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Arizona Corporation Commission

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AZ CORP COMMISSION
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1 FENNEMORE CRAIG, P.C.
2 A Professional Corporation
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Attorneys for The Links at Coyote Wash Utilities, LLC

BEFORE THE ARIZONA CORPORATION COMMISSION

8 IN THE MATTER OF THE
9 APPLICATION OF THE LINKS AT
10 COYOTE WASH UTILITIES, LLC, FOR
11 APPROVAL OF A PERMANENT RATE
12 INCREASE.

DOCKET NO. SW-04210A-10-0392

NOTICE OF FILING
DIRECT TESTIMONY

13 The Links at Coyote Wash Utilities, LLC hereby submits this Notice of Filing
14 Direct Testimony in the above-referenced matter. Attached hereto as Exhibit A is the
15 Direct Testimony of Jason Williamson.

DATED this 5th day of April, 2011.

FENNEMORE CRAIG, P.C.

By

Patrick J. Black
3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012

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1 ORIGINAL and 13 copies filed this
2 5th day of April, 2011, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 COPY hand-delivered this 5th day of April, 2011:

8 Sarah Harpring, ALJ
9 Hearing Division
10 Arizona Corporation Commission
11 1200 West Washington Street
12 Phoenix, Arizona 85007

13 Ayesha Vohra, Esq.
14 Legal Division
15 Arizona Corporation Commission
16 1200 West Washington Street
17 Phoenix, Arizona 85007

18 Gerald Becker
19 Utilities Division
20 Arizona Corporation Commission
21 1200 West Washington Street
22 Phoenix, Arizona 85007

23 By: 
24 2409667.1/016307.0001

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EXHIBIT A

1 FENNEMORE CRAIG, P.C.
A Professional Corporation
2 Jay L. Shapiro (No. 014650)
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3 3003 North Central Avenue
Suite 2600
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6 Attorneys for The Links at Coyote Wash Utilities, LLC

7
8 **BEFORE THE ARIZONA CORPORATION COMMISSION**

9 IN THE MATTER OF THE
10 APPLICATION OF THE LINKS AT
COYOTE WASH UTILITIES, LLC, FOR
11 APPROVAL OF A PERMANENT RATE
INCREASE.

DOCKET NO. SW-04210A-10-0392

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17 **DIRECT TESTIMONY OF**

18 **JASON WILLIAMSON**

19
20 **April 5, 2011**
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1 **I. INTRODUCTION AND PURPOSE OF TESTIMONY.**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Jason Williamson and my business address is 6825 E. Tennessee
4 Avenue, Suite 547, Denver Co 80224.

5 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

6 A. On behalf of The Links at Coyote Wash Utilities, LLC (“Links” or “Company”).

7 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

8 A. I am the Manager of Pivotal Utility Management, LLC (hereinafter, “Pivotal”).
9 Pivotal manages and/ or operates a total of ten water and sewer utilities, nine of
10 which are in Arizona, seven of those regulated by the Commission. One water and
11 sewer utility is located in Missouri, and the other two referenced sewer systems in
12 Arizona are owned by HOAs, which Pivotal manages and operates under contract.
13 I have been managing wastewater and water utility companies for over eleven
14 years, and have been in the water and sewer business for eighteen years.

15 **Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES IN THESE**
16 **POSITIONS?**

17 A. I oversee the day-to-day operations and business management functions for
18 Pivotal, including providing contract management services for a number of water
19 and sewer system operations. More details about my duties are listed in my
20 resume, attached hereto as Exhibit 1.

21 **Q. WHAT IS YOUR EDUCATIONAL AND EMPLOYMENT BACKGROUND**
22 **BEFORE WORKING FOR PIVOTAL UTILITY MANAGEMENT?**

23 A. I received a Bachelor of Arts degree in International Affairs in 1993, and a Masters
24 of Business Administration in 1998 from the University of Colorado. While
25 pursuing my master’s degree, I worked for Santec Corporation as a project
26 manager, hiring manager and director of marketing.

1 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?

2 A. Yes, for several of the water and wastewater utilities I manage.

3 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS
4 DOCKET?

