

18 ✓
INTERVENTION



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RECEIVED

BEFORE THE ARIZONA CORPORATION COMMISSION

2001 FEB 26 P 4:55

2
3 WILLIAM A. MUNDELL
CHAIRMAN
4 JIM IRVIN
COMMISSIONER
5 MARC SPITZER
6 COMMISSIONER

AZ CORP COMMISSION
DOCUMENT CONTROL

7
8 IN THE MATTER OF THE APPLICATION OF)
H2O, INC., FOR AN EXTENSION OF ITS) DOCKET NO. W-02234A-00-0371
9 EXISTING CERTIFICATE OF CONVENIENCE)
AND NECESSITY.)

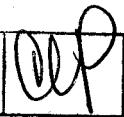
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11 IN THE MATTER OF THE APPLICATION OF)
JOHNSON UTILITIES, L.L.C., DBA JOHNSON) DOCKET NO. WS-02987A-99-0583
12 UTILITIES COMPANY FOR AN EXTENSION)
13 FOR ITS CERTIFICATE OF CONVENIENCE)
AND NECESSITY TO PROVIDE WATER AND)
14 WASTEWATER SERVICE TO THE PUBLIC IN)
THE DESCRIBED AREA IN PINAL COUNTY,)
15 ARIZONA.)

16 IN THE MATTER OF THE APPLICATION OF)
JOHNSON UTILITIES, L.L.C., DBA JOHNSON) DOCKET NO. WS-02987A-00-0618
17 UTILITIES COMPANY FOR AN EXTENSION)
18 OF ITS CERTIFICATE OF CONVENIENCE)
AND NECESSITY TO PROVIDE WATER AND)
19 WASTEWATER SERVICE TO THE PUBLIC)
IN THE DESCRIBED AREA IN PINAL COUNTY,)
20 ARIZONA.)

Arizona Corporation Commission

DOCKETED

FEB 26 2001

DOCKETED BY 

21 IN THE MATTER OF THE APPLICATION OF)
22 DIVERSIFIED WATER UTILITIES, INC. TO) DOCKET NO. W-02859A-00-0774
EXTEND ITS CERTIFICATE OF)
23 CONVENIENCE AND NECESSITY.)

24 IN THE MATTER OF THE APPLICATION OF)
25 QUEEN CREEK WATER COMPANY TO) DOCKET NO. W-01395A-00-0784
EXTEND ITS CERTIFICATE OF)
26 CONVENIENCE AND NECESSITY.) **APPLICATION TO INTERVENE**

1 Pursuant to A.A.C. R14-3-105, ARIZONA UTILITY SUPPLY & SERVICES, LLC,
2 an Arizona limited liability company ("AUSS"), hereby requests leave to intervene in these
3 matters.

4 In support of its request, AUSS respectfully states as follows:

- 5
- 6 1. Maurice Lee, the member/manager of AUSS, is an ADEQ certified wastewater and
7 potable water system operator with many years of experience in the construction and
8 operation of numerous Arizona wastewater treatment systems. He currently operates,
9 and AUSS has an option to acquire ownership of, the wastewater treatment plant for The
10 Links Estates, the location of which is depicted on Exhibit A hereto. He operated the
11 Sierra Entrada wastewater treatment plant in Apache Junction and brought it into
12 compliance with ADEQ approval.
 - 13 2. AUSS has been requested by the owners or developers of the properties depicted in
14 Exhibit A hereto to provide wastewater treatment services for their properties and to
15 obtain a certificate of convenience and necessity ("CC&N") and Pinal County franchise
16 ("Franchise") therefor. Copies of the service request letters are attached hereto as
17 Exhibit B.
 - 18 3. AUSS has been granted a Pinal County Franchise to serve a portion of these properties.
19 A copy of the Franchise is attached as Exhibit C. AUSS has pending applications for the
20 expansion of the Franchise to include all of the expansion territory depicted in Exhibit A
21 hereto.
 - 22 4. AUSS plans to file an application for a CC&N to provide sewer service for all of the
23 territory depicted in Exhibit A by or about March 1, 2001.
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5. Johnson Utilities Company ("JUC") has filed a request to extend its sewer CC&N to an area that AUSS intends to include in its application for a sewer CC&N. This area is the Pecan Ranch property located in Sections 20 and 29, Township 2 South, Range 8 East, Gila & Salt River Base & Meridian. The Pecan Ranch property is depicted in Exhibit A hereto.
6. AUSS can more economically and efficiently serve the Pecan Ranch property than can JUC. AUSS intends to phase in service to its planned CC&N area to ultimately provide a regional wastewater treatment plant that will serve a large area, including the Pecan Ranch, at relatively low cost and eliminate the numerous smaller subdivision wastewater treatment plants that otherwise would be required. The regional plant will be state of the art, protecting the environment while providing the highest level of service to the area.
7. AUSS plans to finance its facilities with advances in aid of construction from the developers in its service area. The developers who have already requested wastewater service from AUSS have agreed to forego any reimbursements for such advances. AUSS plans to promote this concept with other developers in its service area and pass the savings along to its customers in the form of lower rates.
8. AUSS is ready, willing and able to provide wastewater service to the Pecan Ranch property at such time as the public convenience and necessity warrant such service. Service to the Pecan Ranch property will make all of AUSS's wastewater service in the region more efficient and economical for its customers.
9. The Central Arizona Association of Governments supports the concept of having a regional wastewater plant rather than multiple smaller plants.

1 10. Only in the last few months has AUSS received expressions of interest from the
2 developers of properties near the Pecan Ranch to provide wastewater service, and only
3 in the past month has AUSS received sufficient expressions of interest in the right areas
4 to make a regional wastewater treatment plant feasible. It has only now become proper,
5 therefore, for AUSS to request to intervene in this proceeding.
6

7 11. Protection of the public interest requires that this Application be granted pursuant to
8 A.A.C. R14-3-105, which allows intervention as little as 5 days before this matter is
9 called for hearing, and that it not be barred by any artificial deadlines established in any
10 prior Procedural Order in this matter.
11

12 12. Based on the foregoing, AUSS is an interested party directly and substantially affected
13 by this proceeding and is entitled to intervene in this proceeding.

14 13. The application by JUC for an extension of its sewer CC&N area and the proposed
15 Settlement Agreement among JUC and other parties raise numerous issues, including,
16 without limitation, the following:

- 17
- 18 a. Whether JUC has the financial resources to provide the facilities necessary for
19 wastewater service to the Pecan Ranch property.
 - 20 b. Whether JUC is a fit and proper entity to provide service to the Pecan Ranch
21 property.
 - 22 c. Whether JUC can best serve the Pecan Ranch property, or whether AUSS can better
23 serve such property with lower rates and better service.
 - 24 d. Whether the actual developer of the Pecan Ranch property will want JUC to be the
25 provider of wastewater service. AUSS believes that only an optionee of the Pecan
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Ranch property has requested such service from JUC, and that optionee may never own or develop the property.

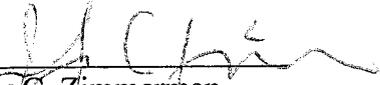
14. The granting of this application to intervene will not unduly broaden the issues in these proceedings.

15. Communications, pleadings and other documents concerning this Application to Intervene and these proceedings should be served upon:

Jeffrey C. Zimmerman, Esq.
Brad K. Keogh, Esq.
Moyes Storey Ltd.
3003 N. Central Ave., Suite 1250
Phoenix, Arizona 85012

RESPECTFULLY SUBMITTED this 26th day of February, 2001.

MOYES STOREY LTD.

By 
Jeffrey C. Zimmerman
Brad K. Keogh
3003 N. Central Ave., Suite 1250
Phoenix, Arizona 85012
602-604-2141
Attorneys for Applicant

PROOF OF SERVICE AND
CERTIFICATE OF MAILING

I hereby certify that on this 26th day of February, 2001, I caused the foregoing document to be served on the Arizona Corporation Commission by hand-delivering the original and ten (10) copies of said document to:

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

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and copies of the foregoing were
mailed this 21st day of February
2001, to:

Marc E. Stern
Administrative Law Judge
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Christopher Kempley, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Deborah R. Scott
Utilities Division Director
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

William P. Sullivan, Esq.
Martinez & Curtis
2712 N. 7th St.
Phoenix, AZ 85006

Charles A. Bischoff
Jorden & Bischoff
4201 N. 24th St. Suite 300
Phoenix, AZ 85016
Attorney for Queen Creek Water Co.

Thomas H. Campbell
Gregory Y. Harris
Lewis & Roca
40 N. Central Ave.
Phoenix, AZ 85004
Attorneys for Johnson Utilities Company

Norman D. James
Jay Shapiro
Karen E. Errant

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Fennemore Craig
3003 N. Central Ave. #2600
Phoenix, AZ 85012
Attorneys for H2O, Inc.

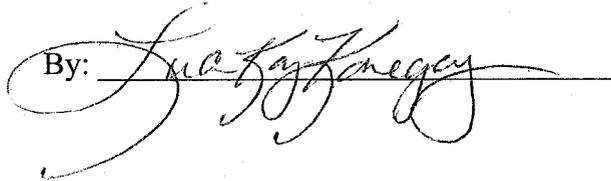
Richard N. Morris
Brenda Burman
Salmon, Lewis & Weldon, P.L.C.
4444 North 32nd Street, Suite 200
Phoenix, Arizona 85018
Attorneys for LeSuer Investments, et al.

Kathy Aleman, Manager
Wolfcor, LLC & Wolfkin Farms
Southwest Properties, Inc.
3850 E. Baseline Road, Suite 123
Mesa, Arizona 85206

