

OPEN MEETING ITEM



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COMMISSIONERS  
JEFF HATCH-MILLER - Chairman  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
BARRY WONG

ORIGINAL



ARIZONA CORPORATION COMMISSION

22

Arizona Corporation Commission

DOCKETED

DEC 26 2006

DATE: DECEMBER 26, 2006  
DOCKET NOS: W-20430A-05-0839 and SW-20431A-05-0840  
TO ALL PARTIES:

DOCKETED BY

Enclosed please find the recommendation of Administrative Law Judge Marc Stern. The recommendation has been filed in the form of an Opinion and Order on:

GREEN ACRES WATER, L.L.C. and  
GREEN ACRES SEWER, L.L.C.  
(CC&N)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and ten (10) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

JANUARY 4, 2007

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Working Session and Open Meeting to be held on:

JANUARY 16, 2007 and JANUARY 17, 2007

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Secretary's Office at (602) 542-3931.

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

COMMISSIONERS

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
BARRY WONG

IN THE MATTER OF THE APPLICATION OF  
GREEN ACRES WATER, L.L.C. FOR APPROVAL  
OF A CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE WATER SERVICE.

DOCKET NO. W-20430A-05-0839

IN THE MATTER OF THE APPLICATION OF  
GREEN ACRES SEWER, L.L.C. FOR APPROVAL  
OF A CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE SEWER SERVICE.

DOCKET NO. SW-20431A-05-0840

DECISION NO. \_\_\_\_\_

OPINION AND ORDER

DATE OF HEARING: July 11 and October 31, 2006  
PLACE OF HEARING: Phoenix, Arizona  
ADMINISTRATIVE LAW JUDGE: Marc E. Stern  
APPEARANCES: Ms. Beth A. Heath and Mr. Mark D. Dioguardi,  
TIFFANY & BOSCO, on behalf of Green Acres Water,  
L.L.C. and Green Acres Sewer, L.L.C.;  
Mr. Michael Hallam, LEWIS AND ROCA, on behalf of  
the Town of Buckeye; and  
Mr. Kevin Torrey, Staff Attorney, Legal Division, on  
behalf of the Utilities Division of the Arizona  
Corporation Commission.

**BY THE COMMISSION:**

On November 15, 2005, Green Acres Water, L.L.C. ("GAW") and Green Acres Sewer,  
L.L.C. ("GAS") (collectively "Applicants")<sup>1</sup> each filed an application with the Arizona Corporation  
Commission ("Commission") for a Certificate of Convenience and Necessity ("Certificate") to  
provide public water and wastewater utility service, respectively, to various parts of Maricopa  
County, Arizona.

<sup>1</sup> Applicants are owned by the Steven and Kimberly Robson Trust. Mr. Robson has interests in a number of other public service corporations primarily in Pinal County.

1 On December 9, 2005, the Commission's Utilities Division ("Staff") issued a notice of  
2 insufficiency which indicated that GAW's and GAS' applications had not met the sufficiency  
3 requirements of A.A.C. R14-2-411(C) and A.A.C. R14-2-610(C), respectively.

4 On March 1, 2006, Staff filed a Motion to Consolidate ("Motion") the above-referenced  
5 matters which are substantially related without objection by Applicants.

6 On March 2, 2006, by Procedural Order, the proceedings were consolidated.

7 On April 4, 2006, GAW and GAS filed amendments to their applications.

8 On May 8, 2006, Staff issued a letter of administrative completeness to GAW and GAS.

9 On May 11, 2006, by Procedural Order, a hearing was set in this matter and filing deadlines  
10 were established for various documents including the Staff Report, which was due to be filed on June  
11 12, 2006.

12 On June 8, 2006, Applicants filed certification that they had provided public notice of the  
13 proceeding pursuant to the Commission's Procedural Order.

14 On June 12, 2006, Staff filed a Request for an Extension of Time to file its Staff Report on  
15 June 16, 2006.

16 On June 15, 2006, by Procedural Order, Staff was given until June 16, 2006, to file its report  
17 and other filing dates remained unchanged.

18 On June 16, 2006, Staff filed its report.

19 On June 21, 2006, Applicants requested an extension until June 29, 2006, to file any  
20 objections.

21 On June 23, 2006, the Town of Buckeye ("Town") filed an application to intervene and by  
22 Procedural Order, Applicants' request for an extension was granted.

23 On June 29, 2006, Applicant filed its Response to the Staff Report.

24 On June 30, 2006, Staff sent a list of data requests to the Town.

25 On July 3, 2006, by Procedural Order, the Town was granted intervention.

26 On July 6, 2006, the Town filed a request for a continuance of the proceeding in order to  
27 respond to Staff's data requests and in order to secure counsel to represent its interests in the hearing.

28 On July 11, 2006, a full public hearing was convened before a duly authorized Administrative

1 Law Judge of the Commission at its offices in Phoenix, Arizona. Applicants and Staff appeared with  
2 counsel. The Town entered an initial appearance through its Town Manager and other  
3 representatives until counsel was retained. No one appeared to make public comment. Although  
4 Applicants requested the proceeding be rescheduled in five weeks, the Town indicated that it would  
5 require 45 to 60 days to file its responses to Staff's data requests and to secure counsel in the interim.  
6 Staff requested that it be allowed an additional 45 days after the Town's filing for it to file an  
7 amended Staff Report.

8 On July 13, 2006, by Procedural Order, the proceeding was continued to October 31, 2006,  
9 Staff was ordered to file an amended Staff Report and the time clock was suspended.

10 On October 16, 2006, Staff filed its amended Staff Report.

11 On October 24, 2006, GAW and GAS filed further amendments to their applications.

12 On October 31, 2006, the hearing was reconvened before a duly authorized Administrative  
13 Law Judge of the Commission at its offices in Phoenix, Arizona. Applicants, the Town and Staff  
14 appeared with counsel. At the conclusion of the hearing, the matter was taken under advisement  
15 pending submission of a Recommended Opinion and Order to the Commission.

16 \* \* \* \* \*

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

19 **FINDINGS OF FACT**

20 1. Applicants are Arizona limited liability companies that have been formed to provide  
21 public water and wastewater treatment service to approximately 3,300 acres of land originally  
22 comprised of 23 parcels that are to be developed in large part into a master-planned community  
23 which will be developed by companies controlled by Steven Robson. The parcels will be built out  
24 over a period of time and Applicants are projecting in five years they will have approximately 4,500  
25 residential customers, approximately 20 commercial customers and one school as a customer. There  
26 are no golf courses planned in what is presently a farm and desert area adjacent to the Lewis Prison  
27 which is located approximately 13 miles south of Interstate 10 and west of State Route 85 in  
28 Maricopa County, Arizona.

