

**ORIGINAL**

**NEW APPLICATION**

Groom Creek Water Users Association  
P.O. Box 3897  
Prescott, Arizona 86302



0000123700

**RECEIVED**

January 28, 2011

2011 JAN 31 P 12:03

AZ CORP COMMISSION  
DOCKET CONTROL

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

Arizona Corporation Commission  
**DOCKETED**

W-01865A-11-0057

JAN 31 2011

DOCKETED BY	NR
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Subject: Request For An Extension Certificate Of Convenience And Necessity

Reference: Docket No. U-1865-82-009 and Decision No. 53067

Attached is an application by the Groom Creek Water Users Association for an EXTENSION CERTIFICATE OF CONVENIENCE AND NECESSITY. The purpose of this application is to correct the CC and N that is currently on file with the Arizona Corporation Commission(ACC). The Groom Creek Water Users Association (GCWUA) has no intention or desire to further enlarge its service area but to correct the legal description of our current area as it is filed with the ACC.

**BACKGROUND**

Sometime back in the 1970's a water utility known as the Mountaineer Water Co. was formed to service the residents of the Groom Creek area and our understanding is that it was privately owned. In 1982 the GCWUA was formed and purchased the utility from the previous owner. This ownership and the CC and N on file at that time was approved for transfer by the Arizona Corporation Commission. This approval is documented in Docket No. U-1865-82-009 and Decision No. 53067-dated June 9, 1982, a copy of which is attached as Attachment 1. Since there were no changes made to the CC and N at the time of transfer, it is our belief that Mountaineer Water Co. was servicing residents outside of the existing CC and N and never processed any changes with the ACC to change the legal boundaries of that CC and N. At the time of ownership change, the discrepancy in the CC and N was not noted even though the actual service area at that time was documented by the engineering firm involved in the system design, Pace Engineering, located in Phoenix. Their engineering design drawings are shown in Attachment 2.

Attachment 3 shows the actual GCWUA service area as it presently exists. There have been no changes to it back to the time it was approved by the ACC in 1982.

Attachment 4 shows the original lot layout as established and approved by Yavapai County in 1970. This area was developed during the 1970's and was serviced by Mountaineer Water Co. but was obviously outside the CC and N on file with the ACC and that document was never updated. Attachment 5 shows the same area as shown in Attachment 4 but includes the GCWUA main line routing and actual service connections to all the residences in this area.

There are two other individual lots elsewhere on our system that are not shown in these maps that are apparently outside the existing CC and N but are included in the Extension Certificate information. These lots have also always been in the service area since GCWUA acquired the water utility.

#### CURRENT STATUS

Based on prior discussions over the past six months with Vicki Wallace and Kiona Sears of the ACC, we were informed that we have to file for a formal extension even though we are only trying to update the current CC and N, which was never changed since it was originally created. The formal application is enclosed for your review, however, we did not feel the proforma information and some of the projected financial information was required since the GCWUA has already been servicing these accounts for almost 30 years. The information that is provided is based on actual expenses and revenues of the association prorated to the service area not currently included and projections were based on past history growth for this area.

If any ACC Staff has any questions regarding this subject please contact me at (602) 725-3001 or by e-mail at [kalbar1@aol.com](mailto:kalbar1@aol.com).

Sincerely,



Kal Miller, Secretary  
GCWUA

Cc: J.M. Hodgson, Pres. GCWUA  
M.L. Good, Oper. Mgr. GCWUA

## LIST OF ATTACHMENTS

Note: Attachments are presented in this document in the order where they are listed in the Application and not at the end of the Application.

### COVER LETTER:

- ATTACHMENT 1 ACC Decision No. 53067
- ATTACHMENT 2 Pace Engineering Design Drawings From 1983
- ATTACHMENT 3 Actual GCWUA Service Area
- ATTACHMENT 4 1970 Yavapai County Lot Layout
- ATTACHMENT 5 Current Water Connections In Extension Area

### CC and N APPLICATION:

### Page Number

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ATTACHMENT 1

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BEFORE THE ARIZONA CORPORATION COMMISSION

BUD TIMS  
Chairman  
JIM WEEKS  
Commissioner  
DIANE B. MCCARTHY  
Commissioner

DOCKETED  
JUN 9 1982

DOCKETED BY *dmk*

IN THE MATTER OF THE APPLICATION OF )  
MOUNTAINAIR WATER COMPANY, INC., FOR )  
AN ORDER AUTHORIZING THE TRANSFER OF )  
ITS CC&N TO GROOM CREEK WATER USERS )  
ASSOCIATION - AND - IN THE MATTER OF )  
THE APPLICATION OF GROOM CREEK WATER )  
USERS ASSOCIATION TO EXECUTE A PROMIS- )  
SORY NOTE AND LOAN AGREEMENT PURSUANT )  
TO ARTICLE 5, CHAPTER 2, TITLE 40, )  
A.R.S. )

DOCKET NO. U-1865-82-009

DECISION NO. 53067

OPINION AND ORDER

DATE OF HEARING: March 25, 1982  
PLACE OF HEARING: Phoenix, Arizona  
HEARING OFFICER: Wm. R. Giese  
APPEARANCES: E. H. Railsback, Gas Utilities Safety,  
Utilities Division, on behalf of the Arizona  
Corporation Commission;  
Ronald Kozoman, Chief Rate Analyst, Utilities  
Division, on behalf of the Arizona  
Corporation Commission;  
Carmichael, McClue & Powell, by Donald W.  
Powell, on behalf of Groom Creek Water Users  
Association;

FINDINGS OF FACT

1. Mountainair Water Company, Inc. (Applicant) is duly certified to provide water service to an area known as Groom Creek located approximately five miles southeast of Prescott, Arizona. At the present time the applicant is providing water to approximately 168 customers of which approximately 50 are permanent residents and the remainder summertime only residents. (Tr.p.87)

2. By its application, Mountainair Water Company, Inc. seeks

1 to transfer its certificate to the Groom Creek Water Users  
2 Association, ("Association") a non profit Arizona corporation. The  
3 Groom Creek Water Users Association membership is composed of all  
4 of the users of the applicant's water system. (Tr.p.35 & 59)

5 3. The Association has applied for approval of the loan  
6 in the maximum amount of \$250,000 from the Farmers Home Administra-  
7 tion (FmHA). This loan would be for a term of 40 years and would  
8 bear interest at the rate of 5% per annum. Interest payments  
9 only would be due during the first year of the note term and  
10 thereafter monthly payments would be \$1218.00. (Tr.p.49) As evidence  
11 of this indebtedness the Association would execute to the FmHA  
12 a promissory note and loan agreement. (A-2)

13 4. The Association entered into an escrow agreement date  
14 September 20, 1977 with the Applicant for the purchase of the  
15 water system for the sum of \$50,000. The sale has not been con-  
16 summated to date due to the delay occasioned in obtaining FmHA  
17 financing. (Tr.p.82) Shortly after execution of the escrow agreement,  
18 the applicant was required by the Arizona Department of Health Ser-  
19 vices to make certain improvements in the system costing approxi-  
20 mately \$5,000 which the Association has agreed to pay. (Tr.p.54 & 61)  
21 The monies necessary to pay these amounts will be obtained from  
22 the FmHA financing.

23 5. By Commission Decision No. 48405, dated October 26, 1977,  
24 the Mountainair Water Company, Inc. was required to make certain  
25 improvements in its water system. On June 12, 1981, the Arizona  
26 Department of Health Services ordered additional improvements to  
27 be made in the Applicant's system. (S-1) As of the date of the  
28 instant hearing, some of the improvements required by the Commission

1 decision and Health Services orders have been completed. The  
2 remaining required improvements are incorporated in the engineer's  
3 design plans and construction drawings (Exhibit A-1) which are  
4 part of the construction program as proposed by the Association.  
5 (Tr.p.31 & 32) The engineer for the Association estimated that  
6 the total cost of the contemplated improvements would be the  
7 approximate sum of \$150,000 which would be financed from the FmHA  
8 loan. At the time of the hearing, bids had been received for the  
9 construction of the improvements which seem to indicate that  
10 actual construction costs would be somewhat less than the engineer's  
11 estimates. (Tr.p.26 & 27) The proceeds of the FmHA loan would also  
12 provide funding for approximately \$8,000 in attorney fees and  
13 \$20,000 in engineering fees incurred since 1977 to the present  
14 by the Association. (Tr. p.38, 50 & 51)

15 6. Application has been made to the Yavapai County Board  
16 of Supervisors to transfer the franchise for the certificated  
17 area from Mountainair Water Company, Inc. to Groom Creek Water  
18 Users Association. Action on the franchise application has been  
19 delayed due to procedural changes by the County, but favorable  
20 action on the application is expected in the near future. (Tr.p.80)

21 7. Notice of Sale and Transfer has been sent to all customers  
22 of the water company and there are no refundable deposits to  
23 customers or any outstanding line extension agreements. (Tr.p.63)

24 8. The Commission finds the proposed financing is for  
25 lawful purposes which are within the corporate powers of the  
26 Company, is compatible with the public interest, with sound  
27 financial practices, with the proper performance by the Company as  
28 a public service corporation, and it will not impair its ability

1 to perform that service.

2 CONCLUSIONS OF LAW

3 1. The Arizona Corporation Commission has the power to  
4 regulate and supervise public service corporations, determine and  
5 prescribe the rates and require said corporations to obtain a  
6 Certificate of Convenience and Necessity.

7 2. There is a continuous need for a domestic water company  
8 to serve present and future customers in the certificated area.

9 3. Groom Creek Water Users Association is a fit and proper  
10 entity to receive a Certificate of Convenience and Necessity for  
11 the operation of a public utility water company.

12 4. The purposes for which the financing is authorized herein  
13 are not, wholly or in part, reasonably chargeable to operative  
14 expenses or to income.

15 5. Approval of the proposed financing is in the best  
16 interest of the public and the utility.

17 ORDER

18 WHEREFORE, IT IS ORDERED: That the transfer of the assets and  
19 the Certificate of Convenience and Necessity of Mountainair Water  
20 Company, Inc. to Groom Creek Water Users Association is hereby  
21 approved.

22 IT IS FURTHER ORDERED: That the rates to be charged by the  
23 Association to the customers of the water utility shall remain  
24 the same as the rates for the applicant currently on file with the  
25 Commission.

26 IT IS FURTHER ORDERED: That the grant of authority herein  
27 provided shall be considered null and void unless within ninety  
28 (90) days from the date of this Order a franchise from the

1 Yavapai County Board of Supervisors to the Association is filed  
2 with the Utilities Division.

3 IT IS FURTHER ORDERED: That the Groom Creek Water Users  
4 Association be, and it is hereby authorized to borrow funds in  
5 an amount not to exceed \$250,000 from the FmHA and to execute  
6 evidence of indebtedness and other documents in conjunction  
7 with said loan, all as contemplated herein and in the Company's  
8 application, exhibits and testimony.

9 IT IS FURTHER ORDERED: That the Association shall make the  
10 construction improvements in the system as previously required  
11 by the Commission and Arizona Department of Health Services  
12 (Exhibit S-1 and A-1) within 90 days of the date of this Order.

13 IT IS FURTHER ORDERED: That this decision is effective  
14 immediately.

15 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

16   
17 CHAIRMAN

18   
19 COMMISSIONER

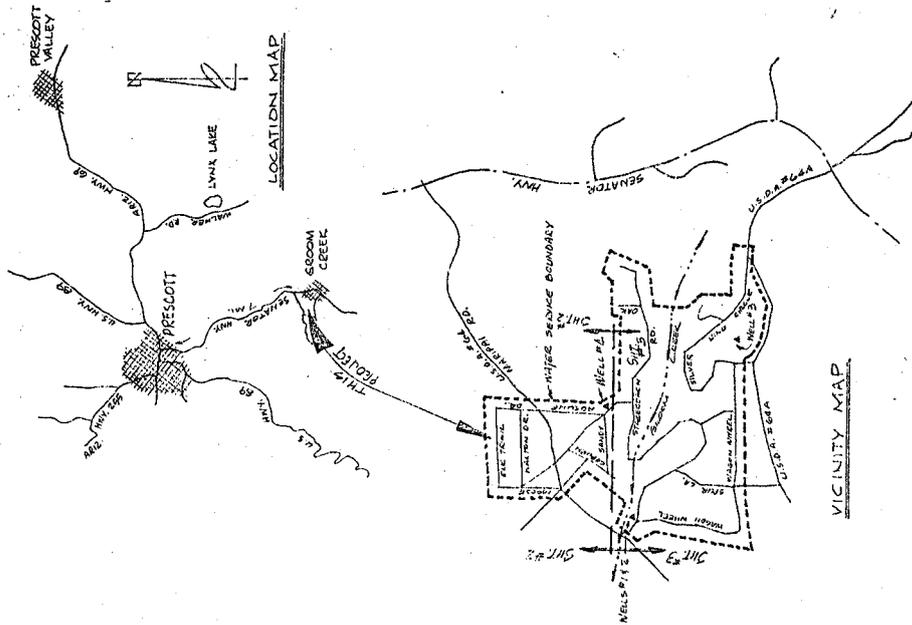
20   
21 COMMISSIONER

22 IN WITNESS WHEREOF, I, TIMOTHY A. BARROW,  
23 Executive Secretary, of the Arizona  
24 Corporation Commission, have hereunto set  
25 my hand and caused the official seal of  
26 this Commission to be affixed at the  
27 Capitol, in the City of Phoenix, this  
28 9<sup>th</sup> day of June, 1982.

TIMOTHY A. BARROW,  
Executive Secretary

# WATER SYSTEM IMPROVEMENTS FOR GROOM CREEK WATER USERS ASSOCIATION

## EXISTING WATER SYSTEM KNOWN AS "MOUNTAINARE WATER COMPANY"



INDEX:

SHT. NO.	TITLE
1	Cover
2	Plan - N <sup>o</sup> 1
3	Plan - S <sup>o</sup> 1
4	Plan - Profile
5	Plan - Profile
6	Plan - Profile
7	Site Plan - Well No. 1
8	Site Plan - Well No. 2
9	Site Plan - Well No. 3
10	Site Plan - Well No. 4
11	Site Plan - Well No. 5
12	Details

- SPECIFICATIONS & DETAILS**  
 The following specifications and details shall apply:
- "UNIFORM STANDARDS SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION" 1978, PREPARED BY THE NATIONAL ASSOCIATION OF GOVERNMENTS (N.A.G.) 1978, ARIZONA
  - "UNIFORM STANDARD DETAILS FOR PUBLIC WORKS CONSTRUCTION" 1978, PREPARED BY THE NATIONAL ASSOCIATION OF GOVERNMENTS (N.A.G.) 1978, ARIZONA
  - "CONSTRUCTION OF WATER SYSTEMS" 1978, PREPARED BY THE ARIZONA DEPT. OF HEALTH SERVICES
  - "GUIDELINES FOR THE CONSTRUCTION OF WATER SYSTEMS" 1978, PREPARED BY THE ARIZONA DEPT. OF HEALTH SERVICES
  - APPLICABLE AMERICAN WATER WORKS ASSOC. (AWWA) STANDARDS
    - AWWA D103-80 (BOUYED STEEL STORAGE TANKS)
    - AWWA C900 (PLASTIC PIPE)
 (THE ABOVE STANDARDS ARE EXAMPLES ONLY - MORE MAY APPLY)
  - APPLICABLE AMERICAN SOCIETY FOR TESTING & MATERIALS (ASTM)
  - NATIONAL ELECTRIC CODE
  - WHERE A "SPECIFIC ITEM OR EQUAL" IS CALLED OUT ON THESE PLANS, THE MANUFACTURER'S SPECIFICATIONS FOR THE "SPECIFIC ITEM" SHALL APPLY. IF THE CONTRACTOR CHOOSES TO USE AN "OR EQUAL" ITEM, THE CONTRACTOR MUST SUPPLY THE MANUFACTURER'S SPECIFICATIONS FOR THE "OR EQUAL" ITEM FOR ENGINEERS APPROVAL PRIOR TO USE.
  - A site inspection of this job prior to bidding may be desired. Contact Tim Hopps, Prescott, 778-3456 (Home) or 778-1943 (Business service) to make arrangements.