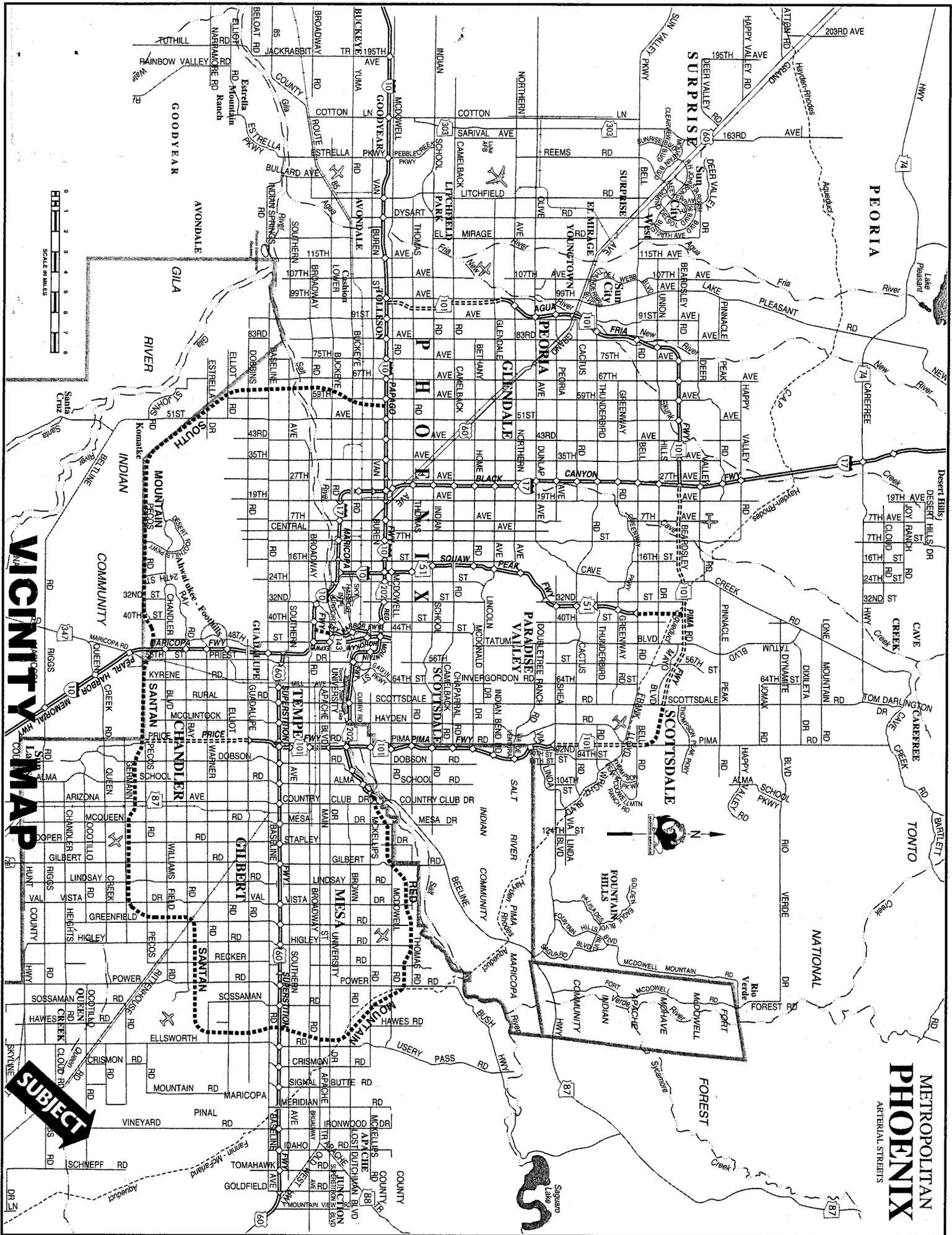
Dick Maes, Project Manager
Vistoso Partners, LLC
1121 W. Warner Road, Suite 109
Tempe, Arizona 85284

Petra Schadeberg
Pantano Development Limited Partnership
3408 North 60th Street
Phoenix, Arizona 85018-6702
Intervenor

Diversified Water Utilities, Inc.
P.O. Box 17357
Phoenix, Arizona 85011

By: 

A



VICINITY MAP

SUBJECT

PEORIA

METROPOLITAN PHOENIX
ARTERIAL STREETS

SURPRISE

PHOENIX

SCOTTSDALE

PARADISE VALLEY

SOUTH MOUNTAIN

COMMUNITY

GILBERT

MESA

SANTAN

FOREST LAKE

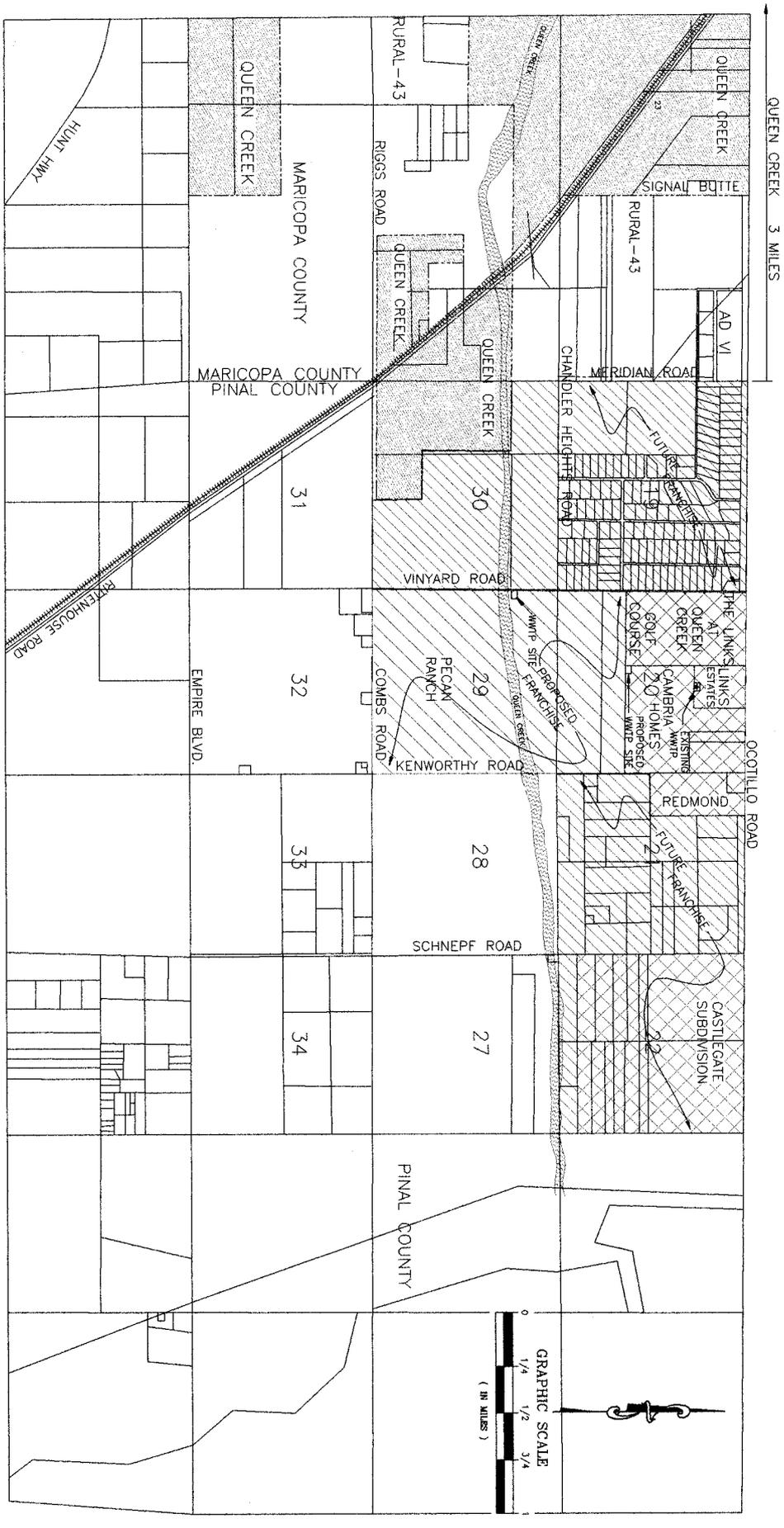


EXHIBIT 'A'

1 OF 2

ARIZONA UTILITY SUPPLY & SERVICES, LLC

MASTER SEWER PLAN

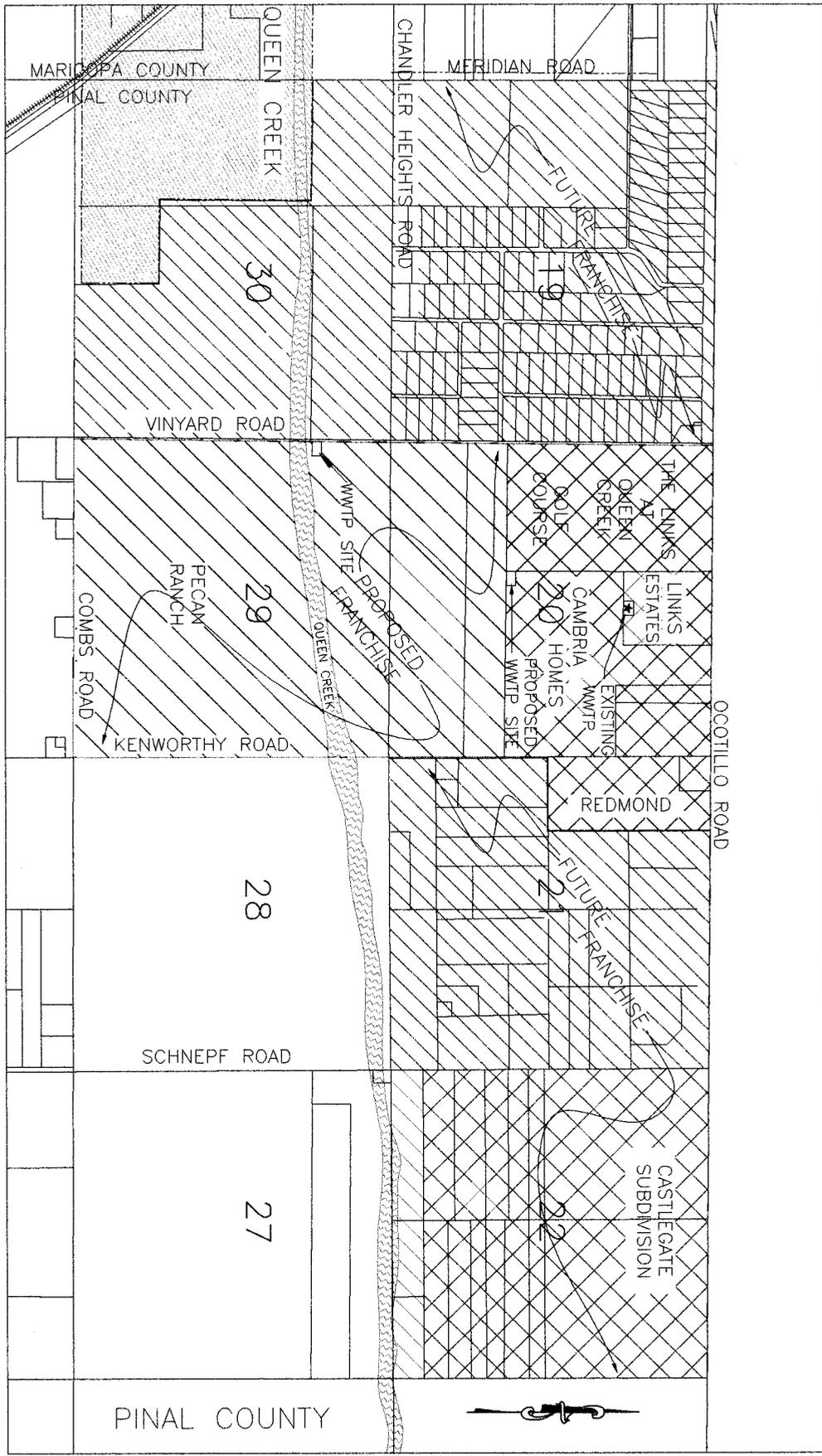


LEGEND

- EXISTING FRANCHISE (WITH REQUEST LETTERS)
- PECAN RANCH (PROPOSED FRANCHISE HEARING 3/21/01)
- PROPOSED FRANCHISE (WITH REQUEST LETTERS)
- PROPOSED FRANCHISE

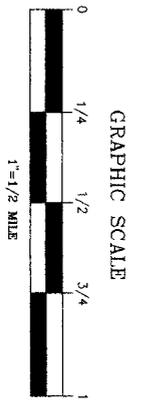
A PORTION OF TOWNSHIP 2 SOUTH,
 RANGE 8 EAST OF THE GILA AND
 SALT RIVER BASE AND MERIDIAN,
 PINAL COUNTY, ARIZONA.

