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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
DOCKET CONTROL

APPROVED BY

DOCKET CONTROL

2009-10-08

DOCKETED BY [Signature]

**COMMISSIONERS**

KRISTIN K. MAYES, CHAIRMAN  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

IN THE MATTER OF THE  
APPLICATION OF KEATON  
DEVELOPMENT COMPANY FOR AN  
EXTENSION OF ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY FOR  
THE PROVISION OF WATER SERVICE  
IN PORTIONS OF LA PAZ COUNTY,  
ARIZONA

DOCKET NO. W-02169A-07-0098

**NOTICE OF COMPLIANCE WITH  
DECISION NO. 70172**

In Decision No. 70172, the Arizona Corporation Commission ("Commission") approved an order preliminary to Keaton Development Company ("Company") for the requested extension area subject, in part, to the following conditions:

- that the Company file, within three years of the effective date of this Decision, with the Commission's Docket Control, as a compliance item in this docket, a copy of a franchise agreement issued from La Paz County for the requested extension area; [and]
- that the Company file, within three years of the effective date of this Decision, with the Commission's Docket Control, as a compliance item in this docket, a copy of the Letter of Adequate Water Supply which is to be issued by ADWR which demonstrates the availability of adequate water for the Sunshine Acres and Salome Heights subdivisions....

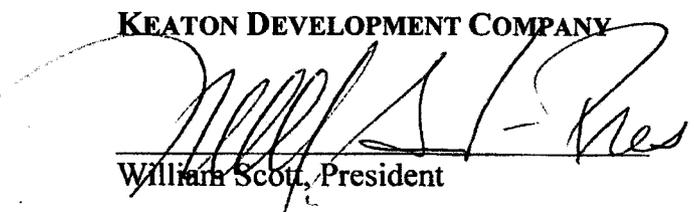
The Grant of Franchise Extension from La Paz County to the Company for Sunshine Acres is set forth in Exhibit 1. The Letter of Adequate Water Supply for Sunshine Acres

1 is set forth in Exhibit 2. Thus, the Company has met all of the conditions applicable to  
2 Sunshine Acres set forth in Decision No. 70172 and hereby requests that the  
3 Commission, pursuant to that decision, place this matter on the open meeting agenda as  
4 soon as possible.  
5

6 The Company has been informed by the developer of the Salome Heights  
7 subdivision that, due to the economic downturn in the real estate market, the developer  
8 will not be prepared to proceed with that development within the time limits imposed in  
9 the Decision. The Company is, therefore, simultaneously filing a Motion to Amend  
10 Decision No. 70172 to exclude the Salome Heights subdivision from the CC&N  
11 extension request.  
12  
13

14 DATED October 8, 2009.

15  
16 **KEATON DEVELOPMENT COMPANY**

17   
18 \_\_\_\_\_  
19 William Scott, President  
20

21 **Original and 13 copies filed this**  
22 8<sup>th</sup> day of October, 2009, with:

23 Docket Control  
24 Arizona Corporation Commission  
25 1200 West Washington  
26 Phoenix, Arizona 85007  
27

28 

# **EXHIBIT 1**



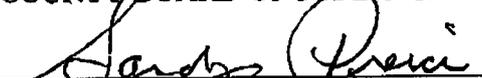
### GRANT OF FRANCHISE EXTENSION

NOW THEREFORE, the Board, acting on behalf of the County of La Paz, State of Arizona, does hereby authorize the extension of the Franchise to include the area set forth in Exhibit A attached hereto. All provisions of the Franchise shall apply to the area set forth in Exhibit A as if it were a part of the original franchise.

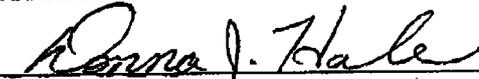
Except as modified herein, the Franchise remains unmodified and in full force and effect.

DATED this 1<sup>st</sup> day of June, 2009.

