

ORIGINAL
JOHNSON UTILITIES, L.L



0000063194

5230 East Shea Boulevard * Scottsdale, Arizona 8525
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56

October 25, 2006

Mr. Brian Bozzo
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

RE: Johnson Utilities, L.L.C.: Compliance with Decision No. 68235
ACC Docket No. WS-02987A-05-0088
Main Extension Agreement for the water facilities for Quail Run
Designation of Assured Water Supply
Unified (Aquifer Protection) Water Quality Permit for the Copper Basin Wastewater
Treatment Facility

Dear Mr. Bozzo:

Pursuant to the above mentioned decision, Johnson Utilities hereby submits this compliance filing in accordance with the Commission's orders. Enclosed please find the Main Extension Agreement for the water facilities for Quail Run attached hereto as Attachment 1. Also enclosed is the Designation of Assured Water Supply for the extension area attached hereto as Attachment 2.

On September 19, 2006 we requested an extension of time to file the Unified (Aquifer Protection) Water Quality Permit for the Copper Basin Wastewater Treatment Facility that is due October 25, 2006. Staff filed in support of an extension of time to meet this compliance matter on September 25, 2006. We are currently waiting for this matter to be heard.

If you need any additional information in regards to this compliance items, please do not hesitate to contact me. Thank you for your time and consideration in this matter.

Sincerely,

Daniel Hodges
Johnson Utilities, LLC

Cc: Docket Control, (1 original, 13 copies)
Mr. Richard Sallquist, Sallquist, Drummond & O'Connor

Arizona Corporation Commission
DOCKETED

OCT 25 2006

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AZ CORP COMMISSION
DOCUMENT CONTROL

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ATTACHMENT 1

ON-SITE LINE EXTENSION AGREEMENT
FOR
DEVELOPER INSTALLED WATER FACILITIES

BETWEEN

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

AND

STANDARD PACIFIC OF ARIZONA, INC.

FOR

QUAIL RUN
PINAL COUNTY, ARIZONA

MARCH 21, 2006

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

THIS ON-SITE LINE EXTENSION AGREEMENT, entered into this 21st day of March, 2006, by and between JOHNSON UTILITIES, L.L.C. dba JOHNSON UTILITIES COMPANY (hereinafter referred to as the "Company") and STANDARD PACIFIC OF ARIZONA, INC. (hereinafter referred to as the "Developer"), is for the construction of utility infrastructure necessary to provide water utility service to QUAIL RUN, a subdivision in Pinal County, Arizona as shown on **Attachment 1** (hereinafter called the "Development").

WITNESSETH:

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

WHEREAS, Developer is developing the Development within the certificated area of the Company, which Development is more fully described in **Attachment 1** hereto and incorporated herein by reference for all purposes; and

WHEREAS, the Company and Developer have entered into a Master Utility Agreement dated April 21, 2005 (hereinafter the "Master Utility Agreement") pertaining to the advance of certain Off-Site Facilities Hook-Up Fees ("Hook-Up Fees"); and

WHEREAS, the Company currently owns and operates a fully functional and permitted water production, treatment and distribution facility sufficient to serve the Development; and

WHEREAS, the Company does not presently have water distribution lines sufficient to serve the Development; and

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

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

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

I. UTILITY PLANT ADDITIONS; COST; PAYMENT; HOOK-UP FEES ASSESSMENT AND REFUND; OTHER CHARGES; AND GROUNDWATER REPLENISHMENT DISTRICT

A. Utility Plant Additions. The Developer will construct, or cause to be constructed, the water utility plant described on **Attachment 2**, the cost of which is estimated on **Attachment 3**.

For any subsequent phase of the Development, the Company and the Developer shall enter into a separate agreement in substantially the same form as this Agreement.

B. Cost. The cost of construction of the subject plant as more fully detailed in **Attachment 3**, attached hereto and incorporated herein by reference for all purposes, is estimated to be \$902,322.40. The construction cost Advance shall be adjusted to the amount of the invoices provided to the Company as required in Articles III and VI. The Total Advance ("Advance") shall include applicable Hook-Up Fees and Groundwater Replenishment District ("GRD") charges, as hereinafter defined, and applicable income taxes.

C. Payment. Developer shall convey the facilities constructed under this Agreement pursuant to Articles III and VI. The payment of funds for the on-site facilities under this Agreement shall be deemed paid upon presentation of the documents pursuant to Article VI. Developer further agrees that upon execution of this Agreement, Developer will advance the applicable Hook-Up Fees, the GRD charges and income taxes, if any, as set forth in **Attachment 3** hereto.

D. Off-Site Hook-Up Fees. In addition to all other costs and Gross-Up Taxes (as defined in Paragraph VII.C) associated with the Development, if any, the Developer may be required to advance or contribute as applicable, all Hook-Up Fees as authorized by the Company's Tariffs and as set forth on **Attachment 3**. The base fee portion of the Hook-Up Fee is a non-refundable contribution. Any Gross-Up Tax associated with the Hook-Up Fee is refundable to the extent the funds collected are in excess of the taxes paid on the Advance at the close of the tax year when tax returns are completed. The Hook-Up Fees are applicable to Developments subject to the Company's Tariff. Payment of the Hook-Up Fee, or conveyance of in-kind facilities of equal value, shall be made at the time of payment of this Agreement or prior to commencement of construction of the water facilities to be installed by Developer pursuant to this Agreement.