5 A. To support the Company's application for rate relief and address issues as required
6 by the March 9, 2011 Procedural Order. These issues include: (i) allegations
7 concerning noxious odors from Links' existing wastewater treatment facility
8 (WWTP), (ii) allegations concerning free dumping of waste from RVs at a
9 commercial center and how that increased demand should be addressed in rates
10 paid by the commercial customer, (iii) alleged assurances to customers that rates
11 would not increase, (iv) how the proposed and recommended commercial rate
12 methodology works in practice and what monthly rates result from it, (v) an
13 agreement between Links and a commercial customer for a flat \$125.00 monthly
14 fee, and (vi) Staff's recommended fine included in its February 23, 2011 Report.

15 **II. ISSUES RAISED BY CUSTOMERS AND COMMISSION STAFF.**

16 Q. MR. WILLIAMSON, HAVE YOU READ THE CUSTOMER COMMENTS
17 SUBMITTED TO THE COMMISSION IN THIS DOCKET?

18 A. Yes.

19 A. Odor Issues

20 Q. WOULD YOU PLEASE FIRST ADDRESS THE ALLEGATIONS
21 CONCERNING ODOR EMANATING FROM THE COMPANY'S WWTP?

22 A. With any wastewater treatment facility, there will be some ambient odors produced
23 in the treatment of sewage despite being equipped with odor controlling devices.
24 Each time I have visited the facility, I have not detected an odor issue. However, I
25 would note the area and topography around the Company's service area is
26 relatively flat, and there is a large cattle farm operation located approximate five

1 (5) miles away that produces noxious odors.

2 **Q. THERE IS A CATTLE FACILITY LOCATED ONLY FIVE MILES**
3 **AWAY?**

4 A. Yes, it is called JBS 5 Cattle Feeding. JBS has operations to feed approximately
5 130,000 head of cattle on approximately 1500 to 2000 acres of land. I believe that
6 with the relatively flat topography and seasonal winds, odor from the cattle farm
7 can be mistaken for odor from the wastewater treatment plant. As I stated earlier,
8 the cattle operations might not be the cause of odor in the area in all instances, but I
9 think its presence nearby certainly provides a reasonable explanation as to why
10 some customers smell odors at certain times.

11 **Q. HAS THE COMPANY RECEIVED ODOR COMPLAINTS IN THE PAST?**

12 A. Based on phone calls to our office, and according to the local operators, odor
13 complaints have been few and far between. Nonetheless, I have instructed the
14 plant operator to be sensitive to any odor complaint, and to respond immediately to
15 see if we can identify the source at the time of the complaint. We have also asked
16 anyone who expresses an odor complaint to keep a log of the odors, including
17 times and dates, to assist us in identifying their source. To date, we have not
18 received any follow up from the few customers who we have requested to keep
19 such a log. In the event there is an odor problem resulting from WWTP operations,
20 it is something we have been and will continue to proactively address.

21 **B. Dumping of Waste by RVs at Commercial Center**

22 **Q. ARE YOU AWARE OF THE ISSUE RAISED CONCERNING THE FREE**
23 **WASTE DISPOSAL BY RECREATIONAL VEHICLES AT A**
24 **COMMERCIAL CUSTOMER'S PROPERTY?**

25 A. Yes. This commercial property involves a Chevron gas station. During the winter
26 months between November and March, several outdoor enthusiasts visit the Yuma

1 area. A majority of these visitors bring RVs and other land vehicles (dune buggies,
2 etc.) with them. Beginning in 2008, the owner of the Chevron station began
3 advertising 'free' waste disposal (as well as free water) for RVs as a means to
4 generate business.

5 **Q. HOW MUCH FREE WASTE DISPOSAL SERVICE DOES THE COMPANY**
6 **ESTIMATE IS BEING PROVIDED ON AN ANNUAL BASIS?**

7 A. Based on information provided by the owner, approximately 20,000 to 25,000
8 gallons of effluent annually.

9 **Q. AND HOW DID THE COMPANY OBTAIN THIS INFORMATION?**

10 A. These estimates are based on information provided from the Chevron management.
11 There is an affiliate relationship between the Company and the owner of the
12 Chevron gas station. They are essentially owned by the same corporate entity.