EXHIBIT 'A'
2 OF 2
ARIZONA UTILITY SUPPLY & SERVICES, LLC
MASTER SEWER PLAN



LEGEND

-  EXISTING FRANCHISE (WITH REQUEST LETTERS)
-  PECAN RANCH (PROPOSED FRANCHISE HEARING 3/21/01)
-  PROPOSED FRANCHISE (WITH REQUEST LETTERS)
-  PROPOSED FRANCHISE



A PORTION OF TOWNSHIP 2 SOUTH,
RANGE 8 EAST OF THE GILA AND
SALT RIVER BASE AND MERIDIAN,
PINAL COUNTY, ARIZONA.

B

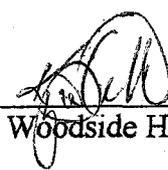
December 15, 2000

To Whom it Concerns:

Arizona Utility Supply & Services, LLC and/or assignee is applying for a franchised area in Pinal County, Arizona to serve certain properties with sewer treatment and collection service. Woodside Homes Sales Corporation or assignee hereby request that our property as described herein as "Exhibit A" be included in the franchised area that Arizona Utility Supply & Services, LLC is applying for.

Woodside Homes Sales Corporation or assignee also request that their property as described herein be included in the "Certificate of Convenience and Necessity" as granted by Arizona Corporation Commission for Arizona Utility Supply & Services, LLC and/or assignee

BY:



Its

Dev. Director

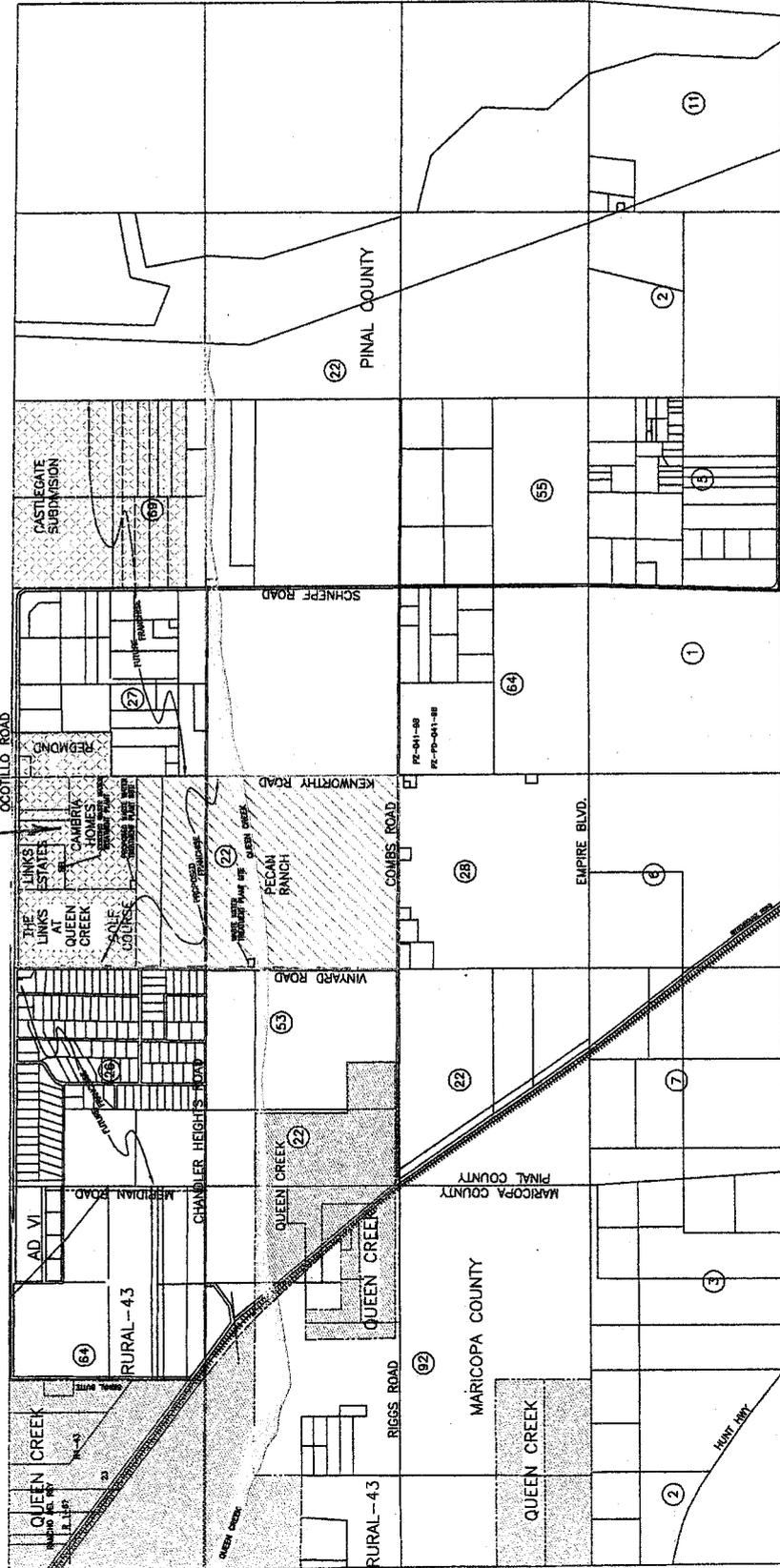
Date:

12/21/02

For Woodside Homes Sales Corporation

ARIZONA UTILITY SUPPLY & SERVICES, LLC MASTER SEWER PLAN

Woodside Homes



May 10, 2000

LEGAL DESCRIPTION FOR
CAMBRIA
CR-3 RESIDENTIAL ZONING PARCEL

Tract D and a part of Tract C, "The Links Estates Unit 1", recorded in Cabinet B, Slide 101, Pinal County Records, and a part of the Southwest Quarter of Section 20, Township 2 South, Range 8 East, of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

Beginning at the North Quarter-Corner of said Section 20;

Thence North 89°46'52" East, along the North line of the Northeast Quarter of said Section 20, a distance of 398.92 feet to the True Point of Beginning;

Thence continuing North 89°46'52" East, along said North line, a distance of 921.12 feet to the Northwest corner of the Northeast Quarter of the Northeast Quarter of said Section 20;

Thence South 00°00'10" West, along the West line of the East Half of the Northeast Quarter of said Section 20, a distance of 1,650.57 feet to the Southwest corner of the North Half of the North Half of the Southeast Quarter of the Northeast Quarter of said Section 20;

Thence North 89°46'37" East, along the South line of the North Half of the North Half of the Southeast Quarter of the Northeast Quarter of said Section 20, a distance of 1,320.47 feet to the Southeast corner of the North Half of the North Half of the Southeast Quarter of the Northeast Quarter of said Section 20;

Thence South 00°00'43" East, along the East line of the Northeast Quarter of said Section 20, a distance of 990.28 feet to the East Quarter-corner of said Section 20;

Thence South 00°00'37" East, along the East line of the Southeast Quarter of said Section 20, a distance of 660.22 feet to the Southeast corner of the North Half of the North Half of the Southeast Quarter of said Section 20;

Thence South 89°46'12" West, along the South line of the North Half of the North Half of the Southeast Quarter of said Section 20, a distance of 2,441.85 feet to a point on a line which is parallel with the West line of the Southwest Quarter of said Section 20;

Thence North 00°00'29" East, along said parallel line, a distance of 79.73 feet to a point on the South line of a 15.00 foot wide access strip and wellsite recorded in Docket 1932, Page 269, Pinal County Records;

Thence, along the boundary of said 15.00 foot wide access strip and wellsite, the following courses:

Legal Description for
Cambria
CR-3 Residential Zoning Parcel
May 10, 2000
Page 2 of 3

Thence North 89°46'12" East, a distance of 1,991.83 feet;
Thence South 00°00'37" East, a distance of 2.01 feet;
Thence North 89°46'12" East, a distance of 100.00 feet;
Thence North 00°00'37" West, a distance of 100.00 feet;
Thence South 89°46'12" West, a distance of 100.00 feet;
Thence South 00°00'37" East, a distance of 82.99 feet;

Thence South 89°46'12" West, a distance of 1,991.82 feet to a point on a line which is parallel with the West line of the Southwest Quarter of said Section 20;

Thence South 00°00'29" West, along said parallel line, a distance of 1.63 feet to a point on a line which is parallel with the North line of the Northeast Quarter of said Section 20;

Thence South 89°46'52" West, along said parallel line, a distance of 199.91 feet to a point on a line which is parallel with the North line of the Northwest Quarter of said Section 20;

Thence South 89°46'27" West, along said parallel line, a distance of 540.38 feet;

Thence North 00°13'33" West, a distance of 128.56 feet;
Thence North 45°06'50" West, a distance of 35.42 feet;

Thence South 89°59'54" West, a distance of 343.90 feet to the East line of Golf Course Tract Q, shown on said "The Links Estates Unit 1";

Thence North 00°00'29" East, along said East line of Golf Course Tract Q, being parallel with the West line of the Southwest Quarter of said Section 20, a distance of 412.28 feet;

Thence North 00°00'06" West, continuing along said East line of Golf Course Tract Q, being parallel with the West line of the Northwest Quarter of said Section 20, a distance of 1,544.52 feet;

Thence South 79°03'31" East, a distance of 699.63 feet;
Thence North 00°00'16" West, a distance of 155.03 feet;
Thence South 89°07'26" East, a distance of 313.95 feet;
Thence North 00°00'06" West, a distance of 16.36 feet;

Thence North 89°59'29" East, a distance of 109.00 feet to a point on a line which is parallel with the West line of the Northwest Quarter of said Section 20;

Legal Description for
Cambria
CR-3 Residential Zoning Parcel
May 10, 2000
Page 3 of 3

Thence North 00°00'06" West, along said parallel line, a distance of 784.13 feet to a point on a line which is parallel with the North line of the Northeast Quarter of said Section 20;

Thence North 89°46'52" East, along said parallel line, a distance of 200.00 feet to a point on a line which is parallel with the West line of the Northwest Quarter of said Section 20;

Thence North 00°00'06" West, along said parallel line, a distance of 282.97 feet to the True Point of Beginning.

Containing 184.415 Acres, more or less.