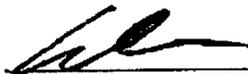
LA PAZ COUNTY BOARD OF SUPERVISORS

By:   
Sandy Pierce, Chairman

ATTEST:

  
Donna J. Hale, Clerk of the Board

APPROVED AS TO FORM:

  
Sam Vederman, County Attorney



2009-02256

Page 1 of 6

Requested By: LA PAZ CO BOARD OF SUPR  
SHELLY D BAKER, RECORDER  
OFFICIAL RECORDS OF LA PAZ COUNTY, AZ  
06-02-2009 01:42 PM Recording Fee \$0.00

When recorded return to:  
La Paz County Board of Supervisors

BEFORE THE BOARD OF SUPERVISORS  
OF  
LA PAZ COUNTY, ARIZONA

In the matter of the application of ) EXTENSION OF FRANCHISE  
 )  
Keaton Development Company )  
Parker, Arizona )

ALLOWING KEATON DEVELOPMENT COMPANY  
CONDITIONAL USE OF ADDITIONAL PUBLIC WAYS  
(Pursuant to Arizona Revised Statutes, Title 40, Chapter 2, Section 40-283)

**PURPOSE**

1. WHEREAS, pursuant to Resolution No. 98-12 approved by the La Paz County Board of Supervisors on May 4, 1998, Keaton Development Company, its successors and assigns (hereafter, "Keaton") was granted a franchise/license (as from time to time amended, hereafter, "Franchise") for the conditional use of public ways located in a certain area of La Paz County, Arizona, for public water service facilities; and
2. WHEREAS, the Franchise was dated May 4, 1998, and recorded on May 26, 1998, at Instrument No. 98-02475 of the official records of La Paz County, Arizona; and

3. WHEREAS, the Arizona Corporation Commission approved the extension of the Certificate of Convenience and Necessity of Keaton to serve a development referred to as Sunshine Acres by its Decision No. 70172 docketed on February 27, 2008; and

4. WHEREAS, on March 2, 2009, Keaton duly filed and presented its application (hereafter, "Application") for an extension of the Franchise to serve Sunshine Acres to the La Paz County Board of Supervisors (hereafter, "Board") in accordance with Arizona Revised Statutes Section 40-283, and the legal description of the proposed Sunshine Acres extension is attached hereto as Exhibit A; and,

5. WHEREAS, upon receiving said Application from Keaton, the Board ordered public notice of the intention of the Board to make such grant by publishing the notice in a newspaper of general circulation in La Paz County, State of Arizona. Said public notice advised that the time and place for the Board to consider the granting of the extension to the Franchise was set for 10:00 a.m. on the 1st day of June, 2009, at the Board of Supervisors Hearing Room, 1108 Joshua Avenue, Parker, Arizona; and

6. WHEREAS, the Application came regularly before the Board at the time and place set forth by the required public notices; and

7. WHEREAS, the Board determines the required public notices to be sufficient and timely; and

8. WHEREAS, the Board determines Keaton's Application to be adequate and sufficient in form; and

9. WHEREAS, the Board determines that Applicant has shown the need for a suitable water distribution system in the extension area; and

10. WHEREAS, the Board determines that no prevailing objections have been offered.

EXHIBIT "A"

Those parcels of land situated in Section 22 and Section 27, Township 5 North, Range 13 West, Gila and Salt River Meridian, La Paz County, Arizona, being more particularly described as follows:

The South 40 feet of the Southwest quarter of said Section 22. (2.43 acres)  
AND

The South 40 feet of the West 72.63 feet of the Southeast quarter of said Section 22. (0.07 acres)

AND

The North 40 feet of the Northwest quarter of said Section 27. (2.43 acres)

AND

That portion of said Section 27 being more particularly described as follows:

BEGINNING at the North quarter corner of said Section 27:

Thence S00°05'39"W 40.00 feet;

Thence N89°55'29"W, parallel with the North line of said Northwest quarter of Section 27, a distance of 27.37 feet;

