

ORIGINAL OPEN MEETING AGENDA ITEM



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MOHAWK UTILITY COMPANY, INC.

36140 E. Antelope Dr. / PO Box 1194 Wellton, AZ 85356
(928)785-3422 / (928) 785-4182 [fax]
Email address: mohawkutilities@aol.com

November 30, 2006,

Arizona Corporation Commission
1200 West Washington St
Phoenix, AZ 85007

RE: Docket #W-01344A-04-0815

This letter is to serve as exception to the attached Opinion and Order. In April, 2006 an agreement between Mohawk Utility Company and Tacna Water Management (along with their lawyer) was reached (as per requested by Judge Tina Wolfe, that an agreement between the two parties be amicably reached). Attached is the agreement, with the amended legal description that was submitted with our agreement to be signed. The agreement states that Tacna Water was to remove the following area from their CC&N extension: TS8, R17W, Section 28 S1/2 SW1/4, it was an area that the two applications had that overlapped. But in the Opinion and Order, the legal description shows that Tacna Water gets all of TS8, R17W, Section 27. Our water plant plus some of our customers are located in this area, also this area is in our CC&N extension application currently on file, we have agreed to not request the area on the south side of the freeway, but we feel that we should be able to have the area where are water plant is located in all fairness, we already have the infrastructure there and have on good faith agreed to remove certain areas from our CC&N application. We would respectfully like the change considered as an exception and have the legal description amended to match the signed agreement that was made between Tacna Water and Mohawk Utility. I hope this exception will be considered.

Respectfully,

Robert Chris Rockwell
President / Owner

Arizona Corporation Commission
DOCKETED

DEC - 5 2006

DOCKETED BY

AZ CORP COMMISSION
DOCUMENT CONTROL

2006 DEC - 5 P 2: 59

RECEIVED

AGREEMENT

This Agreement made by and between TACNA WATER MANAGEMENT COMPANY, INC., an Arizona corporation ("Tacna") and MOHAWK UTILITY COMPANY, INC., an Arizona corporation ("Mohawk").

RECITALS

A. On November 10, 2004, Tacna filed an application with the Arizona Corporation Commission ("Commission") for an extension of its Certificate of Convenience and Necessity ("CC&N") to provide water service to portions of Yuma County, Arizona (Docket No. W-01344A-04-0815).

B. On January 5, 2006, Mohawk's Motion to Intervene was granted and subsequently on January 24, 2006, Mohawk filed its application for extension of its CC&N (Docket No. W-02341A-06-0040).

C. A hearing before the Arizona Corporation Commission on Tacna's application was held February 21, 2006, and the Administrative Law Judge subsequently ordered a procedural conference on April 19, 2006. At the procedural conference, the parties set forth on the record their agreement to resolve the issues related to Tacna's application.

D. The parties hereby formally recite and set forth the terms and provisions of their agreement.

PROVISIONS

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. **Amended Tacna Application.**

Tacna amends its application for certificate of convenience and necessity to delete the property described in Exhibit A attached hereto and known as follows:

The South ½ of the Southwest 1/4 of Section 27, R 17W, T 8 South, Gila and Salt River Base and Meridian, Yuma County, Arizona.

An amended legal description of Tacna's area of service is attached as Exhibit B.

2. **Amended Mohawk Application.**

Mohawk amends its application for CC&N to delete all and any area overlapping Tacna's amended area of service as set forth in Exhibit B. It is understood and agreed that Mohawk's amended application for CC&N and future area of service shall include the following parcels:

a. Mohawk's existing area of service under its existing CC&N.

b. Carl Conley parcel:

The South ½ of the Southeast 1/4 of Section 28, Range 17 West, Township 8 South, Gila and Salt River Base and Meridian, Yuma County, Arizona.

c. Jeffrey H. Jennings parcel:

The Northwest 1/4 of Section 26, Range 17 West, Township 8 South, Gila and Salt River Base and Meridian, Yuma County, Arizona.

Mohawk's amended area of service is highlighted in yellow in the map attached hereto as Exhibit

C.