1           2.       On November 15, 2005, GAW and GAS filed applications for Certificates to provide  
2 public water and public wastewater treatment service, respectively, to an area which is more fully  
3 described in Exhibit A, attached hereto, and incorporated herein by reference.

4           3.       In support of the Company's application, the following witnesses testified: Mr. Jacob  
5 Hansen, an employee of Scott Communities, a development company, which is owned by Steven  
6 Robson, and Mr. Ronald L. Kozoman, a CPA. Mr. Hansen is also the project manager for GAW and  
7 GAS.

8           4.       On June 8, 2006, pursuant to the Commission's Procedural Order, GAW and GAS  
9 filed certification that public notice had been given of the proceeding and hearing thereon.

10          5.       Although the developer has explored the possibility of using other providers, there are  
11 no municipal or public water or wastewater utilities operating nearby or within in the area sought to  
12 be certificated by the Applicants.

13          6.       On June 23, 2006, the Town intervened in the proceeding because the area sought to  
14 be certificated is in the Town's Municipal Planning Area ("MPA").<sup>2</sup> The area is not located in an  
15 Active Management Area.

16          7.       Although the Town has plans in the future to provide water and wastewater service  
17 throughout its MPA, at present, it has no facilities in the requested service area with which to provide  
18 either water or wastewater service. Although the Town is willing to annex the area, it appears that  
19 the Town's \$5,000 plus per lot impact fee is a disincentive to developers.

20          8.       At the evidentiary hearing, it was apparent that plans for the development of the area  
21 requested for certification are in their early planning stages. While development plans for some of  
22 the included parcels are unclear, the respective property owners have requested water and sewer  
23 service from GAW and GAS for their properties in anticipation of future development.

24          9.       According to Mr. Hansen, Western States Investments ("Western"), a company owned  
25 by Steven Robson, owns approximately 575 acres of the area sought to be certificated and has an  
26 option to purchase, from an agricultural company, another 1,237 acres which Western plans to

27 <sup>2</sup> Sixty acres of the areas requested to be certificated are located within the Town's limits and on October 24,  
28 2006, Applicant filed an amended application and deleted these 60 acres which are undevelopable land and are located in  
a wash. This reduced the number of parcels in the requested area to 21 parcels.

1 purchase in phases over time. Western will develop this acreage into residential subdivisions as part  
2 of a master-planned community.

3 10. Mr. Hansen testified that the remaining parcels which are owned by various owners  
4 who he believes will sell their land for mostly residential development along with approximately 200  
5 acres set aside for commercial development.

6 11. Mr. Hansen testified that on October 25, 2006, GAW filed for approval from the  
7 Arizona Department of Water Resources ("ADWR") for its Physical Availability Demonstration  
8 ("PAD"). GAS has not yet sought approval for its 208 Plan Amendment with respect to its  
9 wastewater treatment system from the Maricopa County Association of Governments ("MAG") and  
10 subsequent approval needed from the Maricopa County of Environmental Services Department  
11 ("MCESD"). Mr. Hansen stated that if the Town does not sponsor GAS' 208 Plan Amendment to  
12 MAG, GAS will seek sponsorship from the county to secure MAG's approval of its 208 Plan  
13 Amendment.

14 12. Additionally, GAS has to also seek approval from ADEQ for its Aquifer Protection  
15 Permit ("APP") prior to beginning operations.

16 13. Mr. Hansen indicated that Applicants will be applying for their franchises from the  
17 Maricopa County Board of Supervisors and will file copies with the Commission upon their receipt  
18 from the County.

19 14. Neither GAW nor GAS has secured an Approval to Construct from the MCESD.

20 15. Applicants will retain accounting professionals to maintain their books and records in  
21 conformance with Commission requirements and will hire certified operators to operate their water  
22 and wastewater treatment systems.

23 16. Mr. Hansen testified that Applicants are generally in agreement with the  
24 recommendations made by Staff in its Staff Report with the exception of Staff's proposed rates.  
25 Applicants had originally requested approval for Hook-up Fees, but withdrew this request after  
26 discussions with Staff.

27 17. Although there are a number of agricultural wells in the area described in Exhibit A,  
28 they generally are unusable for drinking water without improvements and GAW initially plans to

1 develop two new large wells to serve its proposed service area.

2 18. Officials with Maricopa County and MAG encouraged Applicants to conduct  
3 discussions with officials from the Town due to the fact that the area sought to be certificated is  
4 located in the Town's MAP even though the requested service area is about 10 miles from the Town  
5 proper.

6 19. While Mr. Hansen stated that the Town expressed interest in providing water and  
7 wastewater service in the requested service area, it would do so only if the system was contributed by  
8 the developers.

9 20. Mr. Hansen indicated that the Applicants are agreeable to each posting a bond to  
10 insure the continued operation of the water and wastewater utilities in the event of unforeseen  
11 developments which would render them financially insolvent.

12 21. Although plans for GAW and GAS have not yet been completed, funding to construct  
13 Applicants will consist of a combination of equity, retained earnings, contributions in aid of  
14 construction and advances funded by main extension agreements with developers.

15 22. According to the Staff Report, GAW will construct, during the first phase of  
16 development, 2.5 million gallons of storage along with the development of at least two wells which  
17 will produce at least 3,000 gallons of water per minute.

18 23. The Staff Report further indicates that GAS, during its first five years of operations,  
19 will construct a 1.25 million gallons per day wastewater treatment plant including gravity sewer  
20 mains, lift station and force main.

21 24. It is estimated that GAW's utility plant in service at the end of its first year of  
22 operations will be approximately \$13.5 million.

23 25. It is estimated that GAS' utility plant in service at the end of its first year of operations  
24 will be approximately \$6.97 million.

25 26. While no golf courses are planned, during later phases of the development, parks and  
26 ornamental areas will be served with reclaimed wastewater once there is sufficient effluent to provide  
27 service in this fashion.

28 27. While no golf courses are planned, given the on-going drought conditions throughout

1 Arizona and the need to conserve groundwater resources, GAW should not be allowed to serve any  
2 golf courses with groundwater if they are developed until there are sufficient supplies of reclaimed  
3 water for use on golf courses.

4 28. Since GAW has not tested for arsenic yet, Staff indicates that the issue will be  
5 addressed when GAW processes its application for an Certificate of Approval to Construct ("ATC")  
6 which will be issued by the MCESD.

7 29. Mr. Ronald Kozoman, a CPA retained by Applicants, testified with respect to the  
8 Applicants' documentation and its exhibits concerning their projected balance sheets, projected cash  
9 flows and projected plants and income statements along with their proposed rates and charges for  
10 water and wastewater service.