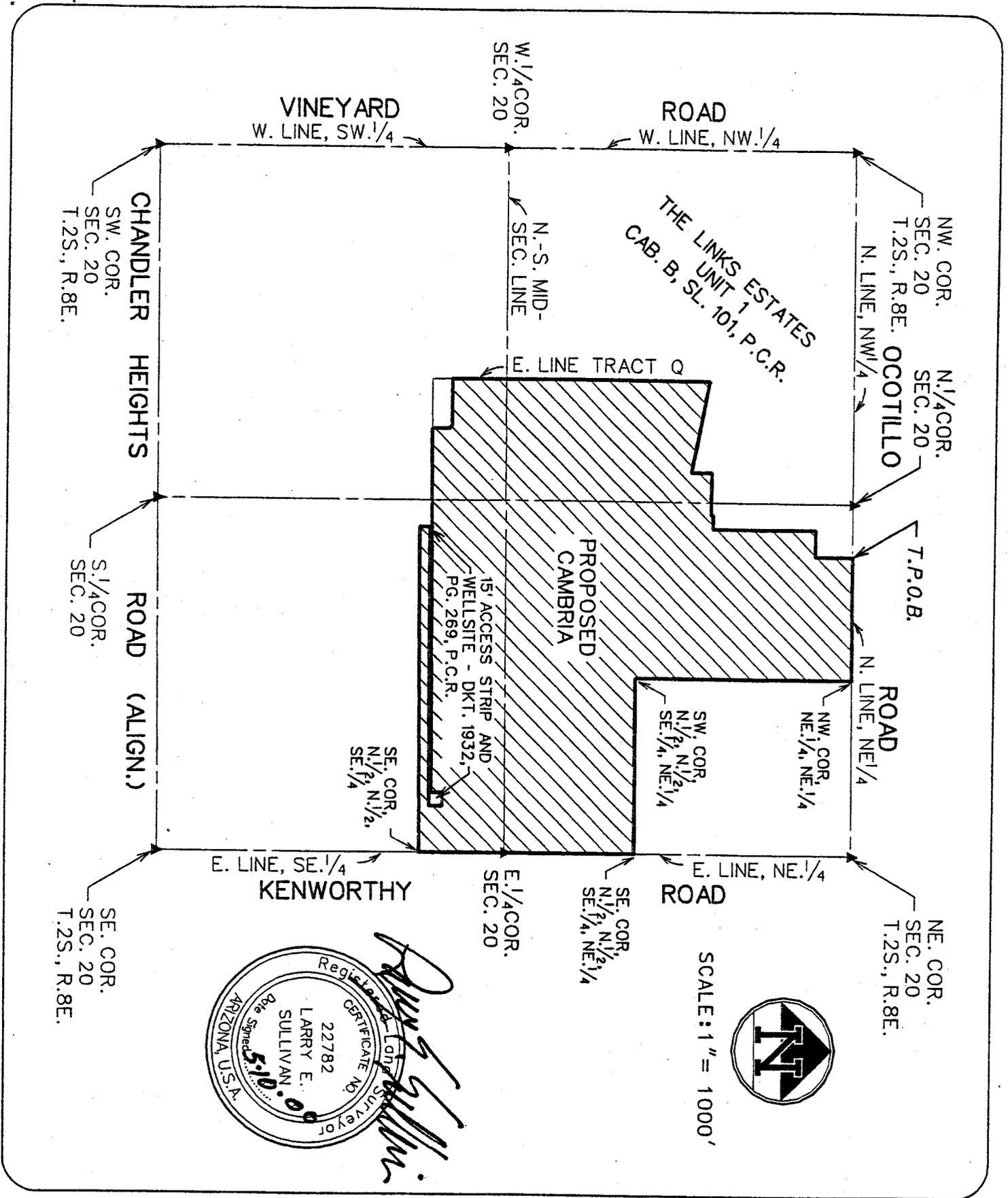


EXHIBIT	CAMBRIA CR-3 RESIDENTIAL ZONING PARCEL	JOB NO 000014
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 1 OF 1

May 10, 2000

LEGAL DESCRIPTION FOR
CAMBRIA
WASTEWATER TREATMENT SITE
CI-2 INDUSTRIAL ZONING PARCEL

That part of the Southwest Quarter of Section 20, Township 2 South, Range 8 East, of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

Commencing at the West Quarter-Corner of said Section 20;

Thence North 89°46'27" East, along the East-West mid-section line of said Section 20, a distance of 1,733.19 feet to the East line of Golf Course Tract Q, "The Links Estates Unit 1", recorded in Cabinet B, Slide 101, Pinal County Records;

Thence South 00°00'29" West, along said East line of Golf Course Tract Q, being parallel with the West line of the Southwest Quarter of said Section 20, a distance of 412.28 feet to the True Point of Beginning;

Thence North 89°59'54" East, a distance of 343.90 feet;
Thence South 45°06'50" East, a distance of 35.42 feet;

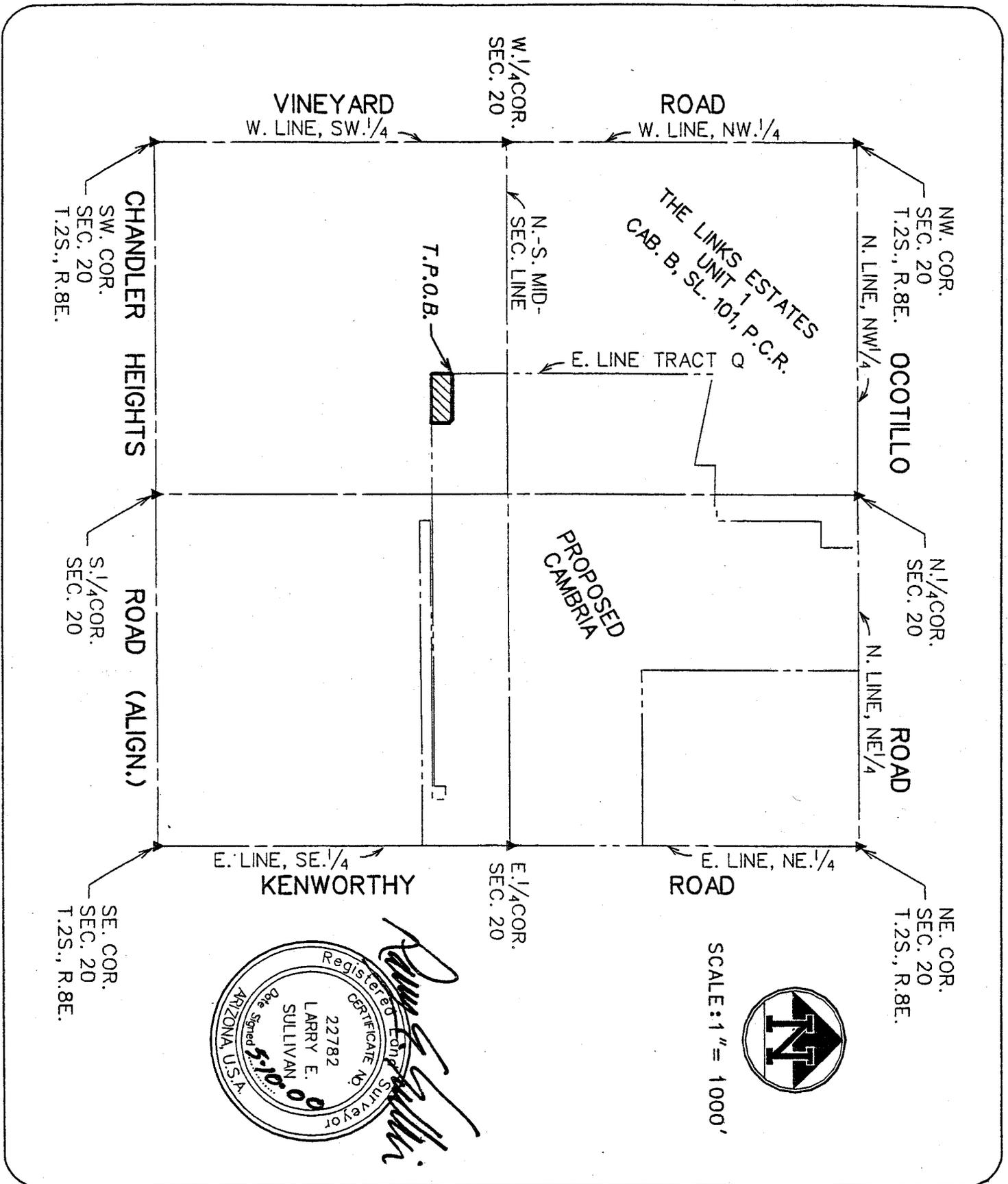
Thence South 00°13'33" East, a distance of 128.56 feet to a point on a line which is parallel with the North line of the Northwest Quarter of said Section 20;

Thence South 89°46'27" West, along said parallel line, a distance of 369.53 feet to the East line of said Golf Course Tract Q;

Thence North 00°00'29" East, along said East line of Golf Course Tract Q, being parallel with the West line of the Southwest Quarter of said Section 20, a distance of 155.00 feet to the True Point of Beginning.

Containing 1.300 Acres, more or less.





Registered Professional Surveyor
 LARRY E. SULLIVAN
 22782
 Date Signed 5-10-00
 ARIZONA, U.S.A.

Larry E. Sullivan



SCALE: 1" = 1000'

EXHIBIT	CAMBRIA - WASTEWATER TREATMENT SITE CI-2 INDUSTRIAL ZONING PARCEL	JOB NO 000014
		SHEET 1 OF 1
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	

November 15, 2000

To Whom it Concerns:

Arizona Utility Supply & Services, LLC is applying for a franchised area in Pinal County, Arizona to serve certain properties with sewer treatment and collection service. As owners of the below described property, Madison Diversified, hereby request that our property as described herein be included in the franchised area that Arizona Utility Supply & Services, LLC is applying for.

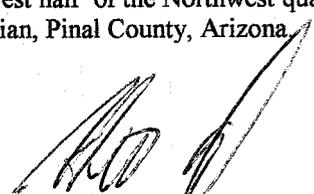
Madison Diversified also request that their property as described herein be included in the "Certificate of Convenience and Necessity" as granted by Arizona Corporation Commission for Arizona Utility Supply & Services, LLC.

LEGAL DESCRIPTION

Parcel No. 1

The west half of the Northwest quarter of Section 21, Township 8 East of the Gila & Salt River Base and Meridian, Pinal County, Arizona.