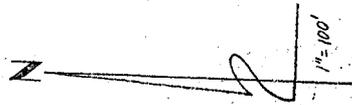
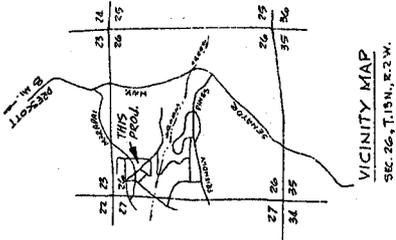
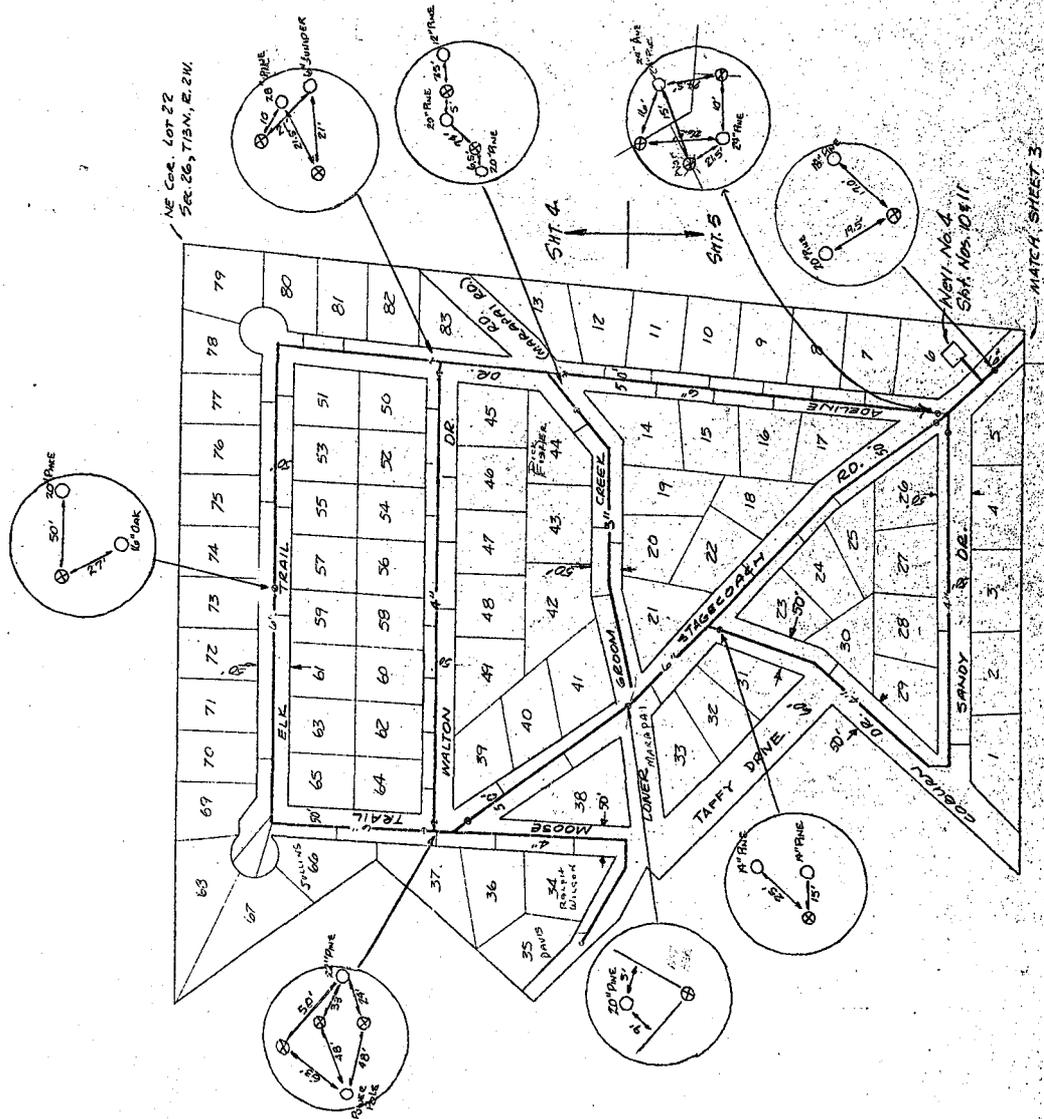
SUBMITTED BY: \_\_\_\_\_  
 APPROVED BY: YAMAZAKI CO. HEALTH DEPT.  
 APPROVED BY: ARIZ. DEPT. OF HEALTH SERVICES

ATTACHMENT 2  
 PAGE 1

COVER SHEET

PACE ENGINEERING  
 775 E. WELDON  
 PHOENIX, AZ 85021  
 DES. 2775-571  
 CHG. \_\_\_\_\_  
 DWF. \_\_\_\_\_  
 SPT. \_\_\_\_\_

# WATER DISTRIBUTION SYSTEM MOUNTAINAIR WATER CO.



NOTE: This sheet covers  
GROOM CREEK ESTATES  
UNITS 1 & 2 - MAP 104-17-213  
YAVAPAI County Recorder  
ARIZONA

"AS-BUILT"  
1953  
ATTACHMENT 2  
PAGE 2

PLAN SHEET  
RIGHT OF WAY  
PACE ENGINEERING  
55 E. WELDON  
PHOENIX, ARIZ. 85012  
217-5371



DATE	10-10-54
SCALE	1/4" = 1' = 100'
PROJECT	MAP 104-17-213
DATE	1953
SHEET	2
TOTAL	123





13-91

# GROOM CREEK ESTATES No. 1

A SUBDIVISION OF LOT 22, OF SECTION 26-T13N-R2W, G & SRB&M. - YAVAPAI CO., ARIZ.

MINERS DREAM  
3680

### NOTICE

BY THESE PRESENTS

THE TITLE INSURANCE COMPANY, AN ARIZONA CORPORATION AS TRUSTEE UNDER THE NAME OF GROOM CREEK ESTATES, N.Y. 1, ALL THAT PORTION OF LOT 22 UNDER THE NAME OF GROOM CREEK ESTATES, N.Y. 1, AND INFLUENCE OF THE DEEDS OF THE SAID TRUSTEE AND FOR THE BENEFIT OF GROOM CREEK ESTATES, N.Y. 1, AND INFLUENCE OF THE SAID TRUSTEE AND GIVES THE DIMENSIONS OF THE LOTS AND STREETS SHOWN ON SAID PLAN AND INCLUDED IN THE ABOVE MAP AS SUCH THE STREETS SHOWN ON SAID PLAN AND INCLUDED IN THE ABOVE MAPS.

HEREBY HEREBY CERTIFYING THAT THE SAID DIMENSIONS AND STREETS ARE CORRECT AND TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT I AM A REGISTERED SURVEYOR UNDER THE SEAL OF THE YAVAPAI COUNTY BOARD OF SURVEYORS.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL.

*Robert C. Meiers*  
ROBERT C. MEIERS  
REGISTERED SURVEYOR

### ACKNOWLEDGEMENT

I, *Max*, DO hereby certify that I am the undersigned notary public for the State of Arizona and that I have signed this certificate in my official capacity.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL.

ATTEST:

*Max*  
MAX

NOTARY PUBLIC

COMMISSION EXPIRES: *August 13, 1971*

STATE OF ARIZONA

YAVAPAI COUNTY BOARD OF SURVEYORS

*Max*  
MAX

REGISTERED SURVEYOR

THE YAVAPAI COUNTY ENGINEERING DEPARTMENT

YAVAPAI COUNTY, ARIZONA

*Max*  
MAX

REGISTERED SURVEYOR

THE YAVAPAI COUNTY HEALTH DEPARTMENT

YAVAPAI COUNTY, ARIZONA

*Max*  
MAX

REGISTERED SURVEYOR

THE YAVAPAI COUNTY ZONING COMMISSION

YAVAPAI COUNTY, ARIZONA

*Max*  
MAX

REGISTERED SURVEYOR

THE YAVAPAI COUNTY HEALTH DEPARTMENT

YAVAPAI COUNTY, ARIZONA

*Max*  
MAX

REGISTERED SURVEYOR

THE YAVAPAI COUNTY ZONING COMMISSION

YAVAPAI COUNTY, ARIZONA

*Max*  
MAX

REGISTERED SURVEYOR

THE YAVAPAI COUNTY HEALTH DEPARTMENT

YAVAPAI COUNTY, ARIZONA

*Max*  
MAX

REGISTERED SURVEYOR

THE YAVAPAI COUNTY ZONING COMMISSION

YAVAPAI COUNTY, ARIZONA

*Max*  
MAX

REGISTERED SURVEYOR

THE YAVAPAI COUNTY HEALTH DEPARTMENT

YAVAPAI COUNTY, ARIZONA

*Max*  
MAX

REGISTERED SURVEYOR

THE YAVAPAI COUNTY ZONING COMMISSION

YAVAPAI COUNTY, ARIZONA

*Max*  
MAX

REGISTERED SURVEYOR

THE YAVAPAI COUNTY HEALTH DEPARTMENT

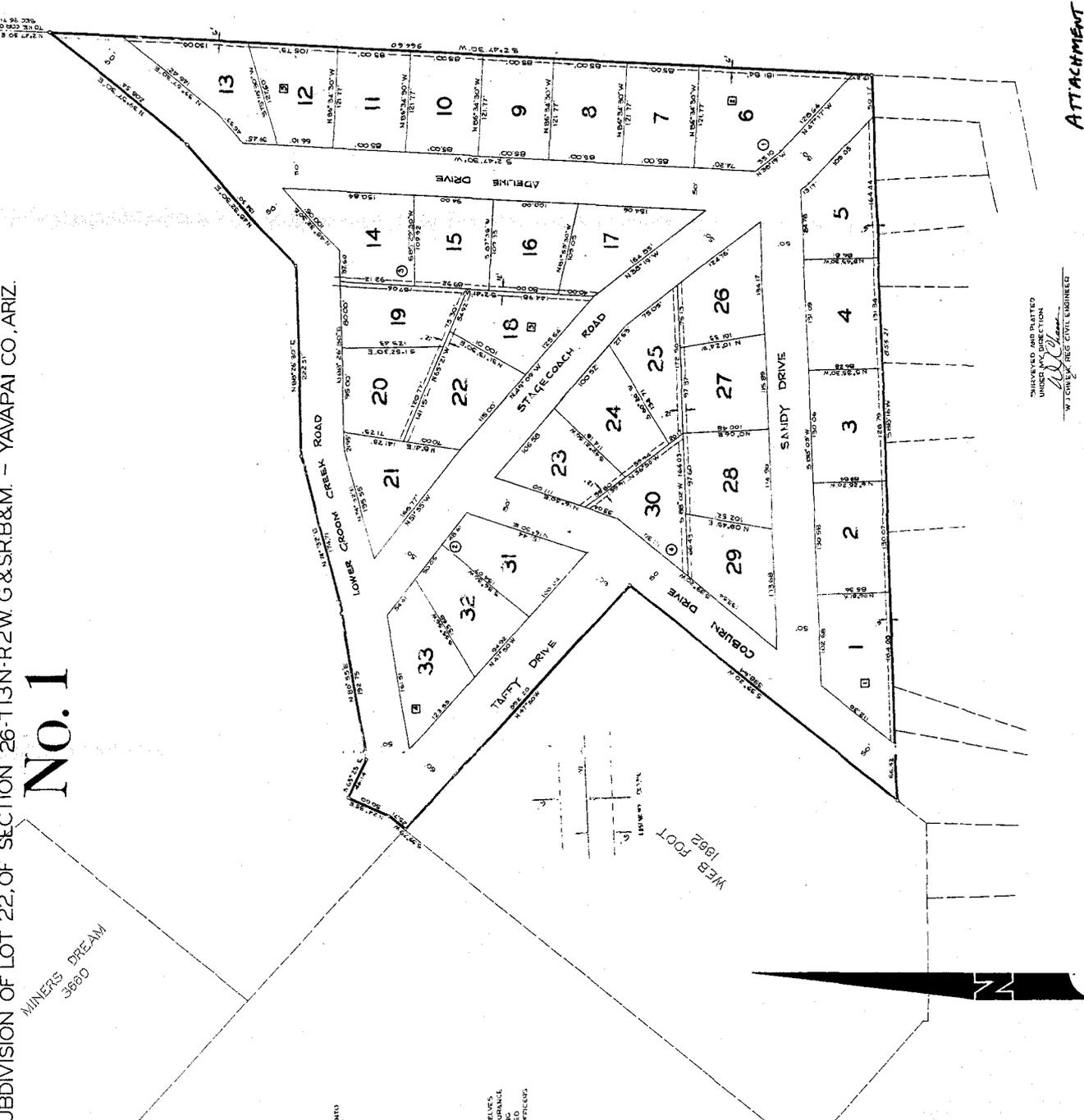
YAVAPAI COUNTY, ARIZONA

*Max*  
MAX

REGISTERED SURVEYOR

THE YAVAPAI COUNTY ZONING COMMISSION

YAVAPAI COUNTY, ARIZONA



11353  
Filed and recorded in the office of  
Robert C. Meiers  
August 13, 1971  
Book 13, Page 11353  
Page 11

SUBMITTED AND RATED  
UNDER MY SUPERVISION  
*Robert C. Meiers*  
REGISTERED SURVEYOR  
YAVAPAI COUNTY, ARIZONA

ATTACHMENT 4

SENT

LOT LAYOUT AS ESTABLISHED  
IN 1970

GROOM CREEK ESTATES No. 1

PAGE 1

14-64

# GROOM CREEK ESTATES

A SUBDIVISION OF LOT 22, OF SECTION 26-T13N-R2W G&SRB&M - YAVAPAI CO, ARIZ

## No. 2

### CATION

AMERICAN TITLE INSURANCE COMPANY, AN ARIZONA CORPORATION, AS SURVIVOR OF THE ORIGINAL TITLE INSURANCE COMPANY, HAS BEEN APPOINTED AS THE TITLE INSURANCE COMPANY FOR THIS SUBDIVISION. THE POLICY NUMBER IS 12-13N-R2W G&SRB&M YAVAPAI COUNTY, ARIZONA, AS REFLECTED ON THIS PLAN. THE POLICY NUMBER IS 12-13N-R2W G&SRB&M YAVAPAI COUNTY, ARIZONA, AS REFLECTED ON THIS PLAN. THE POLICY NUMBER IS 12-13N-R2W G&SRB&M YAVAPAI COUNTY, ARIZONA, AS REFLECTED ON THIS PLAN.

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*Richard M. ...*  
 REGISTERED SURVEYOR

### KNOWLEDGEMENT

I, *Richard M. ...*, SURVEYOR, DO HEREBY CERTIFY THAT I HAVE PERSONALLY EXAMINED THE ORIGINAL RECORDS OF THE COUNTY CLERK OF YAVAPAI COUNTY, ARIZONA, AND HAVE FOUND THAT THE SAME CORRECTLY REFLECT THE INFORMATION CONTAINED HEREON.

WITNESSED MY HAND AND OFFICIAL SEAL THIS 15th DAY OF APRIL, 1970.

### ROVALS

BY THE YAVAPAI COUNTY BOARD OF SUPERVISORS  
 I, *Charles J. ...*  
 COUNTY CLERK

### BY ENGINEER

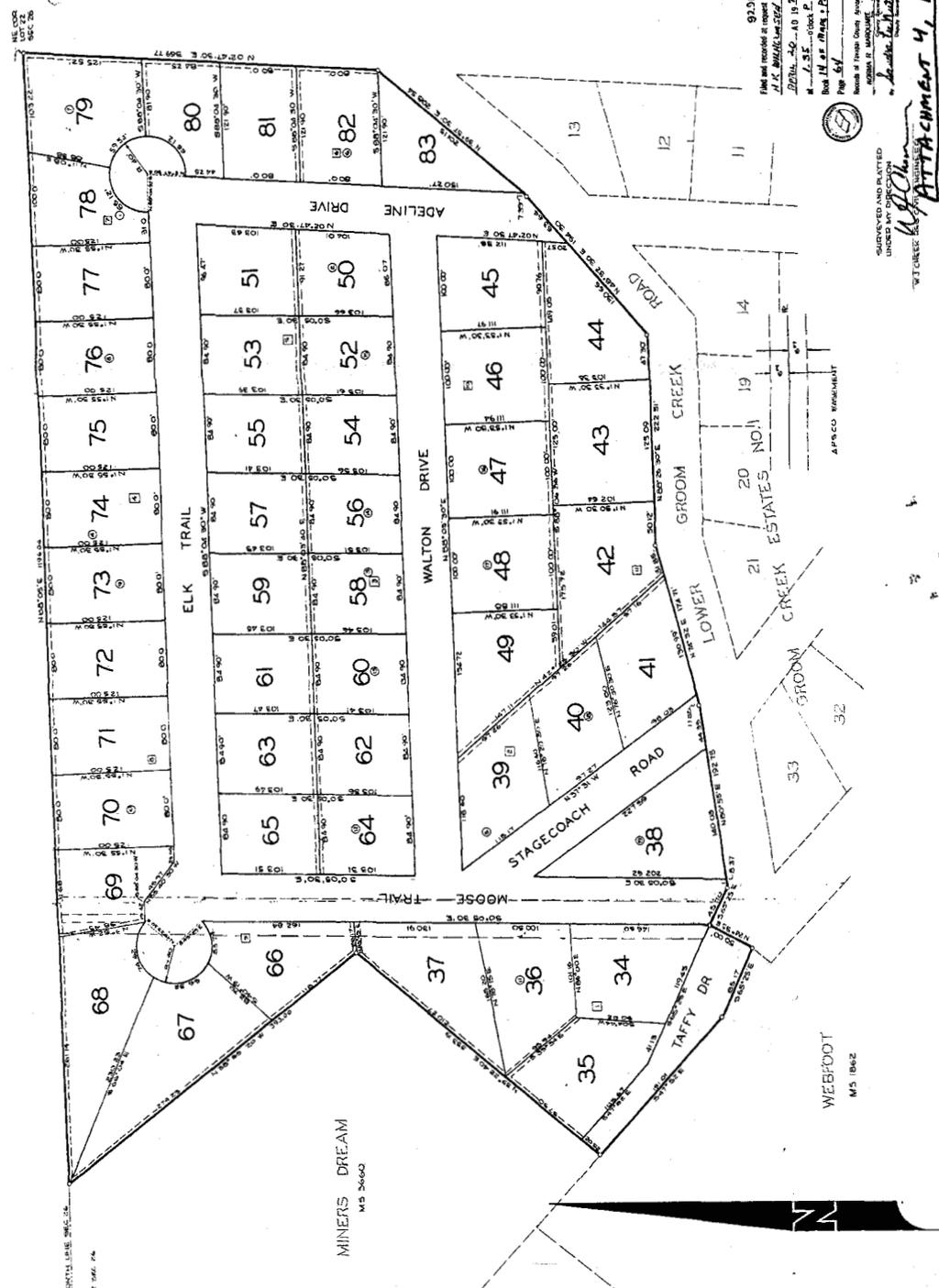
I, *Charles J. ...*  
 REGISTERED PROFESSIONAL ENGINEER