E. Other Water Utility Charges. In the event the Developer or a Builder require construction water for grading, site preparation, road work, dust control or any other construction related purpose, the Developer or Builder shall contact the Company and request, and the Company shall supply, Construction Water Service pursuant to the Company's Tariff.

At the time the Developer, Builder, or a lot owner requests that a water meter be set at a specific lot line, the party requesting that service shall pay to the Company all Service Line Tariff and Water Advances Charges as authorized by the Company's Tariff.

F. Groundwater Replenishment District. In the event the Developer enrolls, or applies to enroll, the property within the Development as "membership land" in the Central Arizona GRD pursuant to ARS § 48-4401 et seq., or the property within the Development in any way becomes subject to that law as it may be amended, then and in that event the Developer shall pay, in addition to all other terms, conditions, rates and charges set forth in this Agreement, a one-time charge of \$1,000.00 to the Company for the establishment of the reporting procedure mandated by the GRD. For all Lots within the Development that become subject to the GRD, the Developer shall provide to the Company the following information for each parcel to be served under this Agreement: (i) the legal description of each Lot; (ii) the tax parcel number as assigned to that Lot by the applicable taxing authority as and when available; (iii) the street address of each Lot; and (iv) any other information necessary for the Company to comply with the requirement of the GRD. Said information for all Lots and parcels within the Development shall be provided to the Company prior

to the Company's obligation to serve water to any Lot or parcel within the Development. Payment of the fee shall be made upon execution of this Agreement

II. SERVICE; COMPANY LIABILITY LIMITATIONS; APPLICABLE RATES

A. **Service.** Notwithstanding any reference to fire protection facilities contained in **Attachment 2** or **Attachment 3** hereto, the subject plant additions are being installed primarily for the purpose of providing domestic water service to the Development. However, under certain operating conditions, those facilities may provide limited fire protection service to an appropriate fire protection agency contracting with the Company for such service. Service will be provided in accordance with good utility practice.

B. **Company Liability.** Company's obligation for service shall be as set by the stricter of AAC R14-2-407(C) and (D), the controlling Master Utility Agreement, or this Agreement. Company shall comply with such regulations and any other applicable law.

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

III. PERMITS AND LICENSES; EASEMENTS; TITLE

A. **Permits and Licenses.** Developer agrees to obtain at its sole expense all licenses, permits, certificates and approvals from public authorities which may be required for the construction of the improvements on the Development under this Agreement or development of the subject Development and to comply with all municipal and other public laws, ordinances and requirements in regard to the same. The cost of obtaining such licenses, permits, certificates and approvals shall be added to the amount of the refundable Advance In Aid Of Construction. The Company shall be responsible for obtaining at its sole expense all licenses, permits, certificates and approvals from public authorities which may be required for the installation and operation of the off-site water treatment and supply facilities that will serve the Development and into which the Developer constructed facilities will be inter-tied and connected. The Company shall be responsible for the construction and operation at its cost of all other water production, treatment and distribution facilities necessary to serve the Development.

B. **Easements.** Prior to the commencement of construction, Developer shall dedicate on the Development upon which the subject facilities will be constructed, a perpetual easement for the construction, operation and maintenance of water lines, mains and appurtenant facilities, in the name of the Company, and in a form acceptable to the Company, or a public utilities easement for such purposes as approved by Pinal County.

C. **Title.** All materials installed, facilities constructed and equipment provided by Developer in connection with construction of facilities under this Agreement and the completed facilities as installed for which an Approval of Construction has been issued by ADEQ, and which facilities the Company has provided written acceptance thereof, shall become the sole property of the Company, and full legal and equitable title thereto shall be then vested in the Company, free and clear of any liens, without the requirement of any written document of transfer to the Company or

acceptance by the Company. Developer agrees to execute or cause to be executed promptly such documents as counsel for the Company may request to evidence good and merchantable title to said facilities free and clear of all liens. The Company shall confirm in writing the acceptance of title to the facilities.

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

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

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

C. Materials, Workmanship, Equipment and Machinery. All materials shall be new and both workmanship and materials shall be of good quality which meet the specifications and standards of the American Water Works Association Standards, the Commission, ADEQ, the Arizona Department of Health Services and all local regulatory agencies. Developer shall assign to the Company the warranties of its contractor(s) for the facilities to be built pursuant to this Agreement or, if the Developer constructs the facilities itself, Developer agrees to pay all costs for removing and replacing any defective part or parts upon the Company providing written notice to the Developer within one year after such facilities being placed in regular operation.

D. Connecting New Facilities. The facilities constructed pursuant to this Agreement shall not be connected to the Company's existing facilities, or operated, without the prior written approval of Company, which approval shall not be unreasonably withheld.

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

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

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

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

For the purpose of inspection and testing of everything covered by this Agreement, or the work thereon, Developer shall give the Company and any inspectors appointed by it, free access to the working places and furnish every facility for properly inspecting such materials and work and shall furnish them with full information whenever requested as to the progress of the work on its various parts. The approval of work by any such inspector shall not relieve Developer from its obligation to comply in all respects with the instructions and specifications to make the work a finished job of its kind, completed in accordance with the plans and specification approved by the Company and are satisfactory to the Company upon inspection and testing. Developer agrees that no inspection by or on behalf of the Company shall relieve Developer from its obligation to do and complete the work in accordance with this Agreement. If at any time before the final completion and acceptance of the work any part of the work is found to be defective or deficient in any way, or in any way fails to conform to this Agreement, the Company is hereby expressly authorized to reject or revoke acceptance of such defective or deficient work and require Developer to do over and make good on such defective work. No costs incurred by Developer to do over or make good on defective or deficient work shall be included in the Amount of Advance pursuant to Paragraph VII.A. The Company specifically reserves the right to withhold approval and to forbid connection of the facilities constructed pursuant to this Agreement to the Company's system unless such facilities have been constructed in accordance with the plans and specifications as approved by the Company and are satisfactory to the Company upon inspection and testing. Developer agrees that it will promptly correct all defects and deficiencies in construction, materials and workmanship upon request by the Company made subsequent to inspection by the Company.

