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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
GARY PIERCE

2007 JAN 17 P 2:31
AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF WOODRUFF WATER COMPANY, INC. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICE IN PINAL COUNTY, ARIZONA

DOCKET NO. W-04264A-04-0438
DOCKET NO. SW-04265A-04-0439
DOCKET NO. W-01445A-04-0755

IN THE MATTER OF WOODRUFF UTILITY COMPANY, INC. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE SEWER SERVICE IN PINAL COUNTY, ARIZONA

COMPLIANCE FILING

Arizona Corporation Commission
DOCKETED

JAN 17 2007

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY, AN ARIZONA CORPORATION, TO EXTEND ITS EXISTING CERTIFICATES OF CONVENIENCE AND NECESSITY AT CASA GRANDE AND COOLIDGE, PINAL COUNTY, ARIZONA

Decision No. 68453, which was entered in this docket on February 2, 2006 (the "Decision"), directed Arizona Water Company, one of the applicants in this docket, to file certain items as a compliance filing within certain time frames provided in the Decision.

The Company is now filing the following documents in compliance with the Decision:

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1. Two (2) main extension agreements dated May 25, 2006 and June 29, 2006, respectively, attached hereto as Attachments 1 and 2, respectively, each associated with the Martin Ranch Development.

2. Two (2) Certificates of Approval to Construct Water Facilities for on-site and off-site facilities to serve the Martin Ranch Development, dated July 19, 2006, and attached hereto as Attachments 3 and 4, respectively.

3. A Certificate of Assured Water Supply issued by the Arizona Department of Water Resources for the Martin Ranch Development dated August 11, 2006, and attached hereto as Attachment 5.

It is the Company's position that, with this filing, it has satisfied the Decision's compliance requirements in their entirety.

RESPECTFULLY SUBMITTED this 17th day of January, 2007.

ARIZONA WATER COMPANY

By: Robert W. Geake

Robert W. Geake
Vice President and General Counsel
ARIZONA WATER COMPANY
Post Office Box 29006
Phoenix, Arizona 85038-9006

Steve A. Hirsch
Rodney W. Ott
Bryan Cave LLP
Two North Central Avenue
Suite 2200
Phoenix, Arizona 85004

Attorneys for
Arizona Water Company

1 Original and seventeen (17) copies of the foregoing filed this 17th day of January, 2007

2 with:

3 Docket Control Division
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

6 A copy of the foregoing was mailed this 17th day of January, 2007 to:

7 Marc E. Stern, Esq.
8 Administrative Law Judge
9 Hearing Division
10 Arizona Corporation Commission
11 1200 West Washington
12 Phoenix, AZ 85007

10 Christopher Kempley, Chief Counsel
11 Legal Division
12 Arizona Corporation Commission
13 1200 West Washington
14 Phoenix, AZ 85007

14 Ernest G. Johnson, Director
15 Utilities Division
16 Arizona Corporation Commission
17 1200 West Washington Street
18 Phoenix, Arizona 85007

16 Brian Bozzo, Compliance Director
17 Utilities Division
18 Arizona Corporation Commission
19 1200 West Washington Street
20 Phoenix, Arizona 85007

19 Jeffrey W. Crockett
20 Snell & Wilmer
21 400 E. Van Buren
22 Phoenix, AZ 85004

22 Marvin Cohen
23 Sacks Tierney
24 4250 N. Drinkwater Blvd., 4th Floor
25 Scottsdale, AZ 85251
26 Attorneys for Woodruff Water Company, Inc.
27 and Woodruff Utility Company, Inc.