Thence S00°05'39"W 397.09 feet to the beginning of a curve to the left, concave to the Northeast, having a central angle of 46°22'45" and a radius of 350.00 feet;

Thence Southeasterly along said curve an arc distance of 283.31 feet;

Thence S46°17'06"E 267.27 feet to the beginning of a curve to the left, concave to the Northeast, having a central angle of 43°40'49" and a radius of 251.45 feet;

Thence Southeasterly along said curve an arc distance of 191.70 feet;

Thence S89°57'55"E 2195.69 feet to a point on the East line of the Northeast quarter of said Section 27;

Thence N00°05'59"W along the East line of said Northeast quarter of section 27 a distance of 673.77 feet to the Southeast corner of Outback Acres, as shown on Record No. 2000-03804, Official Records of La Paz County, Arizona;

Thence N89°57'55"W 2544.15 feet to the beginning of a curve to the right, concave to the Northeast, having a central angle of 90°03'34" and a radius of 25.00 feet;

Thence Northwesterly along said curve an arc distance of 39.30 feet;

Thence N00°05'39"E 245.90 feet to a point on the North line of said Northeast quarter of Section 27;

Thence N89°55'27"W along the North line of said Northeast quarter of Section 27 a distance of 72.63 feet to the POINT OF BEGINNING. (40.27 acres)

Containing a total of 45.19 acres, more or less.

Basis of Bearings: S89°55'27"E along the North line of the Northeast quarter of Section 27, Township 5 North, Range 13 West, per Record No. 2000-03804, Official Records of La Paz County, Arizona.



Lot Closure Report - Lot : Sunshine Acres 4-6-09

file- C:\ATerra\A DRAWINGS\JOBS by NAME\Cox\SUNSHINE-KEATON WATER DAN.ms\Nc\_Sunshine Acres 4-6-09.bt  
Monday, April 6, 2009, 10:37:10a.m.

Starting location (North, East) = ( 7352.284, 9995.527 )

(In the table below, the Length of Curves refers to the chord length.  
and the Bearing of Curves refers to the chord bearing.)