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

A. **Invoices.** Developer agrees to furnish Company, within thirty (30) days after completion of construction, copies of Developer's, subcontractors', vendors' and all others' invoices for all engineering, surveying, and other services, materials installed, construction performed, equipment provided, materials purchased and all else done for construction pursuant to this Agreement at the actual cost thereof.

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

C. "As-Built" Plans. Developer agrees to furnish the Company, within forty-five (45) days after completion of construction, "as-built" drawings showing the locations of all water mains, hydrants, valves, and service connections to all structures served from facilities which are constructed pursuant to this Agreement. The drawings shall be certified by the Developer's engineer of record and shall be provided on reproducible mylar prints, and in a digital format (i.e. AutoCad, MicroStation or .dxf format or as otherwise specified by the Company), all available data for the Development, including ALTA surveys, topographical, aerials, tentative plats, engineering plans, and final plats.

VII. AMOUNT OF ADVANCE; INCOME TAX; REFUND; TRANSFER

A. Amount of Advance. Based on the estimated cost contained in Paragraph I.B, and subject to receiving invoices pursuant to Paragraph VI.A, totaling at least the estimated cost and the income tax payable under Paragraph VII.C, the Advance by the Developer shall be a total of \$902,322.40. Of the total advance, \$824,322.40 shall be refundable pursuant to this Paragraph VII. If the actual construction cost is less than the estimated Advance, the Advance shall be the lesser amount, to the extent supported by invoices provided pursuant to Paragraph VI.A. If the actual cost is more than the estimated Advance, the Advance shall be the greater amount, to the extent supported by invoices provided pursuant to Paragraph VI.A. If funds were advanced by the Developer for the construction by the Company, Advances in excess of the actual construction, as well as advanced funds in excess of actual administration, engineering and legal costs, will be refunded to the Developer within thirty (30) days of completion and acceptance of the construction.

B. Time of Payment. The payment of the funds under this Agreement shall be as follows:

1. Upon execution of this Agreement, Developer shall advance the GRD Fee, and the Administrative, Engineering and Legal costs as set forth in **Attachment 3**. This Advance totals \$82,938.40.
2. Upon completion of the construction to be performed by the Developer, Developer shall provide the documentation required by Paragraphs III, IV, V, and VI of this Agreement.

C. Income Taxes. In the event it is determined by Congress, the Internal Revenue Service, the Arizona Legislature or the Arizona Department of Revenue that all or a portion of the cost estimates in **Attachment 3** is taxable income to the Company as of the date of this Agreement,

or upon receipt of said costs or facilities by the Company, the Developer will advance funds equal to the applicable income taxes for the Company's state and federal tax liability on all funds advanced pursuant to this Agreement ("Gross-Up Taxes"). These funds shall be payable by the Developer to the Company immediately upon notification to the Developer of the determination by the appropriate agency having jurisdiction. At the time the refunds are made pursuant to Paragraph VII.D, the Company shall also refund that portion of the income taxes associated with that refund that were advanced under this Paragraph VII.C. The income tax advance refunds shall be based on the annual refund amount under Paragraph VII.D, and computed at the same rate the advance was originally assessed.

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

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

F. Transfer of Facilities. In the event of the sale, conveyance or transfer by the Company, pursuant to the approval of the Commission, of any portion of its water system, including the facilities serving the Development and installed pursuant to the terms of this Agreement, the Company's obligation under Paragraph VII.D hereto shall cease (except as to any payment which is then due) conditioned upon the transferee assuming, and agreeing to pay the Developer, any sums becoming payable to Developer thereafter in accordance with the provisions of Paragraph VII.D of this Agreement.

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

VIII. RISK; LIABILITY; INSURANCE

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

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

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

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

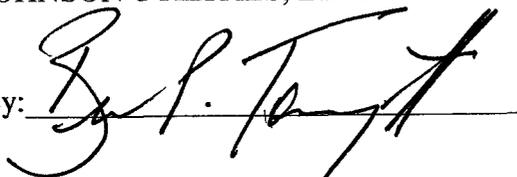
IX. MISCELLANEOUS

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

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

JOHNSON UTILITIES, L.L.C.

By: _____

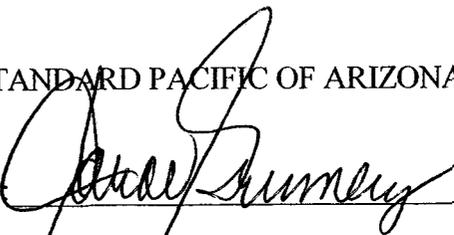


Its: Executive Vice President

“Company”

STANDARD PACIFIC OF ARIZONA, INC.