BY:



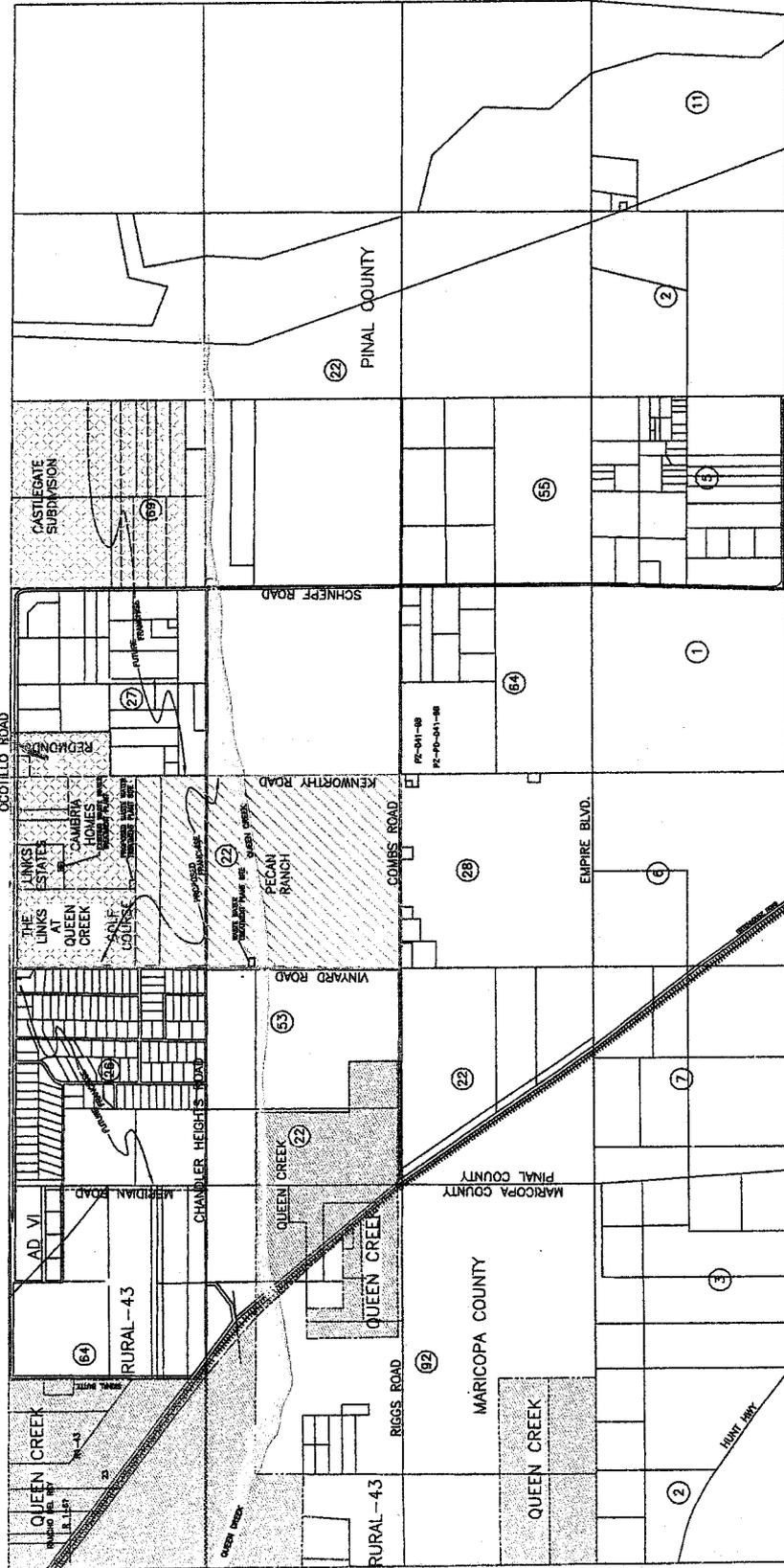
Its Vice-Pres. Date: Nov. 16, 2000

For Madison Diversified 302 COEP.

EXHIBIT A

ARIZONA UTILITY SUPPLY & SERVICES, LLC MASTER SEWER PLAN

Madison Diversified 802 Corp.



February 22, 2001

To Whom it Concerns:

Arizona Utility Supply & Services, LLC and/or assignee is applying for a franchised area in Pinal county, Arizona to serve certain properties with sewer treatment and collection service. The Links at Ocotillo Home Owners Association hereby request that their subdivision as described as "Exhibit A", also known as The Links Estates Phase One, be included in the franchised area that Arizona Utility Supply & Services, LLC is applying for.

The Links at Ocotillo Home Owners Association also request that their property as described herein be included in the "Certificate of Convenience and Necessity" as granted by Arizona Corporation Commission for Arizona Utility Supply & Services, LLC and/or assignee. It is also understood that the 72 lots of The Links Estates Phase One shall have sewer service at no cost to the home owners

By: Stephen A. Kohner its Pres. Date 2-23-01
The Links at Ocotillo Home Owners Association

By: Marcia Lee its Mgr Date 2/20/01
Arizona Utility Supply & Services, LLC

December 29, 2000

LEGAL DESCRIPTION FOR
CAMBRIA
OFFSITE SANITATION PERMIT AREA

That part of "The Links Estates Unit 1", recorded in Cabinet B, Slide 101, Pinal County Records, and that part of the North Half of Section 20, Township 2 South, Range 8 East, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Beginning at the North Quarter-Corner of said Section 20;

Thence North 89°46'52" East, along the North line of the Northeast Quarter of said Section 20, a distance of 398.92 feet;

Thence South 00°00'06" East, a distance of 282.97 feet;
Thence South 89°46'52" West, a distance of 200.00 feet;
Thence South 00°00'06" East, a distance of 784.13 feet;
Thence South 89°59'29" West, a distance of 109.00 feet;
Thence South 00°00'06" East, a distance of 16.36 feet;
Thence North 89°07'26" West, a distance of 313.95 feet;
Thence South 00°00'16" East, a distance of 155.03 feet;

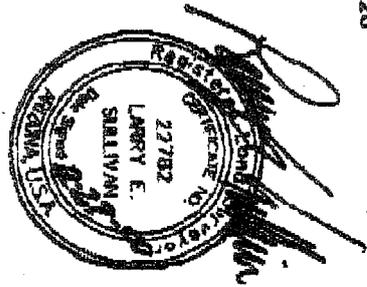
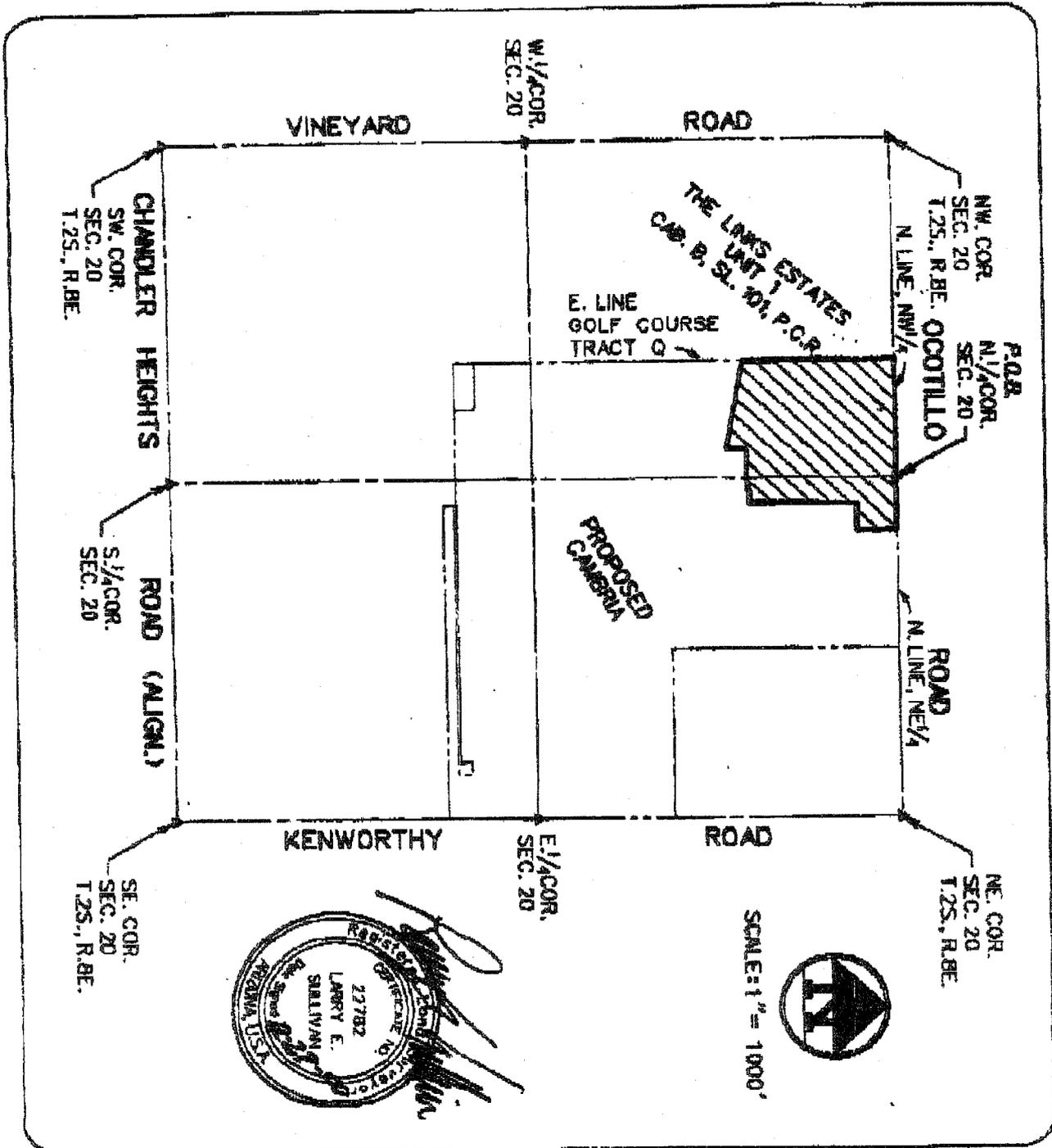
Thence North 79°03'31" West, a distance of 699.63 feet to the East line of Golf Course Tract Q, as shown on said "The Links Estates Unit 1";

Thence North 00°00'06" West, along said East line of Golf Course Tract Q and the Northerly extension thereof, a distance of 1,096.56 feet to the North line of the Northwest Quarter of said Section 20;

Thence North 89°46'27" East, along said North line, a distance of 910.90 feet to the Point of Beginning.

Containing 30.112 Acres, more or less.





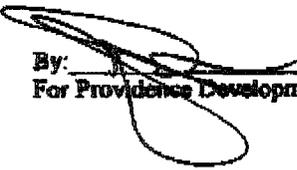
<p>EXHIBIT N:\000014\LAND\EHSA\NFMT.DGN 4850 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831</p>	<p>CAMBRIA OFFSITE SANITATION PERMIT AREA COE & VAN LOO</p>	<p>JOB NO 000014 SHEET 1 of 1</p>
---	---	--

February 22, 2001

To Whom it Concerns:

Arizona Utility Supply & Services, LLC and/or assignee is applying for a franchised area in Pinal county, Arizona to serve certain properties with sewer treatment and collection service. Providence Development, Inc. hereby request that their property along with the property of Victory Development, LLC and Summer Ridge, LLC as described herein as "Exhibit A", also known as Castlegate Development, be included in the franchised area that Arizona Utility Supply & Services, LLC is applying for.

Providence Development, Inc. or assignee also request that their property as described herein be included in the "Certificate of Convenience and Necessity" as granted by Arizona Corporation Commission for Arizona Utility Supply & Services, LLC and/or assignee.