13 **Q. DOES THAT PRESENT AN ISSUE WITH RESPECT TO THE PAYMENT**
14 **FOR WASTEWATER UTILITY SERVICES?**

15 A. Because all commercial customers (except one) were being charged using the same
16 methodology to calculate flow in light of the absence of flow meters, there did not
17 seem to be an issue. There appears to be a correlation between the dumping of
18 waste and the use of the free water to fill the storage tanks of the RV's. In other
19 words, since the tariff for commercial customers is based on water usage, and since
20 it has been reported to us that the vast majority of RV's who are dumping also take
21 advantage of the free water to fill their reservoirs, at least some proportion of dump
22 volume is being reflected in the charges to the Chevron Station.

23 **Q. HOW DOES THE COMPANY PROPOSE TO ADDRESS THIS SITUATION**
24 **IF THE COMMISSION APPROVES THE CURRENT METHODOLOGY?**

25 A. The Company believes that the tariff proposed by the Company and supported by
26 Commission Staff provides some recognition of the sewage use; however, we are

1 open to considering a special tariff specific to this customer in the event Staff
2 believes that such a tariff would be more appropriate.

3 **C. Allegations Concerning No Increase in Rates.**

4 **Q. HAVE YOU READ THE ALLEGATIONS FROM CUSTOMERS STATING**
5 **THAT WHEN THEY BOUGHT THEIR PROPERTIES, THEY WERE**
6 **TOLD THERE WOULD BE NO RATE INCREASE?**

7 A. Yes, I have read those statements and followed up directly with the Company. As
8 the Commission is aware, the Company was formed to provide wastewater service
9 to the Links at Coyote Wash Units I, II, III and IV subdivisions.

10 **Q. DID THE DEVELOPER SELL LOTS WITHIN THE SUBDIVISION?**

11 A. Yes.

12 **Q. AND DOES THE DEVELOPER CONTINUE TO SELL LOTS?**

13 A. Yes. The developer is an entity named G12, LLC. I understand that statements
14 concerning utility rates by salespersons related to both water and electric rates.
15 Links customers receive electricity from the Wellton Mohawk Irrigation District,
16 which electric rates are lower than those charged by Arizona Public Service
17 Company, another service provider in the area. Likewise, the Company's
18 customers receive wastewater utility rates that are lower than those in surrounding
19 communities, including those served by Far West Water & Sewer. Based on the
20 affidavits attached hereto as **Exhibit 2**, it appears that several salespersons
21 indicated to prospective buyers that water and electric rates would not increase to
22 levels at or above those of other providers.

23 **Q. BUT IS IT POSSIBLE THAT ONE OR MORE OF THE ALLEGATIONS**
24 **CONCERNING A MORATORIUM ON RATE INCREASES ARE TRUE?**

25 A. Because I was not present, I cannot personally attest to what salespersons related to
26 customers as the initial transactions were made and lots were sold within the

1 subdivision. However, I do think it is probable that statements regarding utility
2 rates were misconstrued by customers. From a practical standpoint, a utility cannot
3 freeze rates in the face of increased costs and declining revenue. And by filing for
4 a rate increase in the manner the Company did (form application for smaller
5 company), we were looking to do so at the least possible cost for the benefit of
6 ratepayers.

7 **D. Methodology for Calculating Commercial Rate and Results**

8 **Q. DID THE COMPANY PROPOSE A NEW METHODOLOGY FOR**
9 **CALCULATING COMMERCIAL CUSTOMER RATES?**

10 A. Yes, we proposed using the same method currently being used. Because installing
11 a flow meter for each commercial customer is a very expensive proposition, we
12 believe that using a method employed by municipalities and authorized by the
13 Arizona Department of Environmental Quality (ADEQ) more accurately reflects
14 costs based on water use. As noted in the Staff Report, we use a factor of .85 per
15 gallon of water used in calculating wastewater flow. We receive water use
16 numbers from the City of Wellton. Dividing .85 by the average number of days in
17 a month results in a factor of .028333, which is divided by 262 gallons (the SFE
18 conversion result equals .0001081), and then multiply by 30 to convert it to a tariff
19 rate. This results in an overall factor of .00324 multiplied by the actual water use
20 read and received each month per customer.