3. **Existing Customers Outside Mohawk CC&N.**

Commission order entered December 14, 2000, Docket No. W-02341A-97-0740, required Mohawk to continue service to existing customers residing outside of its area of service.

Mohawk agrees to comply with the Commission order and to continue to provide service to its existing customers outside of its Amended CC&N as herein defined and depicted in Exhibit C, to include all existing customers in Tacna's Amended CC&N as set forth in Exhibit B. Tacna agrees that it shall within two years from the date of this agreement provide service to all of those existing customers within Tacna's Amended CC&N.

The parties expressly and explicitly agree that under no circumstances shall service to existing customers be terminated without prior approval and order of the Commission.

4. Purchase of Water Line.

The parties acknowledge that as of the date of this agreement, the ownership, size, condition, and adequacy of existing water lines within Tacna's Amended CC&N now utilized by Mohawk to serve existing customers is unknown. In consideration of the payment of Five Hundred Dollars (\$500.00) by Tacna to Mohawk, Mohawk agrees to quit claim any interest it holds in the line (or lines) underneath Interstate Highway 8. The parties shall fully cooperate regarding the installation of new water facilities by Tacna to serve all existing customers and future consumers south of Interstate 8. Mohawk may remove any of its existing facilities south of Interstate 8 (except for the line (or lines) underneath Interstate 8) or abandon those facilities to Tacna, provided, again, that the parties explicitly agree that they shall fully cooperate to insure that service to existing customers is not interrupted.

5. Commission Approval.

The parties acknowledge that this agreement is subject to approval of the Arizona Corporation Commission and the entry of an order by the Administrative Law Judge approving Tacna's amended application. The parties further agree to cooperate and comply with any Commission conditions to facilitate the implementation of the terms of this agreement. A copy

of this agreement shall be immediately filed as a docket entry in both Tacna Docket No. W-01344A-04-0815 and Mohawk's Docket No. W-02341A-06-0040.

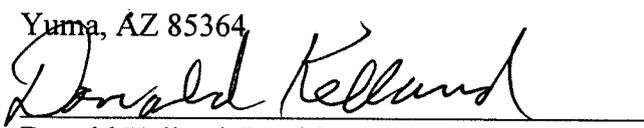
Dated this _____ day of _____, 2006.

TACNA WATER MANAGEMENT COMPANY, INC.

By:


Steve Kelland, Manager
2993 S. Arizona Avenue
Yuma, AZ 85364

By:


Donald Kelland, President
2993 S. Arizona Avenue
Yuma, AZ 85364

MOHAWK UTILITY COMPANY, INC.

By:

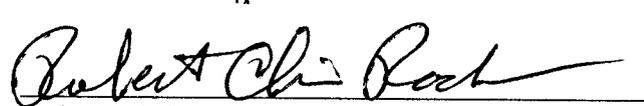

Robert Chris Rockwell
Owner/President
36140 E. Antelope Drive
PO Box 1194
Wellton, AZ 85356