By:  _____
For Providence Development, Inc.

its Printed

Date 22 Feb. 2001

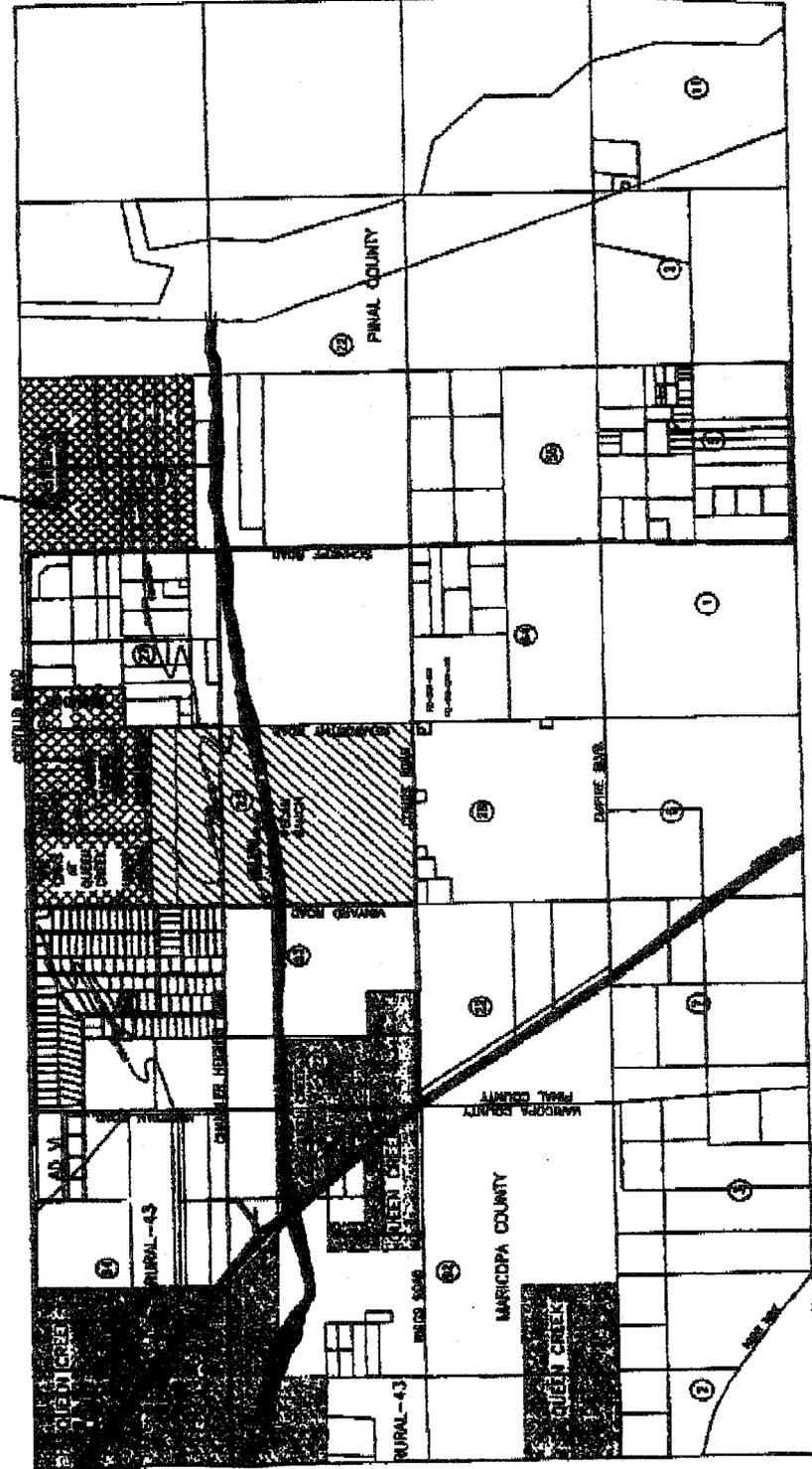
LEGAL DESCRIPTION

All of Section 22 except the south 330 feet in Township 2 south, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona

EXHIBIT A

ARIZONA UTILITY SUPPLY & SERVICES, LLC MASTER SEWER PLAN

- (Victory Development, LLC
- (Summer Ridge, LLC
- (Providence Development, Inc

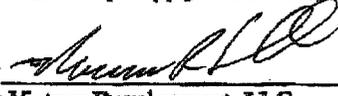


February 22, 2001

To Whom it Concerns:

Arizona Utility Supply & Services, LLC and/or assignee is applying for a franchised area in Pinal county, Arizona to serve certain properties with sewer treatment and collection service. Victory Development, LLC hereby request that their property along with the property of Providence Development, Inc. and Summer Ridge, LLC as described herein as "Exhibit A", also known as Castlegate Development, be included in the franchised area that Arizona Utility Supply & Services, LLC is applying for.

Victory Development, LLC or assignee also request that their property as described herein be included in the "Certificate of Convenience and Necessity" as granted by Arizona Corporation Commission for Arizona Utility Supply & Services, LLC and/or assignee.

By: 
For Victory Development, LLC

its

V.P.

Date

2/23/01

LEGAL DESCRIPTION

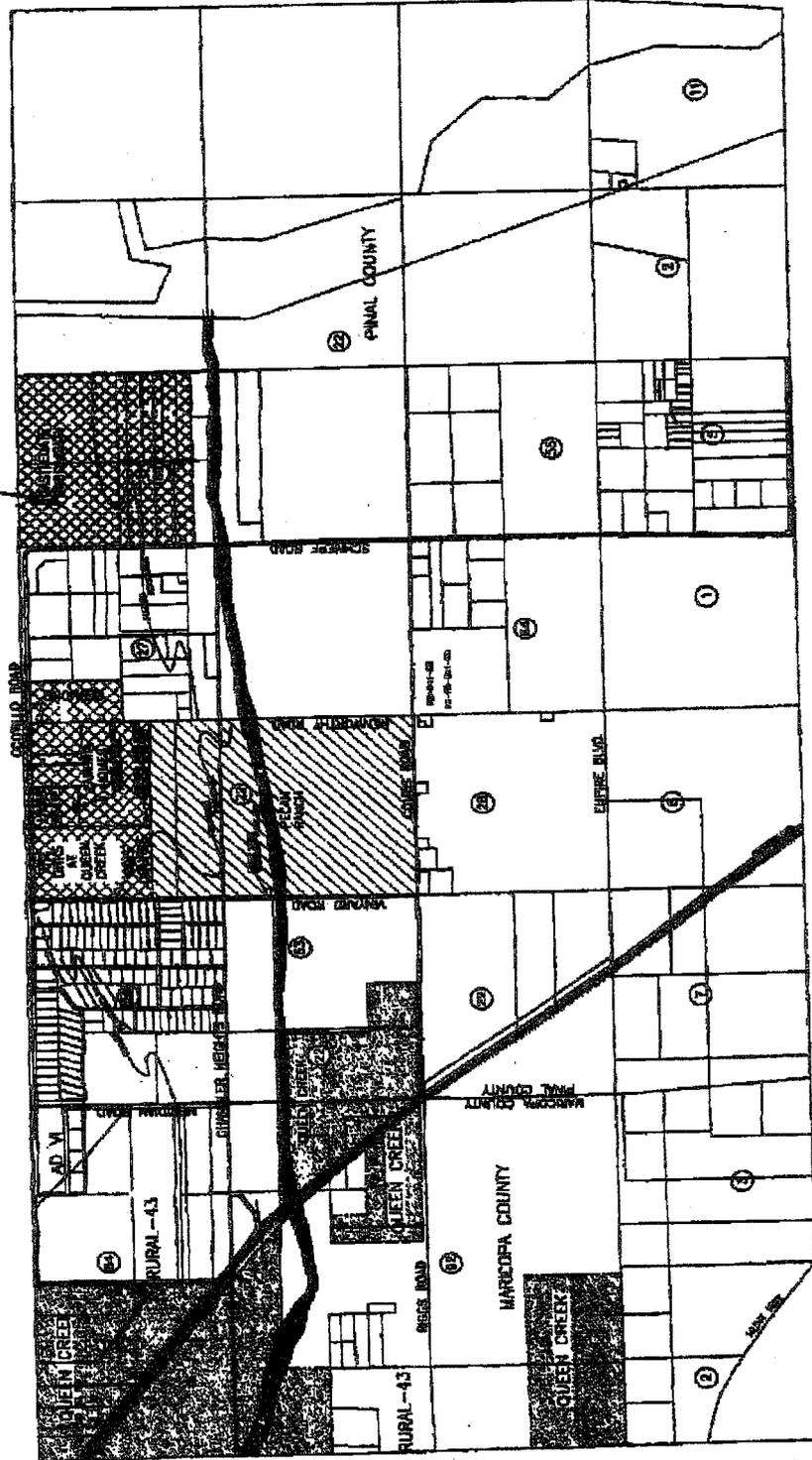
All of Section 22 except the south 330 feet in Township 2 south, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona

EXHIBIT A

ARIZONA UTILITY SUPPLY & SERVICES, LLC

MASTER SEWER PLAN

(Victory Development, LLC
(Summer Ridge, LLC
(Providence Development, Inc



February 22, 2001

To Whom it Concerns:

Arizona Utility Supply & Services, LLC and/or assignee is applying for a franchised area in Pinal county, Arizona to serve certain properties with sewer treatment and collection service. Summer Ridge, LLC hereby request that their property along with the property of Providence Development, Inc. and Victory Development, LLC as described herein as "Exhibit A", also known as Castlegate Development, be included in the franchised area that Arizona Utility Supply & Services, LLC is applying for.

Summer Ridge, LLC or assignee also request that their property as described here in be included in the "Certificate of Convenience and Necessity" as granted by Arizona Corporation Commission for Arizona Utility Supply & Services, LLC and/or assignee.