26 Denis Fitzgibbons
27 Coolidge City Attorney
28 711 E. Cottonwood, Suite E
Casa Grande, Arizona 85230-1208

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Raymond S. Heyman
Michael W. Patten
Roshka Heyman & DeWulf PLC
400 East Van Buren, Suite 800
Phoenix, AZ 85004
Attorneys for Pulte Home Corporation

Ursula H. Gordwin
Casa Grande Assistant City Attorney
510 E. Florence Boulevard
Casa Grande, Arizona 85222

By: Robert W. Seake



ATTACHMENT 1

ARIZONA WATER COMPANY

AGREEMENT FOR EXTENSION OF WATER FACILITIES

APPLICANT: Pulte Homes Corp
Name
15111 N Pima Rd Suite 100
Address
Scottsdale, AZ 85260
City, State, Zip Code

Contract No. 3549
W.A. No. 2-4113

DATE OF AGREEMENT May 25, 2006 WATER SYSTEM: Coolidge
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"): May 25, 2006
WATER FACILITIES: install a water distribution system to serve Martin Valley Infrastructure as per drawing (Attachment "B").

Table with 2 columns: Description and Amount. Includes Refundable Advance for Construction (\$1,043,247.00), Non-refundable Contribution in Aid of Construction, Less: Cost of Construction (\$933,391.00), and Total of Required Advance and Contribution (Check #1) (\$109,856.00).

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

Table with 4 columns: Meter Size, Casa Grande, Coolidge, White Tank, and CAP Fee. Includes sub-tables for Number of Meters and Fee for each location.

Total Non-refundable Hook-Up Fee Due Within 15 Days After Notification of ACC Approval (Check #2) \$
The Project Will Not Be Released to Construction Until the CAP Fee Has Been Paid.
Total (of Two Checks Payable by Applicant) \$ 109,856.00

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: (SEE ADDENDUM, ATTACHED HERETO)

- 1. The Company will construct, or will arrange for the construction of the Water Facilities as described above.
2. The Applicant will pay to the Company upon signing this Agreement the Total shown above, receipt of which is hereby acknowledged by the Company.
3. Refunds of any Advance for Construction shall be made as PER THAT CERTAIN MASTER WATER SYSTEM FACILITIES AGREEMENT BETWEEN ARIZONA WATER COMPANY AND PULTE HOMES CORP DATED...
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. This Agreement shall be binding upon and for the benefit of the successors and assigns of the Company and the Applicant.
10. 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: [Signature]
Title: [Signature]

PULTE HOMES CORP
Applicant
PRINT NAME MIKE NUESSELE
By: [Signature]
Title: CSE DIVISION PRESIDENT

**AGREEMENT FOR EXTENSION
OF WATER FACILITIES**

This Addendum to Agreement for Extension of Water Facilities (the "Agreement") is made and entered into as of the 25 day of May, 2006 by and between Arizona Water Company ("Company") and Pulte Homes Corp ("Applicant") for the extension of water service and facilities to serve Martin Valley Infrastructure (the "Subdivision").

The Agreement is hereby modified and amended by mutual agreement of the parties in the following particulars:

1. Section 1 of the Agreement is revised to read as follows:

Applicant will arrange for and bear the cost of the construction of all the mains, fire hydrants, and services for installation of approximately 5293 Lf of 16" and 6780 LF of 12" Ductile Iron Pipe all with related fittings, (collectively, the "Water Facilities") in accordance with plans and specifications reviewed and approved by the Company, and in accordance with the Company's current Construction Specifications & Standard Specification Drawings. Upon final acceptance by the Company, Applicant shall thereafter transfer and convey the Water Facilities to the Company by Bill of Sale, together with a perpetual easement for the maintenance thereof, both documents to be prepared and approved by the Company. Applicant shall furnish any document pertaining to ownership and title as may be requested by Company including documents which evidence or confirm transfer of possession to Company, and good and merchantable title free and clear of liens, or which contain provisions for satisfaction of liens by Applicant. All risk or loss of the water facilities shall be with the Applicant until written acceptance by the Company, or any portions thereof. Applicant shall repair or cause to be repaired promptly, and at no cost to Company, all damage to the Water Facilities caused by Applicant's construction operations until all construction in development for Applicant has been completed. Applicant acknowledges that Company has the right to, and may in the future, connect its existing or future water systems to the Water Facilities.