11 30. Mr. Kozoman pointed out that, in response to certain concerns voiced by Staff in  
12 meetings with the Applicants, GAW and GAS revised their initial rate filings and withdrew their  
13 requests for approval of Hook-up Fees related to the establishment of water and wastewater service  
14 by new customers. Mr. Kozoman argued that Staff's proposed rates are higher than those originally  
15 proposed by Applicants by approximately one percent because of Staff's insistence that GAW and  
16 GAS use equity rather than Hook-up Fees to build backbone plant.<sup>3</sup>

17 31. Mr. Kozoman testified that Applicants believe that their originally proposed rates are  
18 more reasonable than those proposed by Staff primarily because they were proposing to earn a  
19 slightly lower rate of return than Staff's projected eight percent return in their fifth year of operations.  
20 However, with the removal of the proposed Hook-up Fees and the revisions to their rates, Applicants'  
21 proposed rates (with slightly different gallonage charges than those proposed by Staff for water  
22 service) also are projected to produce an eight percent rate of return.

23 32. GAW and GAS are further concerned with Staff's recommended proposed rate of  
24 return of eight percent for the Applicants because, according to Mr. Kozoman, they could  
25 conceivably be found to be over earning in their fifth year of operations and be subject to further  
26 Commission action as a result of the rate proceedings which Staff is recommending be filed after five

27 \_\_\_\_\_  
28 <sup>3</sup> Mr. Kozoman pointed out that GAW's and GAS' initial proposed rates in their fifth year of operations were projected to produce approximately a 6.7 percent rate of return and a 6.9 percent rate of return, respectively.

1 years of GAW's and GAS' operations.

2 33. GAW and GAS are requesting that the Applicants' proposed water and wastewater  
3 rates and charges, be approved by the Commission as set forth in Exhibits B and C, respectively,  
4 attached hereto and incorporated by reference.

5 34. The Town's Engineering Manager, Mr. Steven Borst, testified that he is familiar with  
6 the 208 Plan Amendment process utilized in the development of wastewater utilities. The local  
7 association of governments, in this case, the MAG must approve GAS' 208 Plan Amendment which  
8 must be sponsored by a governmental entity. Since the entire requested service area in question for  
9 GAS is in the Town's MPA, GAS would need the Town's sponsorship to win approval from MAG.

10 35. However, Mr. Borst further testified that, in January 2007, the Town is planning to file  
11 its own 208 Plan Amendment for the development of its own wastewater system which would  
12 conflict with that of GAS, and unless the property owners in the area described in Exhibit A request  
13 annexation, the Town will not sponsor GAS' 208 Plan Amendment with MAG.

14 36. Although the Town is willing to work with developers in its MPA to develop public  
15 utilities in the area to provide water and wastewater service, property owners must request annexation  
16 and be annexed by the Town first. Additionally, it appears that developers must bear the costs of  
17 building the utilities and then turn them over to the Town.

18 37. According to Mr. Borst, he does not believe that the county will sponsor a MAG  
19 application by GAS for a 208 Plan Amendment. The Town will not do so either unless an  
20 "acceptable annexation and development agreement" is reached with the property owners of the area  
21 described in Exhibit A. He indicated that the Town's planned filing, in January 2007, for its own 208  
22 Plan Amendment with MAG will include every developable area in its MPA including the area  
23 described in Exhibit A.

24 38. Without a 208 Plan Amendment approval from MAG, GAS will be unable to proceed  
25 with building its proposed wastewater treatment facility.

26 39. No property owners in the areas sought to be certificated herein have requested  
27 annexation by the Town.

28 40. Mr. Charles Myhlousen, a utility analyst with Staff, recommended that the

1 Commission approve Staff's proposed water and wastewater rates and charges for the GAW and  
 2 GAS as set forth in Exhibits B and C, respectively, attached hereto and incorporated by reference.

3 41. Staff's primary recommendation for GAS' wastewater rates is that they should be  
 4 based on meter size.

5 42. In response to GAW's and GAS' proposals that they be permitted to earn lower rates  
 6 of return than those proposed by Staff in their fifth year of operations, Mr. Myhlousen testified that  
 7 Staff continues to recommend that the Applicants should earn an eight percent rate of return by their  
 8 fifth year of operations to encourage their economic viability.

9 43. Mr. Myhlousen recommended that rates should be set to allow the Applicants to earn  
 10 approximately an eight percent return in their fifth year of operations in order to avoid huge increases  
 11 in utility bills that could result in "rate shock" for customers if, following recommended rate  
 12 applications by the Applicants following their fifth year of operations, the customers' rates are  
 13 dramatically increased.

14 44. Ms. Blessing Chukwu, testifying for Staff, recommended approval of GAW and GAS'  
 15 applications be limited to Orders Preliminary to provide water and wastewater service, respectively,  
 16 for the areas in Exhibit A for which the GAW and GAS are seeking Certificates.

17 45. Staff, with respect to the Applications, also made the following recommendations:

18 GAW

- 19 1. that the Commission find that the projected fair value rate base in year five  
 20 of GAW's property devoted to water service is \$28,108,142;
- 21 2. that the Commission approve Staff's proposed rates as shown on Exhibit B  
 22 and in addition to the collection of its regular rates, that GAW be  
 23 authorized to collect from its customers the proportionate share of any  
 24 privilege, sales or use tax;
- 25 3. that the Commission order GAW to file, within 30 days of the effective  
 26 date of this Decision, with the Commission's Docket Control, as a  
 27 compliance item in this docket, a tariff consistent with the rates and  
 28 charges authorized hereinafter by the Commission;
4. that the Commission order GAW to file, within 15 days of providing  
 service to its first customer, notification that it has begun providing water  
 service, with the Commission's Docket Control, as a compliance item in  
 this docket;