21 **A. AND DOES STAFF APPROVE OF THIS METHODOLOGY?**

22 Q. Yes, in fact Commission Staff recommends its continued use. However, the tariff
23 needs to be changed to authorize the use of this way of calculating a commercial
24 customer' rates going forward.

25 **Q. WHAT ARE THE RESULTS OF USING THIS METHODOLOGY?**

26 A. It would accurately reflect the cost of service for commercial customers, and also

1 result in a percentage increase (as a result of this rate filing) equal to the percentage
2 increase in residential rates.

3 **E. Single Customer Flat Rate - \$125.00 Month**

4 **Q. CAN YOU PROVIDE BACKGROUND INFORMATION CONCERNING**
5 **THE SINGLE CUSTOMER BEING CHARGED A FLAT RATE OF \$125.00**
6 **PER MONTH?**

7 A. Yes. The commercial customer we are speaking about is the golf course
8 clubhouse. Because wastewater rates were being charged based on water use, the
9 Company felt that such a methodology would not accurately reflect the cost of
10 service for this one particular customer due to irrigation watering. The City of
11 Wellton provided water service to this customer through one (1) meter that
12 calculated both domestic water use and irrigation use. Recently we learned that at
13 the end of 2009, as a means of controlling costs and due to a change in the golf
14 course's management, the golf course substantially reduced its use of irrigation
15 water from this particular water meter.

16 **Q. DOES THE COMPANY AGREE WITH STAFF'S RECOMMENDATION**
17 **TO REQUIRE THE GOLF COURSE TO PAY PURSUANT TO THE SAME**
18 **METHODOLOGY AS CALCULATED FOR OTHER COMMERCIAL**
19 **CUSTOMERS?**

20 A. Definitely. In fact, the Company has already changed the tariff methodology used
21 for this particular customer back to the tariff currently being charged to all of the
22 other commercial customers. The Company believes that it is fair and beneficial to
23 all ratepayers to have the golf course retroactively pay for rates that would have
24 applied. Consequently, the Company has billed this customer retroactively for the
25 difference between what would have been billed had the tariff been applied
26 consistently with other commercial customers, and the fixed fee that was actually

1 billed. A bill in the amount of \$652.76 will be sent, reflecting this difference going
2 back to the approximate date the change was made by the Golf Course's
3 management to reduce/eliminate the use of fresh water for irrigation (December,
4 2009). Again, we have notified Commission Staff about this and look forward to
5 its recommendations.

6 **F. Staff's Recommended Fine of \$10,227 For Billing Practices.**

7 **Q. DID YOU READ THE FEBRUARY 23, 2011 STAFF REPORT FILED IN**
8 **THIS MATTER?**

9 A. Yes I did. Company President Glen T. Curtis also reviewed the report.

10 **Q. WHAT IS THE COMPANY'S POSITION WITH RESPECT TO STAFF'S**
11 **RECOMMENDATIONS THEREIN?**

12 A. The Company agrees with all of Staff's recommendations except one - the payment
13 of a \$10,227 fine for not following the existing tariff for billing commercial
14 customers. We understand that Staff's recommendations with respect to revenue
15 requirement, operating expenses and rate design might require modification based
16 on the issues related to the one commercial customer providing 'free' waste
17 disposal, and the one customer paying a flat fee of \$125.00 per month, the
18 Company reserves the right to change its testimony based on a review of any
19 subsequent filings by Staff. However, the Company believes that payment of a
20 \$10,227 fine – which is approximately twenty (20) percent of its yearly operating
21 expenses – does not benefit the Company or its ratepayers.

22 **Q. DO YOU BELIEVE THE REASONS PROVIDED BY STAFF FOR**
23 **RECOMMENDING THE FINE HAVE MERIT?**

24 A. There is no debate that the Company's existing billing practices for commercial
25 customers is out of compliance with the existing tariff. However, this deviation
26 from the billing requirements set forth in the tariff was the result of practicality.