2. Section 2 of the Agreement is deleted in its entirety.

3. Section 8 of the Agreement is revised to provide that the Applicant shall pay any additional costs incurred as the result of design changes made or caused by any of the persons or entities named therein and shall hold Company harmless therefrom.

4. It is further agreed that the Applicant will advise all contractors asked to bid the construction of the Water Facilities that Applicant will assign to the Company the duty of inspecting the installation of the Water Facilities for compliance with the Company's current Construction Specifications & Standard Specification Drawings, as referenced in Section 1 of this Addendum. If requested by Company, Applicant shall "oversize" the Water Facilities as specified by Company. Company shall reimburse Applicant for the differential in material prices of the oversized pipe and appurtenances, versus the material prices of the pipe and appurtenances as specified by the Company in the approved plans.

The Applicant agrees to require the contractor which will be installing the Water Facilities to arrange for and attend a pre-construction conference with the Company's Division Manager at least two weeks prior to commencing construction of the Water Facilities. Applicant shall obtain from the Company a signed Commencement Notice before construction of the Water Facilities begins. Applicant's contractor shall comply with the Company's inspection and testing requirements for Water Facilities. Applicant shall give Company adequate notice when the Water Facilities are ready for inspection and testing.

The Company specifically reserves the right to withhold final acceptance of the Water Facilities unless said facilities have been constructed in accordance with the approved plans and specifications and are satisfactory to Company upon inspection and testing. Applicant agrees that it will promptly correct all material defects and deficiencies in construction, materials and workmanship upon request by Company made subsequent to inspection by Company and for one year following Company's written final acceptance of the Water Facilities in accordance with the terms of this Agreement.

Applicant hereby assumes the entire responsibility and liability for injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence or willful acts or omissions of Applicant, its agent, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith. Accordingly, Applicant will indemnify and hold harmless the Company, its officers, directors, agents and employees from and against claims or expenses, including penalties and assessments and attorneys' fees to which they or any of them may be subjected by reason of such injury, death, loss, claim, penalty, assessment or damage caused by the active or passive negligence or willful acts or omissions of Applicant, its agents, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith; and in case any suit or other proceeding shall be brought on account thereof, Applicant will assume the defense at Applicant's own expense and will pay all judgements rendered therein. In connection therewith, the Applicant shall maintain in full force and effect insurance at no less than the following minimum amounts:

WORKER'S COMPENSATION

In accordance with requirements of the laws of the State of Arizona.

COMPREHENSIVE GENERAL LIABILITY
(Including contractual liability covering death, bodily injury and property damage)

Combined single limit of not less than \$1,000,000 for each occurrence.

AUTOMOTIVE LIABILITY
(Including owned, non-owned and hired vehicles)

Combined single limit of not less than \$1,000,000 for each occurrence.

Such insurance shall name the Company, its officers, agents, and employees as additional insured and be primary for all purposes.

The Company will at all times have the right to require that all of such insurance be placed with insurance companies that are satisfactory to it. The Applicant shall file with the Company a

certificate evidencing that each policy of insurance for the above coverages in the minimum amounts specified has been purchased and is in good standing.

Such certificate shall provide that notice be given to the Company at least thirty (30) days prior to cancellation or material change in the form of such policies or any of them. Such certificates shall be kept on file by the Company and the Company must have current certificates on file, or a certificate must accompany any bid proposal, before that proposal will be accepted by the Company.

It is agreed that the Company is not an agent for Applicant and shall not incur any costs or expenses on behalf of Applicant and that Applicant is not an agent for the Company and shall not incur any costs or expenses on behalf of the Company.