### NOTION TEST

1-4	112	87
5-8	112	87
9-12	112	87
13-16	112	87
17-20	112	87
21-24	112	87
25-28	112	87
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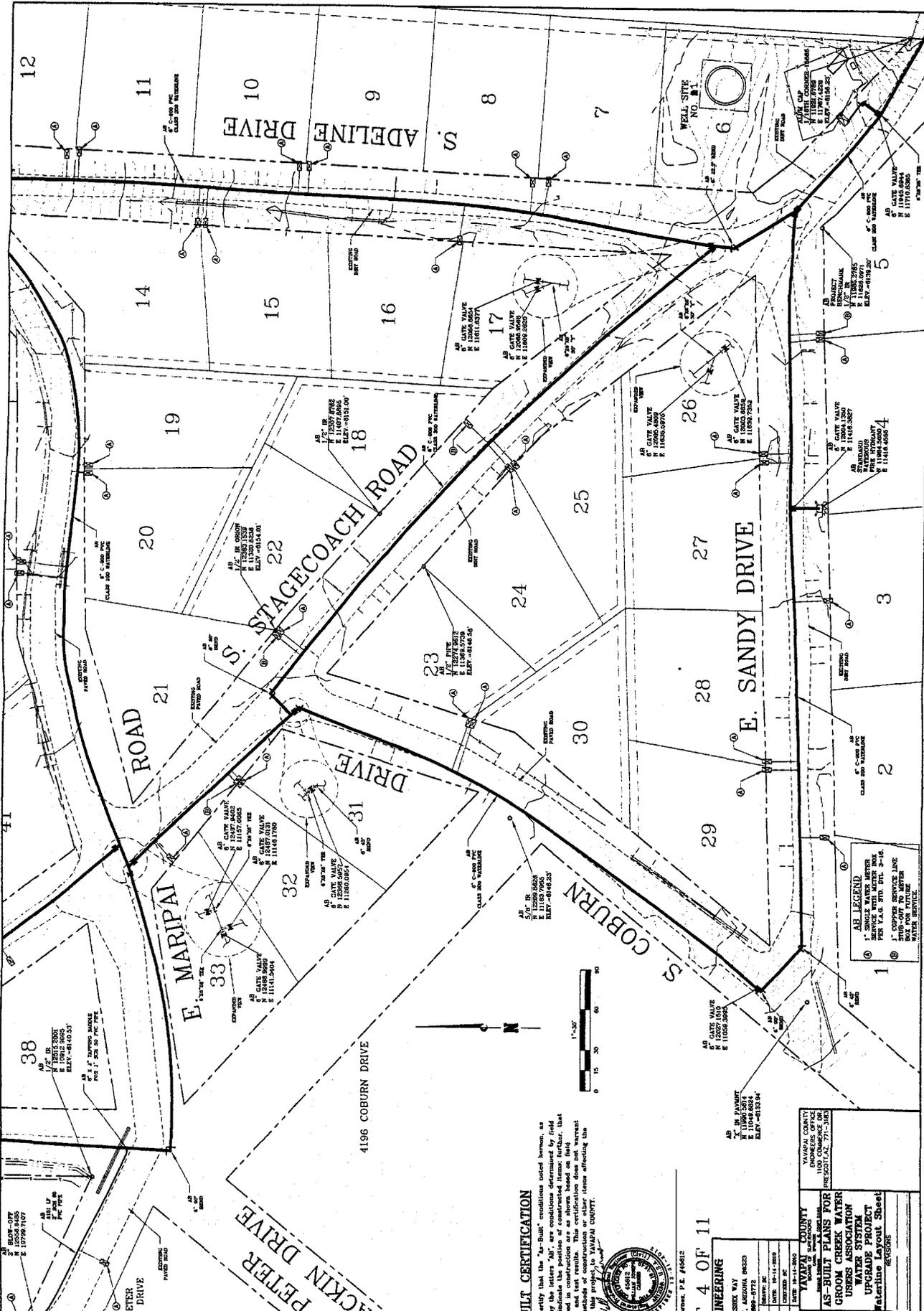
### BY SURVEYOR

I, *Richard M. ...*  
 REGISTERED SURVEYOR



90.51  
 FILED AND RECORDED AT THE OFFICE OF THE  
 COUNTY CLERK OF YAVAPAI COUNTY, ARIZONA  
 APRIL 15, 1970  
 BOOK 14, PAGE 2  
 BY *Richard M. ...*  
 REGISTERED SURVEYOR

ATTACHMENT 4, PAGE 2  
 LOT LAYOUT AS ESTABLISHED  
 IN 1970  
 GROOM CREEK ESTATES No. 2



ATTACHMENT 5  
 GROOM CREEK ESTATES No. 1  
 SHOWING CURRENT WATER  
 CONNECTIONS

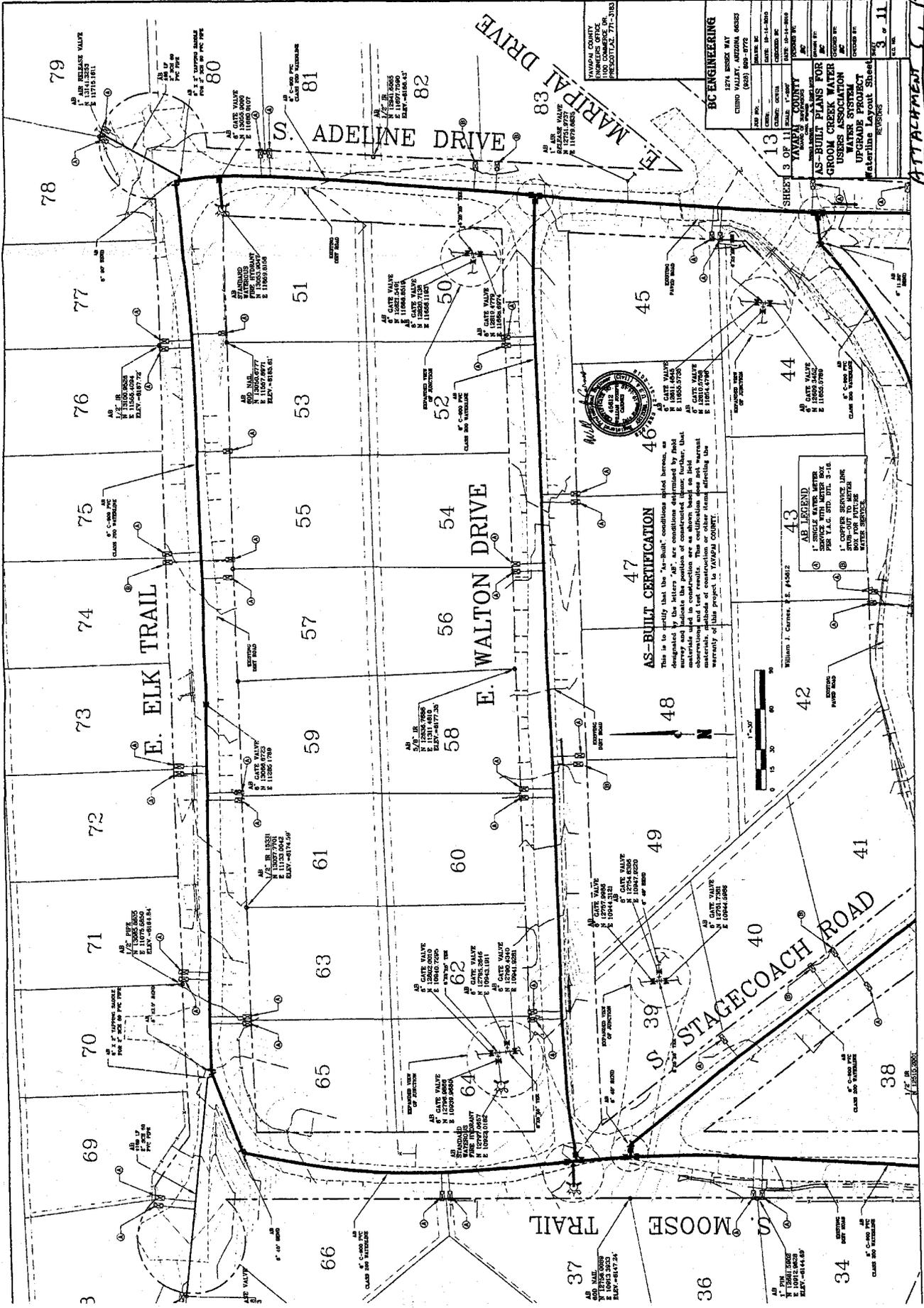
**ULT CERTIFICATION**  
 I hereby certify that the "as-built" conditions noted herein, as indicated by the letters "AB", are conditions determined by field inspection to be true and correct. I further certify that the work shown in construction is as shown based on the original plans and specifications, and that no change or alteration of this project has taken place in YAVAPAI COUNTY.



4 OF 11  
**INTEGRING**  
 3800 W. WILSON  
 PHOENIX, AZ 85018  
 PHONE: 602-998-8872  
 FAX: 602-998-8873  
 DATE: 10-11-2010  
 DRAWN BY: [Name]

YAVAPAI COUNTY ENGINEER'S OFFICE 1100 COMMERCIAL DR. PHOENIX, AZ 85004
YAVAPAI COUNTY ENGINEER'S OFFICE 1100 COMMERCIAL DR. PHOENIX, AZ 85004
AS-BUILT PLANS FOR GROOM CREEK WATER UTILITY SYSTEM WATER ASSOCIATION UPGRADE PROJECT Waterline Layout Sheet REVISIONS

**AB LEGEND**  
 ① SINGLE WATER METER  
 PER Y.A.C. STA. BTL. 2-115.  
 ② 1" COPPER SERVICE LINE  
 SWIRE-OUT TO METER  
 WATER SERVICE



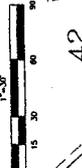
ATTACHMENT PAGE 2  
 GROOM CREEK ESTATES No 2  
 SHOWING CURRENT WATER  
 CONNECTIONS

**BC ENGINEERING**  
 1274 BIRCH WAY  
 CHINO VALLEY, ARIZONA 86325  
 (928) 949-8773

**YAVAPAI COUNTY**  
 1100 COMMERCE DR.  
 MESSITT, AZ 86303

**AS-BUILT PLANS FOR**  
**GROOM CREEK WATER**  
**USERS ASSOCIATION**  
**WATER SYSTEM**  
**UPGRADE PROJECT**  
 Waterline Layout Sheet

SHEET 3 OF 11  
 DATE: 03-14-2010  
 DRAWN BY: [Name]  
 CHECKED BY: [Name]  
 SCALE: AS SHOWN  
 PROJECT NO: [Number]



**AS-BUILT CERTIFICATION**

This is to certify that the "AS-BUILT" conditions noted herein, as designated by the letters "AB", are conditions determined by field survey and indicate the position of constructed items further, that materials used in construction are as shown based on field current measurements and are not subject to change. The engineer does not warrant the materials, methods of construction or other items affecting the warranty of this project in YAVAPAI COUNTY.

**AB LEGEND**

- ① 1" SINGLE WATER METER PER Y.A.C. CITY DTL. 3-16
- ② 1" COPPER SERVICE LINES
- ③ 1" COPPER SERVICE LINES
- ④ 1" COPPER SERVICE LINES
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**ARIZONA CORPORATION COMMISSION**

**APPLICATION FOR AN  
EXTENSION  
CERTIFICATE OF CONVENIENCE AND NECESSITY  
WATER AND/OR SEWER**

A. The legal name, mailing address and telephone number of the Applicant (Company) is:

GROOM CREEK WATER USERS ASSOCIATION  
P.O. Box 3897 (928) 717-4495  
PRESCOTT, AZ. 86302-3897

B. If the applicant operates under a "d.b.a." or under a name other than the Applicant (Company) name listed above, specify:

N/A

C. List the full name, mailing address and telephone number of the management contact:

\_\_\_\_\_  
\_\_\_\_\_

D. List the full name, mailing address and telephone number of the attorney for the Applicant:

WILLIAM SULLIVAN, CURTIS, GOODWIN, SULLIVAN, UDALL + SCHWAB PLC,  
501 E. THOMAS RD., PHOENIX, AZ. 85012 (602) 393-1700

E. List the full name, mailing address and telephone number of the operator certified by the Arizona Department of Environmental Quality who is or will be working for the Applicant:

MARGIE L. GOOD (ADEQ OPER. CERT. No. 0P022989, P.O. Box 758,  
MAYER, AZ. 86333 (928) 925-1586

F. List the full name, mailing address and telephone number of the on-site manager of the utility:

MARGIE L. GOOD, P.O. Box 3897, PRESCOTT, AZ. 86302  
(928) 925-1586

G. The Applicant is a:

<input checked="" type="checkbox"/> Corporation: <input type="checkbox"/> "C", <input type="checkbox"/> "S", <input checked="" type="checkbox"/> Non-Profit <input checked="" type="checkbox"/> Arizona, <input type="checkbox"/> Foreign	<input type="checkbox"/> Partnership <input type="checkbox"/> Limited, <input type="checkbox"/> General <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Company (LLC)
<input type="checkbox"/> Other (Specify)	

H. If Applicant is a corporation:

1. List full names, titles and mailing addresses of all Officers and Directors:

Officers

SEE LIST ON PAGE 3

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Directors

SEE LIST ON PAGE 3

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GROOM CREEK WATER USERS ASSOCIATION BOARD OF DIRECTORS  
CONTACT INFORMATION FOR THE 2010-2011 OPERATING YEAR

---

Mailing Address: P.O. Box 3897, Prescott, Az. 86302  
Office Phone # (928) 717-4495  
Office Fax # (928) 717-8827

Office Address: 333 S. Montezuma St., Suite C, Prescott, Az. 86303

**Jerry Hodgson**, *PRESIDENT*, 4255 S. Stagecoach Rd., Prescott, Arizona 86303  
Phone: (928) 443-8654, Cell # (928) 925-0204, Fax # (928) 443-5017  
e-mail: [jmhodgson1@msn.com](mailto:jmhodgson1@msn.com).

**Dean Clemit**, *VICE PRESIDENT*, 1006 E. Stagecoach Rd., Prescott, Arizona 86303  
Phone: (928) 771-8758 Cell# (602)291-9548

**Kal Miller**, *SECRETARY*, 1301 E. Stagecoach Rd., Prescott, Arizona 86303  
Phone: (928) 778-7197 (Send all mail to Phoenix address below.)  
Mailing address: 118 W. Northview Ave., Phoenix, Arizona 85021  
Phone: (602) 944-0307, Cell # (602) 725-3001, Home fax #: (602) 861-9359, home e-mail: [kalbar1@aol.com](mailto:kalbar1@aol.com).

**Loren Greenberg**, *TREASURER*, 1277 Stagecoach Rd., Prescott, Arizona 86303  
Phone: (928) 776-0817 (Send all mail to Phoenix address below.)  
Mailing address: 2122 E. Lawrence Rd., Phoenix, Arizona 85016  
Phone: (602) 277-5954, Office e-mail: [lorenz@seelymullins.com](mailto:lorenz@seelymullins.com).  
Office phone: (623) 583-2559

**Ritch Steven**, 5635 E. Lincoln Dr. #58, Paradise Valley, Az. 85253  
Phone: (480) 607-1513, Cell: (480) 292-5161 Prescott Phone: (928) 708-0439  
E-Mail: [jdrsteven@cox.net](mailto:jdrsteven@cox.net)

**Ernie Serrano, Jr.** 599 W. Toledo St., Chandler, Az. 85225  
Phone: (480)963-8421, Cell # (480) 390-1376, Prescott: (928) 442-1150  
Office Phone: (480) 899-7379, Office Fax # (480) 899-7065 Office E-Mail:  
[erniejr@serranosaz.com](mailto:erniejr@serranosaz.com).

**Steve Rex**, 12417 No. 57<sup>th</sup> Dr., Glendale, Az. 85304  
Phone: (623) 878-2447, Cell: (602) 790-5036, Ofc: (602) 346-5706  
Ofc Fax: (602) 957-2838  
E-Mail: [serex@q.com](mailto:serex@q.com) (home), E-Mail: [Steve.Rex@Dibblecorp.com](mailto:Steve.Rex@Dibblecorp.com)

**Andrea Mitchell**, 1037 E. Stagecoach Rd., Prescott, Az. 86303  
Home: (928) 445-6958, Cell # (928) 925-5035, E-mail: [ramamod@cableone.net](mailto:ramamod@cableone.net)

**Paul Williams**, 1144 Marapai Rd., Prescott, Az. 86303  
Phone: (928) 778-4156, Cell : (928) 713-6690. E-mail: [paulbarbwilliams@MSN.com](mailto:paulbarbwilliams@MSN.com)

**Margie Good**: *Office Manager*, P.O. Box 758, Mayer, Az. 86333. Phone (928) 632-4880, Fax: (928) 632-5062, Cell: (928) 925-1586 E-mail: [mrgood@cableone.net](mailto:mrgood@cableone.net)

Revised: 11/22/10

2. Attach a copy of the corporation's "Certificate of Good Standing" issued by the Corporation's Division of the Arizona Corporation Commission.  
*SEE PAGE 5*
  3. Attach a certified copy of the Articles of Incorporation. *SEE ATTACHMENT A, PAGE 7*
  4. Attach a certified copy of the corporation's By-Laws. *SEE ATTACHMENT B, PAGE 11*
  5. If a for-profit corporation, indicate the number of shares of stock authorized for issue: *N/A*
  6. If stock has been issued, indicate the number of shares issued and date of issue: *N/A*
- 

H. If the Applicant is a partnership: *N/A*

1. List the full name and mailing address of the general partners: *N/A*
- 
- 

2. List the full name, address and telephone number of the managing partners: *N/A*
- 
- 
- 

3. Attach a copy of the Partnership's Articles of Partnership. *N/A*

• If the Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" filed with the Arizona Secretary of State.

I. If the Applicant is a Limited Liability Company: *N/A*

1. List the full name and mailing address of all the Applicant's managers or, if management is reserved to the members, the Applicant's members: *N/A*
- 
-

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**  
**CERTIFICATE OF GOOD STANDING**

*To all to whom these presents shall come, greeting:*

*I, Ernest G. Johnson, Executive Director of the Arizona Corporation Commission, do hereby certify that*

**\*\*\*GROOM CREEK WATER USERS ASSOCIATION\*\*\***

*a domestic nonprofit corporation organized under the laws of the State of Arizona, did incorporate on January 9, 1978.*

*I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Nonprofit Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-3122, 10-3123, 10-3125, & 10-11622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.*

*This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.*

**IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 29th Day of November, 2010, A. D.**



  
Executive Director

By: \_\_\_\_\_ 543749

ATTACHMENT A

**AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
GROOM CREEK WATER USERS ASSOCIATION  
AN ARIZONA NONPROFIT CORPORATION**

Pursuant to the provisions of Arizona Revised Statutes § 10-11007, Groom Creek Water Users Association, an Arizona nonprofit corporation, hereby adopts the following Amended and Restated Articles of Incorporation and certifies as follows:

1. The name of the corporation is "Groom Creek Water Users Association."
2. The Articles of Incorporation of the corporation were filed with the Arizona Corporation Commission on January 9, 1978, at File No. 0113684-6.
3. The Articles of Incorporation are amended and restated as set forth in Exhibit "A" attached hereto and incorporated herein by this reference.
4. The Amended and Restated Articles of Incorporation were adopted by the board of directors of the corporation on July 21, 2007, and approval is not required of the members of the corporation, in the manner prescribed by the Arizona Nonprofit Corporation Act.
5. The Amended and Restated Articles of Incorporation supersede the original Articles of Incorporation and all amendments thereto in their entirety.