By: _____

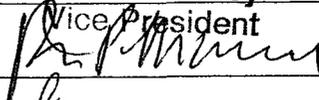


Its: _____

Carol Grumley

Vice President

By: _____



Its: _____

President

“Developer”

ATTACHMENT 1

MAP AND LEGAL DESCRIPTION OF DEVELOPMENT

[specify unit densities and type]

FINAL PLAT OF "QUAIL RUN"

A PORTION OF THE WEST HALF OF THE WEST HALF OF SECTION 24, T.3S., R.8.E.
G.S.R.B.&M., PINAL COUNTY, ARIZONA

LAND SURVEYOR

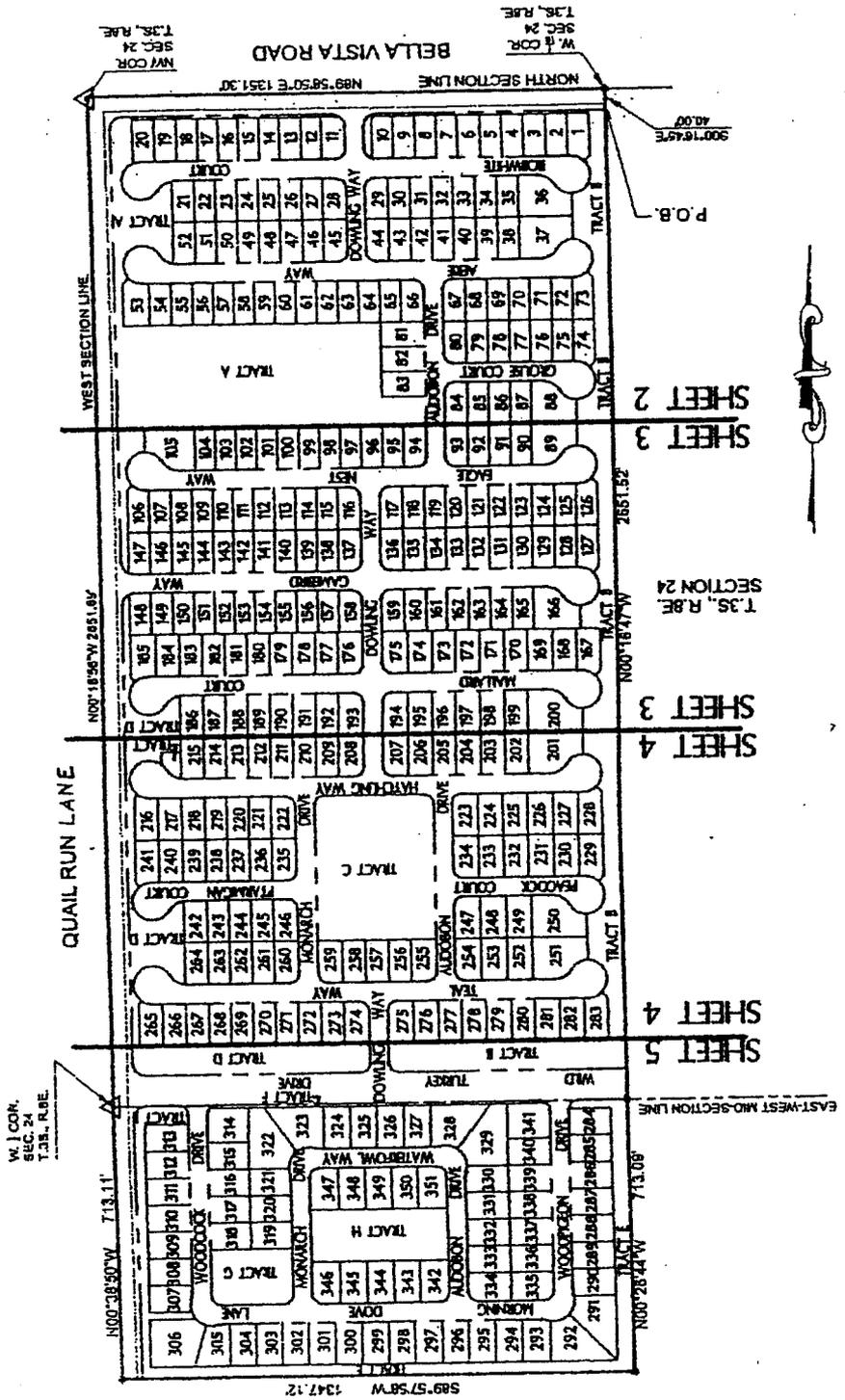
J.G. ELLIS LAND SURVEYING SERVICES INC.
3014 N. HAYDEN ROAD #108
SCOTTSDALE, AZ 85251
PHONE: (480) 970-6285
FAX (480) 970-6271
CONTACT: JAMES G. ELLIS

ENGINEER

EVOLUTION ENGINEERING, L.L.C.
1731 E. ORANGEWOOD AVE.
PHOENIX, AZ 85020
PHONE: (602) 844-1144
CONTACT: JASON CORWIN

OPER/OWNER:

