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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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FEB 17 2011

COMMISSIONERS

GARY PIERCE, Chairman 2011 FEB 17 P 4: 07
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

CORP COMMISSION
DOCKET CONTROL

DOCKETED BY *Res*

IN THE MATTER OF THE JOINT NOTICE OF INTENT UNDER A.A.C. R14-2-803 FOR AN INITIAL PUBLIC OFFERING AND RESTRUCTURING OF GLOBAL WATER RESOURCES, LLC BY GLOBAL WATER – SANTA CRUZ WATER COMPANY, GLOBAL WATER – PALO VERDE UTILITIES COMPANY, HASSAYAMPA UTILITY COMPANY, INC., PICACHO COVE WATER COMPANY, INC., PICACHO COVE UTILITIES COMPANY, CP WATER COMPANY, INC., FRANCISCO GRANDE UTILITY COMPANY, WILLOW VALLEY WATER COMPANY, INC., WATER UTILITY OF NORTHERN SCOTTSDALE, INC., VALENCIA WATER COMPANY, INC., WATER UTILITY OF GREATER BUCKEYE, INC., WATER UTILITY OF GREATER TONOPAH, INC. AND BALTERRA SEWER CORP.

- Docket Nos W-20446A-08-0247
- SW-20445A-08-0247
- SW-20422A-08-0247
- WS-01775A-08-0247
- W-02442A-08-0247
- W-01732A-08-0247
- W-03720A-08-0247
- W-01212A-08-0247
- W-02451A-08-0247
- W-02450A-08-0247
- SW-20403A-08-0247
- W-20495A-08-0247
- SW-20494A-08-0247

NOTICE OF FILING COMPLIANCE

The Global Utilities¹ provide the following information in compliance with Decision No. 70980 (May 5, 2009). That decision authorized an Initial Public Offering (“IPO”) or private placement of equity by Global Water Resources, Inc. (“Global Parent”) (together with the Global Utilities, “Global”), the ultimate parent company of the Global Utilities, and also authorized a related corporate reorganization. Under Decision 70980, the total equity sold was not to exceed 49.9% of the outstanding voting common stock, and the IPO or private placement was to take place no later than April 30, 2011.

¹ Global Water – Santa Cruz Water Company (“Santa Cruz”), Global Water – Palo Verde Utilities Company (“Palo Verde”), Hassayampa Utility Company, Inc., Global Water – Picacho Cove Water Company, Global Water – Picacho Cove Utilities Company, CP Water Company, Willow Valley Water Co., Inc., Water Utility of Northern Scottsdale, Inc., Valencia Water Company, Inc., Water Utility of Greater Buckeye, Inc., Water Utility of Greater Tonopah, Inc. (collectively, the “Global Utilities”).

1 In accordance with Decision No. 70980, Global provides notice that Global Parent
2 completed a private placement of its shares to GWR Global Water Resources Corp. (“GWR”), a
3 corporation incorporated under the laws of the Province of British Columbia. GWR in turn
4 completed an IPO, and it currently trades on the Toronto Stock Exchange (“TSX”) under the
5 ticker symbol GWR. The shares of GWR are registered in Canada, and are not registered for sale
6 in the United States.

7 The private placement sale of Global Parent shares to GWR closed on December 30, 2010,
8 and GWR’s IPO closed on December 30, 2010, with over-allotment sales completed on January
9 28, 2011. As a result of the private placement, GWR owns 48.1% of the voting common stock of
10 Global Parent.

11 Under Decision No. 70980, Global was required to file “an equity improvement plan that
12 results in at least 30 percent equity by December 31, 2015.”² Global filed the required equity
13 improvement plan on August 3, 2009. The plan included continued consideration of a private
14 placement or IPO as one means to increase equity.