Dated: July 21, 2007

Groom Creek Water Users Association

By: Kal Miller  
Kal Miller, Secretary

**EXHIBIT "A"**

**AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
GROOM CREEK WATER USERS ASSOCIATION**

**I.  
Name and Place of Business**

The name of the corporation shall be "Groom Creek Water Users Association" (referred to herein as the "Corporation"). The known place of business of the Corporation shall be in the unincorporated community of Groom Creek, Arizona, but the Corporation may maintain other offices and places of business at such other places within its service area as the Board of Directors may designate.

**II.  
Incorporators**

The original incorporators of the Corporation were: Leroy T. Bentley, Harold R. Hall, and LaMar A. Dixon.

**III.  
Purpose and Activities**

This Corporation is a business league or board of trade not organized for profit within the meaning of Section 501(c)(12) of the Internal Revenue Code of 1986, as amended (the "Code"), or corresponding provision of any future federal tax laws. Within the meaning of Section 501(c)(12), the Corporation will provide water utility services to its members located within its service boundaries. Except as otherwise provided in these Articles, the Corporation also may transact any and all lawful business for which nonprofit corporations may be organized under the laws of Arizona as amended from time to time.

**IV.  
Limitation on Activities**

(a) No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its directors, officers, members, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof.

(b) It is intended that this Corporation shall have the status of a corporation which is exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(12) and, notwithstanding any other provision of these Articles, the Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from income

tax under Section 501(c)(12) of the Code or corresponding provision of any future federal tax laws. These Articles shall be construed accordingly, and all powers and activities of the Corporation shall be limited accordingly.

**V.  
Members**

There shall be members of the Corporation. The qualifications of membership in the Corporation, the terms for admission of members, the requirement of any dues or assessments for membership, and the voting and other rights and privileges of members shall be provided for in the Bylaws of the Corporation or by resolution of the Board of Directors of the Corporation if so authorized in the Bylaws of the Corporation. The members shall not be liable for the debts of the Corporation.

**VI.  
Statutory Agent**

The name and address of the statutory agent appointed for the Corporation for the state of Arizona as of the filing of these Amended and Restated Articles of Incorporation are:

<u>Name</u>	<u>Address</u>
Kal Miller	118 West Northview Avenue Phoenix, Arizona 85021

**VII.  
Board of Directors**

(a) The business and affairs of the Corporation shall be conducted by a Board of Directors consisting of at least three (3) directors, as elected pursuant to the Bylaws. The meetings, elections, and terms of directors will be governed by the Bylaws.

(b) The names and addresses of the persons who were elected to serve as the directors as of the filing of these Amended and Restated Articles of Incorporation until their successors are elected and qualify are:

<u>Name</u>	<u>Address</u>
Jerry Hodgson	4255 South Stagecoach Road, Prescott, Arizona 86303
Dean Clemit	1006 East Stagecoach Road, Prescott, Arizona 86303
Kal Miller	118 West Northview Avenue, Phoenix, Arizona 85021
Loren Greenberg	2122 E. Lawrence Road, Phoenix, Arizona 85016
Todd Starr	1009 East Wagon Wheel Drive, Prescott, Arizona 86303
Eileen "Sully" Sullivan	4113 South Adeline Drive, Prescott, Arizona 86303
Karin Anderson	1272 East Friendly Pines Road, Prescott, Arizona 86303
David Miller	1309 East Stagecoach Road, Prescott, Arizona 86303

## **VIII.**

### **Limitation of Liability**

The personal liability of a director of the Corporation, or of a person who serves on a board or council of the Corporation in an advisory capacity to the Corporation for money damages for any action taken or any failure to take action as a director is hereby eliminated to the fullest extent permitted by Arizona law as it now exists or hereafter may be amended. Any repeal or modification of this provision shall be prospective only, and shall not affect adversely any limitation on the personal liability of such person with respect to any act or omission occurring prior to the time of such repeal or modification.

## **IX.**

### **Indemnification**

To the fullest extent permitted by Arizona law as it now exists or hereafter may be amended, the Corporation shall indemnify every director, officer, or agent of the Corporation against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, formal or informal, to which he or she is or was a party or is threatened to be made a party by reason of the fact that he or she is or was a director, officer, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, member, or agent of another Corporation or other entity. The foregoing rights of indemnification are limited as required by Arizona law, but shall be in addition to and not exclusive of all of the rights to which such persons may be entitled at law or otherwise. Any repeal or modification of this Article shall be prospective only and shall not adversely affect any indemnification rights of a director, officer, or agent of the Corporation existing at the time of such repeal or modification.

## **X.**

### **Dissolution**

Upon dissolution of the Corporation, the Board of Directors, after making provision for the payment of all of the liabilities of the Corporation, shall arrange for the distribution of all of the assets of the Corporation exclusively for the tax-exempt purposes of the Corporation, by distribution to one or more organizations that are exempt from both federal and state income taxes and property taxation under Section 501(c)(3) or (c)(12) of the Code or corresponding provision of any future federal tax laws, and are engaged in activities substantially similar to those of the Corporation, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Superior Court of the County in which the principal office of the Corporation is then located, exclusively for the tax-exempt purposes of the Corporation or to such organization or organizations, as such Court shall determine, which are organized and operated exclusively for such purposes.

**XI.**  
**Amendments**

These Articles may be altered, amended, supplemented, repealed, or temporarily or permanently suspended, in whole or in part, or new articles may be adopted, by the Board at any duly constituted meeting of the Board of Directors or, alternatively, by the written consent of the Board of Directors to corporate action without a meeting of the Board of Directors. These Articles may be so amended, altered, or revised, provided that in each case notice of the proposed amendment, alteration, or revision is included in the notice of the meeting at which such proposal is being considered. The members shall have no right to vote on any amendments to these Articles.

IN WITNESS WHEREOF, the undersigned secretary of Groom Creek Water Users Association has hereunto affixed his signature this 21 day of July, 2007.

Groom Creek Water Users Association

By: Kal Miller  
Kal Miller, Secretary

**CONSENT OF STATUTORY AGENT  
OF  
GROOM CREEK WATER USERS ASSOCIATION**

The undersigned, having been named in the Amended and Restated Articles of Incorporation of Groom Creek Water Users Association. as its agent for service of process for the State of Arizona, hereby confirms that he has been notified of the appointment and that he accepts the appointment.

DATED: July 21, 2007.

Kal Miller  
Kal Miller  
118 West Northview Avenue  
Phoenix, Arizona 85021

ATTACHMENT B

AMENDED AND RESTATED BYLAWS

OF

GROOM CREEK WATER USERS ASSOCIATION

an Arizona nonprofit corporation

September 13, 2008

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REVISED SEPTEMBER 13, 2008

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AMENDED AND RESTATED BYLAWS  
OF  
GROOM CREEK WATER USERS ASSOCIATION  
an Arizona nonprofit corporation

---

KNOW ALL MEN BY THESE PRESENTS:

That the Board of Directors of the Groom Creek Water Users Association, an Arizona nonprofit corporation, does hereby adopt these bylaws as the bylaws of the Corporation.

ARTICLE I  
OFFICES AND JURISDICTIONAL BOUNDARIES

Section 1.1 Principal Office: The principal office of the Groom Creek Water Users Association, an Arizona nonprofit corporation, hereinafter referred to as "the Corporation" shall be located in the unincorporated community of Groom Creek, Arizona.

Section 1.2 Other Offices: The Board may in its discretion open and maintain other offices of the Corporation within the service area of the Corporation.

Section 1.3 Jurisdictional Boundaries: The jurisdictional boundaries of the Corporation shall be the same as the boundaries of its Certificate of Convenience and Necessity approved by decision and order of the Arizona Corporation Commission, as amended from time to time by the Commission, plus those lots, if any, to which the Corporation actually provides retail water service pursuant to A.R.S. §40-281.B.

ARTICLE II  
MEMBERSHIP

Section 2.1 Requirements for Membership:

1. Classes of members. The Corporation shall have two classes of members. The designation of such classes and the qualifications, and rights of the members of such classes are as follows:

All owners of a parcel or lot located within the boundaries of the real property located within the jurisdictional boundaries of the Corporation shall be

members of the Corporation upon purchase of such parcel or lot. Becoming a member shall entitle a property owner to apply for a hook-up to the water system operated by the Corporation. All members shall be nonvoting members until such time as they have paid a hook-up fee/membership fee (Class A), at which time said members shall become voting members (Class B). Class A members shall not be assessed or pay any fees to the Corporation, except such fees or connection charges due upon application to the water company for service.

2. Assignability. No membership may be assignable except upon the transfer of ownership of a parcel or lot within the jurisdictional boundaries described above. The Board of Directors shall resolve any question relating to membership.
3. Voting Rights. Each parcel or lot shall be assigned the right for one vote. Only a Class B member shall be entitled to cast that vote on matters submitted to the membership. Ownership of more than one parcel shall entitle the owner to one vote regardless of the number of parcels owned.
4. Resignation. Termination of connection from the water system shall serve as notice of resignation of Class B membership. Such resignation of Class B membership shall not relieve the member so resigning of the obligation to pay any dues, assessments or other charges theretofore accrued and unpaid. Resignation as a member will serve as notice of termination of connection to the water system operated by the Corporation.
5. Transfer of Membership. Membership in the Corporation is not transferable or assignable, except by sale or other transfer of the parcel or lot to which membership attaches.

Section 2.2 Joint Membership and Conversion Thereof: A husband and wife shall have a joint membership and, subject to their compliance with the requirements set forth in Section 2.1 of this Article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

1. The presence at a meeting of either or both shall be regarded as the presence of one member, and shall have

the effect of revoking a proxy executed by either or both and constituting a joint waiver of notice of the meeting.

2. The vote of either separately or both jointly shall constitute one joint vote. In the event of disagreement between husband and wife who are both present at a meeting, the joint membership shall be deemed to have abstained from voting.
3. A proxy executed by either or both shall constitute one joint proxy.
4. A waiver of notice signed by either or both shall constitute a joint waiver.
5. Notice to either shall constitute notice to both.
6. Suspension of either shall terminate the joint membership
7. Withdrawal of either shall terminate the joint membership.
8. Either but not both may be elected or appointed as an officer or Director, provided that the person meets the qualifications for such office.
9. Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor.

#### Section 2.3 Membership and Service Connection Fees:

1. With the approval of the Arizona Corporation Commission, the Board shall establish a membership fee and a service connections charge, which fee and charge may from time to time be altered or amended in light of changing circumstances.
2. The Corporation shall not serve water to premises not owned or occupied by a member and shall not serve water except through paid service connections.
3. All connection charges are non-refundable except as otherwise provided in any fee schedule as established by the Corporation or the Arizona Corporation Commission.

#### Section 2.4 Purchase of Water:

1. Each member shall purchase from the Corporation all water used on the premises specified in application for membership and shall pay the monthly rate.
2. The Board, as approved by the Arizona Corporation Commission, may limit the amount of water which the

Corporation shall be required to furnish to any one member.

3. Each water user shall pay to the Corporation a specified minimum amount per month to be from time to time fixed by the Board and approved by the Arizona Corporation Commission where required, regardless of the amount of water consumed.
4. All bills for water service are due and payable when rendered. Any payment not received within 15 days from the date the bill was rendered shall be considered delinquent and becomes past due.
5. For purposes of this rule, the date a bill is rendered may be evidenced by:
  - (1) the postmark date
  - (2) the mailing date if certified mail
6. A late payment fee will be assessed on all past due balances. Late fees will not be assessed if there is no balance and payments are made on time.
7. All delinquent bills shall be subject to the provisions of the Corporation's collection and termination procedures.
8. Failure to receive bills or notices which have been properly placed in the United States mail shall not prevent such bills from becoming delinquent or relieve the member of his obligations therein.
9. The member is responsible for all fees and charges incurred for water service to their lot or parcel, including where a tenant is in possession and has become the water customer of record.
10. Water service may be suspended, curtailed or terminated in accordance with the rules, regulations and orders of the Arizona Corporation Commission and the Corporation's filed tariffs, as amended from time to time.

Section 2.5 Termination of Membership: Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe.

The Board may, by the affirmative vote of not less than two-thirds of all the Directors, suspend any member who fails to comply with any of the provisions of the Articles of Incorporation, bylaws or rules or regulations lawfully adopted by the Board. The member must have first been given written notice by the Secretary of the Corporation that such failure makes him liable to suspension and such failure must have continued for at least ten days after such notice was given.

Any suspended member may be reinstated by a majority vote of the Board or a majority vote of the members of the Corporation at any annual or special meeting, subject to any conditions which may be imposed pursuant to these bylaws or any rules or regulations adopted by the Board, provided that the cause for which such member was suspended shall have been entirely remedied to the Board's satisfaction previous to such reinstatement.

### ARTICLE III ASSESSMENT OF MEMBERS

Section 3.1 Private Property Exemption: Articles of Incorporation provide that the private property of the members shall be exempt from the debts of the Corporation but that members shall be subject to assessment as provided in these bylaws.

Section 3.2 Assessment of Members: In the event that the revenues of the Corporation are insufficient for such purposes, the Board may levy pro-rata assessments upon the membership as approved by the Arizona Corporation Commission to the extent necessary to maintain the property of the Corporation in good condition and to meet the outstanding obligations of the Corporation as they mature. Members who do not pay such assessments within a reasonable time after they are levied are subject to termination of services by the Board. Such assessments, together with interest, costs of collection and attorneys' fees shall be a charge against the land and shall be a continuing lien upon the property against which each assessment is made. All assessments are due when billed.

Section 3.3 Membership Approval of Extraordinary Expenditures: An affirmative vote of a majority of the members eligible to vote shall be required before an extraordinary expenditure is made by the Corporation and prior to any pro-rata assessment upon the membership to meet such financial obligation. An extraordinary expenditure, as used herein, is an expense in excess of Twenty Thousand Dollars (\$20,000.00) unless one or more of the following apply:

1. The Arizona Corporation Commission has expressly authorized the expenditure or the financing of such expenditure.
2. The expenditure is for operation, maintenance, repair and replacement requirements of the water system.
3. The Board has expressly determined the expenditure is necessary to permit the efficient and reliable long term operation of the water system.

4. The Board has expressly determined the expenditure is necessary to continue the immediate operation of the water system.
5. The Arizona Corporation Commission has expressly authorized the assessment.

When membership approval of an extraordinary expense is required under this Section, voting shall be either:

1. By mail-in ballot and a majority vote of the number of valid ballots returned shall control; or
2. At a special or regular meeting of the membership where the written notice of the meeting includes the intention to consider the approval of the expenditure and at least a summary explanation of the expenditure. The majority vote of the eligible members voting, in person or by proxy, on the question shall control.

#### ARTICLE IV MEETINGS OF MEMBERS

##### Section 4.1 Annual Meeting:

1. The annual meeting of the membership of the Corporation shall be at such place in the unincorporated community of Groom Creek, Arizona, as determined by the Board. It shall be the responsibility of the Board to make adequate plans and preparation for the annual meeting.
2. The meeting shall be held on the Saturday of Labor Day Weekend.
3. The basic purpose of the meeting shall include presentation of reports from the previous annual meeting, election of new members to the Board of Directors and for such business as may come before the meeting.
4. The meeting shall be conducted in accordance with Robert's Rules of Order as closely as practicable and as agreed upon by those in attendance.

Section 4.2 Special Meetings: The President, the Board of Directors, or not less than one-tenth of the members having voting rights may call special meetings of the members.

##### Section 4.3 Notice of Members' Meetings:

1. Written notice stating the place, day and hour of any meeting of members shall be delivered personally, by first class mail, or by facsimile to all members not less

than ten (or 15 if by mail) nor more than 45 days before the date of such meeting, by or at the direction of the President or the Secretary, or the officers or persons calling the meeting.

2. In case of a special meeting or when required by statute or by these bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice.
3. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail and addressed to the member at his address as it appears on the records of the Corporation, with postage thereon repaid.

Section 4.4 Informal Action by Members: Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by at least a majority of the voting power of the members entitled to vote with respect to the subject matter thereof, unless the articles or these bylaws require a different amount of voting power.

Section 4.5 Quorum: A quorum at any meeting of the members shall consist of twenty percent of the voting members of the Corporation present in person or by proxy. If a quorum is not present, those in attendance may conduct an informational meeting, but no business may be voted upon.

Section 4.6 Proxies:

1. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact.

A member may designate as his proxy only another member, a relative of such member or an adult living in the same household with such member, and no member may hold more than ten (10) proxies at any meeting.

2. Such proxy or revocation of proxy shall be filed with the Secretary before or at the time of the meeting. The presence of a member at a meeting shall revoke any proxy executed by him.
3. Any proxy can be revoked at any time by written notification to the Secretary.
4. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 4.7 Manner of Acting: A majority of the votes cast on a matter to be voted upon by the members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption thereof unless a greater proportion is required by law or by these bylaws.

Section 4.8 Voting by Mail: Any matter that the Board of Directors determines to require the vote of the members may be determined by a vote conducted by mail by written ballot, by eligible Class B voters, in such manner as the Board of Directors shall determine consistent with Arizona law.

