demands within this master plan or subdivision that are not accounted for within the residential water use rates? Possible non-residential demands include, but are not limited to golf courses, common areas, apartment units, schools, parks, or community centers. Yes No
 If "yes", please provide the following non-residential demand information:

Non-Residential Water Use Category:	Estimated date of completion	Total demand (AF/YR)
Turf-related facilities:		
Other (specify): Schools, Parks, Open Space, Commercial, Construction, & System Losses	2018	2,284

b. Describe assumptions used in this table: ADWR Pinal AMA Third Management Plan and Office of Assured Water Supply

6. Conservation requirements have been prescribed for water providers through the Management Plan for each active management area. The following information is needed to support provider efforts to meet these requirements.
- a. List current and proposed conservation ordinances which apply to this development: Compliance with the Pinal AMA Third Management Plan
 - b. Will the development incorporate CC&Rs or other restrictions to limit landscape water use? Yes No
 - c. Will landscaping in public rights of way associated with this development conform to the Department's Low Water Use Plant List? Yes No
 - d. Describe steps to be taken to limit distribution system losses to those prescribed by the Management Plan: New construction technology
 - e. Generally describe any other current or proposed conservation practices, rates, fees, restrictions, policies and devices to be utilized within the development to meet the conservation requirements of the Management Plan:

PART C - WATER SUPPLY INFORMATION

- 1. Will the development be a member land of the Central Arizona Groundwater Replenishment District upon issuance of a Certificate of Assured Water Supply? Yes No
 - a. Method of water distribution: central distribution system dry lot subdivision (individual wells)
 - b. If water is to be obtained from a water provider, include a "Notice of Intent to Serve" agreement and reference the attachment: Not yet available, please complete analysis without Notice of Intent to Serve forms
 - c. If provider's Certificate of Convenience and Necessity (CCN) has been modified to include this development, provide an updated copy of the map showing the CCN boundaries, and reference the attachment: N/A
- 3. Has a water distribution system been constructed for this development? Yes No
- 4. a. Generally describe any storage or treatment facilities (for surface water or effluent) which will serve this development. Indicate whether the facilities are planned or existing. If planned, indicate the anticipated completion date(s): N/A
- b. For any existing or planned storage or treatment facilities noted in "a" above, provide a statement of capacity certified by a registered professional engineer, and reference as an attachment: N/A
- c. If this development will not be a member land of the Central Arizona Groundwater Replenishment District upon issuance of a Certificate of Assured Water Supply, provide evidence that a performance bond has been posted for

the entire cost of any planned facilities indicated in "a" above, and reference as an attachment: N/A

5. Include a map of the central distribution system and any on-site treatment or storage facilities and reference attachment: Not yet available, please complete analysis without distribution system map
6. a. Are any wells proposed to serve the development within one mile of a Water Quality Assurance Revolving Fund or Superfund site or monitor wells associated with such sites? Yes No
- b. Do any supplies proposed for this development fail to meet safe drinking water quality standards? Yes No
- c. If the response to either "a" or "b" above is "Yes," provide a study identifying and describing this water and reference the attachment: _____

7. Please indicate sources to be used:

Source of Supply	100 Year Volume (acre feet)	Required Supporting Information (reference any attached documents)
Surface Water Directly Delivered (except CAP or Colorado River Water) <i>(also include water stored and recovered in the same year, but not long-term storage credits)</i>		Hydrologic study demonstrating physical availability of water to be diverted (attachment): _____ Surface water right number(s) and type(s) or water district name: _____ Will a demonstration of backup supplies or a drought response plan be submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, reference attachment: _____
CAP or Colorado River Water Directly Delivered <i>(also include water stored and recovered in the same year, but not long-term storage credits)</i>		Will a demonstration of backup supplies or a drought response plan be submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, reference attachment: _____
Effluent Directly Delivered <i>(also include water stored and recovered in the same year, but not long-term storage credits)</i>		Name of entity providing effluent: _____ Any related contracts or agreements (attachment): _____
Groundwater <i>(Do not include storage project credits)</i>	562,200	Indicate any grandfathered groundwater right or permit number(s) and type(s): _____ Hydrologic study demonstrating physical availability of water to be withdrawn (attachment): <u>Attachment III</u>
Existing Long-Term Storage Credits <i>(From all sources)</i>		Long-term storage credit account number: 70-_____ Hydrologic study demonstrating physical availability of water to be recovered from outside of the area of hydrologic impact (attachment): _____
Anticipated Long-Term Storage Credits <i>(From all sources)</i>		Water storage permit number: 73-_____ Existing? <input type="checkbox"/> Yes <input type="checkbox"/> No Water storage permit number: 73-_____ Existing? <input type="checkbox"/> Yes <input type="checkbox"/> No Hydrologic study demonstrating physical availability of water to be recovered from outside of the area of hydrologic impact (attachment): _____ Evidence of physical, legal and continuous availability of the water to be stored (attachment): _____