- 1 5. that the Commission order GAW to file, not later than six months,  
2 following the fifth anniversary of the date it begins providing water service  
3 to its first customer, a rate application;
- 4 6. that the Commission order GAW to maintain its books and records in  
5 accordance with the National Association of Regulatory Utility  
6 Commissioners ("NARUC") Uniform System of Accounts for Water  
7 Utilities;
- 8 7. that the Commission order GAW to use the depreciation rates  
9 recommended by Staff at Table A of the Engineering Memorandum for  
10 GAW attached to the Staff Report;
- 11 8. that the Commission order GAW's charges for minimum deposits be as  
12 determined pursuant to A.A.C. R14-2-403(B)(7);
- 13 9. that the Commission order GAW to file, within 90 days of the effective  
14 date of this Decision, with the Commission's Docket Control, as a  
15 compliance item in this docket, for review and approval by the Director of  
16 the Utilities Division, a Curtailment Tariff. The tariff shall generally  
17 conform to the sample tariff found posted on the Commission's web site  
18 ([www.cc.state.az.us/utility](http://www.cc.state.az.us/utility)) or available upon request from Staff;
- 19 10. that the Commission order GAW to file, not later than three years after the  
20 effective date of this Decision granting the Order Preliminary, with the  
21 Commission's Docket Control, as a compliance item in this docket, for  
22 Staff's review, a drinking water design report for the first five years for the  
23 proposed water system which identifies well sites, the location of  
24 distribution and transmission mains and construction phasing of the water  
25 treatment plant;
- 26 11. that the Commission order GAW to file, within three years after the  
27 effective date of this Decision granting the Order Preliminary, with the  
28 Commission's Docket Control, as a compliance item in this docket, copies  
of the ATC for phase one of this development;
12. that the Commission order GAW to file, within three years after the  
effective date of this Decision granting the Order Preliminary, with the  
Commission's Docket Control, as a compliance item in this docket,  
ADWR's PAD demonstrating the availability of adequate water for the  
requested area;
13. that the Commission order GAW to file, within three years after the  
effective date of this Decision granting the Order Preliminary, with the  
Commission's Docket Control, as a compliance item in this docket, a copy  
of all related franchise agreements for the requested area; and

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14. that after GAW complies with condition numbers 10, 11, 12 and 13 above, GAW shall file notice of its compliance. Within 30 days of this filing, Staff shall file a proposed Order. The Commission should schedule this item for a vote to grant the Certificate as soon as possible after Staff's filing that confirms GAW's compliance with condition numbers 10, 11, 12 and 13 above.

**GAS**

1. that the Commission find that the projected fair value rate base in year five of GAS' property devoted to wastewater service is \$12,741,211;
2. that the Commission approve Staff's proposed rates as shown on Exhibit C, and in addition to the collection of its regular rates, that GAS be authorized to collect from its customers the proportionate share of any privilege, sales or use tax;
3. that the Commission order GAS to file, within 30 days of the effective date of this Decision, with the Commission's Docket Control, as a compliance item in this docket, a tariff consistent with the rates and charges authorized hereinafter by the Commission;
4. that the Commission order GAS to file, within 15 days of providing service to its first customer, notification that it has begun providing wastewater service, with the Commission's Docket Control, as a compliance item in this docket;
5. that the Commission order GAS to file, not later than six months following the fifth anniversary of the date it begins providing wastewater service to its first customer, a rate application;
6. that the Commission order GAS to maintain its books and records in accordance with the NARUC Uniform System of Accounts for Wastewater Utilities;
7. that the Commission order GAS to use the depreciation rates recommended by Staff at Table A of the Engineering Memorandum for GAS attached to the Staff Report;
8. that the Commission order GAS' charge for minimum deposits be determined pursuant to A.A.C. R14-2-603(B)(7) and (8);
9. that the Commission order GAS to file, within three years of the effective date of this Decision granting the Order Preliminary, with the Commission's Docket Control, as a compliance item in this docket, copies of the ATC for phase one of the development;
10. that the Commission order GAS to file, within three years after the effective date of this Decision granting the Order Preliminary, with the

1 Commission's Docket Control, as a compliance item in this docket, a copy  
2 of the Section 208 Plan Amendment for the entire area sought to be  
3 Certificated;

4 11. that the Commission order GAS to file, within three years of the Decision  
5 granting the Order Preliminary, with the Commission's Docket Control, as  
6 a compliance item in this docket, a copy of the APP for phase one of this  
7 development;

8 12. that the Commission order GAS to file, within three years of the effective  
9 date of this Decision granting the Order Preliminary, with the  
10 Commission's Docket Control, as a compliance item in this docket, a copy  
11 of all related franchise agreements for the requested area; and

12 13. that after GAS complies with condition numbers 9, 10, 11 and 12 above,  
13 GAS shall file notice of its compliance. Within 30 days of this filing, Staff  
14 shall file a proposed Order. The Commission should schedule this item for  
15 a vote to grant the Certificate as soon as possible after Staff's filing that  
16 confirms GAS' compliance with condition numbers 9, 10, 11, and 12  
17 above.

18 46. Staff further recommended that if GAW and GAS, with respect to any parcel, fail to  
19 meet all the requirements of the Order Preliminary, including the requirement to each obtain a  
20 franchise, consent or permit from the proper authority (the Town or Maricopa County) within the  
21 specified time, then said parcel should automatically be excluded from the respective Certificate for  
22 both water and wastewater service.

23 47. After our review of the evidence in this matter, we believe that the applications of  
24 GAW and GAS for Certificates to provide water and wastewater service, respectively, for the areas  
25 described in Exhibit A should be granted for Orders Preliminary as recommended by Staff. We also  
26 believe that Staff's other recommendations with respect to the GAW's and GAS' applications are  
27 reasonable and should be approved. We will adopt Staff's recommended rates and charges for  
28 GAW's and GAS' water and wastewater rates as set forth herein, because Staff's proposed rates and  
charges will ensure Applicants' viability and prevent rate shock.

48. Additionally, we believe since there is no evidence in the record which reveals that  
either of the Applicants has any prior experience in successfully operating a public utility, a  
performance bond for each utility in the amount of \$500,000 should ensure that the Applicants will  
be able to continue operations for a reasonable period without a related entity's financial support, if

1 necessary.

2 49. Because an allowance for the property tax expenses of GAW and GAS are included in  
3 their rates and will be collected from their customers, the Commission seeks assurances from them  
4 that any taxes collected from ratepayers have been remitted to the appropriate taxing authority. It has  
5 come to the Commission's attention that a number of utility companies have been unwilling or unable  
6 to fulfill their obligation to pay the taxes that were collected from ratepayers, some for as many as  
7 twenty years. It is reasonable, therefore, that as a preventive measure, GAW and GAS should each  
8 annually file, as part of their annual reports, an affidavit with the Utilities Division attesting that they  
9 are current in paying their property taxes in Arizona.

#### 10 CONCLUSIONS OF LAW

11 1. Applicants are public service corporations within the meaning of Article XV of the  
12 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

13 2. The Commission has jurisdiction over Applicants and the subject matters of the  
14 applications.

15 3. Notice of the applications and the hearing thereon was given in accordance with the  
16 law.

17 4. Applicants have established there is a need and necessity for public water and  
18 wastewater service and this requires the issuance of Orders Preliminary prior to the approval for their  
19 Certificates authorizing them to construct, operate and maintain facilities to furnish water and  
20 wastewater service in the areas described in Exhibit A.

21 5. The public convenience and necessity require the issue of Orders Preliminary to the  
22 Applicants authorizing them to provide water and wastewater service to the public in the areas  
23 described in Exhibit A.