## ARTICLE V BOARD OF DIRECTORS

Section 5.1 General Powers: The Board of Directors shall manage the affairs of the Corporation and is vested with the power and authority to make any and all decisions and to take any action not expressly reserved to the membership by the Articles of Incorporation or these Bylaws. Directors must be residents of the State of Arizona and members of the Corporation.

Section 5.2 Tenure and Classes of Directors: The number of Directors shall be not less than five (5) nor more than nine (9). There shall be three classes of Directors: A, B, and C. Each year three Directors shall be elected to the C Class, the previous year's C Class Directors shall be elevated to the B Class, and the previous year's B Class Directors shall be elevated to the A Class. The terms of the previous A Class Directors shall lapse upon qualifications of the newly elected C Class Directors.

In the event death, disqualification, or other inability to serve occur with respect to any Director, a replacement Director shall be elected by the Board. The replacement Director shall be deemed to be of the class in which the vacancy occurred and tenure shall be equal to that of the Director replaced. Classification of Directors shall be for the purpose of preserving records of tenure and continuity on the Board, and shall have no other significance.

Section 5.3 Initial Directors and Their Successors: As set forth in Article VII of the Articles of Incorporation, the first Directors of the Corporation have heretofore been elected. The names of the persons elected to serve as the initial Directors are subscribed to the Articles of Incorporation. The first three of such names shall constitute the Directors who shall serve as the Directors of the A Class until the next annual meeting, the second three names shall constitute the Directors who shall serve as the Directors of the B Class, and the last three names shall constitute the Directors who shall serve as the Directors of the C Class. At

the next annual meeting of the Corporation, the B and C Class Directors shall be elevated as set forth in Section 2 above to the A and B Class, and three new Directors of the C Class shall be elected. The retiring A Class Directors shall be eligible for nomination and election as C Class Directors at said annual meeting.

Section 5.4 Qualifications: No person shall be eligible to become or remain a Director or hold any office in the Corporation who is not a member thereof and a bona fide resident of the State of Arizona. Upon establishment of the fact that a Director is holding office in violation of the foregoing provision, the Board shall remove such Director from office, but nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken by the Board at any meeting.

Section 5.5 Removal of Directors by Members: Any member may bring charges against a Director and, by filing with the Secretary such charges in writing, together with a petition signed by at least twenty percent of the members, may request the removal of such Director by reason thereof. Such Director shall be informed in writing of the charges at least ten days prior to the meeting of the members at which the charges are to be considered, and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges, and the person or persons bringing such charges at such meeting having the burden of proof and the burden to go forward with the evidence. The question of the removal of such Director shall be considered and voted upon at the meeting of the members and any vacancy created by such removal shall be filled as provided in Article V, Section 2. If the removal results in fewer than the five minimum directors required, then such removal shall be filled as provided in Article V, Section 2. If removal does not result in fewer than five directors then any vacancy shall be filled as provided in Article IV at the next annual meeting of the members. Any ousted director shall not be eligible for election or appointment to the Board.

Section 5.6 Compensation: Directors shall not receive any stated salaries for their services as Directors on the Board; however, directors may receive reimbursement of reasonable expenses incurred while conducting business on behalf of the Corporation. Such sums shall only be allowed if approved by the Board and upon submittal of substantiating documentation.

ARTICLE VI  
MEETINGS OF DIRECTORS

Section 6.1 Regular Meetings:

1. Regular meetings of the Board of Directors shall be held on a bi-monthly basis without other notice than these bylaws at 1:00 p.m. on the third Saturday of January, March, May, July and November at the Groom Creek firehouse on Friendly Pines Road.
2. The Board of Directors may amend by resolution the time and place within the State of Arizona for the holding of regular meetings of the Board.
3. Meetings of the Board shall be conducted in accordance with Robert's Rules of Order as closely as practicable and as agreed upon by those in attendance, and such meetings shall be open to members.

Section 6.2 Annual Meeting: The annual meeting of the Board shall be held without notice immediately after and at the same place as the annual meeting of the members on the Saturday of Labor Day Weekend in September of each year.

Section 6.3 Special Meetings:

1. Special meetings of the Board may be called by the President upon his own motion or by the Secretary upon his own motion or upon written demand of two Directors.
2. The Secretary shall cause notice of such meetings to be given as hereinafter provided, but in the absence of the Secretary or inability or refusal to give notice, then any Director may do so.
3. Notice of the meeting shall specify the time and the place in the unincorporated community of Groom Creek, Arizona, for the holding of the meeting.

Section 6.4 Notice of Directors' Meetings:

1. No notice other than these bylaws shall be required for regular meetings of the Board of Directors.
2. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given at least two (2) days previously thereto by written notice delivered personally, by first class mail, by facsimile or by confirmed telephone contact directly to the Director; or fifteen (15) days if notice is sent by mail to each Director at his address or number as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United

States mail in a sealed envelope so addressed, with postage thereon prepaid.

3. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6.5 Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 6.6 Manner of Acting: The act of a majority of the Directors voting at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these bylaws.

Section 6.7 Informal Action by Directors: Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

## ARTICLE VII OFFICERS

Section 7.1 Number and Appointment: The officers of the Corporation shall be a President, a Vice-President, a Secretary, and a Treasurer. The officers shall be appointed by the Board at its annual meeting each year. Any vacancy occurring in one of these positions shall be filled by the Board at a special meeting called for such purpose or at the next regularly scheduled Board meeting.

Section 7.2 Removal of Officers and Agents by Directors: Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Corporation will be served thereby. In addition, any member of the Corporation may bring charges against an officer or an agent and by filing with the Secretary such charges in writing, together with a petition signed by twenty percent of the members, may request the removal of such officer.

The officer or agent against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the Board meeting at which the charges are to be considered, and shall have an opportunity at the meeting

to be heard in person or by counsel and to present evidence in respect of the charges. The persons bringing such charges at such meeting have the burden of proof to go forward with the evidence. In the event the Board does not remove such officer or agent, the question of his removal shall be considered and voted upon at the next meeting of the members.

Section 7.3 President: The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He shall preside at all meetings of the members and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws or by statute to some other officer or agent of the Corporation; and in general he shall perform all duties incident to the office of President and such other duties as the Board of Directors may prescribe from time to time.

Section 7.4 Vice-President: In the absence of the President, or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as the President or the Board of Directors may assign to him from time to time.

Section 7.5 Secretary: The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; be custodian of the Corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these bylaws; keep a register of the post office address of each member which each member shall furnish to the Secretary; and in general perform all duties incident to the office of Secretary and such other duties as the President or the Board of Directors may assign to him from time to time.

The Secretary shall keep on file at all times a complete copy of the Articles of Incorporation and bylaws of the Corporation containing all amendments thereto (which copy shall at all reasonable times be open to the inspection of any member), and at the expense of the Corporation, forward a copy of the bylaws and all amendments thereto to each member who has in writing requested the same.

Section 7.6 Treasurer: If the Board of Directors requires, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article X of these bylaws; or shall directly supervise and oversee these functions as performed by a Director or agent appointed by the Board; and in general perform all the duties incident to the office of Treasurer and such other duties as the President or the Board of Directors may assign to him from time to time.

Section 7.7 Sureties and Bonds: In case the Board of Directors shall so require, any officer, employee or agent of the Corporation shall execute to the Corporation a bond in such sum and with such surety or sureties as the Board of Directors may direct, conditioned upon the faithful performance of his duties to the Corporation, including responsibility for negligence and for the accounting for all property, funds or securities of the Corporation which may come into his hands.

#### ARTICLE VIII IRS REQUIREMENTS

Section 8.1 I.R.S. Regulations. The Corporation intends to be classified as an entity exempt from tax as an organization described in Section 501(c)(12) of the Internal Revenue Code and as such to also comply with relevant rules and regulations, including Internal Revenue Service Ruling 72-36, 1972-1 C.B. 151 which sets out additional organizational and operational cooperative requirements that an organization must meet for exemption under IRC 501(c)(12).

1. The Corporation will keep adequate records of each member's rights and interests in its assets.
2. The Corporation will distribute savings to members in proportion to the amount of business done with the members based on the "operation at cost" principle.
3. The Corporation will retain only those funds to meet current losses and expenses, and keep a reasonable reserve for such items.
4. Except as otherwise provided by law, the Corporation will not forfeit a member's right and interest in the organization upon termination of membership.

5. Upon dissolution and sale of appreciated assets belonging to the Corporation, the Corporation must distribute the gains from the sale of any such to all persons who were members during the period that the Corporation owned the assets, in proportion to the amount of business done by the members during that period. The Corporation may also turn over its total interest without charges to a local government or another 501(c)(12) operating in and serving the same general area as the Corporation.

#### ARTICLE IX REPORTS

The officers of the Corporation shall submit at each annual meeting of the members reports covering the business of the Corporation for the previous fiscal year.

#### ARTICLE X DISPOSITION OF PROPERTY

An affirmative vote of a majority of the members eligible to vote shall be required before the Corporation may sell, lease, or otherwise dispose of all or any substantial portion of its property. Voting shall be as allowed under Article III, Section 3.3. This Article shall not preclude the Board, with or without authorization of the membership, from authorizing, executing and delivering mortgages, other security instruments and other forms of liens and encumbrance on any or all of the Corporation's property, assets, rights, privileges, licenses, franchises, certificates and permits, whether acquired or to be acquired, subject to securing any required approvals from the Arizona Corporation Commission.

#### ARTICLE XI CONTRACTS, CHECKS, DEPOSITS, FUNDS AND INDEMNIFICATION

Section 11.1 Contracts: The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless otherwise designated, said officer or officers, or agent or agents' authority shall not exceed \$2,000 for any one transaction unless authorized by the Board.

Section 11.2 Checks, Drafts, etc.: All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as the Board of Directors shall

from time to time determine by resolution. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or the Secretary and countersigned by the President or a Vice President of the Corporation.

Section 11.3 Deposits: All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories and shall be maintained in insured accounts as the Board of Directors may select.

Section 11.4 Gifts: The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

Section 11.5 Indemnification and D&O Insurance: Indemnification and related expenses shall be provided as set forth in the Corporation's then-current Articles of Incorporation or any amendments thereto. The Groom Creek Water Users Association will maintain director and officers' liability insurance for the Board of Directors.

#### ARTICLE XII BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at its registered or principal office a record giving the names and addresses of the members entitled to vote. Any member, or his agent or attorney, may, for proper purpose, inspect all books and records of the Corporation at any reasonable time.

#### ARTICLE XIII FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year.

#### ARTICLE XIV SEAL

The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal."

ARTICLE XV  
WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Arizona Nonprofit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XVI  
AMENDMENT TO BYLAWS

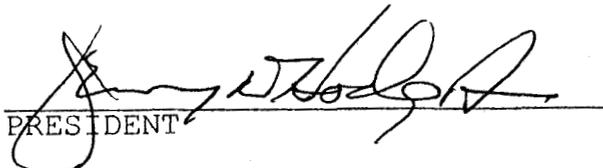
These bylaws may be altered, amended or repealed and new bylaws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, if at least two (2) days' written notice is given of intention to alter, amend or repeal or to adopt new bylaws at such meeting.

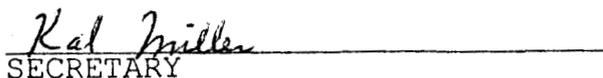
ARTICLE XVII  
CONFLICTING INTEREST TRANSACTIONS

With the exception of permissible reimbursement of expenses as otherwise provided in these bylaws, no officer or board member shall receive compensation from or participate in any transaction with the Groom Creek Water Users Association.

CERTIFICATE

We, JERRY HODGSON, President, and KAL MILLER, Secretary, of the GROOM CREEK WATER USERS ASSOCIATION, INC., an Arizona nonprofit corporation, do hereby certify that the above and foregoing are the Amended and Restated Bylaws of this Corporation duly and regularly adopted by the Board of Directors thereof at a meeting duly and regularly called and held at 1301 Stagecoach Road, Prescott, Arizona 86303, on this 13<sup>th</sup> day of September, 2008.

  
PRESIDENT

  
SECRETARY

2. Attach a copy of the Articles of Organization. *N/A*
- J. List the legal name and mailing address of each other utility in which the applicant has an ownership interest: *N/A*
- 

K. Provide a compliance status report from the Arizona Department of Environmental Quality ("ADEQ"), dated no more than 30 days of the CC&N extension application, for each water and wastewater systems as identified by a separate ADEQ Public Water & Wastewater System Identification number. *SEE PAGE 31*

K. Attach a legal description of the requested service area, expressed in terms of **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted. *SEE PAGES 32 AND 33*

L. Attach a detailed map using the form provided as Attachment "B". Shade and outline the area requested. Also, indicate any other utility within the general area using different colors. *SEE PAGE 34*

M. List the name of each county in which the requested extension area is located and a description of the area's location in relation to the closest municipality, which shall be named:

*YAVAPAI*

---

*5 MILES SOUTH OF PRESCOTT, AZ.*

---

N. Attach a complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to describe each water system and the principal components of each water system (e.g., source, storage, transmission lines, distribution lines, etc.) to allow verification of the estimated costs provided under subsection (B)(5)(o) and verification that the requirements of the Commission and the Arizona Department of Environmental Quality can be met. *N/A*

O. Provide the estimated total construction cost of the proposed offsite and onsite facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as through debt, equity, advances in aid of construction, contributions in aid of construction, or a combination thereof. *N/A*

P. Explain the method of financing utility facilities. Refer to the instructions, item no. 7. (Use additional sheets if necessary): *N/A*

**Arizona Department of Environmental Quality**  
 Drinking Water Monitoring and Protection Unit  
 Mail Code 5415B-2  
 1110 West Washington Street  
 Phoenix, AZ 85007

### Drinking Water Compliance Status Report

<b>System Name</b> GROOM CREEK WATER USERS	<b>System Type</b> <input checked="" type="checkbox"/> Community <input type="checkbox"/> Non-transient Non-community <input type="checkbox"/> Transient Non-community	<b>Is system consecutive?</b> <input type="checkbox"/> Yes, to PWS # <input checked="" type="checkbox"/> No
<b>System ID #</b> 13040		

<b>Overall compliance status</b>	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
<b>Monitoring and Reporting status</b>	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Comments: None		

<b>Operation and Maintenance status</b>	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
<b>Date of last Sanitary Survey</b>	10-23-08	<b>Inspector</b> James Jones, NRO
<i>Major unresolved/ongoing operation and maintenance deficiencies:</i>		
<input type="checkbox"/> unable to maintain 20psi	<input type="checkbox"/> inadequate storage	
<input type="checkbox"/> cross connection/backflow problems	<input type="checkbox"/> surface water treatment rule	
<input type="checkbox"/> treatment deficiencies	<input type="checkbox"/> ATC/AOC	
<input type="checkbox"/> certified operator	<input type="checkbox"/> other =	
Comments: During the last sanitary survey, minor deficiencies were noted on the distribution system, and recommendations were made on the source and finished water storage.		

<b>Is an ADEQ administrative order in effect?</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Comments: None		

System Information			
<b>Population Served</b>	775		
<b>Service Connections</b>	225		
<b>Number of Entry Points to the Distribution System</b>	2		
<b>Number of Sources</b>	2		
<b>Initial Monitoring Year</b>	1995		
<b>Monitoring Assistance Program (MAP) System</b>	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/> No

<b>Evaluation completed by</b>	Donna Calderon, Manager Drinking Water Monitoring and Protection Unit		
<b>Phone</b>	602-771-4641	<b>Date</b>	November 1, 2010
<input checked="" type="checkbox"/>	Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and <b>PWS is in compliance.</b>		
<input type="checkbox"/>	Based upon the monitoring and reporting deficiencies noted above, ADEQ <b>cannot determine</b> if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or <b>PWS is not in compliance.</b>		
<input type="checkbox"/>	Based upon the operation and maintenance deficiencies noted above, ADEQ <b>cannot determine</b> if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or <b>PWS is not in compliance.</b>		

*This compliance status report does not guarantee the water quality for this system in the future, and does not reflect the status of any other water system owned by this utility company.*