8. Indicate if the applicant at this time intends to claim an exemption for the withdrawal and use of:
 Poor quality water pursuant to a proposed remedial action: Yes No
 Water from an area exempt from conservation requirements due to waterlogging: Yes No
9. If a "Letter of Water Availability" has previously been issued for this property, provide a copy of the document and reference the attachment: N/A
10. If the development will be receiving any water pursuant to an exchange agreement, provide a copy of the agreement and reference the attachment: N/A
11. If grandfathered rights have been extinguished for dedication to this development, provide evidence and reference the attachment: N/A

PART D - FEES

The application fee for an Analysis of Assured Water Supply is \$1,000. The payment may be made by cash, check, or in some cases, by entry in an existing Department fee credit account. Checks should be made payable to the Department of Water Resources. **Failure to enclose the required fees will cause the application to be returned.**

Fee for Application for Analysis of Assured Water Supply: \$1,000.00

I DO HEREBY certify that the information contained in this application and all information accompanying it is true and correct to the best of my knowledge and belief.

See following signature pages

 Owner Name (Please type or print)

 Signature

 Date

Signature Page
Application for an Analysis of Assured Water Supply
EJR Ranch

G Loria B. Dermer and Timothy L. Dermer, as Co-Trustees of the Dermer Family Trust, created July 13th, 1976

Name of Owner's Authorized Agent (please type or print): Gloria B. Dermer

Title of Owner's Authorized Agent (please type or print): Trustee



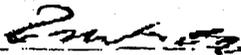
Signature of Owner or Owner's Authorized Agent

10/08/04

Date

Name of Owner's Authorized Agent (please type or print): Timothy L. Dermer

Title of Owner's Authorized Agent (please type or print): Trustee



Signature of Owner or Owner's Authorized Agent

10/08/04

Date

Signature Page
Application for an Analysis of Assured Water Supply
EJR Ranch

- Hwy 287 Florence Boulevard Inc
- Madison Diversified 882 Corporation

Name of Owner's Authorized Agent (please type or print): BRIAN CARPENTER
 Title of Owner's Authorized Agent (please type or print): SECRETARY/TREASURER OF BOTH CORPS.

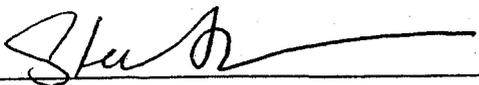
B. Carpenter 04/7/2004
 Signature of Owner or Owner's Authorized Agent Date

Signature Page
Application for an Analysis of Assured Water Supply
EJR Ranch

Sun Lakes – Casa Grande Development, L.L.C.

Name of Owner's Authorized Agent (please type or print): Steven Soriano

Title of Owner's Authorized Agent (please type or print): VP of mgr



10-7-04

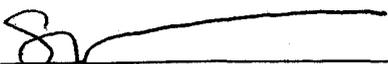
Signature of Owner or Owner's Authorized Agent

Date

Signature Page
Application for an Analysis of Assured Water Supply
EJR Ranch

Cornman Tweedy 560, L.L.C.

Name of Owner's Authorized Agent (please type or print): Steven SORIANO
Title of Owner's Authorized Agent (please type or print): VP of MER

 10-7-04
Signature of Owner or Owner's Authorized Agent Date

WGM 14

ARIZONA WATER COMPANY

3805 N. BLACK CANYON HIGHWAY, PHOENIX, ARIZONA 85015-5351 • P.O. BOX 29006, PHOENIX, ARIZONA 85038-9006
PHONE: (602) 240-6860 • FAX: (602) 240-6878 • WWW.AZWATER.COM

June 7, 2006

Mr. Jim Poulos, Vice President
Robson Communities
9532 East Riggs Road
Sun Lakes, Arizona 85248

Re: Provisional Water Service to EJ Ranch; in re the Application of Arizona Water Company, Arizona Corporation Commission Docket Nos. W-01445A-03-0559 (Arizona Water Company) and W-03528A-05-0281 (Picacho Water Company)

Dear Jim:

For more than two years, Arizona Water Company has held a valid Certificate of Convenience and Necessity to provide water utility service within certain areas now owned by Cornman Tweedy 560, LLC in Sections 26 & 27, T 6S, R7E, Pinal County, Arizona (the "Robson Property"). As you know, Decision No. 66893 provides that Arizona Water Company, as the holder of the Certificate of Convenience and Necessity for this area, is to provide the Commission with a copy of the developers' Certificate of Assured Water Supply and a Line Extension Agreement for the provision of water utility service to this area.