15 As a result of the transactions described above, Global Parent’s capital structure has
16 improved through the addition of equity. Global Parent’s capital structure can be measured in two
17 ways: on a market basis, or on a book basis. The most accurate measure is the market basis,
18 because this method looks to the value placed on the company by public capital markets.
19 Although Global Parent does not trade directly on the market, GWR is publicly-traded, and
20 GWR’s sole asset is its shares of Global Parent. Accordingly, knowing GWR’s ownership
21 percentage of Global Parent (48.1%) and the market capitalization of GWR (\$67,322,595 as of
22 January 31, 2011), an implied market value can be calculated for Global Parent. On this basis, as
23 of January 31, 2011, Global Parent’s capital structure was 56.6% equity and 43.5% debt, as shown
24 on Exhibit A.

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² Decision No. 70980 at page 12, lines 1-2.

1 Alternatively, Global Parent's capital structure could be viewed on a book basis, which
2 looks only at historical accounting information, rather than current market values. On a book
3 basis, Global Parent has a capital structure of 9.4% equity and 90.6% debt as of December 31,
4 2010, adjusted for activity related to the overallotment sales on January 28, 2011. Using either
5 valuation method, Global's capital structure is stronger and its equity ratio is higher than it was
6 prior to the sale of shares. Global will continue to follow the equity improvement plan to further
7 increase its equity in the 2011 to 2015 time period, including consideration of further equity
8 issuances.

9 Decision No. 70980 also requires Global to file the following information within 60 days of
10 completion of the IPO or private placement:

11 **(1) Number of Shares.** Global Parent sold 87,546 of its total 182,050 outstanding
12 voting common shares in the private placement to GWR. This represents 48.1% of Global
13 Parent's total outstanding voting stock. GWR sold 8,754,611 shares in its IPO and the subsequent
14 overallotment sale.

15 **(2) Price of Shares.** The price (in United States dollars) ("USD") of the Global
16 Parent shares sold to GWR was USD \$55,655,275.76, or USD \$635.73 per share. The initial
17 price of the GWR shares sold in the GWR IPO was C\$7.50 (Canadian dollars). GWR's current
18 market price can be viewed at the TSX web-site, <http://www.tmx.com/en/listings/>.

19 **(3) Cost of issuance.** The total cost of the issuance was USD \$9,806,709.74. The
20 cost of the issuance was recorded against equity at GWR. The issuance costs were not expensed
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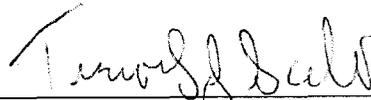
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by Global Parent, and none of the issuance costs were allocated to any of the Global Utilities.

RESPECTFULLY SUBMITTED this 17th day of February, 2011.

ROSHKA DEWULF & PATTEN, PLC

By. 

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Original + 13 copies of the foregoing
filed this 17th day of February 2011, with:

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Copies of the foregoing hand-delivered/mailed
this 17th day of February 2011, to:

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EXHIBIT

"A"

Date	Market				Net Debt						Total Capitalization of US Company	% Debt to Total Cap	
	Shares outstanding	Share Price of GWR	Market Capitalization of Canadian Company	% Ownership in US Company	Market Capitalization of US Company	Wells Fargo	WIFA	Tax Exempt Bonds	Less Reserve Funds	Net Debt			Plus Cash
12/30/2010	81,850	\$ 7.50	\$ 61,387,500	46.4%	\$ 132,300,647	\$ 10,200,000	\$ 4,831,000	\$ 114,032,000	-\$ 9,225,000	\$ 119,838,000	\$ 10,163,000	\$ 262,301,647	45.7%
12/31/2010	81,850	\$ 7.90	\$ 64,661,500	46.4%	\$ 139,356,681	\$ 10,200,000	\$ 4,831,000	\$ 114,032,000	-\$ 9,225,000	\$ 119,838,000	\$ 10,163,000	\$ 269,357,681	44.5%
1/31/2011	87,546	\$ 7.69	\$ 67,322,959	48.1%	\$ 139,964,571	\$ 3,200,000	\$ 4,831,000	\$ 114,032,000	-\$ 9,225,000	\$ 112,838,000	\$ 6,746,000	\$ 259,548,571	43.5%