**LEGAL DESCRIPTION OF THE REQUESTED SERVICE AREA**

**IN FIVE PARTS**

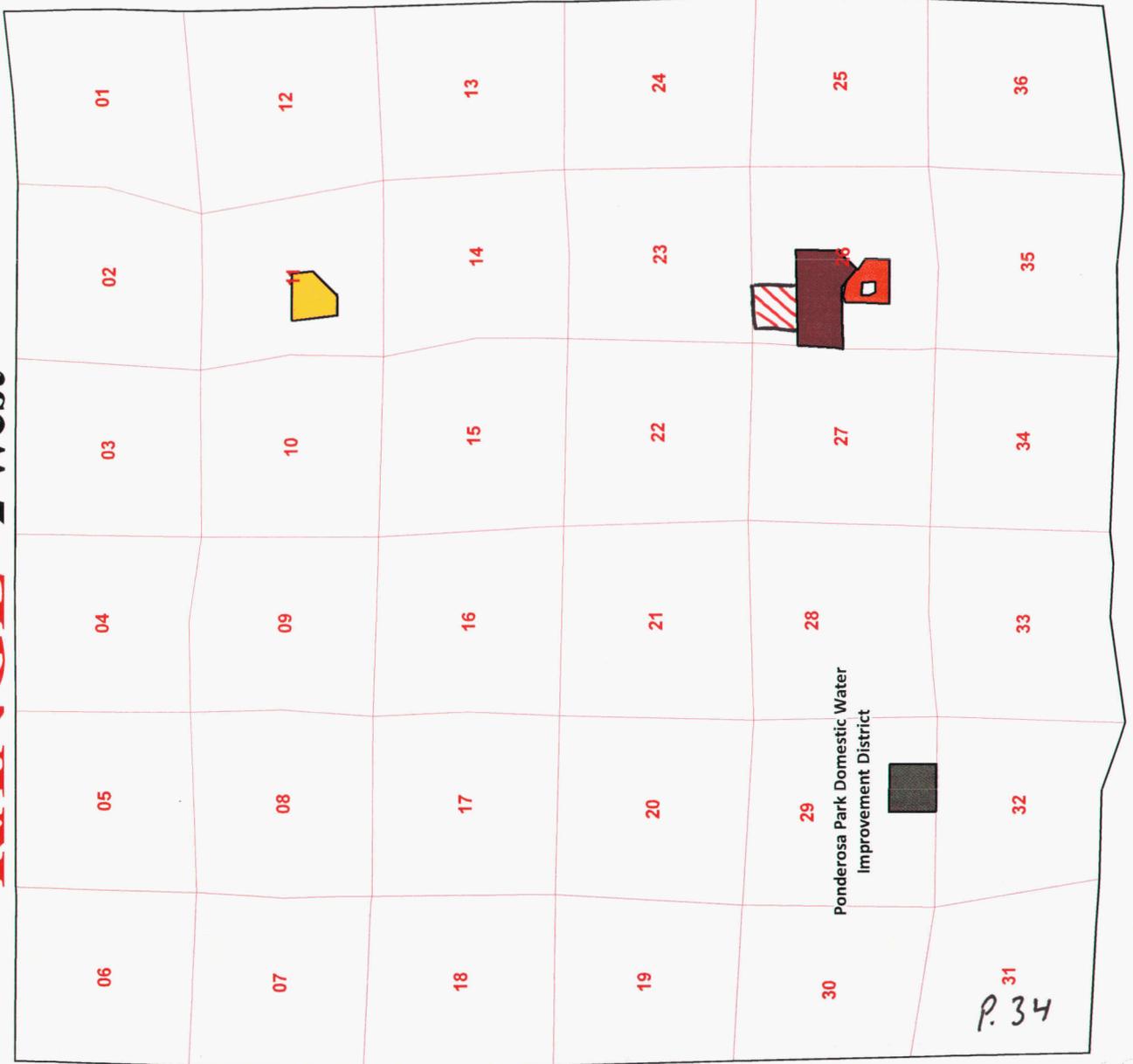
- 1.) GROOM CREEK ESTATES NO. 1 - A SUBDIVISION OF LOT 22, OF SECTION 26 - TOWNSHIP 13 NORTH - RANGE 2 WEST OF THE GILA & SALT RIVER BASE & MERIDIAN - YAVAPAI COUNTY, ARIZONA, BOOK 13 OF MAPS, PAGE 91
- 2.) GROOM CREEK ESTATES NO. 2 - A SUBDIVISION OF LOT 22, OF SECTION 26 - TOWNSHIP 13 NORTH - RANGE 2 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN - YAVAPAI COUNTY, ARIZONA, BOOK 14 OF MAPS, PAGE 64.
- 3.) 4108 SOUTH PETER MACKIN RD., PARCEL 1: THE EAST 110 FEET OF THE NORTH 60 FEET OF LOT 8, WEBFOOT LODGE MINING CLAIM SUBDIVISION ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF YAVAPAI COUNTY, ARIZONA, IN BOOK 4 OF MAPS, PAGE 29. PARCEL 2: ALL THAT PORTION OF LOT 22, SECTION 26, TOWNSHIP 13 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE MOST EASTERLY CORNER OF LOT 8, WEBFOOT LODGE MINING CLAIM SUBDIVISION, AS RECORDED IN BOOK 4 OF MAPS, PAGE 29, YAVAPAI COUNTY, RECORDER'S OFFICE; THENCE NORTH 39 DEGREES 29 FEET EAST 25.71 FEET; THENCE NORTH 65 DEGREES 25 FEET WEST, 85.17 FEET TO A POINT ON THE NORTHEASTERLY BOUNDARY OF SAID LOT 8; THENCE SOUTH 47 DEGREES 52 FEET EAST, 82.40 FEET ALONG THE NORTHEASTERLY BOUNDARY OF SAID LOT 8, TO THE POINT OF BEGINNING.
- 4.) 1110 FRIENDLY PINES RD., PARCEL NO. 104-16-226: MAP # 16, PLAT #94. THE PARK SITE LYING N OF FRIENDLY PINES RD & E OF SPUR LN CONT .25AC M&P 16/94.
- 5.) 4196 COBURN RD., PARCEL NO.1: THIS PORTION OF LOT 9, OF SUBDIVISION OF WEBFOOT MINING CLAIM, SURVEY NO. 1862, ACCORDING TO BOOK 4 OF MAPS, PAGE 29, RECORDS OF YAVAPAI COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT CORNER NO. 2 AS SHOWN ON SAID PLAT:  
THENCE NORTHWESTERLY 117.0 FEET ALONG THE  
NORTHEASTERLY BOUNDARY LINE OF SAID CLAIM; THENCE  
SOUTH 39 DEGREES 22 FEET WEST, 300 FEET; THENCE 47  
DEGREES 52 FEET EAST, 117 FEET; THENCE NORTH 39 DEGREES  
22 FEET EAST TO THE POINT OF BEGINNING. PARCEL NO. 2: THE  
SOUTHWESTERLY HALF OF TAFFY DRIVE, AS ABANDONED BY  
MAP 20, PAGE 67 AND RESOLUTION RECORDED IN BOOK 1172 OF  
OFFICIAL RECORDS, PAGE 332, RECORDS OF YAVAPAI COUNTY,  
ARIZONA, LYING BETWEEN THE NORTHERLY EXTENSION OF THE  
WESTERLY LINE OF PARCEL NO. 2 AND THE NORTHERLY  
EXTENSION OF THE EASTERLY LINE OF PARCEL NO.2.

YAVAPAI COUNTY

RANGE 2 West

TOWNSHIP 13 North



-  W-01865A (1)  
Groom Creek Water Users Association
-  W-02245A (1)  
Loma Estates Water Company, LLC
-  W-01671A (1)  
Sherman Pines Water Company
-  AREA TO BE ADDED

- 
- Q. Attach financial information in a format similar to Attachment "C". Include current assets and liabilities, an income statement, estimated revenue and expenses and the estimated value of the applicant's utility plant in service for the first five years following approval of the application. *SEE ATTACHMENT C, P.43-44*
- R. Provide a detailed description of the proposed construction timeline for facilities with estimated starting and completion dates and, if construction is to be phased, a description of each separate phase of construction. *N/A*
- S. Provide a copy of any requests for service from persons who own land within the proposed extension area, which shall identify the applicant by name. *N/A*
- T. Provide maps of the proposed extension area identifying:
1. The boundaries of the area, with the total acreage noted; *SEE PAGES 36, 37, 38*
  2. The land ownership boundaries within the area, with the acreage of each separately owned parcel within the area noted; *SEE MAPS ON P.37 AND 38*
  3. The owner of each parcel within the area; *SEE PAGES 39, 40, 41*
  4. Any municipality corporate limits that overlap with or are within five miles of the area; *N/A*
  5. The service area of any public service corporation, municipality, or district currently providing water or wastewater service within one mile of the area, with identification of the entity providing service and each type of service being provided; *N/A*
  6. The location within the area of any known water service connections that are already being provided service by the applicant; *SEE PAGES 39, 40, 41*
  7. The location of all proposed developments within the area; *N/A*
  8. The proposed location of each water system and the principal; and *N/A*
  9. The location of all parcels for which a copy of a request for service has been submitted. *N/A*
- U. Provide a copy of each notice to be sent, as required, to a municipal manager or administrator. *N/A*
- V. A copy of each notice sent, as required, to a landowner not requesting service. *N/A*
- W. For each landowner not requesting service, provide either the written response received from the landowner or, if no written response was received, a description of the actions by the applicant to obtain a written response. *N/A*
- X. Attach proposed Tariffs using either the water or sewer format of Attachment "D", unless the Utilities Division, prior to the filing of this application, approves another form.  
*SEE ATTACHMENT D, P.45-46*  
*SEE ATTACHMENT E, P.47-50*

NEW  
↓





16-94

# PINE HILLS

1 SUBDIVISION OF LOTS 38, 39 AND 40 IN SECTION 16 OF TOWNSHIP 13 NORTH, RANGE 2 WEST OF THE YILA AND SALT RIVER BASE AND MERIDIAN, AVAPAI COUNTY, ARIZONA

## DEDICATION

NOW ALL MEN BY THESE PRESENTS THAT THE TRANSMERICA TITLE INSURANCE COMPANY, AN ARIZONA CORPORATION, AS TRUSTEE HAS SUBDIVIDED LOT 38, 39 AND 40 AND SALT RIVER BASE AND MERIDIAN, AVAPAI COUNTY, ARIZONA AS REFLECTED ON THIS PLAT AND HEREBY PUBLISHES THIS PLAT AS AND FOR THE PLAT OF PINE HILLS AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE LOTS, STREETS AND COMMON AREAS, NAME AND THAT SAID HEREBY DECLARES TO THE PUBLIC FOR USE AS SUCH THE STREETS AND PARKS AS SHOWN BY SAID PLAT AND INCLUDED IN THE ABOVE DESCRIBED PREMISES EASEMENTS ARE DEDICATED FOR THE PURPOSES SHOWN.

IN WITNESS WHEREOF TRANSMERICA TITLE INSURANCE COMPANY, AN ARIZONA CORPORATION, AS TRUSTEE HAS HEREUNTO CAUSED ITS CORPORATE SEAL TO BE AFFIXED AND THE SAME TO BE ATTENDED BY THE ASSISTANT SECRETARY, WHEREUNTO ONLY AUTHORIZED TO DO SO ON THIS 30th DAY OF August 1972.

TRANSMERICA TITLE INSURANCE COMPANY, AN ARIZONA CORPORATION, AS TRUSTEE

*James W. Tingle*  
VICE-PRESIDENT

*Shirley M. Tingle*  
ASSISTANT SECRETARY

## ACKNOWLEDGEMENT

STATE OF ARIZONA  
COUNTY OF AVAPAI  
I, the undersigned, County Clerk, do hereby certify that the above and foregoing plat, together with the accompanying plat, were duly recorded in the public records of this county on this 30th day of August 1972, and that the same are a true and correct copy of the original as the same were presented to me for recording.

IN WITNESS WHEREOF I HEREBY SET MY HAND AND OFFICIAL SEAL.  
*John W. Koppel*  
COUNTY CLERK

## APPROVALS

APPROVED BY THE AVAPAI COUNTY BOARD OF SUPERVISORS ON THIS 30th DAY OF August 1972.  
*Paul J. Johnson*  
CHAIRMAN

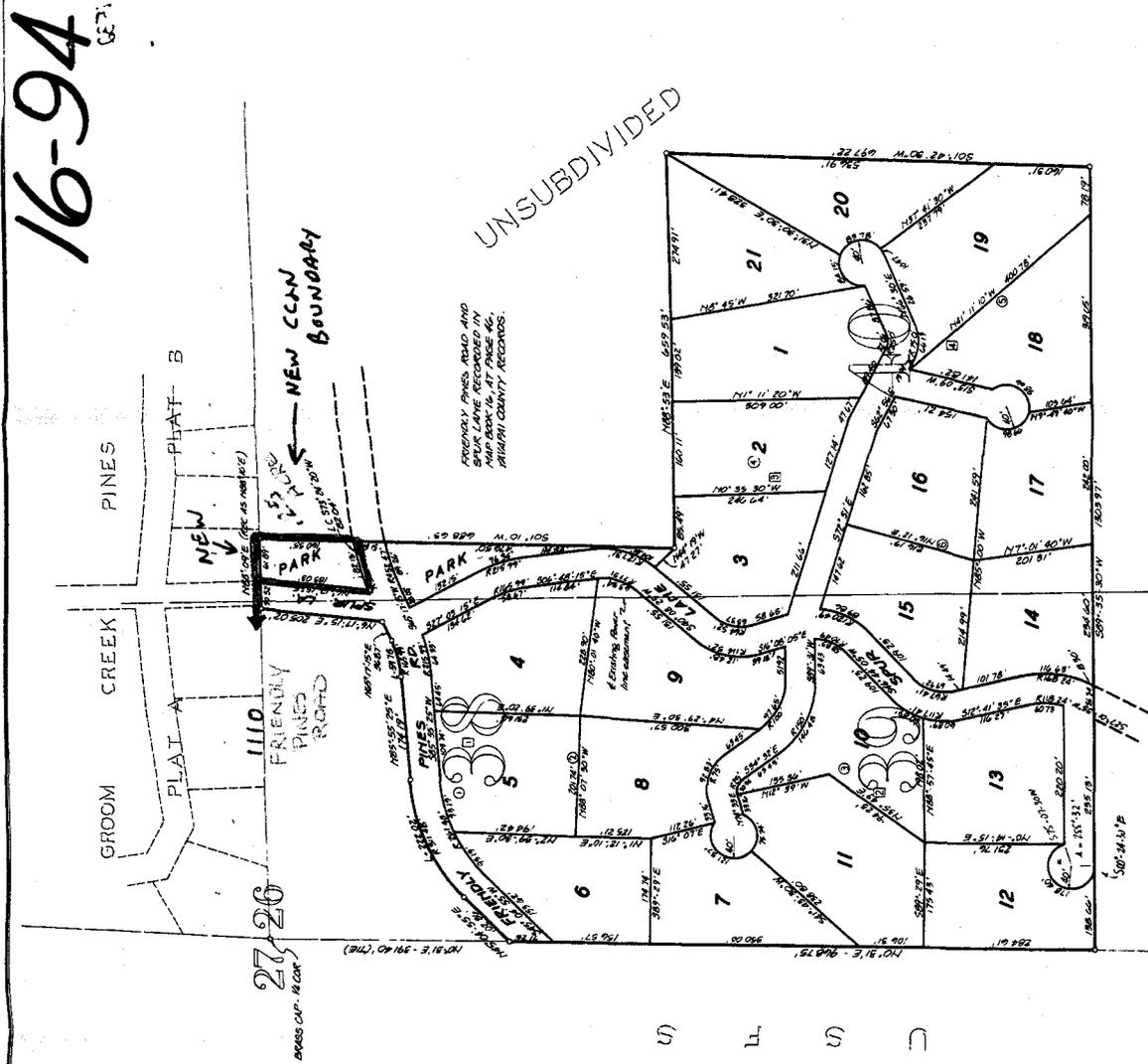
APPROVED BY THE AVAPAI COUNTY ZONING COMMISSION ON THIS 31st DAY OF August 1972.  
*Edie Brock*  
CHAIRMAN

APPROVED BY THE AVAPAI COUNTY ENGINEERING DEPARTMENT ON THIS 18th DAY OF August 1972.  
*John W. Koppel*  
COUNTY ENGINEER

NOTE: STREETS DEDICATED ON THIS PLAT WILL NOT BE ACCEPTED FOR COUNTY MAINTENANCE UNTIL CONSTRUCTED TO AVAPAI COUNTY STANDARDS.

APPROVED BY THE AVAPAI COUNTY HEALTH DEPARTMENT ON THIS 30th DAY OF August 1972.  
*John W. Koppel*  
SANITARIAN

SURVEYED AND PLATTED UNDER MY DIRECTION.  
*W. J. Creek*  
REGISTERED CIVIL ENGINEER



**PERCOLATION TESTS**

HOLE	DATE (MM/YY)	PERCENTAGE
1	1/70	17.0
2	1/69	16.9
3	1/66	16.6
4	1/69	16.9
5	1/69	16.9
6	1/69	16.9
7	1/69	16.9
8	1/69	16.9
9	1/69	16.9
10	1/69	16.9
11	1/69	16.9
12	1/69	16.9
13	1/69	16.9
14	1/69	16.9
15	1/69	16.9
16	1/69	16.9
17	1/69	16.9
18	1/69	16.9
19	1/69	16.9
20	1/69	16.9
21	1/69	16.9

**SOIL PROFILE**

DEPTH	SOIL TYPE
0-1'	ORGANIC TOPSOIL
1-10'	LT ORANGE COLORED DECOMPOSED GRANITE
10-15'	CLAYEY SAND
15-20'	CLAYEY SAND
20-25'	CLAYEY SAND
25-30'	CLAYEY SAND
30-35'	CLAYEY SAND
35-40'	CLAYEY SAND
40-45'	CLAYEY SAND
45-50'	CLAYEY SAND
50-55'	CLAYEY SAND
55-60'	CLAYEY SAND
60-65'	CLAYEY SAND
65-70'	CLAYEY SAND
70-75'	CLAYEY SAND
75-80'	CLAYEY SAND
80-85'	CLAYEY SAND
85-90'	CLAYEY SAND
90-95'	CLAYEY SAND
95-100'	CLAYEY SAND

40080  
This plat recorded in favor of  
Merrill, Roberts & Co.  
Surveyors  
Sept. 18 - AD 1923  
at 4.00 - Book 211  
Book 16 of Records  
Page 51  
Surveyed by Merrill, Roberts & Co.  
Merrill, Roberts & Co.  
Surveyors

SCALE 1" = 100'

THE LOCATION WITHIN THE AREA OF ANY KNOWN WATER  
SERVICE CONNECTIONS THAT ARE ALREADY BEING PROVIDED  
SERVICE BY THE APPLICANT:

Eslinger, Robert	4027 Adeline Dr.	Summers, Art. & Beverly	4185 Coburn Dr.
Enders, Stephanie	1176 Marapai Rd.	Rasmussen, Mike	1125 Sandy Dr.
Fisher, Shirley	4066 Adeline Dr.	Powell, Herschel	1130 Sandy Dr.
Paolucci, Roger & Emma	1186 Walton Dr.	Fitchie, David	1146 Sandy Dr.
Hughes, Michael & Donna	1174 Walton	Lyman, Marcia	1157 Sandy Drive
Garst, Nona Lou	1169 Walton Dr.	Waldrom, Jason	1162 Sandy Dr.
White, Dean & Michelle	1155 Walton Dr.	Lang, Timothy S.	1188 E. Sandy Dr.
Letowt, Al	1162 Walton Dr.	Parsons, Gene & Martha	1173 Sandy Dr.
Moore, Gary & Pamela	1150 Walton	Sites, LeRoy C.	4184 S. Stagecoach Rd.
Shadof, Kurt & Tracy	1141 Walton Dr.	Turbyfill, John & Mary	4168 Stagecoach Rd.
Aldredge, Linda/Ernest	1138 Walton Dr.	Lee, Larry & Marsha	4149 Stagecoach Rd.
Brown, Karen	1126 Walton Dr.	Williams, Paul/Barbara	1144 Marapai Rd.
Miller, John & Juanita	1114 Walton Dr.	Marsh, Ralph	1160 Marapai Rd.
Macy, Henry & Michelle	1102 Walton Dr.	Berry, Patty	1169 Marapai Rd
Mead, Tim	4069 Stagecoach Rd.	McKeever, Arline	1219 Marapai Rd.
Mumford, Drew	4090 Stagecoach Rd.	Sullivan, Eileen	4113 Adeline Dr.
Holt, Ron & Maureen	1115 Marapai Rd.	Branstetter, Leonard	4129 Adeline Dr.
Harvick, Chas	4164 Coburn Dr.	Porchia, Judy	1181 Marapai Rd.
Turbyfill, David	4152 Stagecoach Dr.	Bruno, Vincent	4142 Adeline Dr.