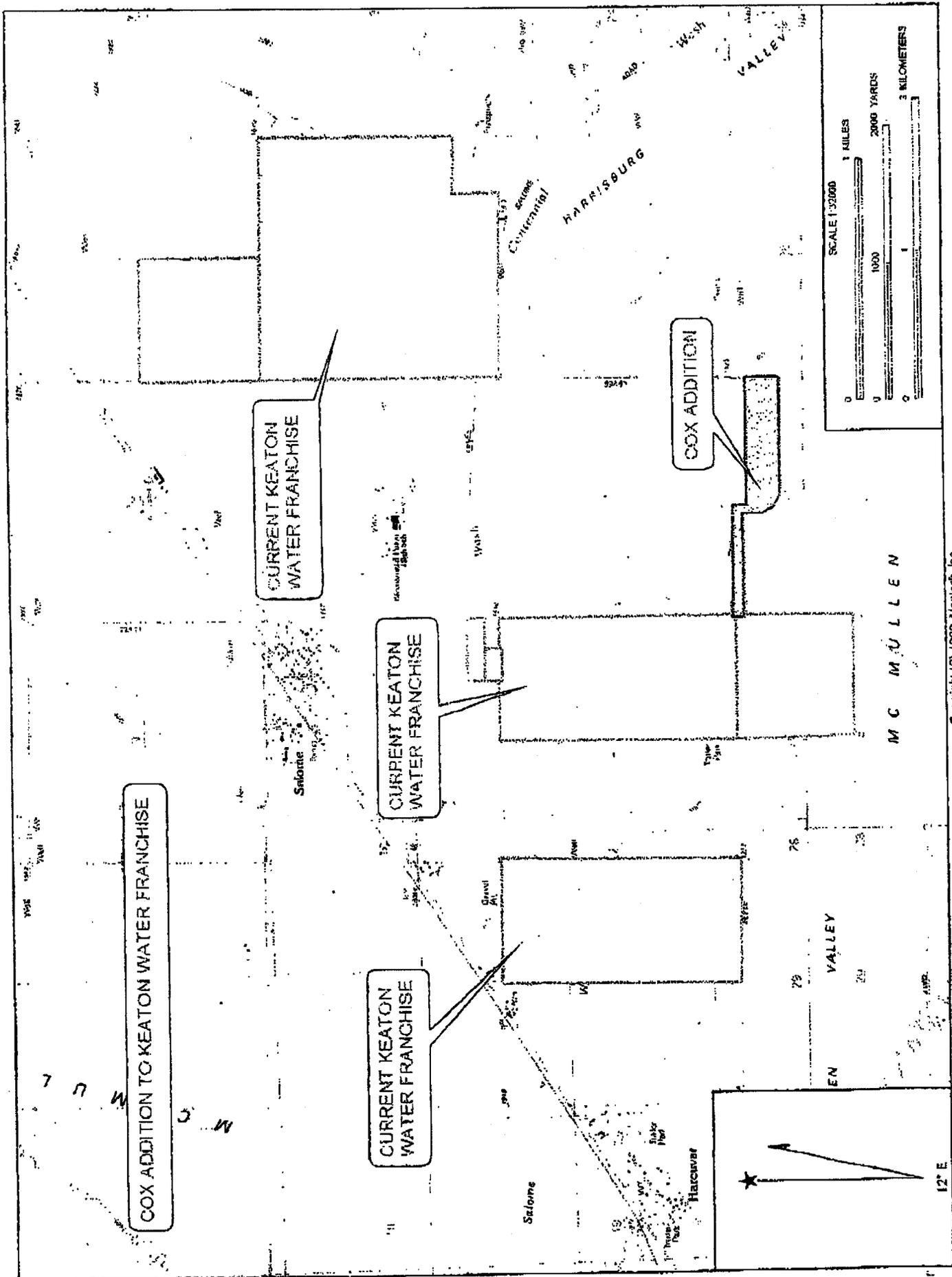
Leg	Segment	Bearing	Length	Front	End_Northing	End_Easting
1	Line	S00°05'39"W	40.000	No	7312.284	9995.462
2	Line	N89°55'29"W	27.370	No	7312.320	9968.092
3	Line	S00°05'39"W	397.090	No	6915.231	9987.439
4	Curve	S23°05'44"E	275.642	No	6661.681	10075.564
ARC= 283.314, RAD= 350.000, DELTA= 46°22'45"						
BC_TO_RAD= S89°54'21"E						
RAD_TO_EC= S43°42'54"W						
ADD_ARC_AREA = 5239.821						
5	Line	S46°17'06"E	267.270	No	6476.978	10268.743
6	Curve	S68°07'31"E	187.088	No	6407.273	10442.361
ARC= 191.697, RAD= 251.450, DELTA= 43°40'49"						
BC_TO_RAD= N43°42'54"E						
RAD_TO_EC= S00°02'05"W						
ADD_ARC_AREA = 2267.676						
7	Line	S89°57'55"E	2195.690	No	6405.942	12636.050
8	Line	N00°05'59"W	873.770	No	7079.711	12636.878
9	Line	N89°57'55"W	2544.150	No	7081.253	10092.728
10	Curve	N44°56'08"W	35.374	No	7106.294	10067.743
ARC= 39.296, RAD= 25.000, DELTA= 90°03'34"						
BC_TO_RAD= N00°02'05"E						
RAD_TO_EC= N89°54'21"W						
SUBTRACT_ARC_AREA = 178.698						
11	Line	N00°05'39"E	245.900	No	7352.194	10068.148
12	Line	N89°55'27"W	72.630	No	7352.290	9995.518

Ending location (North, East) = ( 7352.290, 9995.518 )