24 6. Applicants are fit and proper entities to provide water and wastewater service to the  
25 public and to receive Orders Preliminary which encompass the areas more fully described in Exhibit  
26 A.

27 7. GAW's and GAS' applications for Certificates to provide water and wastewater  
28 service, respectively, should be limited to the issuance of Orders Preliminary subject to Staff's

1 recommendations and GAW's timely compliance with GAW condition numbers 10, 11, 12 and 13  
2 and GAS' timely compliance with GAS condition numbers 9, 10 11 and 12 as set forth in Findings of  
3 Fact No. 45 and subject to the limitations imposed by Findings of Fact No. 46, prior to the  
4 Commission's approval for the issuance of a Certificate to either GAW or GAS.

5 8. The rates and charges authorized hereinafter for GAW and GAS are just and  
6 reasonable.

7 9. That GAW and GAS should each post a performance bond in the amount of \$500,000  
8 prior to serving their first water or wastewater treatment customer.

9 **ORDER**

10 IT IS THEREFORE ORDERED that pursuant to A.R.S. § 40-282(D), these Orders  
11 Preliminary to the issuance of the Certificates of Convenience and Necessity are granted and upon  
12 completion of the conditions contained in Findings of Fact No. 45 by Green Acres Water, L.L.C. and  
13 Green Acres Sewer, L.L.C. shall file motions in this docket for the issuance of Certificates of  
14 Convenience and Necessity authorizing them to construct, maintain and operate facilities to provide  
15 water and wastewater service to the public in the areas more fully described in Exhibit A with the  
16 exception of any parcels eliminated therefrom by the limitations imposed by Findings of Fact No. 46.

17 IT IS FURTHER ORDERED that upon the motions of Green Acres Water, L.L.C. and Green  
18 Acres Sewer, L.L.C. and verification of satisfaction of the conditions for the issuance of the  
19 Certificates of Convenience and Necessity, Staff shall prepare and docket Orders that grant the  
20 Certificates of Convenience and Necessity for Commission approval.

21 IT IS FURTHER ORDERED that Green Acres Water, L.L.C. and Green Acres Sewer, L.L.C.  
22 shall charge those customers in the areas more fully described in Exhibit A the following rates and  
23 charges for water and wastewater treatment services:

24 **GREEN ACRES WATER, L.L.C.**

25 **MONTHLY USAGE CHARGE:**

26 Residential & Commercial  
27 5/8" x 3/4" Meter \$38.00  
28

1	3/4" Meter	\$38.00
	1" Meter	95.00
2	1 1/2" Meter	190.00
	2" Meter	304.00
3	3" Meter	608.00
	4" Meter	950.00
4	6" Meter	1,900.00
5	8" Meter	3,040.00
	10" Meter	4,370.00
6	12" Meter	8,170.00

7 **Commodity Rates by Meter Size (Per 1,000 Gallons)**

8 **Residential Customers**

9 **Commodity Rates per 1,000 gallons**

10 **5/8 x 3/4" Meter and 3/4" Meter**

10	Tier One zero gallons to 5,000 gallons	\$5.50
	Tier Two from 5,001 gallons to 14,000 gallons	7.75
11	Tier Three all gallonage over 14,000 gallons	9.50

12 **All other customer classes**

13 **5/8" x 3/4" Meter**

13	Tier One zero gallons to 8,000 gallons	\$7.75
14	Tier Two All gallonage over 8,000 gallons	9.50

15 **3/4" Meter**

15	Tier One zero gallons to 8,000 gallons	7.75
16	Tier Two All Gallonage over 8,000 gallons	9.50

17 **1" Meter**

17	Tier One zero gallons to 35,000 gallons	7.75
18	Tier Two All gallonage over 35,000 gallons	9.50

19 **1 1/2" Meter**

19	Tier One zero gallons to 70,000 gallons	7.75
20	Tier Two All gallonage over 70,000 gallons	9.50

21 **2" Meter**

21	Tier One zero gallons to 112,000 gallons	7.75
22	All gallonage over 112,000 gallons	9.50

23 **3" Meter**

23	Tier One zero gallons to 224,000 gallons	7.75
24	Tier Two All gallonage over 224,000 gallons	9.50

25 **4" Meter**

25	Tier One zero gallons to 350,000 gallons	7.75
26	Tier Two All gallonage over 350,000 gallons	9.50

1	<b>6" Meter</b>	
2	Tier One zero gallons to 700,000 gallons	7.75
	Tier Two All gallonage over 700,000 gallons	9.50
3		
	<b>8" Meter</b>	
4	Tier One zero gallons to 1,120,000 gallons	7.75
5	Tier Two All gallonage over 1,120,000 gallons	9.50
6		
	<b>10" Meter</b>	
7	Tier One zero gallons to 1,610,000 gallons	7.75
	Tier Two All gallonage over 1,610,000 gallons	9.50
8		
	<b>12" Meter</b>	
9	Tier One zero gallons to 3,010,000 gallons	7.75
	Tier Two All gallonage over 3,010,000 gallons	9.50
10		
11	<u>SERVICE LINE AND METER INSTALLATION CHARGES:</u>	
	(Refundable pursuant to A.A.C. R14-2-405)	
12	5/8" x 3/4" Meter	\$470.00
13	3/4" Meter	600.00
	1" Meter	650.00
14	1 1/2" Meter	895.00
	2" Meter – Turbo	1,555.00
15	2" Meter – Compound	2,060.00
	3" Meter – Turbine	2,235.00
16	3" Meter – Compound	3,070.00
	4" Meter – Turbine	3,440.00
17	4" Meter – Compound	4,395.00
	6" Meter – Turbine	6,195.00
18	6" Meter – Compound	7,970.00
19	Larger Meter Sizes	Cost
20	<u>SERVICE CHARGES:</u>	
21	Establishment	\$30.00
22	Establishment (After Hours)	50.00
	Reestablishment (Within 12 Months)	*
23	Reconnection (Delinquent)	30.00
	After hours service charge, per hour	50.00
24	Deposit	**
	NSF Check	25.00
25	Late Payment Penalty (per month)	***
26	Deferred Payment (per month)	****
	Main Extension/additional Facilities	N/A
27	Revenue Taxes & Assessments	N/A
28	Meter Test (If Read correctly)	30.00

1 Meter re-read 30.00

- 2 \* Per Commission rule A.A.C. R-14-2-403(D).  
 3 \*\* Per Commission rule A.A.C. R14-2-403(B).  
 4 \*\*\* 1.50 percent of unpaid monthly balance per A.A.C. R14-2-409.  
 4 \*\*\*\* Per Commission rule A.A.C. R14-2-409(G).