TRIC OF ARIZONA
3077 S. JOTTSDALE ROAD, SUITE 150
AZ 85283
27-7540
CE SCHROEDER

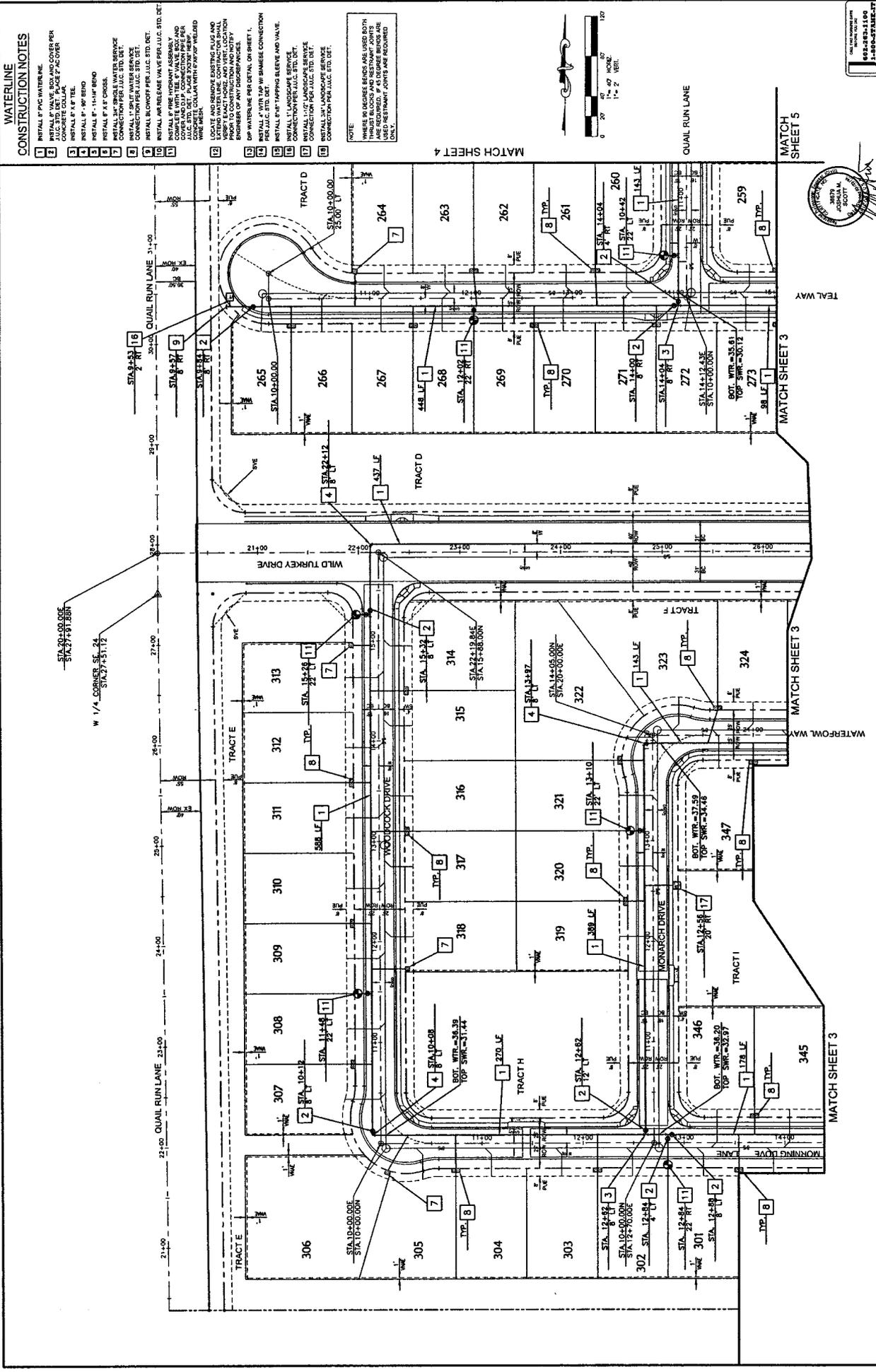


LOCATION MAP
N.T.S.

ATTACHMENT 2

ENGINEERING PLAN OF WATER UTILITY PLANT

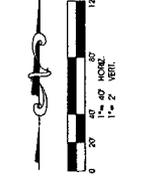
[To be provided by the Developer]



WATERLINE CONSTRUCTION NOTES

1. INSTALL 8" PVC WATERLINE
2. INSTALL 8" W/VE 102 AND COVER PER A.I.C. STD. DET. PLACE 2" COVER OVER WATERLINE
3. INSTALL 8" W/VE
4. INSTALL 8" W/VE BEND
5. INSTALL 8" X 8" CROSS
6. INSTALL 3/4" SINGLE WATER SERVICE CONNECTION PER A.I.C. STD. DET.
7. INSTALL 3/4" DOUBLE WATER SERVICE CONNECTION PER A.I.C. STD. DET.
8. INSTALL AIR RELEASE VALVE PER A.I.C. STD. DET.
9. INSTALL 1/2" AIR RELEASE VALVE PER A.I.C. STD. DET.
10. INSTALL 1/2" AIR RELEASE VALVE PER A.I.C. STD. DET.
11. INSTALL 1/2" AIR RELEASE VALVE PER A.I.C. STD. DET.
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13. INSTALL 1/2" AIR RELEASE VALVE PER A.I.C. STD. DET.
14. INSTALL 1/2" AIR RELEASE VALVE PER A.I.C. STD. DET.
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NOTE: WHERE NO DEGREE BENDS ARE USED BOTH THREAT BLOCKS AND RESTRAINT JOINTS ARE REQUIRED. RESTRAINT JOINTS ARE REQUIRED ONLY.