Total Distance : 6978.177  
 Total Traverse Stations : 13  
 Misclosure Direction : S59°10'36"E (from ending location to starting location)  
 Misclosure Distance : 0.011  
 Error of Closure : 1:619343.6  
 Frontage : 0.000  
 Frontage/Perimeter : 0.0 percent  
 AREA : 1754092.142 sq. ft. (straight segment added to close traverse)  
 = 40.268415 Acres

\*\*\*\*\*





# **EXHIBIT 2**

JANICE K. BREWER

Governor



HERBERT R. GUENTHER

Director

**ARIZONA DEPARTMENT OF WATER RESOURCES**

3550 North Central Avenue, Second Floor  
PHOENIX, ARIZONA 85012-2105  
(602) 771-8500

Via US Mail

August 20, 2009

Mary Lou Cox  
P.O. Box 447  
Salome, AZ 85348

**Water Report 53-700569.0000**  
**Subdivision Name:** Sunshine Acres  
**Owner:** Mary Lou Cox  
**Number of lots:** 107  
**County:** La Paz  
**Twp. 5 North, Rng. 13 West, Sec. 27**

**Water provided by:** Keaton  
Development Company  
**Water Type:** Groundwater  
**Current water depth:** 164.4 ft bls  
**Estimated 100-year depth:** 331 ft.  
**Current decline rate:** 2.6 ft/yr  
**Basin:** McMullen Valley

**Annual Water Demand: 47.50 acre-feet/year**

Dear Mrs. Cox:

Pursuant to A.R.S. § 45-108, the Department of Water Resources has reviewed the available information pertaining to the water supply for the above-referenced subdivision. This letter constitutes the Department's report on the subdivisions water supply as required by A.R.S. § 45-108(A).

Adequacy of the 100-year water supply was reviewed by the Department with regard to physical, legal and continuous availability, water quality, and financial capability. Information available to the Department indicates that the applicant has satisfied the adequate water supply requirements as set forth in A.A.C. R12-15-701 *et seq.* Therefore, the Department of Water Resources finds the water supply to be adequate to meet the subdivision's projected needs. Any material change to the subdivision plat or its water supply plans may invalidate this decision. See A.A.C. R12-15-708.

This letter is being forwarded to the Arizona Department of Real Estate as required by A.R.S. § 45-108. This law requires the developer to hold the recordation of the subdivision's plat until

receipt of the Department's report on the subdivision's water supply. By copy of this report, the La Paz County Recorder is also being officially notified of the developer's compliance with the law. Because of the possibility that a future court proceeding could result in a legal determination that water withdrawn from wells in this area is surface water, the Department recommends that you include the following statement in all promotional material and contracts for sale of lots in the subdivision:

**“Pursuant to A.R.S. § 45-108 and A.A.C. R12-15-701 *et seq.*, the Department has determined that the water supply for the Sunshine Acres subdivision is adequate, *i.e.* that the water supply is physically, continuously and legally available to satisfy the subdivision’s annual estimated water demand, that the water supply is of suitable water quality, and that the applicant has demonstrated the financial capability to construct adequate delivery, storage and treatment works. However, the legal availability of the water withdrawn from wells in this area may be the subject of court action in the future as part of a determination of surface water rights. Whether future court action will have an effect on the legal availability of the water supply for the proposed subdivision cannot be determined at this time.**”

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

Page 3 of 3  
August 20, 2009  
Water Report  
Sunshine Acres subdivision

If you have any questions, please contact the Office of Assured & Adequate Water Supply at:  
602-771-8599.

Sincerely,



Sandra Fabritz-Whitney  
Assistant Director  
Water Management Division

cc: via electronic mail:

Cindy Ferrin, Arizona Department of Real Estate  
La Paz County Planning and Zoning  
La Paz County Recorder  
James Downing, The Harcuvar Company  
Mary Pickett, Office of Assured and Adequate Water Supply