5. Applicant shall, within 60 days of operational acceptance of Water Facilities by Company, furnish Company with: (a) copies of all bills, invoices and other statements of expenses incurred by Applicant covering all of the costs of materials, equipment, supplies, construction and installation of the Water Facilities; (b) lien waivers and releases from contractors, subcontractors and vendors for materials, equipment, supplies and construction included in the Water Facilities; (c) receipts, specifying exact amount of payments in full by Applicant to all contractors, subcontractors and vendors for all materials, equipment, supplies, labor and other costs of construction of the Water Facilities; and, (d) 4-mil mylar "as-built" drawings certified as to correctness by an engineer registered in the State of Arizona and showing the locations, materials, sizes and pertinent construction details for Water Facilities.

6. Upon final acceptance, Company will provide water service to the Subdivision in accordance with the rates, charges and conditions set forth in the tariffs of Company as filed with the Arizona Corporation Commission. Those rates are subject to change from time to time upon action by the Commission.

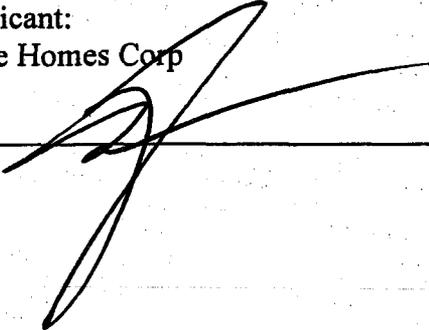
7. Applicant agrees that the completion of the Water Facilities will be timed so as to enable Company to provide water service to the Subdivision as such service is requested.

Except as set forth herein, and except as necessary to give effect hereto, the Agreement remains in full force and effect and is unmodified.

Company:
Arizona Water Company

By:  _____

Applicant:
Pulte Homes Corp

By:  _____



ATTACHMENT 2

ARIZONA WATER COMPANY

AGREEMENT FOR EXTENSION OF WATER FACILITIES

APPLICANT: Pulte Home Corporation
 Name
15111 N. Pima Rd., Ste #100
 Address
Scottsdale, AZ, 85280
 City, State, Zip Code

Contract No. 3557
 W.A. No. 2-4124

DATE OF AGREEMENT June 29, 2006 WATER SYSTEM: Coolidge

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"): June 29, 2006

WATER FACILITIES: Install a water distribution system to serve Martin Valley Unit 1, 2, 3 & 4 onsite, north from Woodruff Road and west of Curry Road at Coolidge, AZ, in a portion of the Sec. 25 T.5S., R.7E.

Refundable Advance for Construction:	Installation of 11,740 LF of 8" ductile iron pipe and 352 service connections, all w/related fittings	\$ 694,137.00
Non-refundable Contribution in Aid of Construction:	Installation of 32-6" fire hydrants w/related fittings	\$ 91,287.00
	Less: Cost of Construction	\$ 670,122.00
Total of Required Advance and Contribution (Check #1)		\$ 115,302.00

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

	Casa Grande	x Coolidge	White Tank	CAP Fee
	In 0.11883	x In 0.11883	In 0.08583	
	Out 0.06883	Out 0.06883	Out 0.06583	
	Fee	Fee	Fee	
5/8" x 3/4"	345			\$ 51,750.00
1"	6			\$ 900.00
2"	3			\$ 2,400.00
3"	0			\$ -
4"	0			\$ -
6" or larger	0			\$ -
			Subtotal	\$ 55,050.00
Applicable Rate & Tax	0	0.11883	0	\$ 6,541.59

Total Non-refundable Hook-Up Fee Due Within 15 Days After Notification of ACC Approval (Check #2) **\$ 61,591.59**

The Project Will Not Be Released to Construction Until the CAP Fee Has Been Paid.