5 **GREEN ACRES SEWER, L.L.C.**

6 **MONTHLY USAGE CHARGE:**

7 Residential & Commercial

8 5/8" x 3/4" Meter	\$43.00
9 3/4" Meter	43.00
1" Meter	107.50
10 1 1/2" Meter	215.00
2" Meter	344.00
11 3" Meter	688.00
4" Meter	1,075.00
12 6" Meter	2,150.00

13 **Effluent Sales**

13 Treated Effluent per 1,000 gallons	\$2.00
14 Treated Effluent per acre foot	654.00

15 **SERVICE CHARGES:**

16 Establishment	\$30.00
17 Establishment (After Hours) (collected only if customer is 18 wastewater only)	50.00
Reestablishment (Within 12 Months)	*
19 Reconnection (Delinquent)	30.00
After hours service charge (per hour)	50.00
20 Deposit	**
21 NSF Check	25.00
Deferred Payment (per month)	1.50%
22 Late Payment (per month)	***

- 23 \* Per Commission rule A.A.C. R-14-2-603(D).  
 24 \*\* Per Commission rule A.A.C. R14-2-603(B).  
 25 \*\*\* 1.50% of the unpaid monthly balance per A.A.C. R14-2-608(F).

26 IT IS FURTHER ORDERED that in the event Green Acres Water, L.L.C. does not timely  
 27 comply with Green Acres Water, L.L.C. condition numbers 10, 11, 12 and 13 as set forth above in  
 28 Findings of Fact No. 45, then the Order Preliminary approved here shall be deemed null and void. In

1 such event, Staff shall file a memorandum to close this docket.

2 IT IS FURTHER ORDERED that in the event Green Acres Sewer, L.L.C. does not timely  
3 comply with Green Acres Sewer, L.L.C. condition numbers 9, 10, 11 and 12 as set forth above in  
4 Findings of Fact No. 45, then the Order Preliminary approved herein shall be deemed null and void.  
5 In such event, Staff shall file a memorandum to close this docket.

6 IT IS FURTHER ORDERED that Green Acres Water, L.L.C. and Green Acres Sewer, L.L.C.  
7 shall file, as part of their annual reports, affidavits with the Utilities Division attesting that they are  
8 current paying their property taxes in Arizona.

9 IT IS FURTHER ORDERED that in light of the on-going drought conditions in Arizona and  
10 the need to conserve groundwater, Green Acres Water, L.L.C. is prohibited from selling groundwater  
11 for the purpose of irrigating any golf course, or any ornamental lakes or water features located in the  
12 common areas of the development.

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1 IT IS FURTHER ORDERED that Green Acres Water, L.L.C. and Green Acres Sewer,  
 2 L.L.C.'s application for Certificates of Convenience and Necessity shall be expressly contingent upon  
 3 Green Acres Water, L.L.C. and Green Acres Sewer, L.L.C. each filing with the Commission's  
 4 Docket Control, as a compliance item in this docket, at least 15 days before they provide water and  
 5 wastewater utility service to any customer, a copy of a form of performance bond or Letter of Credit  
 6 in a form acceptable to Staff in the amount of \$500,000 to ensure Green Acres Water, L.L.C. and  
 7 Green Acres Sewer, L.L.C. shall meet their obligations arising under their Certificates. The  
 8 performance bonds or Letters of Credit shall be maintained and copies of the same filed annually on  
 9 the anniversary date of the initial filing until further Order of the Commission or ten years have  
 10 passed, whichever is sooner, at which time the bonding or Letter of Credit requirement may be  
 11 terminated upon Green Acres Water, L.L.C.'s and Green Acres Sewer, L.L.C.'s applications for  
 12 same.

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

14 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

15  
 16  
 17 CHAIRMAN \_\_\_\_\_ COMMISSIONER \_\_\_\_\_

18  
 19 COMMISSIONER \_\_\_\_\_ COMMISSIONER \_\_\_\_\_ COMMISSIONER \_\_\_\_\_

20  
 21 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive  
 22 Director of the Arizona Corporation Commission, have  
 23 hereunto set my hand and caused the official seal of the  
 24 Commission to be affixed at the Capitol, in the City of Phoenix,  
 25 this \_\_\_\_ day of \_\_\_\_\_, 2007.

26 \_\_\_\_\_  
 27 BRIAN C. McNEIL  
 28 EXECUTIVE DIRECTOR

26 DISSENT \_\_\_\_\_

27 DISSENT \_\_\_\_\_

28

1 SERVICE LIST FOR: GREEN ACRES WATER, L.L.C. and GREEN ACRES  
SEWER, L.L.C.

2  
3 DOCKET NOS.: W-20430A-05-0839 and SW-20431A-05-0840

4 Beth A. Heath  
5 TIFFANY & BOSCO  
6 2525 East Camelback Road, Third Floor  
Phoenix, AZ 85016

7 Carroll Reynolds, Town Manager  
8 Town of Buckeye  
100 North Apache Road  
Buckeye, AZ 85236

9 Christopher Kempley, Chief Counsel  
Legal Division  
10 ARIZONA CORPORATION COMMISSION  
11 1200 West Washington Street  
Phoenix, AZ 85007

12 Ernest G. Johnson, Director  
Utilities Division  
13 ARIZONA CORPORATION COMMISSION  
14 1200 West Washington  
Phoenix, AZ 85007

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EXHIBIT A

**PARCEL 1**

THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

EXCEPT ALL THAT PORTION OF LOT 10 LYING SOUTHWESTERLY OF OLD HIGHWAY 80 RIGHT-OF-WAY FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER SECTION OF SAID SECTION 6;

THENCE SOUTH ALONG THE NORTH-SOUTH MID-SECTION LINE, A DISTANCE OF 1575.09 FEET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY OF OLD U.S. HIGHWAY 80. THENCE SOUTHEAST ALONG THE ARC OF A CURVE CONCAVE NORTHEAST AND SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID CURVE HAVING A RADIUS OF 1095.91 FEET, 105.92 FEET THROUGH 05 DEGREES 32 MINUTES 15 SECONDS OF CENTRAL ANGLE TO A POINT OF TANGENCY. THENCE SOUTH 44 DEGREES 55 MINUTES 02 SECONDS EAST 868.00 FEET TO A POINT OF CURVE CONCAVE SOUTHWEST HAVING A RADIUS OF 4543.379 FEET. THENCE SOUTHEAST ALONG THE NORTHEASTERLY RIGHT-OF-WAY AND THE ARC OF SAID CURVE 500.56 FEET THROUGH 06 DEGREES 18 MINUTES 45 SECONDS OF CENTRAL ANGLE TO A POINT OF REVERSE CURVE CONCAVE NORTHEAST HAVING A RADIUS OF 4344.523 FEET. THENCE ALONG THE ARC OF SAID REVERSE CURVE 148.75 FEET THROUGH 01 DEGREES 57 MINUTES 42 SECONDS OF CENTRAL ANGLE TO A POINT ON THE SOUTH LINE OF SAID SOUTH EAST QUARTER AND THE SOUTH LINE OF SAID SECTION 6, NORTH 87 DEGREES 39 MINUTES 14 SECONDS WEST 1562.44 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 6.