EXHIBIT A

AREA OF DISPUTE

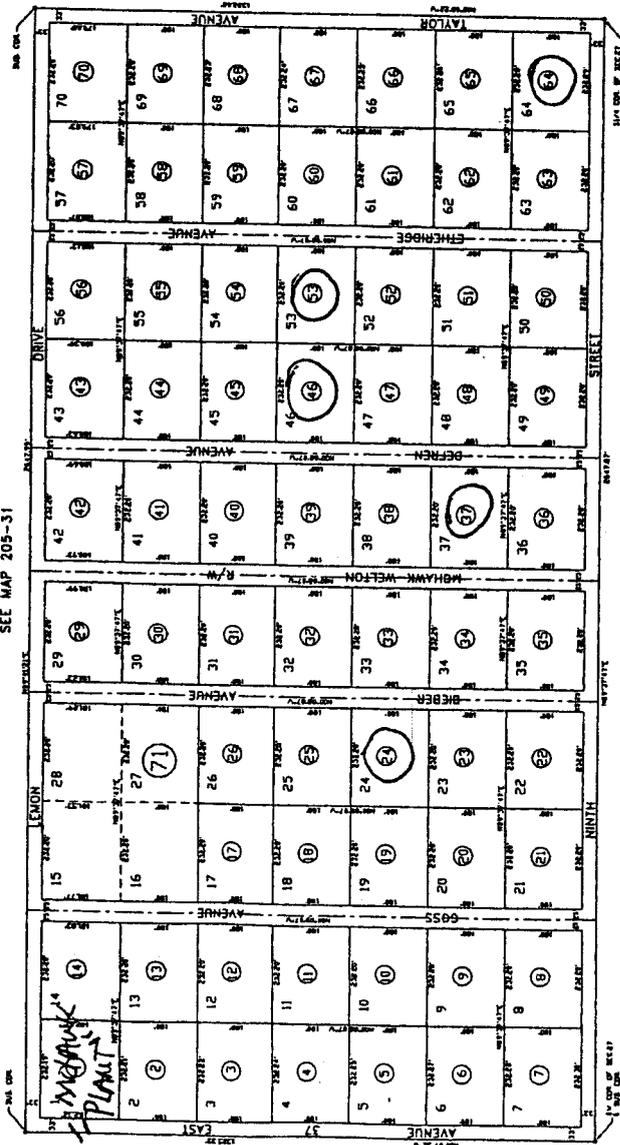
BOOK 205
MAP 69

TOWNSHIP 8S
RANGE 17W
SECTION 27
S1/2 SW1/4

YUMA COUNTY ASSESSOR	
SCALE 1" = 200'	
FOR INFORMATION ONLY NO LIABILITY ASSUMED YUMA COUNTY ASSESSOR	
MAP LAST AMENDED	
12-16-98 BY 12-25-03	015.016.027.028-071
SUBDIVISIONS ON THIS MAP CITRUS CITY ESTATES	



CITRUS CITY ESTATES
RECORDED IN BOOK 3 OF PLAT PLATS ON 12-17-98
SEE MAP 205-31



SEE MAP 205-32

SEE MAP 205-40

SEE MAP 205-31

2 owners / 5 lots

EXHIBIT B

TACNA WATER COMPANY
DOCKET NO. W-01344A-04-0815
SECOND AMENDED LEGAL DESCRIPTION
(Incorporating Terms of Settlement Agreement Between Tacna and Mohawk)

Located in Yuma County, Arizona:

Township 8 South, Range 17 West

Section 21: SE1/4 of SE1/4

Section 22: S1/2

Section 24: All except the SE1/4

Section 25: All except that portion already certificated to Tacna Water Company further described as follows:

Beginning at the NW corner of the SW1/4 of the SE1/4 of said Section 25;

THENCE S 0°19' 20" E 500.12 feet to a point on the north right-of-way line of U.S. Highway 80;

THENCE N 79°44'10" E along right-of-way line to its intersection with the east line of said Section 25;

THENCE N 0°28'40" W 1364.40 feet to the east 1/4 corner of said Section 25;

THENCE westerly to the NW corner of the NE1/4 of the SE1/4;

THENCE S 0°24' E 810.10 feet;

THENCE N 89° 43' E 977.30 feet;

THENCE S 0°28'40" 418.61 feet;

THENCE S 79°44'10" W 371.71 feet;

THENCE S 89°41'50" W 641.64 feet;

THENCE S 30 feet to the SE corner of the NW1/4 of the SE1/4;

THENCE S 89° 41' 50" W 1320.00 feet to the Point of Beginning.

Section 26: SE1/4

Section 27: All except the S1/2 SW1/4

Section 28: E1/2 of NE 1/4

Section 34: All

Section 35: W1/2 lying south of the north right-of-way line of U.S. Highway 80

Township 8 South, Range 16 West

Section 28: W1/2 of SW1/4

Section 33: NW1/4

Township 9 South, Range 17 West

Section 9: SE1/4

Section 10: S1/2