THE LOCATION WITHIN THE AREA OF ANY KNOWN WATER  
SERVICE CONNECTIONS THAT ARE ALREADY BEING PROVIDED  
SERVICE BY THE APPLICANT:

Cooling, James	1096 Elk Trail	Allredge, Ernest & Linda	1072 Marapai
Blake, Howard	4002 Moose Trail	Appleton, Diann	4082 Moose Trail
Schlueter, Kraig	1101 Elk Trail	Remy, Ron & Audrey	4066 Moose Trail
Hall, Christina	1113 Elk Trail	Kaluhiokalani, Richard	4050 Moose Trail
Eslinger, Holly	1114 Elk Trail	Sullins, Amber & Alan	4034 Moose Trail
Moore, C.T. & J.R.	1125 Elk Trail	Holloway, Dorothy	1084 Elk Trail
Ang, Larry & Feney	1137 Elk Trail	Perrotta, Frank & Fran	4145 Adeline Dr.
Carr, JoAnne	1128 Elk Trail	Thompson, Kathryn	4161 S. Adeline Dr.
Levario, Ben & Jacki	1140 Elk Trail	Lupo, Joe & Nancy	4166 Adeline Dr.
McGee, Scott & Tracy	1149 Elk Trail	Kobayashi, Masato	4177 Adeline Dr.
Brandstein, David	1161 Elk Trail	Villanueva, William	4193 Adeline Dr.
Riser, Chuck & Donna	1164 Elk Trail		
Goligoski, Mark & Laura	1173 Elk Trail		
Blevins, Darcel	1176 Elk Trail		
Dionisio, Bob	1188 Elk Trail		
Issac, Dean R.	4020 Adeline		
Wollenberg, Sandra	1200 Elk Trail		
Tinsley, Joanna	1212 Elk Trail		
Carey-Dodd, Shannon	4015 Adeline		

PAGE 7

T. - 6.

THE LOCATION WITHIN THE AREA OF ANY KNOWN WATER  
SERVICE CONNECTIONS THAT ARE ALREADY BEING PROVIDED  
SERVICE BY THE APPLICANT:

Doris Rae Vertifeuille	4012 W. Paradise Lane	Phoenix, AZ 85023
Victor & Reba Mann	2020 St Hwy 35 N	Norfolk, NE 68701
Christine Martindale	1141 Sandy Dr.	Prescott, AZ 86303
Mark & Gretchen Rennebaum	1762 W. Gary Dr.	Chandler, AZ 85224
Groom Creek Fire District	1110 Friendly Pines Rd.	Prescott, AZ 86303
Charles & Carol Bradburn	3590 N. Colonial Ct.	Florence, AZ 85232
Jay & Heather Carter	36202 N. 36 <sup>th</sup> St.	Cave Creek, AZ 85331
Joe & Diane Cobasky	4196 Coburn	Prescott, AZ 85303
Sara Edwards	2609 Albata Ave.	Austin, TX 78758

## COMMENTS REGARDING ITEM T

The Map on Page 36 shows the general area that needs to be added to the CC and N. The map on Page 37 shows a more accurate depiction of that shown on Page 36 and also shows the lot numbers and individual lot acreage requested as part of this application. The map shown on Page 38 is for the addition the Groom Creek Fire Dept. lot only. Pages 39, 40 and 41 list all the property owners currently being serviced by the GCWUA pipe lines.

ATTACHMENT C

1:08 PM

01/06/11

Accrual Basis

**GROOM CREEK WATER USERS ASSOCIATION**

**Balance Sheet**

As of December 31, 2010

Dec 31, 10

<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
101 · Cash in Checking Account		31,488.56
102 · Cash in Money Market Account		214,205.60
<b>Total Checking/Savings</b>		<b>245,694.16</b>
<b>Other Current Assets</b>		
121 · Accts Receivable - Current		17,024.17
131 · Prepaid Insurance		805.00
132 · Prepaid Property Taxes		2,120.94
133 · Prepaid Rent		777.60
<b>Total Other Current Assets</b>		<b>20,727.71</b>
<b>Total Current Assets</b>		<b>266,421.87</b>
<b>Fixed Assets</b>		
151 · Land		18,000.00
152 · Plant & Equipment		292,187.44
153 · New Mainline in Process		1,196,179.77
155 · New Water Tank in Process		75,587.09
156 · New Pump House in Process		191,138.94
161 · Less Accumulated Depr.		-259,759.96
<b>Total Fixed Assets</b>		<b>1,513,333.28</b>
<b>Other Assets</b>		
171 · Loan Fees		12,579.29
172 · Less Amortization		-8,946.00
181 · Feasibility Study/ Assets		11,739.28
190 · Debt Service Reserve		9,805.90
191 · Rent Deposit		388.80
<b>Total Other Assets</b>		<b>25,567.27</b>
<b>TOTAL ASSETS</b>		<b><u>1,805,322.42</u></b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
202 · Sales Tax Billed		1,014.83
203 · Customer Prepayments		2,714.93
210 · Curr. Port. Long-term Debt		7,987.05
<b>Total Accounts Payable</b>		<b>11,716.81</b>
<b>Other Current Liabilities</b>		
208 · Accrued Property Taxes		2,145.84
<b>Total Other Current Liabilities</b>		<b>2,145.84</b>
<b>Total Current Liabilities</b>		<b>13,862.65</b>
<b>Long Term Liabilities</b>		
241 · Rural Development Loan		112,255.76
242 · WIFA Long Term Loan		633,343.86
<b>Total Long Term Liabilities</b>		<b>745,599.62</b>
<b>Total Liabilities</b>		<b>759,462.27</b>
<b>Equity</b>		
310 · Capital		15,627.87
311 · Contributed Capital		800,000.00
315 · Retained Earnings		140,241.86
Net Income		89,990.42
<b>Total Equity</b>		<b>1,045,860.15</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b><u>1,805,322.42</u></b>

ATTACHMENT C

PROFORMA INCOME STATEMENT (WATER)

	<u>YR ONE</u>	<u>YR TWO</u>	<u>YR THREE</u>
REVENUE:			
Water Sales	\$ 63,850	\$ 64,740	\$ 65,630
Establishment Charges	150	160	170
Other Operating Revenue	1,000	1,100	1,200
Total Operating Revenue	\$ 65,000	\$ 66,000	\$ 67,000
OPERATING EXPENSES:			
Salaries and Wages	\$ 6,900	\$ 6,900	\$ 6,900
Purchased Water	-	-	-
Power Costs	1,190	1,200	1,250
Water Testing	1,000	1,000	1,000
Repairs and Maintenance	1,000	1,100	1,200
Office Supplies Expense	1,200	1,200	1,200
Outside Services	-	-	-
Rents	1,000	1,050	1,100
Transportation Expense	50	50	100
Taxes Other than Property and income	-	-	-
Depreciation	1,600	1,600	1,600
Health and Life Insurance	400	400	400
Income Taxes	-	-	-
Property Tax	700	750	800
Miscellaneous Operating	-	-	-
Total Operating Expense	\$ 25,000	\$ 25,000	\$ 26,000
OPERATING INCOME OR (LOSS)	\$ 11,760	\$ 9,750	\$ 10,450
OTHER INCOME/EXPENSES:			
Interest Income	\$ _____	\$ _____	\$ _____
Other Income	_____	_____	_____
Other Expenses	_____	_____	_____
Interest Expenses	_____	_____	_____
TOTAL OTHER INCOME/EXPENSE	\$ _____	\$ _____	\$ _____
NET INCOME (LOSS)	\$ 11,760	\$ 9,750	\$ 10,450

} INCLUDED ABOVE

STATEMENT FOR EXPANDED AREA ONLY

Company Name: Groom Creek Water Users Assn. Page 1 of 2

**CROSS-CONNECTION OR BACKFLOW TARIFF**

ORIGINAL

PURPOSE:

The purpose of this tariff is to protect Groom Creek Water Users Association ("Company") water from the possibility of contamination caused by the backflow of contaminants that may be present on the customer's premises by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code ("A.A.C.") R14-2-405.B.6 and A.A.C. R18-4-115.

REQUIREMENTS:

In compliance with the Rules of the Arizona Corporation Commission ("Commission") and the Arizona Department of Environmental Quality ("ADEQ"), specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-115 relating to backflow prevention:

1. The Company may require a customer to pay for and to have installed a backflow-prevention assembly if A.A.C. R18-4-115.B or C applies.
2. A backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-115.D and E.
3. Subject to the provisions of A.A.C. R14-2-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate service or may deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff
4. The Company shall give any existing customer who is required to install a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is **not** applicable, the customer shall be given thirty (30) days from the time such written notice is received in which to comply with this notice. If the customer can show good cause as to why he cannot install the device within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.

**\*\*FOR OFFICIAL USE ONLY\*\***

Effective Date: 3-16-08

ADMINISTRATIVELY  
APPROVED FOR FILING

P. 45

ORIGINAL

5. Testing shall be in conformance with the requirements of A.A.C. R18-4-115.F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests.
6. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:
  - a. assembly identification number and description;
  - b. location
  - c. date(s) of test(s);
  - d. description of repairs and recommendations for repairs made by tester; and
  - e. the tester's name and certificate number.
7. In the event the backflow-prevention assembly does not function properly or fails any test, and an obvious hazard as contemplated under A.A.C. R14-2-410.B.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested.
8. In the event the backflow-prevention assembly does not function properly or fails any test, or in the event that a customer fails to comply with the testing requirement, and A.A.C. R14-2-410.B.1.a. is not applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency or dysfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C. R14-2-410.

---

**\*\*FOR OFFICIAL USE ONLY\*\***

Effective Date: 3-16-08

ADMINISTRATIVE  
FILED FOR

TARIFF SCHEDULE

Utility: Groom Creek Water Users Association  
Docket No.: W-01865A-05-0305  
Phone No.: 928-776-9837

ORIGINAL

Sheet No: 1 of 4  
Decision No.: \_\_\_\_\_  
Effective: 5-25-05

CURTAILMENT PLAN FOR GROOM CREEK WATER USERS ASSOCIATION  
(Template 063004)

ADEQ Public Water System No: 13-040

**Groom Creek Water Users Association** ("Company") is authorized to curtail water service to all customers within its certificated area under the terms and conditions listed in this tariff.

This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of the tariff or no later than sixty (60) days after the effective date of the tariff.

The Company shall provide a copy of the curtailment tariff to any customer, upon request.

**Stage 1 Exists When:**

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

Restrictions: Under Stage 1, Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

**Stage 2 Exists When:**

- a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

ADMINISTRATIVELY  
APPROVED FOR FILING

REVISED: June 30, 2004

## TARIFF SCHEDULE

Utility: Groom Creek Water Users Association  
Docket No.: W-01865A-05-0305  
Phone No.: 928-776-9837

Sheet No: 2 of 4  
Decision No.: \_\_\_\_\_  
Effective: 5-25-05

# ORIGINAL

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

### Stage 3 Exists When:

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, Company shall request the customers to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible. Standpipe service shall be suspended.

### Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Beginning with Stage 3, Company shall post at least 3 signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than Stage 3 until a permanent solution has been implemented.

ADMINISTRATIVELY  
APPROVED FOR FILING

REVISED: June 30, 2004

P. 48

## TARIFF SCHEDULE

Utility: Groom Creek Water Users Association  
Docket No.: W-01865A-05-0305  
Phone No.: 928-776-9837

ORIGINAL

Sheet No: 3 of 4  
Decision No.: \_\_\_\_\_  
Effective: 5-25-05

### Stage 4 Exists When:

- a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, Company shall inform the customers of a **mandatory** restriction to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

- ◆ Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
- ◆ Washing of any vehicle is prohibited
- ◆ The use of water for dust control or any outdoor cleaning uses is prohibited
- ◆ The use of drip or misting systems of any kind is prohibited
- ◆ The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- ◆ The use of construction water is prohibited
- ◆ Restaurant patrons shall be served water only upon request
- ◆ Any other water intensive activity is prohibited

The Company's operation of its standpipe service is prohibited. The addition of new service lines and meter installations is prohibited.

### Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Company shall post at least 3 signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

ADMINISTRATIVELY  
APPROVED FOR FILING

P. 49

## TARIFF SCHEDULE

Utility: Groom Creek Water Users Association  
Docket No.: W-01865A-05-0305  
Phone No.: 928-776-9837

ORIGINAL

Sheet No: 4 of 4  
Decision No.: \_\_\_\_\_  
Effective: 5-25-05

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.

Customers who fail to comply with the above restrictions will be given a written notice to end all outdoor use. Failure to comply within two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

ADMINISTRATIVELY  
APPROVED FOR FILING

P. 50

Y. Attach the following permits (if any of these permits have not yet been obtained, please provide the status of their application):

1. The franchise from either the City or County for the area requested. *SEE ATTACHMENT F, P53-58*
2. The Arizona Department of Environmental Quality (or its designee's) approval to construct facilities. *N/A*
3. (SEWER ONLY) Copy of the Aquifer Protection Permit issued by ADEQ.
4. The Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.) *N/A*
5. Any U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.) *N/A*
6. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of the utility's Designation of an Assured Water Supply, or the developer's Certificate of Assured Water Supply issued by the Arizona Department of Water Resources, whichever applies. *N/A*
  - a. If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources, if applied for by the developer.
  - b. If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detail to prove that adequate water exists to provide water to the area requested.
7. Provide a copy of your estimated property taxes. This may be obtained by contacting the Arizona Department of Revenue, Division of Property Valuation and Equalization. You must provide them with a five (5) year projection of the original cost of the plant, depreciation expense, the location of the property and the school district. *SEE PAGE 52*

Z. Indicate the estimated number of customers, by class, to be served in each of the first five years of operation. Include documentation to support the estimates.

**Residential:**

First Year 70 Second Year 70 Third Year 73 Fourth Year 73 Fifth Year 75

**Commercial:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

**2010 PROPERTY TAX NOTICE**

**ARIZONA**

PARCEL #	AREA CODE	PRIMAR \$100 AS										
917-30-105 5	0105	5.2560	3.3497									
LIMITED LAND, BLDGS, ETC							6,076	21.0	1,276	0	5.2560	67.07
LIMITED PERSONAL PROPERTY							113,924	21.0	23,924	0	5.2560	1,257.45
LIMITED TOTALS							120,000		25,200	0		1,324.52
FULL CASH LAND							1,500	21.0	315	0	3.3497	10.55
FULL CASH BUILDINGS, ETC							4,576	21.0	961	0	3.3497	32.19
FULL CASH PERSONAL PROPERTY							113,924	21.0	23,924	0	3.1503	753.68
FULL CASH TOTALS							120,000		25,200	0		796.42

PRIMARY PROPERTY TAX	1,324.52
LESS STATE AID TO EDUCATION	0.00
NET PRIMARY PROPERTY TAX	1,324.52
SECONDARY PROPERTY TAX	796.42
SPECIAL DISTRICT TAX	0.00
<b>TOTAL TAX DUE FOR 2010</b>	<b>2,120.94</b>

ACREAGE: .73

JURISDICTION

02000 Yav.Co.&AHCCCS/ALTCS  
 02001 School Equalization  
 07001 Prescott Unified SD1  
 08150 Yav.CommunityCollege  
 11214 Groom Creek FireDist  
 11900 Fire Dist AssistFund  
 14900 Yav.Co. Library Dist  
 15001 Yav.FloodControlDist  
 30001 Mountain InstituteED

2009 TAXES  
 2010 TAXES

341.86 340.81  
 88.01 89.82  
 777.26 651.79  
 335.86 342.94  
 665.51 630.01  
 19.69 20.49  
 27.05 29.93  
 2.32 2.55  
 13.32 12.60

**TOTALS 2,270.88 2,120.94**

THIS IS A CALENDAR YEAR TAX NOTICE

Check No. 4169  
 Account No. 132  
 PAID OCT 0 4 2009  
 Approved By [Signature]

917-30-105 5  
 0041082 01 AV 0.332 \*\*AUTO T9 0 0792 86302-389797 PAGE 0001 OF 0001 00049009

GROOM CREEK WATER USERS ASSN  
 PROPERTY TAX MANAGER  
 PO BOX 3897  
 PRESCOTT AZ 86302-3897

**PAYMENT INSTRUCTIONS**  
 To pay the 1st half installment and full year tax notices of \$100 or less, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2010. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 2, 2011. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2010 and no interest will be charged for current year.

Make your check payable to and mail to:  
**Ross D. Jacobs**  
 Yavapai County Treasurer  
 1015 Fair Street  
 Prescott AZ 86305-1807

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR PARCEL NUMBER ON YOUR CHECK.

County Treasurer  
 86305-1807

**THIS IS A CALENDAR YEAR TAX NOTICE**

3977  
 Account No. 132  
 Date Paid PAID OCT 21 2009  
 Approved By [Signature]

TOTALS 2,145.28 → 2,270.88

0-105 5  
 17 01 AV 0.335 \*\*AUTO T1 0 0796 85016-111822 PAGE 0001 OF 0001 00000057

GROOM CREEK WATER USERS ASSN  
 DEN GREENBERG /TREASURER  
 2122 E LAWRENCE ROAD  
 PHOENIX AZ 85016-1118

**PAYMENT INSTRUCTIONS**  
 To pay the 1st half installment and full year tax notices of \$100 or less, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2010. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 2, 2011. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2010 and no interest will be charged for current year.