J. J. SCOTT
 No. 892-083-1100
 State of Arizona
 Professional Engineer

WATER PLANS FOR
 QUAIL RUN
 PINAL COUNTY, ARIZONA

REVISIONS	DATE	BY

JOB #:	200320
DATE:	3/2/06
SCALE:	1"=40'

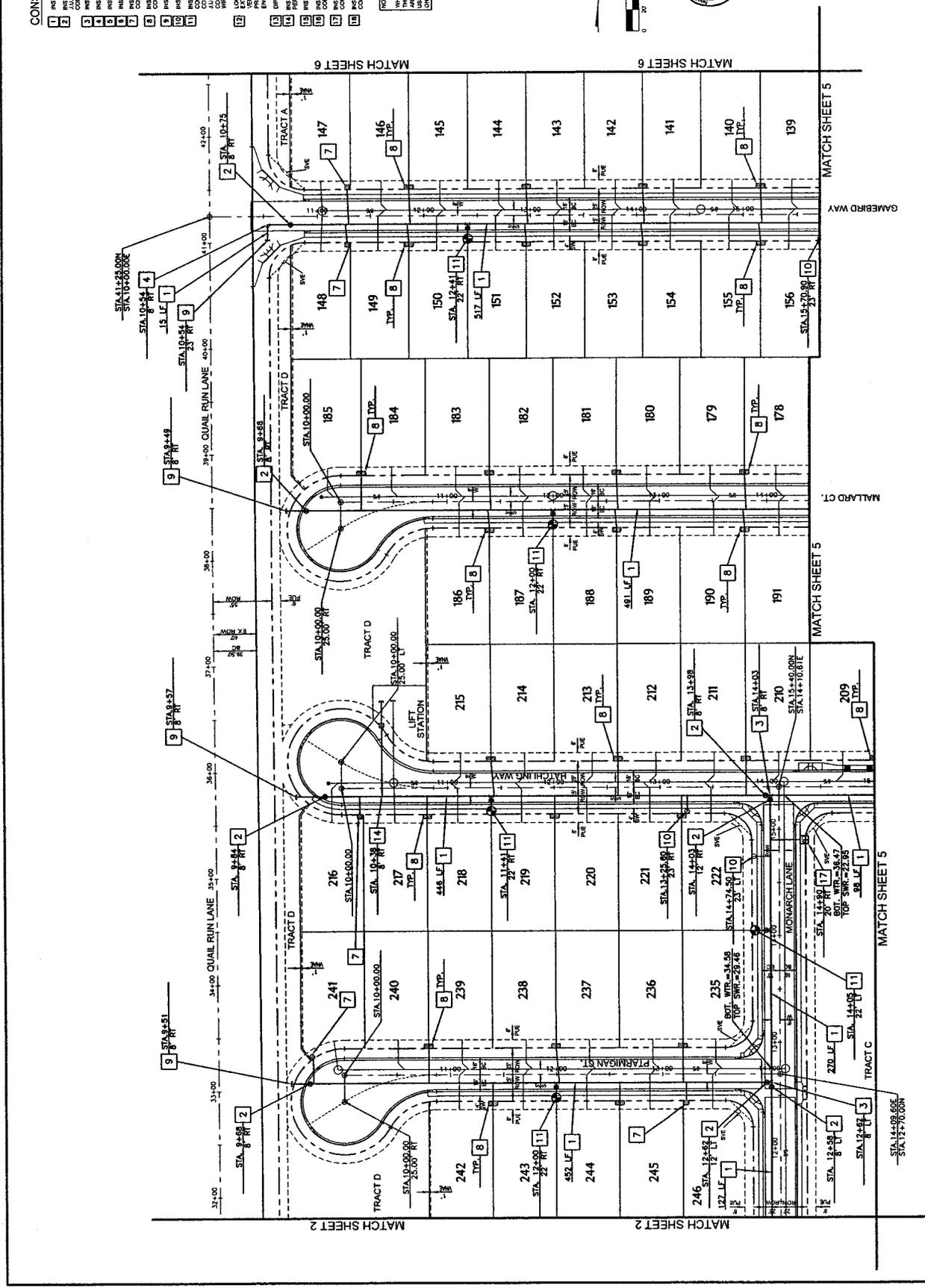
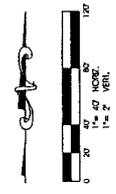
1731 E. ORANGEWOOD AVE. - PHOENIX, ARIZONA 85020
 PHONE: 802-944-1144 FAX: 802-532-7091 EMAIL: staff@evolutioneng.com
 WATER RESOURCES

EVOLUTION ENGINEERING, L.L.C.
 CIVIL ENGINEERING
 LAND DEVELOPMENT

WATERLINE CONSTRUCTION NOTES

1. INSTALL 4" PVC WATERLINE
2. INSTALL 4" VALVE BOX AND COVER PER J.U.C. STD. DET. PLACE 2' AG OVER
3. INSTALL 4" X 4" TEE
4. INSTALL 4" X 4" BEND
5. INSTALL 4" X 4" CROSS
6. INSTALL 4" X 4" W/ 90° CROSS
7. INSTALL 4" X 4" W/ 45° CROSS
8. INSTALL 4" X 4" W/ 90° CROSS
9. INSTALL 4" X 4" W/ 45° CROSS
10. INSTALL 4" X 4" W/ 90° CROSS
11. INSTALL 4" X 4" W/ 45° CROSS
12. LOCATE AND MARK EXISTING TAP AND VERIFY EXACT HORIZ. AND VERT. LOCATION
13. VERIFY EXISTING TAP AND VERT. LOCATION
14. VERIFY EXISTING TAP AND VERT. LOCATION
15. VERIFY EXISTING TAP AND VERT. LOCATION
16. VERIFY EXISTING TAP AND VERT. LOCATION
17. VERIFY EXISTING TAP AND VERT. LOCATION
18. VERIFY EXISTING TAP AND VERT. LOCATION

NOTE: WHERE TO BE RELOCATED ARE SHOWN WITH DASHED LINES AND DIMENSIONS. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.