By: MS its MGR Date 2/24/01
For Summer Ridge, LLC

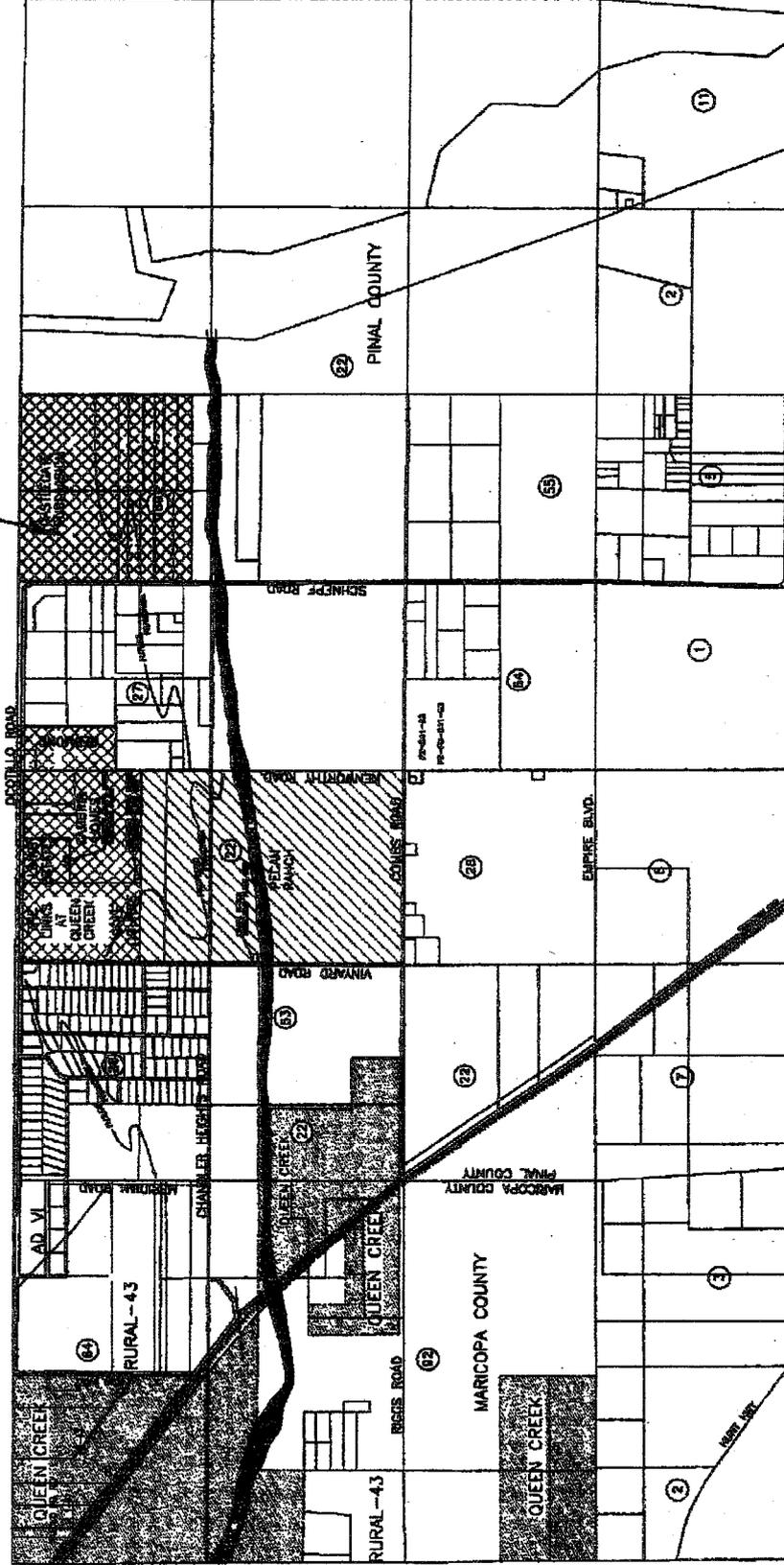
LEGAL DESCRIPTION

All of Section 22 except the south 330 feet in Township 2 south, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona

EXHIBIT A

ARIZONA UTILITY SUPPLY & SERVICES, LLC MASTER SEWER PLAN

- (Victory Development, LLC
- (Summer Ridge, LLC
- (Providence Development, Inc

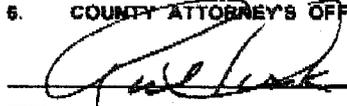


C

AGENDA FORM FOR PINAL COUNTY BOARD of SUPERVISORS

Budgeted: N/A
 Generates Revenue for County: Yes
 Revenue Generated: N/A
 Uses County Funds: No
 Source of Funds: N/A
 Cost to County: N/A
 Reduces/Contains: N/A
 Expenditure Reduced:/Contained: N/A

Competitive negotiations (PC1-347 D1) N/A
 Two step competitive negotiation (PC1-347 D2) N/A
 Review of Qualifications (PC1-347D3) N/A
 Multi step sealed bidding (PC1-326) N/A
 Intergovernmental Agreement (PC1-1003) N/A
 Competitive sealed proposals RFP (PC1-329) N/A
 Expenditures for County: Other (PC1-____) N/A

1. REQUESTED BY: Fund No: <u>10</u> Dept No: <u>1037</u> Dept. Name: <u>Special Services</u> Director: <u>Gary Medina</u>	
2. BRIEF DESCRIPTION OF AGENDA ITEM AND REQUESTED BOARD ACTION: <u>Agenda Item for February 14, 2001</u> <u>9:30 a.m. PUBLIC HEARING to consider, discuss, approve or disapprove the creation of the Arizona Utility Supply & Services, LLC Sewer Franchise, located in Sections 20, 29, and the W1/2 of the N1/2 of Section 21, T2S, R8E, G&SRB&M, Pinal County.</u>	
3. MOTION: <u>It is moved that the Pinal County Board of Supervisors . . .</u> SUGGESTED MOTION: <u>Approve the creation of the Arizona Utility Supply & Services, LLC Sewer franchise area and further move that the Board authorize its Chairman and Clerk to execute the documents as presented.</u>	
4. DEPARTMENT: <u>Gary P. Medina</u> <u>1-17-01</u> Action recommended by Date	7. DEPUTY COUNTY MANAGER:  <u>1/31/01</u> Date Approve <input checked="" type="checkbox"/> Disapprove <input type="checkbox"/>
5. GRANTS AND CONTRACTS ADMINISTRATOR: _____ Date Approve <input type="checkbox"/> Disapprove <input type="checkbox"/>	8. PURCHASING DEPARTMENT: _____ Date Approve <input type="checkbox"/> Disapprove <input type="checkbox"/>
6. COUNTY ATTORNEY'S OFFICE:  <u>2/1/01</u> Date <input type="checkbox"/> Approved as to form and within the powers and authority granted under the laws of the State of Arizona to the Pinal County Board of Supervisors.	9. FINANCE OFFICE: _____ Date Approve <input type="checkbox"/> Disapprove <input type="checkbox"/>
10. COUNTY MANAGER: _____ Date APPROVE <input type="checkbox"/> DISAPPROVE <input type="checkbox"/>	
11. BOARD OF SUPERVISORS: Action Taken: <input checked="" type="checkbox"/> Approve <input type="checkbox"/> Amend <input type="checkbox"/> Disapprove <input type="checkbox"/> Delete	
CHAIRMAN: <u>James B. Tarr</u> <u>2-14-01</u> Date	
CLERK OF THE BOARD:  <u>2-14-01</u> Date	

Creation Of The Arizona Utility Supply & Services, LLC Sanitary Sewer Franchise

WHEREAS, Arizona Utility Supply & Services, LLC, a(n) Arizona corporation, duly authorized to conduct business in the State of Arizona, has duly filed and presented to the Board of Supervisors of the County of Pinal, State of Arizona, its application for a new public utility franchise for the purpose of constructing, operating and maintaining a sewer system and related appurtenances along, under and across the public streets, alleys and highways, except federal and state highways, within the unincorporated area of Pinal County, Arizona, as described in the Public Notice of the creation hearing attached hereto as Exhibit "A."

WHEREAS, upon Arizona Utility Supply & Services, LLC's filing of an application for the public utility franchise (hereinafter "Application"), the Board of Supervisors of Pinal County ordered a public notice of its intent to consider the granting of the public utility franchise to be published in a newspaper of general circulation, in Pinal County, Arizona, stating the time and place for consideration of the Application was set for 9:30 a.m. on Wednesday, February 14, 2001, at the Pinal County Board of Supervisors' Hearing Room, Administration Building No. 1, Florence, Arizona.

WHEREAS, said Application having come on regularly for hearing at 9:30 a.m. on Wednesday, February 14, 2001; and it appearing from the affidavit of the publisher of the Florence Reminder and Blade Tribune that due and regular notice of said time and place set for the consideration of such action has been published for at least once a week for three consecutive weeks prior to said hearing date, to-wit: in the issues of the Florence Reminder and Blade Tribune on January 25, 2001; February 1, 2001; and February 8, 2001; and the matter being called for hearing at 9:30 a.m. on February 14, 2001, and an opportunity having been given to all interested parties to be heard.

WHEREAS, the Board of Supervisors of Pinal County has the power to create a sewer franchise under its general police powers in such matters.

NOW, THEREFORE,

Section 1: DEFINITIONS

The following terms used in this Franchise shall have the following meanings:

A. County: Pinal County, Arizona

- B. Board: Board of Supervisors of Pinal County, Arizona.
- C. Grantor: Pinal County, by and through its Board of Supervisors
- D. Grantee: Arizona Utility Supply & Services, LLC, a(n) Arizona corporation, its successors and assigns
- E. Grantee's Facilities: Sewer system and related appurtenances

Section 2: GRANT

A. Grantor, on February 14, 2001, hereby grants to Grantee, for a period of 25 years, this new public utility franchise (hereinafter "Franchise") for the purpose of constructing, operating and maintaining a sewer system and related appurtenances along, under and across public streets, alleys and highways, except federal and state highways, under the terms and conditions set forth herein within the unincorporated area of Pinal County, Arizona, as described in the Application (hereinafter "Franchise Area").

B. Nonexclusive Franchise.

(1) The Franchise granted hereby shall not be exclusive and shall not restrict in any manner the right of County in the exercise of any regulatory power which it now has or which may hereafter be authorized or permitted by the laws of the State of Arizona. Nothing herein shall be construed to prevent County from granting other like or similar franchises to any other person, firm or corporation. County retains and shall ever be considered as having and retaining the right and power to allow and to grant to any other person, firm, corporation or other companies, franchise rights and privileges to be exercised in and upon its public streets, alleys, highways and public places, and such of the same and parts thereof as County may deem best or choose to allow, permit, give or grant.

(2) Nothing herein shall be construed to prevent County and its proper authorities from constructing and installing a sewer system, or improvements to its public highways, streets and alleys, and for that purpose, to require the Grantee at Grantee's own expense to remove Grantee's facilities to conform thereto and facilitate the same.

C. Reservation of Rights.

(1) County reserves the right to alter and amend the Franchise at any time and in any manner necessary for the safety or welfare of the public or to protect the public interests, and County reserves the right to impose at any time restrictions and limitations upon the use of the public streets, alleys and highways as County deems best for the public safety or welfare.

(2) County expressly reserves the right, after due notice to grantee, to modify, amend, alter, change or eliminate any of the provisions of the Franchise which may become obsolete or impractical; and to impose such additional conditions upon the grantee as may be just and

reasonable, such conditions to be those deemed necessary for the purpose of insuring adequate service to the public; provided however, County shall not modify, amend, alter, change or eliminate any of said provisions until after a public hearing, if such is legally required or requested by grantee.

Section 3: RENEWAL/SUBSEQUENT APPLICATION/REMOVAL OF SYSTEM

A. The Franchise herein granted shall expire on February 14, 2026; and upon its termination, Grantee shall cease to exercise under the terms of the Franchise the privileges herein granted. In the event Grantee desires a renewal of the Franchise herein granted, or a new franchise for a subsequent period, Grantee shall apply to and open negotiations with County for that purpose at least six (6) months before the expiration of the Franchise herein granted; but nothing herein shall be construed to bind County to grant such renewal or subsequent franchise.

B. Upon termination of the Franchise the grantee shall remove its facilities from the streets, alleys, ways, highways and bridges within the Franchise Area and shall restore the areas to their original condition. If such removal is not completed within six months of such termination, County may deem any property not removed as having been abandoned.

Section 4: REGULATION

Grantee, its successors and assigns shall be subject to reasonable regulations for the maintenance by grantee, its successors and assigns, of such portion of the public streets, alleys and highways altered, damaged or destroyed by Grantee, its agents or employees in exercising the privileges granted by the Franchise.

Section 5: CONSTRUCTION, INSTALLATION AND REPAIRS

A. Prior to the beginning of any construction for installation of the sewer system and related appurtenances, the Grantee, its successors and assigns will submit a plan of proposed construction to the Pinal County Engineer and will not commence any construction until the plan of construction is approved by the County Engineer or his designate.

B. All work performed by Grantee under the Franchise shall be done in the manner prescribed by County and subject to the supervision of County, and in strict compliance with all laws, ordinances, rules and regulations of federal, state and local governments.

C. No construction, reconstruction, repair, or relocation under the Franchise shall be commenced until written permits have been obtained from the proper county officials. In any permit so issued, such officials may impose such conditions and regulations as a condition of the granting of the same as are necessary for the purpose of protecting any structures in the highways or streets and for the proper restoration of such highways, streets and structures, and for the protection of the public and the continuity of pedestrian and vehicular traffic.