Total (of Two Checks Payable by Applicant) **\$ 176,893.59**

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 sum of money to be paid by the Applicant, in accordance with the related Cost Estimate, it is agreed as follows: (SEE ADDENDUM, ATTACHED HERETO)

- 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 drainageways 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: [Signature]
 Title: ENGINEERING TECHNICIAN

PULTE HOME CORPORATION
 Applicant
 By: [Signature]
 Title: _____

**AGREEMENT FOR EXTENSION
OF WATER FACILITIES**

This Addendum to Agreement for Extension of Water Facilities (the "Agreement") is made and entered into as of the 29th day of June, 2006 by and between Arizona Water Company ("Company") and Pulte Home Corporation ("Applicant") for the extension of water service and facilities to serve Martin Valley Unit 1, 2, 3 & 4 onsite (the "Subdivision").

The Agreement is hereby modified and amended by mutual agreement of the parties in the following particulars:

1. Section 1 of the Agreement is revised to read as follows:

Applicant will arrange for and bear the cost of the construction of all the mains, fire hydrants, and services for installation of approximately 11,740 LF of 8" ductile iron pipe, 352 service connections and 32-6" fire hydrants all with related fittings, (collectively, the "Water Facilities") in accordance with plans and specifications reviewed and approved by the Company, and in accordance with the Company's current Construction Specifications & Standard Specification Drawings. Upon final acceptance by the Company, Applicant shall thereafter transfer and convey the Water Facilities to the Company by Bill of Sale, together with a perpetual easement for the maintenance thereof, both documents to be prepared and approved by the Company. Applicant shall furnish any document pertaining to ownership and title as may be requested by Company including documents which evidence or confirm transfer of possession to Company, and good and merchantable title free and clear of liens, or which contain provisions for satisfaction of liens by Applicant. All risk or loss of the water facilities shall be with the Applicant until written acceptance by the Company, or any portions thereof. Applicant shall repair or cause to be repaired promptly, and at no cost to Company, all damage to the Water Facilities caused by Applicant's construction operations until all construction in development for Applicant has been completed. Applicant acknowledges that Company has the right to, and may in the future, connect its existing or future water systems to the Water Facilities.

2. Section 2 of the Agreement is deleted in its entirety.

3. Section 8 of the Agreement is revised to provide that the Applicant shall pay any additional costs incurred as the result of design changes made or caused by any of the persons or entities named therein and shall hold Company harmless therefrom.

4. It is further agreed that the Applicant will advise all contractors asked to bid the construction of the Water Facilities that Applicant will assign to the Company the duty of inspecting the installation of the Water Facilities for compliance with the Company's current Construction Specifications & Standard Specification Drawings, as referenced in Section 1 of this Addendum. If requested by Company, Applicant shall "oversize" the Water Facilities as specified by Company. Company shall reimburse Applicant for the differential in material prices of the oversized pipe and appurtenances, versus the material prices of the pipe and appurtenances as specified by the Company in the approved plans.

The Applicant agrees to require the contractor which will be installing the Water Facilities to arrange for and attend a pre-construction conference with the Company's Division Manager at least two weeks prior to commencing construction of the Water Facilities. Applicant shall obtain from the Company a signed Commencement Notice before construction of the Water Facilities begins. Applicant's contractor shall comply with the Company's inspection and testing requirements for Water Facilities. Applicant shall give Company adequate notice when the Water Facilities are ready for inspection and testing.

The Company specifically reserves the right to withhold final acceptance of the Water Facilities unless said facilities have been constructed in accordance with the approved plans and specifications and are satisfactory to Company upon inspection and testing. Applicant agrees that it will promptly correct all material defects and deficiencies in construction, materials and workmanship upon request by Company made subsequent to inspection by Company and for one year following Company's written final acceptance of the Water Facilities in accordance with the terms of this Agreement.

Applicant hereby assumes the entire responsibility and liability for injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence or willful acts or omissions of Applicant, its agent, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith. Accordingly, Applicant will indemnify and hold harmless the Company, its officers, directors, agents and employees from and against claims or expenses, including penalties and assessments and attorneys' fees to which they or any of them may be subjected by reason of such injury, death, loss, claim, penalty, assessment or damage caused by the active or passive negligence or willful acts or omissions of Applicant, its agents, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith: and in case any suit or other proceeding shall be brought on account thereof, Applicant will assume the defense at Applicant's own expense and will pay all judgements rendered therein. In connection therewith, the Applicant shall maintain in full force and effect insurance at no less than the following minimum amounts:

WORKER'S COMPENSATION

In accordance with requirements of the laws of the State of Arizona.