Make your check payable to and mail to:  
**Ross D. Jacobs**  
 Yavapai County Treasurer  
 1015 Fair Street  
 Prescott AZ 86305-1807

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR PARCEL NUMBER ON YOUR CHECK.

P.52

ATTACHMENT F

Fee
\$
\$8
\$5
\$1
\$

Recorded at the request of:

When Recorded, MAIL TO:

Public Works Department  
Attn: Laura Bunn

THIS IS A CONFORMED COPY OF INSTRUMENT  
RECORDED ON DATE 12/15/10 TIME 2:14  
IN BOOK 4782 PAGE 871  
ANA WAYMAN-TRUJILLO, RECORDER  
*Lucy Melgar* DEPUTY

WATER FRANCHISE AGREEMENT

Groom Creek Water Users Association

BEFORE THE BOARD OF SUPERVISORS

OF

YAVAPAI COUNTY, ARIZONA

In the Matter of the Application of )  
Groom Creek Water Users Association ) **FRANCHISE**  
for a water franchise )

WHEREAS Groom Creek Water Users Association filed its application pursuant to A.R.S. 40-283, for a franchise to construct and/or maintain and operate water lines for a period of fifteen (15) years, along, upon, under and across public highways, roads, alleys and thoroughfares (excepting State Highways) within that portion of Yavapai County, Arizona, described as follows:

EXHIBIT A

**Groom Creek Water Users Association  
Legal Description**

The south 1/2 of the northwest quarter of Section 26, Township 13 North, Range 2 West, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona.

That portion of the following described mining claim, a portion of which is located in the northeast quarter of the southwest quarter of Section 26, Township 13 North, Range 2 West, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona.

Beginning at Corner No. 1, a granite stone 4x8x24 inches, marked "S.K.-1-1309" in a mound of stone from which the corner common to Sections 22, 23, 26 and 27, Township 13 North, Range 2 West, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, bears north 41 degrees 38 feet west 2474 feet distant; thence south 51 degrees 46 feet east 1255 feet to Corner No. 2, a granite stone 8x12x24 inches marked "S.K.-2-1309" in a mound of stone; thence south 42 degrees west 20 feet to a point which intersects the south line of the northwest quarter of Section 26; thence south 42 degrees west 580 feet to Corner No. 3, a granite stone 12x12x24 inches marked "S.K.-3-1309" in a mound of stone; thence north 51 degrees 46 feet west 703 feet to a point which intersects the south line of the northwest quarter of Section 26; thence continuing north 51 degrees 46 feet west 552 feet to Corner No. 4, a granite stone 6x8x24 inches marked "S.K.-4-1309" in a mound of stone; thence north 42 degrees east 600 feet to Corner No. 1 the place of the beginning.

The west 165 feet of the southwest quarter of the northeast quarter of Section 26, Township 13 North, Range 2 West, of the Gila and Salt River Base and Meridian,

Yavapai County, Arizona, being a part of Groom Creek City as recorded in Book 2 of Maps, Page 4.

And an additional area described as follows: Groom Creek Estates Unit No. 1 and Groom Creek Estates Unit 2, a subdivision of Lot 22 of Section 26, Township 13 North, Range 2 West, Gila and Salt River Base and Meridian, Yavapai County, Arizona.

and that said is contiguous to a portion of the area described in Exhibit A above which area is not within the limits of any incorporated city or town, and,

WHEREAS, this is the time and place set for hearing of said application and due and regular notice was given by publication of notice once a week for three consecutive weeks prior to this time of hearing and proof of publication has been filed herein, and

WHEREAS, all protests to granting such application have been considered, the Board of Supervisors of Yavapai County, Arizona, hereby grants to Groom Creek Water Users Association, Inc. the right, privilege, license and franchise to construct, maintain and operate water delivery systems for a period of fifteen (15) years from the date hereof, along, upon, under and across the public highways of Yavapai County, Arizona, within the above described area of Yavapai County, which area is not within the limits of any incorporated city or town, upon the following terms and conditions:

### **RESTRICTIONS AND LIMITATIONS**

1. All rights and privileges hereunder are granted under the express condition that the Board of Supervisors shall have the power at any time to impose such additional and further restrictions and limitations and to make such regulations on such highways, roads, thoroughfares, alleys, and public ways as may be deemed best for the public safety, welfare and convenience. No construction of improvements within a County road right-of-way shall be made without a permit from the Yavapai County Engineer first being obtained.
2. Grantor will notify Grantee if Grantor determines that any lines are located at a depth which interferes with road maintenance. Any such lines shall be buried at a sufficient depth upon receipt of notice. In the event that telephone lines must be relocated due to road construction or because of inadequate depth, the Grantee shall bear the cost of such relocation.
3. All rights and privileges hereunder shall be exercised so as to not interfere or conflict with any easements or rights-of-way heretofore granted by said Board of Supervisors and now in force.
4. All equipment and facilities constructed, installed, erected, used and maintained under this franchise shall in all respects be adequate, sufficient and substantial in design and workmanship and shall be so located, erected and maintained

so as not to interfere with the full and free use and enjoyment of the public and so not to endanger life or property.

5. All rights and privileges hereunder shall be exercised so as not to interfere or conflict with any easement, either public or private, of whatsoever nature, which has been acquired in or to the proper use of said highways, roads, thoroughfares, alleys and public ways, or any portion thereof.

6. Grantee shall bear all expenses, including damages and compensation to any aggrieved third parties, incurred or expended for the alteration of the course, direction, surface, grade or alignment of any of the said highways, roads, thoroughfares, alleys, and public ways necessarily made by or for Grantee for the purpose of exercising any right under this franchise, and said Grantee shall indemnify and hold harmless the County of Yavapai and the Board of Supervisors thereof from any and all suits, claims, damages and judgments resulting from injuries to persons or property due to the placing, location and maintenance of equipment and facilities upon, in or under the provisions hereof. Grantee shall maintain its equipment and facilities at its own cost and expense and will make all necessary repairs from time to time as the same may be needed without the necessity of notice from Yavapai County.

7. The Grantee shall be required to secure and maintain in force for the duration of the franchise general comprehensive liability insurance insuring against all damages charged to the County or the Grantee resulting from the installation, development, maintenance or expansion of the Grantee's system, as follows:

(a) Five Hundred Thousand Dollars (\$500,000) for bodily injury or death to any one person with an aggregate limit for any one occurrence of One Million Dollars (\$1,000,000) for bodily injury or death.

(b) Two Hundred Fifty Thousand Dollars (\$250,000) for property damage resulting from any one accident.

(c) Fifty Thousand Dollars (\$50,000) for all other types of liability.

Yavapai County, Arizona, shall be named on the aforesaid policy as a coinsured, or added thereon by endorsement as a named insured. A certificate of insurance as well as a copy of the policy shall be filed with the Public Works Director. The certificate shall provide that if the policy shall be cancelled by the insurance company or the Grantee during the term of the policy, ten (10) days written notice prior to the effective date of such cancellation shall be given the Public Works Director of Yavapai County, Arizona.

8. This franchise shall not be deemed to be exclusive and the Board of Supervisors hereby expressly reserves the right and power from time to time to grant similar franchises and privileges over the same territory and highways, roads,

thoroughfares, alleys, and public ways.

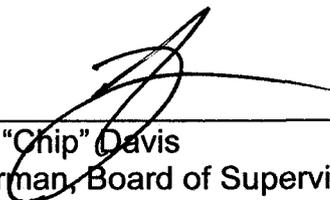
9. Grantee certifies that all water operations shall be supervised by a duly authorized local operator, whose name, address, and phone number shall be kept in the records of the Public Works Director. Grantee shall notify the Public Works Director of any operator changes.

10. Grantee shall notify the Public Works Director of any assignment of this franchise, including assignee's name, address and phone number.

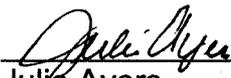
11. Grantee shall apply for renewal of this franchise not less than sixty (60) days prior to its expiration. In the event required notice, public hearings and official action cannot be taken prior to expiration due to no fault of Grantee, this franchise shall continue until final action by Grantor has been taken.

12. This franchise is granted upon the express condition subsequent that a Certificate of Convenience and Necessity be procured from the Arizona Corporation Commission within six months from the date of granting of this franchise; and if such Certificate is not granted within six months from said date, then this franchise to be void, otherwise to be in full force and effect for the time herein specified.

Dated: (December 6, 2010)

  
\_\_\_\_\_  
A.G. "Chip" Davis  
Chairman, Board of Supervisors

ATTEST:

  
\_\_\_\_\_  
Julie Ayers  
Clerk, Board of Supervisors

**ACCEPTANCE OF LICENSE**

TO: The Clerk of the Board of Supervisors of Yavapai County

Pursuant to the Order of the Board of Supervisors of Yavapai County dated the 6<sup>th</sup> Day of December, 2010.

**GROOM CREEK WATER USERS ASSOCIATION, INC.**

hereby accepts the license to construct and/or operate a water franchise within the authorized service area and under the terms specified in the license.

Dated December 6, 2010

**This franchise agreement shall expire on December 6, 2025**

By [Signature]  
Its: PRES. BO. SUPERVISORS

STATE OF ARIZONA     )  
  ) ss.  
COUNTY OF YAVAPAI    )

SUBSCRIBED AND SWORN TO before me by Jerry D Hagsan this 20 day of October, 2010.

[Signature]  
Notary Public

My Commission Expires:  
9/10/11



**Industrial:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

**Irrigation:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

AA. Indicate the projected annual water consumption or sewerage treatment, in gallons, for each of the customer classes for each of the first five years of operation:

**Residential:**

First Year 1,100,000 GAL  
Second Year 1,125,000 GAL  
Third Year 1,150,000 GAL  
Fourth Year 1,175,000 GAL  
Fifth Year 1,200,000 GAL

**Industrial:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Commercial:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Irrigation:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

BB. Indicate the total estimated annual operating revenue for each of the first five years of operation:

**Residential:**

First Year \$ 65,000  
Second Year 66,000  
Third Year 67,000  
Fourth Year 68,000  
Fifth Year 69,000

**Industrial:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Commercial:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Irrigation:**

First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

CC. Indicate the total estimated annual operating expenses for each of the first five years of operation:

**Residential:**  
First Year \$ 25,000  
Second Year \$ 25,000  
Third Year \$ 26,000  
Fourth Year \$ 26,000  
Fifth Year \$ 27,000

**Industrial:**  
First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Commercial:**  
First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

**Irrigation:**  
First Year \_\_\_\_\_  
Second Year \_\_\_\_\_  
Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

DD. Attach an itemized list of the major components of the water or sewer system (see Attachment C-3). *N/A*

EE. Indicate the total estimated cost to construct utility facilities: *N/A*

FF. Provide a description of how water and/or wastewater service is to be provided in the proposed extension area and the name of each water and wastewater service provider for the area, if any. *N/A*

GG. Provide a letter from each wastewater service provider identified under subsection (B)(5)(aa), confirming the provision of wastewater service for the proposed service area or extension area. *N/A*

HH. Provide plans for or a description of water conservation measures to be implemented in the proposed service area or extension area, including, at a minimum:

- i. A description of the information about water conservation or water saving measures that the utility will provide to the public and its customers;
- ii. A description of how the applicant will work with each wastewater service provider identified under subsection (B)(5)(aa) to encourage water conservation;
- iii. A description of the sources of water that will be used to supply parks, recreation areas, golf courses, greenbelts, ornamental lakes, and other aesthetic water features;
- iv. A description of any plans for the use of reclaimed water;
- v. A description of any plans for the use of recharge facilities;
- vi. A description of any plans for the use of surface water; and
- vii. A description of any other plans or programs to promote water conservation;

## COMMENTS ON ITEM HH

HHvii.: The association publishes a quarterly Newsletter which is mailed to all members of the association. The Newsletter prints articles periodically suggesting methods for the members to conserve on water use.

- II. Provide a backflow prevention tariff that complies with Commission standards, if not already on file. *SEE ATTACHMENT D, P. 45*
- JJ. Provide a curtailment tariff that complies with Commission standards, if not already on file. *SEE ATTACHMENT E, P. 47*
- KK. Provide a copy of a Physical Availability Determination, Analysis of Adequate Water Supply, or Analysis of Assured Water Supply issued by the Arizona Department of Water Resources for the proposed service area or extension area or, if not yet obtained, the status of the application for such approval; *N/A*

*[Handwritten Signature]*  
 \_\_\_\_\_  
 (Signature of Authorized Representative)

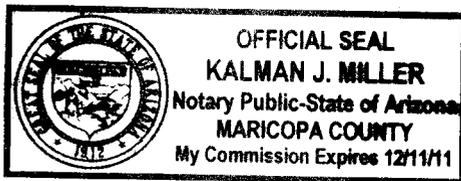
*JERRY D. HODGSON*  
 \_\_\_\_\_  
 (Type or Print Name Here)

*PRESIDENT, BOARD OF DIRECTORS, GCWUA*  
 \_\_\_\_\_  
 (Title)

SUBSCRIBED AND SWORN to before me this 28 day of JANUARY, 20 11

*Kalman J. Miller*  
 \_\_\_\_\_  
 NOTARY PUBLIC

My Commission Expires DEC. 11, 2011



ATTACHMENT - G

GROOM CREEK WATER USERS ASSOCIATION

4209 S. Adeline Drive  
Prescott, Arizona 86303

Water Rate Schedule

MONTHLY USAGE CHARGE (Base Rate):

(Zero gallons included in minimum)

5/8" x 3/4" Meter	\$	50.00
3/4" Meter		50.00
1" Meter		125.00
1-1/2" Meter		250.00
2" Meter		400.00
3" Meter		800.00
4" Meter		1,250.00
6" Meter		2,500.00

COMMODITY CHARGE (Per 1,000 gallons)

5/8" x 3/4" Meter

0 - 3,000 gallons	\$	11.00
3,001 - 6,000 gallons		13.00
6,001 - 10,000 gallons		15.50
Over 10,000 gallons		31.00

3/4" Meter

0 - 3000 gallons	\$	11.00
3001 - 6,000 gallons		13.00
6,001 - 10,000 gallons		15.50
Over 10,000 gallons		31.00

1" Meter

0 - 12,000 gallons	\$	15.50
Over 12,000 gallons		31.00

1-1/2" Meter

0 - 18,000 gallons	\$	15.50
Over 18,000 gallons		31.00

2" Meter

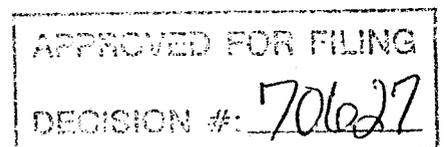
0 - 25,000 gallons	\$	15.50
Over 25,000 gallons		31.00

3" Meter

0 - 43,000 gallons	\$	15.50
Over 43,000 gallons		31.00

4" Meter

0 - 63,000 gallons	\$	15.50
Over 63,000 gallons		31.00



ORIGINAL

6" Meter

0 - 123,000 gallons	\$	15.50
Over 123,000 gallons		31.00

SERVICE LINE AND METER INSTALLATION CHARGES:  
(Refundable pursuant to A.A.C. R14-2-405)

	<u>Service Line Charge</u>	<u>Meter Charge</u>	<u>Total Charge</u>
5/8" x 3/4" Meter	\$ 1,700.00	\$ 300.00	\$ 2,000.00
3/4" Meter	1,700.00	380.00	2,080.00
1" Meter	1,750.00	420.00	2,170.00
1-1/2" Meter	1,785.00	630.00	2,415.00
2" Meter	1,945.00	1,130.00	3,075.00
3" Meter	2,120.00	1,635.00	3,755.00
4" Meter	2,485.00	2,515.00	5,000.00
6" Meter	3,045.00	4,710.00	7,755.00

SERVICE CHARGES:

Service Line Charge

Establishment	\$ 30.00
Establishment (After Hours)	40.00
Reconnection (Delinquent)	30.00
Meter Test (If Correct)	25.00
Deposit	*
Deposit Interest Per Annum	*
Reestablishment (Within 12 Months)	**
NSF Check	25.00
Deferred Payment (Per Month)	1.5%
Meter Re-Read (If Correct)	25.00
Late Payment Charge (Per Month)	1.5%

FIRE SPRINKLER MONTHLY SERVICE CHARGE:

4" or Smaller	***
6"	***
8"	***
10"	***
Larger than 10"	***

- \* Per Commission rule A.A.C. R-14-2-403(B)
- \*\* Number of months off system times the Monthly Minimum, per Commission rule A.A.C. R14-2-403(D).
- \*\*\* 1.00% of Monthly Minimum for a Comparable Sized meter Connection, but no less than \$5 per month. The Service Charge of Fire Sprinklers is only applicable for service lines separate and distinct from the primary water service line.

APPROVED FOR FILING  
 DECISION #: 20627

P.64

ATTACHMENT "H"

PUBLIC NOTICE OF AN APPLICATION  
FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY  
BY THE GROOM CREEK WATER USERS ASSOCIATION

Groom Creek Water Users Association has filed with the Arizona Corporation Commission ("Commission") an application for authority to provide water service to Groom Creek Estates No. 1 and No. 2, and portions of Webfoot Subdivision and M&P 16/94. If the application is granted, Groom Creek Water Users Association would be the exclusive provider of water service to the proposed area. Groom Creek Water Users Association will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in [Phoenix at 1200 West Washington Street/Tucson at 400 West Congress, North Building, Room 218], and at Groom Creek Water Users Association at 333 S. Montezuma, Suite C, Prescott, Arizona 86302.

The Commission will hold a hearing on this matter. As a property owner you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any question or concerns about this application, have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at [1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000/400 West Congress, North Building, Room 218, Tucson, Arizona 85701 or call 1-800-535-0148].