D. No construction under the Franchise by grantee shall impose upon County the duty to maintain any public street, alley or highway unless County accepts said public street, alley or highway into the county maintenance system as provided by law.

Section 6: INSPECTION

County shall, if it deems it necessary, have the right to inspect the construction, operation and maintenance of Grantee's facilities to insure the proper performance of the terms of the Franchise granted herein.

Section 7: SUFFICIENCY, LOCATION AND MAINTENANCE

All of Grantee's Facilities shall be in all respects adequate, efficient, substantial and permanent in design and workmanship, and shall be so located, erected and maintained so as not to interfere with the use and enjoyment of the public streets, alleys and highways. All of Grantee's Facilities erected by Grantee shall be maintained in a safe, suitable, substantial condition and in good order and repair.

Section 8: EXPANSION

Grantee will, from time to time, during the term of the Franchise make such enlargements and extensions of its water system as are necessary to adequately provide for the requirements of County and the inhabitants of the Franchise Area; provided that nothing herein shall compel Grantee to expand or enlarge its system beyond the economic and operating limits thereof. Such enlargements and extensions shall be made in accordance with company rules and regulations.

Section 9: RELOCATION

A. During the term of the Franchise whenever County or any qualified authority having jurisdiction in the Franchise Area alters, repairs, improves, or changes the grade of, any public streets, alleys and highways in the Franchise Area during the term of the Franchise, then and in such event, Grantee, its successors or assigns, at its own expense, shall promptly, upon reasonable notice, make such changes in the location, structure or alignment of its water lines and related appurtenances as the public officials in charge of such work may deem necessary.

B. After thirty (30) days notice to Grantee, of needed changes or corrections and upon the failure of Grantee, to make such changes set forth in Section 9(A) above or to correct any damage to the right-of-way of any public street, alley or highway within the Franchise Area caused directly or indirectly by Grantee, its agents, successors or assigns, County or its successors shall have the right to make such changes or corrections at the expense of said Grantee, its successors or assigns, and such expenses shall be due and payable upon written demand by County or its successors to Grantee, its successors or assigns.

Section 10: LIABILITY

A. If any streets, highways, alleys, ways, bridges, sidewalks, public place, or other public facility should be disturbed, altered, damaged or destroyed by Grantee, its employees, contractors, subcontractors or agents in the construction, installation, operation and maintenance of Grantee's Facilities under the Franchise, the same shall be promptly repaired, reconstructed, replaced or restored by Grantee, without cost to County, as soon as practicable and in as good condition as before Grantee's entry and to the satisfaction of County. If Grantee fails to make such restoration and repairs within a reasonable time as determined by County, then County may fix a reasonable

time for such restoration and repairs and shall notify Grantee in writing of the restoration and repairs required and the time fixed for the performance thereof. Upon failure of Grantee to comply within the time specified, County may cause proper restoration and repairs to be made, and the expense of such work shall be paid by Grantee upon demand by County.

B. Grantee shall be responsible to every owner of property which shall be injured by the work of construction, installation, operation or maintenance of Grantee's Facilities under the Franchise, all physical damage which shall be done to such injured property through any act or omission of Grantee, its employees, contractors, subcontractors or agents arising out of said construction, installation, operation or maintenance.

C. It is a condition of the Franchise that County shall not and does not by reason of the Franchise assume any liability of the Grantee whatsoever for injury to persons or damage to property.

Section 11: INDEMNIFICATION

Grantee by its acceptance of the Franchise agrees for itself, its successors and assigns that throughout the entire term of this franchise, Grantee, its successors and assigns, at its sole cost and expense, shall indemnify, defend, save and hold harmless Pinal County, its elected officers, employees and agents from any and all lawsuits, judgments and claims for injury, death and damage to persons and property, both real and personal, caused by the construction, design, installation, operation or maintenance of the sewer system or related appurtenances by Grantee within the Franchise Area. Indemnified expenses shall include, but not be limited to, litigation and arbitration expenses, and attorneys' fees.

Section 12: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE

The Franchise shall be accepted by Grantee by written instrument in the form attached hereto as Exhibit "B" (hereinafter "Acceptance"), executed and acknowledged by it as a deed is required to be, and filed with the Clerk of the Pinal County Board of Supervisors within thirty days after the date this Franchise is accepted by County. This Franchise shall be effective upon delivery of the Acceptance to the Clerk of the Pinal County Board of Supervisors in the form required and within the time specified above.

Section 13: LIMITS ON GRANTEE'S RECOURSE

A. Grantee by its acceptance of the Franchise acknowledges such acceptance relies upon grantee's own investigation and understanding of the power and authority of the County to grant said franchise. Grantee by its acceptance of the Franchise accepts the validity of the terms and conditions of the Franchise in their entirety and agrees it will not, at any time, proceed against County in any claim or proceeding challenging any term or provision of the Franchise as unreasonable, arbitrary or void, or that County did not have the authority to impose such term or condition.

B. Grantee by accepting the Franchise acknowledges that it has not been induced to accept the same by any promise, verbal or written, by or on behalf of County or by any third person regarding any term or condition of the Franchise not expressed therein. Grantee by its acceptance of the

Franchise further pledges that no promise or inducement, oral or written, has been made to any employee or official of County regarding receipt of the Franchise.

C. Grantee by its acceptance of the Franchise further acknowledges that it has carefully read the terms and conditions of the Franchise and accepts without reservation the obligations imposed by the terms and conditions herein.

D. The Board's decision concerning its selection and awarding of the Franchise shall be final.

Section 14: FAILURE TO ENFORCE FRANCHISE

Grantee shall not be excused from complying with any of the terms and conditions of the Franchise by any failure of County, upon any one or more occasions, to insist upon the Grantee's performance or to seek Grantee's compliance with any one or more of such terms or conditions.

Section 15: COMPLIANCE WITH THE LAW

Grantee shall at all times, conduct its business under the Franchise in accordance with all federal, state and local laws, rules and regulations, as amended, including any future amendments thereto as may, from time to time, be adopted.

Section 16: INTERPRETATION/GOVERNING LAW

The interpretation and performance of the Franchise and of the general terms and conditions shall be in accordance with and governed by the laws of the State of Arizona.

Section 17: VENUE

Exclusive venue for any legal action to enforce the provisions, terms and conditions of the Franchise shall be the Superior Court of the State of Arizona in and for the County of Pinal, Florence, Arizona..

Section 18: SEVERABILITY

If any section, provision, term or covenant or any portion of any section, provision, term or covenant of the Franchise is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on any remaining portion of such section, provision, term or covenant or the remaining sections, provisions, terms or covenants of the Franchise, all of which will remain in full force and effect for the term of the Franchise or any renewal or renewals thereof.

Section 19: FORFEITURE

A. If Grantee fails to comply with any of the provisions of this agreement or defaults in any of its obligations hereunder, except for causes beyond the reasonable control of Grantee; and shall fail within thirty (30) days after written notice from County to commence, and within a reasonable time, complete the correction of such default or noncompliance, County shall have the right to revoke this

agreement and all rights of Grantee hereunder. In the event Grantee makes a general assignment or general arrangement for the benefit of creditors; or a trustee or receiver is appointed to take possession of substantially all of Grantee's Facilities within the Franchise Area or of Grantee's interest in this Franchise, where possession is not restored to Grantee within thirty (30) days; or Grantee's Facilities within the Franchise Area are subject to an attachment, execution or other seizure of substantially all of the Grantee's Facilities within the Franchise Area or this Franchise, where such seizure is not discharged within thirty (30) days, County may declare the Franchise, along with the Original Franchise, forfeited and terminated.

B. Nothing herein contained shall limit or restrict any other legal rights that County may possess arising from such violations.

Section 20: REVOCATION OF FRANCHISE

The Franchise may after due notice and hearing, be revoked by County for any of the following reasons:

- A. For false or misleading statements in, or material omissions from the application for and the hearing on the granting of the Franchise.
- B. For any transfer or assignment of the Franchise or control thereof without County's written consent.
- C. For failure to comply with any of the terms and conditions of the Franchise.

Section 21: ASSIGNMENT/TRANSFER

Grantee shall not assign or transfer any interest in the Franchise without the prior written consent of County. Said Board shall not unreasonably withhold its consent to a proposed transfer.

Section 22: NOTICE

Notices required under the Franchise shall be delivered or sent by certified mail, postage prepaid to:

Grantor:

Clerk of the Pinal County Board of Supervisors
P.O. Box 827
31 N. Pinal Street
Florence, Arizona 85232

Grantee:

Arizona Utility Supply & Services, LLC
4002 E. Taro Lane
Phoenix, Arizona 85050

The delivery or mailing of such notice shall be equivalent to direct personal notice and shall be deemed to have been given at the time of delivery. Either party may change its address under this section by written notice to the other party.

Section 23: REMEDIES

Rights and remedies reserved to the parties by the Franchise are cumulative and shall be in addition to and not in derogation of any other rights or remedies which the parties may have with respect to the subject matter of the Franchise and a waiver thereof at any time shall not affect any other time.

Section 24: RIGHT OF INTERVENTION

County hereby reserves to itself, and Grantee hereby grants to County, the right to intervene in any suit, action or proceeding involving any provision in the Franchise.

Section 25: BOOKS AND RECORDS

Grantee shall maintain books and records that identify all of Grantee's underground facilities by type and location within the Franchise Area. Grantee will make such books and records available to County upon County's request and without cost to County.

Section 26: AD VALOREM TAXES

Grantee shall pay its ad valorem taxes before they become delinquent.

IN WITNESS WHEREOF, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and cause its official seal to be affixed on **Actual date of hearing.**

PINAL COUNTY BOARD OF SUPERVISORS

Jimma B. Kerr
Jimma B. Kerr, Chairman 2-14-01

ATTEST:

by: Stan Cliff, Deputy Clerk
Stanley D. Griffis, Clerk of the Board

APPROVED AS TO FORM:

ROBERT CARTER OLSON
PINAL COUNTY ATTORNEY
Robert Olson
Richard Husk, Deputy County Attorney

Exhibit A

Page 1 of 2

Arizona Utility Supply & Services, LLC

P.O. Box 30543

Phoenix, AZ 85046

(602) 569-3190 Fax (602) 569-3536

FACSIMILE

To:
 Gary Medina
 Pinal County Board of Supervisors

From:
 Maurice Lee

Date: 1/14/01
Number of Pages: 2
Phone: 520-868-6206
Fax: 520-868-6179

Remarks:

RE: Franchise Legal Description

Dear Mr. Medina:

Enclosed herewith is the legal description of the Pecan Ranch to be excluded or a new description as shown herein>

Please call should you have any questions

LEGAL DESCRIPTION

All of Section 20 except the South one half of the South one half of Section 20 and the South one half of the North one half of the South one half of Section 20 and the West one half of North one half of Section 21, all in Township 2 South, Range 8 East of the Gila and Salt River Base and Meridian,, Pinal County, Arizona

EXHIBIT A
Page 2 of 2

ARIZONA UTILITY SUPPLY & SERVICES, LLC MASTER SEWER PLAN