COMPREHENSIVE GENERAL LIABILITY
(Including contractual liability covering death, bodily injury and property damage)

Combined single limit of not less than \$1,000,000 for each occurrence.

AUTOMOTIVE LIABILITY
(Including owned, non-owned and hired vehicles)

Combined single limit of not less than \$1,000,000 for each occurrence.

Such insurance shall name the Company, its officers, agents, and employees as additional insured and be primary for all purposes.

The Company will at all times have the right to require that all of such insurance be placed with insurance companies that are satisfactory to it. The Applicant shall file with the Company a

certificate evidencing that each policy of insurance for the above coverages in the minimum amounts specified has been purchased and is in good standing.

Such certificate shall provide that notice be given to the Company at least thirty (30) days prior to cancellation or material change in the form of such policies or any of them. Such certificates shall be kept on file by the Company and the Company must have current certificates on file, or a certificate must accompany any bid proposal, before that proposal will be accepted by the Company.

It is agreed that the Company is not an agent for Applicant and shall not incur any costs or expenses on behalf of Applicant and that Applicant is not an agent for the Company and shall not incur any costs or expenses on behalf of the Company.

5. Applicant shall, within 60 days of operational acceptance of Water Facilities by Company, furnish Company with: (a) copies of all bills, invoices and other statements of expenses incurred by Applicant covering all of the costs of materials, equipment, supplies, construction and installation of the Water Facilities; (b) lien waivers and releases from contractors, subcontractors and vendors for materials, equipment, supplies and construction included in the Water Facilities; (c) receipts, specifying exact amount of payments in full by Applicant to all contractors, subcontractors and vendors for all materials, equipment, supplies, labor and other costs of construction of the Water Facilities; and, (d) 4-mil mylar "as-built" drawings certified as to correctness by an engineer registered in the State of Arizona and showing the locations, materials, sizes and pertinent construction details for Water Facilities.

6. Upon final acceptance, Company will provide water service to the Subdivision in accordance with the rates, charges and conditions set forth in the tariffs of Company as filed with the Arizona Corporation Commission. Those rates are subject to change from time to time upon action by the Commission.

7. Applicant agrees that the completion of the Water Facilities will be timed so as to enable Company to provide water service to the Subdivision as such service is requested.

Except as set forth herein, and except as necessary to give effect hereto, the Agreement remains in full force and effect and is unmodified.

Company:
Arizona Water Company

By: CA Bj

Applicant:
Pulte Home Corporation

By: PLH



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF APPROVAL TO CONSTRUCT
WATER FACILITIES**

Page 1 Of 1

ADEQ File No: 20060670	LTF No: 40959
System Name: Az Water Co - C.G.	System Number: 11009
Project Owner: Pulte Home Corp.	
Address: 15111 N. Pima Rd., #100, Scottsdale, AZ 85260	
Project Location: Coolidge	County: Pinal
Description: INSTALL ON-SITE WATER LINES FOR MARTIN VALLEY UNITS 1-4. PROJECT CONSISTS OF APPROXIMATELY 11,775 LF OF 8" DIP WATER LINES.	

Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 4 continued on page 1 through 1

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional Office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin. Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by: AQ1

By:

Kwame A. Agyare
Kwame A. Agyare, P.E.
Manager, Drinking Water and
Wastewater Engineering Review
Water Quality Division

7/19/06
Date

cc: File No : 20060670
Regional Office: Central
Owner: Pulte Home Corp.
County Health Department: Pinal
Engineer: M Engineering Inc.
Planning and Zoning/Az Corp. Commission
Engineering Review Database - Etr021



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF APPROVAL TO CONSTRUCT
WATER FACILITIES**

Page 1 Of 1

ADEQ File No: 20060477	LTF No: 40257
System Name: Az Water Co - Coolidge	System Number: 11009
Project Owner: Pulte Home Corp	
Address: 15111 N. Pima Rd., #100, Scottsdale, AZ 85260	
Project Location: Coolidge	County: Pinal
Description: INSTALL OFFSITE INFRASTRUCTURE WATER LINE FOR MARTIN VALLEY. PROJECT CONSISTS OF APPROXIMATELY 572 LF OF 8" PVC; 12,256 LF OF 12" DIP; AND 5,283 LF OF 16" DIP.	

Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 4 continued on page 1 through 1

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional Office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin. Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by: AQ1

By: *Kwame Agyare* Date: 6/12/06
 Kwame A. Agyare, P.E.
 Manager, Drinking Water and
 Wastewater Engineering Review
 Water Quality Division

cc: File No: 20060477
 Regional Office: Central
 Owner: Pulte Home Corp
 County Health Department: Pinal
 Engineer: M Engineering Inc.
 Planning and Zoning/Az Corp. Commission
 Engineering Review Database - En021

ATTACHMENT 5

ARIZONA DEPARTMENT OF WATER RESOURCES

Office of Assured and Adequate Water Supply

2nd Floor, 3550 N. Central Ave., Phoenix, AZ 85012

Telephone 602 771-8585

Fax 602 771-8689



August 11, 2006

Janet Napolitano
Governor

Herbert R. Guenther
Director

VIA CERTIFIED MAIL

Shefali Bhimani

Pulte Home Corporation

1511 N. Pima Road, Suite 100

Scottsdale, AZ 85260

**Re: Certificate of Assured Water Supply
Martin Valley
DWR File No. 27-402084.0000**

Dear Ms. Bhimani:

The Department of Water Resources has determined that the criteria for an Assured Water Supply pursuant to A.R.S. § 45-576 and A.A.C. R12-15-701 *et seq.* have been met, and therefore the Director has decided to issue Assured Water Supply Certificate No.27-402084.0000. Arizona Water Company - Casa Grande will provide water supply to the lots. The source of supply will be groundwater. Based on current information, the Department has determined that the subdivision's total projected demand is 802.41 acre-feet per year for 1108 lots, and the groundwater allowance is 465.42 acre-feet per year. The Certificate is attached. The Department suggests you record your Certificate of Assured Water Supply in the appropriate county recorders office. This will provide you with a permanent public record of the Certificate.

This determination is applicable only to the person or entity specified on the Certificate and for the plat reviewed by the Department. Information used in evaluating this application is available for review in the Department's files. Please contact us if questions arise.

Pursuant to A.R.S. § 41-1092.03, the Department is notifying you that the Director's determination and decision to issue the Certificate is an appealable agency action. You are entitled to appeal this action. If you wish to appeal this action, you must file a written appeal within thirty (30) days from receipt of this letter. I am providing you with a summary of the appeal process and an appeal form, should you elect to pursue this option.

Sincerely,

Douglas W. Dunham, Manager
Office of Assured and Adequate Water Supply

DD/pmn
Enclosures

Page 2

Subdivision Name: Martin Valley

File Number: 27-402084.0000

Cliff Neal

CAGR

P.O. Box 43020

Phoenix, AZ 85080-3020

Drew Swieczkowski, Hydrology Division

Pinal AMA Division

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

This is to certify that

Pulte Home Corporation, a Michigan corporation

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

**Martin Valley
Section 23, 25, & 26 Township 05 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 **1108 lots** as described in the preliminary plat on file with the Department, and has an estimated water demand of **802.41 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: 27-402084.0000



ARIZONA DEPARTMENT OF WATER RESOURCES

Sandra Sabritz Whitney
Assistant Director

8/11/2006
Date