EVOLUTION ENGINEERING, L.L.C.
 CIVIL ENGINEERING LAND DEVELOPMENT WATER RESOURCES

1731 E. ORANGEWOOD AVE. · PHOENIX, ARIZONA 85020
 PHONE: 602-944-1144 FAX: 602-532-7091 EMAIL: staff@evolutioneng.com

JOB NO: 2003120
 RPH DATE: 3/20/05
 JMS SCALE: 1"=40'

DATE: _____ BY: _____

REVISIONS:

4	DATE	BY
3		
2		
1		

WATER PLANS FOR
 QUAIL RUN
 PINAL COUNTY, ARIZONA

**ATTACHMENT 3
ESTIMATED ON-SITE AND OFF-SITE FACILITIES
AND ESTIMATED COSTS FOR
DOMESTIC AND FIRE PROTECTION SERVICES ¹**

<u>Description: Quail Run</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Cost</u>	<u>Refundable</u>	<u>Non-Refundable</u>	<u>TOTAL</u>
8" PVC	19,628	LF	\$28.00	\$549,584.00		\$549,584.00
6" Valve, Box and Cover	68	LF	\$800.00	\$54,400.00		\$54,400.00
6" F.H. Complete with 6" Valve	35	EA	\$2,000.00		\$70,000.00	\$70,000.00
2" Blowoff	8	EA	\$900.00	\$7,200.00		\$7,200.00
3/4" Single Service	25	EA	\$300.00	\$7,500.00		\$7,500.00
1" Split Service	163	EA	\$700.00	\$114,100.00		\$114,100.00
4" Water Service	1	EA	\$3,000.00	\$3,000.00		\$3,000.00
Air Release Valves	17	EA	\$600.00	\$10,200.00		\$10,200.00
3/4" Landscape Service	1	EA	\$300.00	\$300.00		\$300.00
1" Landscape Service	5	EA	\$350.00	\$1,750.00		\$1,750.00
1 1/2" Landscape Service	3	EA	\$450.00	\$1,350.00		\$1,350.00
Subtotal				\$749,384.00	\$70,000.00	\$819,384.00
Engineer, Company Supervision and Legal Fees (10%)				\$74,938.40	\$7,000.00	\$81,938.40
Off-Site Facilities Hook-Up Fee (see attached)						
Groundwater Replenishment District Fee					\$1,000.00	\$1,000.00
TOTAL ADVANCE/CONTRIBUTION				\$824,322.40	\$78,000.00	\$902,322.40

¹ The size and quantity of the required facilities and the cost of those facilities will be subsequently revised in accordance with the approved engineering plans. Thereafter, this Attachment and the Agreement shall be revised to reflect actual cost pursuant to Paragraph I.B.

ATTACHMENT 3 WORKSHEET

OFF-SITE WATER FACILITIES HOOK-UP FEES

<u>Meter Size</u>	<u>Fee</u>	<u>Number</u>	<u>Extended</u>
5/8" x 3/4"	\$750.00		
3/4" Meter	\$900.00	351	\$315,900
1" Meter	\$1,500.00		
1-1/2" Meter	\$3,000.00		
2" Meter	\$4,800.00		
3" Meter	\$9,000.00		
4" Meter	\$15,000.00		
6" or greater	\$30,000.00		
Total Hook-up Fees		<u>351</u>	<u>\$315,900</u>

ATTACHMENT 4

ADDITIONAL TERMS AND CONDITIONS

Check and initial if none

 JS

Company

 [Signature]

Developer

[Signature]

ATTACHMENT 2

1 DEPARTMENT OF WATER RESOURCES
2 BEFORE THE DIRECTOR
3

4 IN THE MATTER OF THE APPLICATION)
5 OF JOHNSON UTILITIES)
6 FOR A DESIGNATION AS HAVING AN)
7 ASSURED WATER SUPPLY)

AWS No. 2003-004
DECISION AND ORDER
No. 26-400665

8 On December 26, 2001, the Department of Water Resources (Department) received an
9 application from Johnson Utilities, L.L.C. requesting that the Department modify Johnson Utilities'
10 designation of assured water supply pursuant to A.R.S. § 45-576(D) and A.A.C. R12-15-701 *et seq.* for
11 Johnson Utilities' municipal water delivery system. On January 28, 2003, the Department determined the
12 application to be complete.

13 After receiving Johnson Utilities' request to modify its designation of assured water supply, and
14 after reviewing relevant information regarding the modification request, including: 1) the hydrologic study
15 of the proposed source of supply on file with the Department, 2) information submitted regarding Johnson
16 Utilities' consistency with the management plan and management goal, 3) information provided by the
17 Arizona Department of Environmental Quality regarding the quality of the proposed source of water, and
18 4) information regarding Johnson Utilities' financial capability to construct the necessary delivery system,
19 treatment works and storage facilities, the Department finds the following:

- 20 1. Johnson Utilities is a private water company regulated by the Arizona Corporation
21 Commission.
22 2. Johnson Utilities has the legal authority, as granted by the Arizona Corporation
23 Commission, to deliver water to its customers located within the boundaries of its
24 Certificate of Convenience and Necessity as indicated on maps on file with the
25 Department.
26 3. Johnson Utilities has the right to withdraw and deliver groundwater to its customers
27 pursuant to service area right #56-002346.0000.
28 4. Johnson Utilities currently serves 100 percent groundwater to its customers.
5. Johnson Utilities' current and committed demand is 1,232 acre-feet per year, as of 2003.