**PARCEL 2**

THE WEST HALF OF SECTION 6 TOWNSHIP 3 SOUTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THAT PORTION OF LAND LYING SOUTH OF THE FOLLOWING DESCRIBED RIGHT OF WAY LINE:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 6;

THENCE NORTH 89°51'11" EAST, ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 6, A DISTANCE OF 468.19 FEET TO THE EXISTING RIGHT OF WAY OF OLD HIGHWAY 80, SAID POINT BEING ON THE ARC OF A 2905.53 FOOT RADIUS NON TANGENT CURVE, CONCAVE SOUTHWESTERLY WHOSE CENTER BEARS SOUTH 40°20'38" WEST AND THE POINT OF BEGINNING;

THENCE SOUTHEASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 22°16'12", A DISTANCE OF 1129.33 FEET.

THENCE SOUTH 22°51'48" EAST, A DISTANCE OF 3406.15 FEET TO THE BEGINNING OF A TANGENT CURVE OF 1107.90 FOOT RADIUS, CONCAVE NORTHEASTERLY;

THENCE SOUTHEASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 15°59'07", A DISTANCE OF 309.10 FEET TO A POINT OF ENDING ON THE NORTH-SOUTH MID- SECTION LINE OF SAID SECTION 6 WHICH BEARS SOUTH 00°18'41" WEST, A DISTANCE OF 1135.40 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 6.

**PARCEL 3**

THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 1; AND

THE NORTHEAST QUARTER OF SECTION 1;

AND THE SOUTHEAST QUARTER OF SECTION 1;

EXCEPT THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 1 BEING 5 AC IN SIZE;

ALL IN TOWNSHIP 3 SOUTH RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 4**

ALL OF THE NORTHWEST QUARTER AND OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 2 SOUTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, LYING WEST OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT A BENT BUREAU OF LAND MANAGEMENT (BLM) BRASS CAP, MARKING THE SOUTH QUARTER CORNER OF SAID SECTION 26, BEING SOUTH 89°22'13" EAST 2635.47 FEET FROM A BRASS CAP MARKED "LS 22282" MARKING THE SOUTHWEST CORNER OF SAID SECTION 26;

THENCE ALONG THE SOUTH LINE OF SAID SECTION 26, NORTH 89°22'13" WEST 760.58 FEET TO THE EXISTING RIGHT OF WAY CENTERLINE OF STATE ROUTE 85;

THENCE ALONG SAID EXISTING RIGHT OF WAY CENTERLINE OF STATE ROUTE 85, NORTH 10°04'29" EAST 180.86 FEET;

THENCE NORTH 79°55'31" WEST 210.80 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 10°04'06" EAST 2462.87 FEET TO THE EAST-WEST MID SECTION LINE OF SAID SECTION 26, BEING SOUTH 89°20'59" EAST 2111.14 FEET FROM A BLM BRASS CAP MARKING THE WEST QUARTER CORNER OF SAID SECTION 26;

THENCE CONTINUING NORTH 10°04'06" EAST 407.64 FEET;

THENCE NORTH 04°21'49" EAST 1082.88 FEET TO THE BEGINNING OF A TANGENT CURVE OF 12377.67 FOOT RADIUS, CONCAVE EASTERLY;

THENCE NORTHEASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 04°55'56", A DISTANCE OF 1065.49 FEET;

THENCE NORTH 79°55'54" WEST 626.48 FEET; TO THE POINT OF ENDING ON THE NORTH LINE OF SECTION 26, BEING NORTH 89°23'58" WEST 887.25 FEET FROM A BLM BRASS CAP MARKING THE NORTH QUARTER CORNER OF SAID SECTION 26.

**PARCEL 5**

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 2 SOUTH, RANGE 4 WEST, GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 6**

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 2 SOUTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 7**

THE NORTH HALF OF THE NORTHWEST QUARTER AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 2 SOUTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 8**

THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 9**

THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 10**

THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SECTION 28,  
TOWNSHIP 2 SOUTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE  
AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 11**

THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 28,  
TOWNSHIP 2 SOUTH, RANGE 4 WEST, GILA AND SALT RIVER BASE AND  
MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 12**

THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 28,  
TOWNSHIP 2 SOUTH, RANGE 4 WEST, GILA AND SALT RIVER BASE AND  
MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 13**

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 28;

AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF  
SECTION 29;

AND THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF  
SECTION 32;

AND THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF  
SECTION 32;

AND THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF  
SECTION 32;

AND THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 31;

AND THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SECTION 29;

ALL IN TOWNSHIP 2 SOUTH RANGE 4 WEST OF THE GILA AND SALT RIVER  
BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 14**

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; AND

THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER;

ALL IN SECTION 33, TOWNSHIP 2 SOUTH, RANGE 4 WEST OF THE GILA AND  
SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 15**

THE NORTH HALF OF THE SOUTHEAST QUARTER; AND

THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND

THE SOUTH HALF OF THE NORTHEAST QUARTER; AND

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER;

ALL IN SECTION 32, TOWNSHIP 2 SOUTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 16**

THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 2 SOUTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 17**

THE SOUTH HALF OF SECTION 31, TOWNSHIP 2 SOUTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 18**

THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 19**

THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 3 SOUTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 20**

THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 3 SOUTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

**PARCEL 21**

THE WEST HALF AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 2 SOUTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

EXCEPT THAT PORTION LYING NORTH OF THE EXISTING SOUTH RIGHT OF WAY OF OLD HIGHWAY 80 DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 36;

---

THENCE NORTH  $00^{\circ}12'00''$  WEST, A DISTANCE OF 107.49 FEET TO THE SOUTH RIGHT OF WAY LINE OF OLD HIGHWAY 80 AND THE POINT OF BEGINNING;

THENCE SOUTH  $48^{\circ}23'51''$  EAST, ALONG SAID SOUTH RIGHT OF WAY, A DISTANCE OF 4190.15 FEET TO THE BEGINNING OF A TANGENT CURVE OF A 2805.53 FOOT RADIUS, CONCAVE SOUTHWESTERLY;