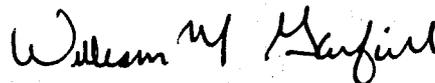
In discussions with you and other Robson Communities representatives since Robson Communities took control of the Robson Property through Cornman Tweedy 560, LLC, our understanding is that Robson Communities and Cornman Tweedy 560, LLC have consistently taken the position that they do not wish Arizona Water Company to serve the Robson Property, and instead desire that another Robson Communities affiliated entity, Picacho Water Company, provide service in this area. Further, Robson Communities and Cornman Tweedy 560, LLC have not provided Arizona Water Company with a copy of a Certificate of Assured Water Supply (if one exists) and have not negotiated and executed a Line Extension Agreement with Arizona Water Company. You have repeated this position concerning water service to us on many different occasions over the past year, in face-to-face meetings and at Commission hearings concerning the docketed matters affecting water service in this area. This position is stated again and again in all of the Robson Communities' and its related entities' filings in the above dockets. Your counsel has argued on virtually every occasion before the Commission that Cornman Tweedy 560, LLC desires Picacho Water Company to be its provider, and that it actively opposes Arizona Water Company's right under its Certificate of Convenience and Necessity.

It is with some surprise, then, that I read in your May 30, 2006 responses to Arizona Water Company's Data Requests, an implication that the only reason that Cornman Tweedy 560, LLC had not entered into negotiations for its execution of a Line Extension Agreement with Arizona Water

Company, was along the lines that "Arizona Water Company never asked us to." (see response to AWC-CMT 1.4). We want to remove any doubt concerning this issue as a matter of record in these proceedings by this letter. Accordingly, please consider this letter a formal request that Cornman Tweedy 560, LLC negotiate and execute a Line Extension Agreement with Arizona Water Company for the provision of public utility water service to the Robson Property. You are already familiar with Arizona Water Company's form of Line Extension Agreement, having entered into such an agreement regarding Robson Communities' Saddlebrook Development, which the Company already serves, and with being otherwise familiar with the many-filed versions of this Agreement throughout Commission dockets. A copy of the Company's proposed form Line Extension Agreement is enclosed, and I again urge you to contact me or our Vice President of Engineering, Mike Whitehead, at the above address and telephone number to make arrangements for the immediate negotiation and execution of the Line Extension Agreement.

As has always been the case, Arizona Water Company stands ready, willing and able to provide service to the Robson Property and all other areas within its CCN issued in Decision No. 66893. If we do not hear from you to commence good faith communications by the close of business on Monday, June 12, 2006, we will assume that Robson Communities and Cornman Tweedy 560, LLC, consistent with the position they have already taken, have no intention of cooperating with Arizona Water Company regarding the conditions set forth in Decision No. 66893, and will continue to assert that the sole reason Arizona Water Company is unable to comply with those provisions of Decision No. 66893 is due to the unilateral actions of Robson Communities and Cornman Tweedy 560, LLC.

Sincerely,



William M. Garfield
President

lar

Via Facsimile and U.S. Mail
Enclosure



ARIZONA WATER COMPANY

AGREEMENT FOR EXTENSION OF WATER FACILITIES

APPLICANT: _____
 Name _____
 Address _____
 City and State, Zip Code _____

Contract No. _____
 W.A. No. _____

DATE OF AGREEMENT _____ WATER SYSTEM: _____ [select system]
 CONSTRUCTION START: Approximately 15 days after receiving all material and obtaining all necessary permits and approvals.
 PROJECT COMPLETION: Estimated to be within _____ () days from the start date. DATE OF COST ESTIMATE (Attachment "A"): _____
 WATER FACILITIES: as per drawing (Attachment "B").

Refundable Advance for Construction: _____ \$ _____
 Non-refundable Contribution in Aid of Construction: _____ \$ _____
 Less: Main Extension Deposit Received _____ \$ _____
 Total of Required Advance and Contribution (Check #1) _____ \$ _____

CENTRAL ARIZONA PROJECT Hook-Up Fee ("CAP Fee") Payable After Agreement Approved by Arizona Corporation Commission (ACC)

Number of Meters	Casa Grande		Coolidge		White Tank		CAP Fee
	In	Out	In	Out	In	Out	
5/8" x 3/4"	0	\$208	0	\$150	0	\$500	\$ -
1"	0	\$208	0	\$150	0	\$500	\$ -
2"	0	\$1,173	0	\$800	0	\$1,867	\$ -
3"	0	\$2,347	0	\$1,600	0	\$2,867	\$ -
4"	0	\$3,867	0	\$2,500	0	\$5,333	\$ -
6" or larger	0	\$7,333	0	\$5,000	0	\$8,333	\$ -
						Subtotal	\$ -
						Error	\$ -