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6. Johnson Utilities' groundwater supply proven to be physically available is 52,250 acre-feet per year.
7. Johnson Utilities' total groundwater supply which was proven to be physically, continuously and legally available is 18,154 acre-feet per year, which is greater than Johnson Utilities' projected demand for the calendar year 2011 of approximately 5,633 acre-feet per year.
8. Historic hydrologic information demonstrates that groundwater levels in the service area currently range from approximately 300 to 700 feet with a minimal regional decline.
9. After one hundred years of pumping at 5,633 acre-feet per year, the depth-to-water inside Johnson Utilities' service area is expected to range from 400 to 550 feet below land surface and not expected to exceed 1,000 feet below land surface.
10. Johnson Utilities is regulated as a large provider under the Department's Third Management Plan for the Phoenix Active Management Area. Johnson Utilities is in compliance with the Third Management Plan requirements as of the date of this decision and order.
11. The groundwater supply that Johnson Utilities intends to provide its customers currently meets all federal and state water quality standards, based on compliance information provided by the Arizona Department of Environmental Quality.
12. On June 9, 2000 Johnson Utilities became a member service area of the Central Arizona Groundwater Replenishment District ("CAGRDR").
13. The June 9, 2000 replenishment agreement between Johnson Utilities and the CAGRDR limits the replenishment obligation of the CAGRDR to 5,967 acre-feet per year, which is more than Johnson Utilities projected 2011 demand of 5,633 acre-feet per year.
14. On February 24, 1995, the Director designated that the CAGRDR Plan of Operation was consistent with achieving the management goal of the Phoenix Active Management Area.
15. As of the date of this decision and order, the CAGRDR is in compliance with its groundwater replenishment obligation for the Phoenix Active Management Area.
16. In accordance with Arizona Corporation Commission Rules and Regulations, Johnson Utilities finances extension of its distribution system through line extension agreements

1 with owners of new developments. Any owner of a new subdivision served by Johnson
2 Utilities must prove financial capability to construct the necessary water infrastructure to
3 the appropriate platting entity and the Arizona Department of Real Estate pursuant to
4 Titles 9, 11, and 32 of the Arizona Revised Statutes.

5 **Having reviewed the Findings of Fact, the Department makes the following**

6 **Conclusions of Law:**

- 7 1. The annual volume of water was found to be physically, continuously and legally available
8 to Johnson Utilities for a minimum of 100 years as prescribed in A.A.C. R12-15-703, and
9 exceeds Johnson Utilities' projected demand of 5,633 acre-feet for the year 2011.
- 10 2. The water supply served by Johnson Utilities currently meets the water quality
11 requirements specified in A.A.C. R12-15-704.
- 12 3. Pursuant to A.R.S. § 45-576.01(B), 5,967 acre-feet of Johnson Utilities projected use of
13 groundwater, as a member service area of the CAGR, is consistent with achieving the
14 management goal of the Phoenix Active Management Area.
- 15 4. In accordance with A.A.C. R12-15-706, Johnson Utilities proposed use of water is
16 consistent with the Phoenix Active Management Area Third Management Plan
17 requirements.
- 18 5. Johnson Utilities satisfies the financial capability criteria prescribed in A.A.C. R12-15-707.
- 19 6. Johnson Utilities satisfied all the requirements for a designation of an assured water
20 supply.

21 **Having reviewed the Conclusions of Law, the Department hereby issues this Order**
22 **designating Johnson Utilities as having an assured water supply, subject to the following**
23 **conditions:**

- 24 1. The Department reserves the right under A.A.C. R12-15-709 (A) to periodically review
25 and modify this designation as conditions warrant.
- 26 2. Pursuant to A.A.C. R12-15-709, the Department may, at any time, review, modify or
27 revoke this designation if the findings of fact or the conclusions of law upon which the
28 designation are based change or are invalid.

- 1 3. The Department's determination that an assured water supply exists for Johnson Utilities
2 is based on its analysis of the groundwater supplies pledged by Johnson Utilities.
- 3 4. Pursuant to A.A.C. R12-15-704, Johnson Utilities shall satisfy any state water quality
4 requirements established for its proposed use after the date of this designation.
- 5 5. Johnson Utilities shall annually provide to the Department the following information in the
6 manner prescribed in A.A.C. R12-15-711:
- 7 a. The estimated future demand of platted, undeveloped lots located in Johnson
8 Utilities' service area.
 - 9 b. The projected demand at build-out for customers with which Johnson Utilities has
10 entered into a notice of intent to serve agreement in the calendar year.
 - 11 c. A report regarding Johnson Utilities' compliance with water quality requirements.
 - 12 d. The depth-to-static water level of all wells from which Johnson Utilities withdrew
13 water during the calendar year.
 - 14 e. Any other information requested by the Director to determine whether Johnson
15 Utilities is continuing to meet all the requirements necessary to maintain this
16 designation of assured water supply.

17 **IT IS HEREBY ORDERED THAT JOHNSON UTILITIES BE DESIGNATED AS HAVING AN
18 ASSURED WATER SUPPLY:**

19 DATED this 12 day of August, 2003.

20 

21 Herb R. Guenther
22 Director
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