THENCE NORTHEASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF  $00^{\circ}36'24''$ , A DISTANCE OF 29.71 FEET TO THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36 AND TO THE POINT OF ENDING FROM WHICH THE SOUTHEAST CORNER BEARS NORTH  $87^{\circ}09'55''$  EAST A DISTANCE OF 2124.23 FEET

## EXHIBIT B

Green Acres Water, L.L.C.  
Docket Number W-020431A-05-0839

Schedule CRM-W-5  
Page 1 of 3

## RATE DESIGN-WATER

	Company Proposed Rates	Staff Recommended Rates
<b><u>Minimum Monthly Flat Charge</u></b>		
5/8 x3/4 inch	\$38.00	\$38.00
3/4 inch	38.00	38.00
one inch	95.00	95.00
1-1/2 inch	190.00	190.00
two inch	304.00	304.00
three inch	608.00	608.00
four inch	950.00	950.00
six inch	1,900.00	1,900.00
eight inch	3,040.00	3,040.00
ten inch	4,370.00	4,370.00
twelve inch	8,170.00	8,170.00

**Residential Customer Classes**  
**Commodity Rates per 1,000 gallons**

**5/8 x3/4 inch meters and 3/4 inch meters (Residential)**

Tier One zero gallons to 5,000 gallons	6.25	5.50
Tier Two from 5,001 gallons to 14,000 gallons	7.25	7.75
Tier Three all gallons over 14, 000 gallons	8.25	9.50

**All other customer classes**  
**Commodity Rates all other meters sizes per 1,000 gallons**

**5/8 x 3/4 inch Meter**

Tier One zero gallons to 8,000 gallons	7.25	7.75
Tier Two All gallons over 8,000	8.25	9.50

**3/4 inch Meter**

Tier One zero gallons to 8,000 gallons	7.25	7.75
Tier Two All gallons over 8,000 gallons	8.25	9.50

**One Inch Meter**

Tier One zero gallons to 35,000 gallons	7.25	7.75
Tier Two All gallons over 35,000 gallons	8.25	9.50

**1-1/2 Inch Meter**

Tier One zero gallons to 70,000 gallons	7.25	7.75
Tier Two All gallons over 70,000 gallons	8.25	9.50

**Two Inch Meter**

Tier One zero gallons to 112,000 gallons	7.25	7.75
All gallons over 112,000 gallons	8.25	9.50

DECISION NO. \_\_\_\_\_

Green Acres Water, L.L.C.  
Docket Number W-020431A-05-0839

Schedule CRM-W-5  
Page 2 of 3

Three Inch Meter		
Tier One zero gallons to 224,000 gallons	7.25	7.75
Tier Two All gallons over 224,000 gallons	8.25	9.50
Four Inch Meter		
Tier One zero gallons to 350,000 gallons	7.25	7.75
Tier Two All gallons over 350,000 gallons	8.25	9.50
Six Inch Meter		
Tier One zero gallons to 700,000 gallons	7.25	7.75
Tier Two All gallons over 700,000 gallons	8.25	9.50
Eight Inch Meter		
Tier One zero gallons to 1,120,000 gallons	7.25	7.75
Tier Two All gallons over 1,120,000 gallons	8.25	9.50
Ten Inch Meter		
Tier One zero gallons to 1,610,000 gallons	7.25	7.75
Tier Two All gallons over 1,610,000 gallons	8.25	9.50
Twelve Inch Meter		
Tier One zero gallons to 3,010,000 gallons	7.25	7.75
Tier Two All gallons over 3,010,000 gallons	8.25	9.50

**Meter and Service Line Installation**

5/8 x3/4 Inch	470	470
3/4 inch	750	600
1 inch	650	650
1-1/2 inch	895	895
2 inch Turbo	1,555	1,555
2 inch Compound	2,060	2,060
3 inch Turbo	2,235	2,235
3 inch Compound	3,070	3,070
4 inch Turbo	3,440	3,440
4 inch Compound	4,395	4,395
6 inch Turbo	6,195	6,195
6 inch Compound	7,970	7,970
Larger Meters Sizes	Cost	Cost

Green Acres Water, L.L.C.  
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Establishment of Service	30.00	30.00
Establishment of Service (after hours)	50.00	50.00
Re-establishment of Service (Within 12 months)	**	**
Reconnection (delinquent) after hours	30.00	30.00
After hours service charge, per hour	50.00	50.00
Deposit	2x mo. Bill	*
Charge for NSF Check	35.00	25.00
Late payment charge for delinquent bills	35.00	see below
Deferred Payment Finance Charge	0.0150	see below
Main extension and additional facilities agreements	(b)@ Cost	n/a
All revenue related taxes will be charged customers		n/a
Meter Test (If meter is reading correctly)	30.00	30
Meter re-read	30.00	30
Deferred Payment	1.50% mo.	****
Late Payment	1.50% mo.	***

- \* Per Commission Rules (R14-2-403.B).
- \*\* Months off system times the minimum, (R14-2-403.D).
- \*\*\* 1.50 percent of unpaid monthly balance per mopnth.
- \*\*\*\* Per Commission Rules (R14-2-403.G).

## EXHIBIT C

Green Acres Sewer, L.L.C.  
Docket Number SW-020431A-05-0840

Schedule CRM-WW-5

## RATE DESIGN-WASTEWATER

<u>Minimum Monthly Flat Charge</u>	Company	Staff
	Proposed Rates	Recommended Rates
5/8 x3/4 inch	\$43.00	\$43.00
3/4 inch	43.00	43.00
one inch	107.50	107.50
1-1/2 inch	215.00	215.00
two inch	344.00	344.00
three inch	688.00	688.00
four inch	1,075.00	1,075.00
six inch	2,150.00	2,150.00
Treated Effluent per 1,000 gallons	1.07	2.00
Teated Effluent per acre foot	350.00	654.00
Establishment of Service	30.00	30.00
Establishment of Service (after hours) (collected only if customer is sewer only)	50.00	50.00
Re-establishment of Service (Within 12 months)	(a)	**
Reconnection (delinquent) after hours	30.00	30.00
After hours service charge per hour	50.00	50.00
Deposit	2x mo. Bill	*
NSF Check	35.00	25.00
Deferred Payment Finance Charge per month	1.50%	1.50%
Main Extension and additional facilities agreements	(b)	n/a
All revenue related taxes will be charged customers		n/a
Late Payment		***

- \* Per Commission Rules (R14-2-603B).  
 \*\* Per Commission Rules (R-14-2-609D).  
 \*\*\* 1.50% per month on the unpaid balance monthly.

- (a) Monthly minimum times months off the system  
 (b) Cost to include parts, labor, overhead, and all applicable taxes, including income taxes