Applicable Rate & Tax 0 0 0
 Total Non-refundable Hook-Up Fee Due Within 15 Days Upon Approval of this Agreement (Check #2)
 The Project Will Not Be Released to Construction Until the CAP Fee Has Been Paid.
 Total (of Two Checks Payable by Applicant)

THIS AGREEMENT is made and entered into by and between ARIZONA WATER COMPANY, an Arizona corporation, (hereinafter called the "Company"), and the Applicant named above. In consideration of the services to be performed by the Company and the sums of money to be paid by the Applicant, in accordance with the related Cost Estimate, it is agreed as follows:

- The Company will construct, or will arrange for the construction of the Water Facilities as described above.
- The Applicant will pay to the Company upon signing this Agreement the Total shown above, receipt of which is hereby acknowledged by the Company. The Total shown above to be paid by the Applicant to the Company is the Company's estimated cost of construction of the Water Facilities. The Company will determine and inform the Applicant of the actual cost of construction within sixty (60) days after the completion of construction or the Company's receipt of all invoices and charges related to the construction. If the actual cost of construction is less than the Total amount paid, the Company will refund the difference to the Applicant; conversely, if the actual cost of construction is more than the Total amount paid, the Applicant shall pay the difference to the Company within sixty (60) days of receipt of an invoice from the Company. However, if the actual cost is more than five percent (5%) greater than the Total amount paid, the Applicant will only be required to pay five percent (5%) more than the Total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the Total amount paid was made. The Company and the Applicant further agree that the amount subject to refund pursuant to paragraph 3 of this Agreement shall be the refundable portion of the Company's actual cost of construction. Information about the actual cost of construction will be attached to this Agreement and forwarded to the Applicant.
- Refunds of any Advance For Construction shall be made as follows: each year for a period of 10 years the Company shall pay to the Applicant or the Applicant's assignee or successor in interest, provided the Company has first received written notice and evidence of such assignment or succession and approved of same, an amount equal to 10 percent of the total gross annual revenue received by the Company from water sales to each bona fide Applicant whose service line is directly connected to pipelines installed pursuant to this Agreement. Refunds shall be made by the Company on or before August 31 of each year, covering any water revenues received during the preceding July 1 to June 30 period. Any balance remaining subject to refund at the end of the 10-year period shall become non-refundable. Aggregate refunds shall in no event exceed the total of the refundable Advance For Construction received from the Applicant. No interest shall be paid by the Company on any amounts paid hereunder.
- All Water Facilities installed under this Agreement shall be the sole property of the Company, and the Applicant shall have no right, title or interest in or to any such facilities.
- The size, design, type and quality of materials and of the system, location and manner of installation, shall be specified by the Company and shall comply with requirements of the Arizona Corporation Commission or other public agencies having authority therein.
- The Applicant agrees to furnish to the Company adequate and recordable easements and required surveying necessary to serve each parcel or lot within the Applicant's subdivision, tract, development, or project.
- The Applicant agrees that all easements and rights-of-way shall be free of obstacles which may interfere with the construction of the Company's Water Facilities. If the Applicant's subdivision, tract, development, or project involves road construction, all roads and drainage ways will be brought to grade by the Applicant prior to the commencement of the installation of the Company's Water Facilities. No pavement or curbs shall be installed prior to completion of all Water Facilities. If any street, road, alley or drainageway is installed at a different grade or location after the beginning of the installation of Water Facilities, the Applicant shall bear all costs incurred by the Company to relocate the Water Facilities as a result of said facilities having improper cover or location. Such costs shall be non-refundable.
- The Applicant agrees to pay to the Company any additional costs incurred as a result of design changes made or caused by the Applicant or its employees, agents, servants, contractors or subcontractors, the Arizona Department of Environmental Quality, the Arizona Corporation Commission, any county health department or other public agency under whose jurisdiction the subject construction may fall, or anticipated or un-anticipated changes in existing Company facilities, due to any work associated with this subdivision, tract, development or project which causes said facilities to have improper cover or location.
- This Agreement shall be binding upon and for the benefit of the successors and assigns of the Company and the Applicant. No assignment or transfer of this Agreement by the Applicant shall be binding upon the Company or create any rights in the assignee until such assignment or transfer is approved and accepted in writing by the Company.
- This Agreement, and all rights and obligations hereunder, including those regarding water service to the Applicant, are subject to the Arizona Corporation Commission's "Rules and Regulations" and the Company's tariff schedule TC-243, "Terms and Conditions for the Provision of Water Service."

ARIZONA WATER COMPANY
 Company
 By: _____
 Title: _____

Applicant
 By: _____
 Title: _____