1 The installation of the flow meters needed to comply with the tariff would not be
2 cost-effective to commercial customers. Indeed, this is likely one reason Staff
3 chose to recommend the continued use of the methodology being utilized at this
4 time. In addition, the practice adopted by the Company was consistent with what
5 was being charged in surrounding municipalities and other utility providers,
6 sanctioned by ADEQ. I realize that the Company should have sought a revision to
7 its tariff, approved by the Commission, to reflect these practicalities. Nonetheless,
8 we believed at the time that employing this methodology used more accurately
9 reflected costs of service, and that the matter would be addressed in the next rate
10 proceeding.

11 **Q. WHAT ABOUT THE FACT THAT THE RATE CASE WAS FILED**
12 **ALMOST A YEAR AFTER THE DEADLINE ESTABLISHED IN**
13 **COMMISSION DECISION NO. 67157?**

14 **A.** This was an administrative oversight, which I sought to quickly correct once we
15 were reminded of the deadline.

16 **Q. WHAT ABOUT THE COMPANY PRIOR ACTIONS OF CONNECTING**
17 **CUSTOMERS WITHOUT HAVING OBTAINED A VALID CERTIFICATE**
18 **OF CONVENIENCE AND NECESSITY?**

19 **A.** This was an unfortunate incident, but the Company has already been punished and
20 paid penalties for being out of compliance with the ACC's rules and regulations.
21 For instance, it was required to pay a fine of \$500 per service connection installed
22 prior to obtaining its CEC.

23 **Q. YOU WOULD AGREE, MR. WILLIAMSON, THAT THE COMPANY'S**
24 **RECORD HAS NOT BEEN STELLAR IN COMPLIANCE WITH THE**
25 **COMMISSION'S PRIOR RATE ORDER, RULES AND REGULATIONS?**

26 **A.** I would agree. But issuing a fine in an amount that represents over 20 percent of

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the Company's annual operating expense will materially affect its ability to provide wastewater utility service by removing funds that could be used to make repairs, maintain the system and purchase material necessary to operate the WWTP in a safe manner.

Q. DO YOU HAVE ANY SUGGESTIONS ON HOW THE COMMISSION MIGHT ENSURE THAT THE COMPANY IS COMPLYING WITH ITS TARIFF AND COMMISSION ORDERS SHORT OF A FINE?

A. I believe that providing periodic status reports (bi-annually or annually) regarding the Company's operations – including any issues that might relate to odor complaints – would be more equitable to the Company and its ratepayers. Alternatively, the Company is open to proposals that would have a direct benefit to ratepayers, such as a credit (over time) to monthly bills.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

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EXHIBIT 1

6825 E TENNESSEE AVE SUITE 547 • DENVER, CO 80224
PHONE (720) 260-0531 • E-MAIL JW@PIVOTALCOMPANIES.COM

JASON WILLIAMSON

EMPLOYMENT

1999 - Present Pivotal Utility Management, LLC Denver, CO

Managing Partner, President

- Provide contract management services for water and sewer system operations (using local certified subcontractors) at eleven locations in Arizona and Missouri. Duties include regular site visits to locations and on-site reviews of operation performance and regulatory compliance.
- Supervise billing and customer support services to nearly 4,000 sewer and water utility customers in six different locations in Arizona.
- Provide and oversees accounting, bookkeeping, and financial reporting functions for six regulated utility companies (using NARUC accounting).
- Supervise regulatory compliance monitoring, ensuring permit compliance with laboratory reporting schedules for multiple environmental permits at locations in Arizona and in Missouri.
- Provide rate-case support and tariff design for new and existing investor-owned utilities (including testifying in cases before the Arizona Corporation Commission).
- Provide lead in corporate support services, including maintenance of corporation books and minutes, holding and leading regular meetings of boards and shareholders, and regular financial reporting/ budgeting.
- Worked with officials from State of Missouri's Public Service Commission to establish and provide a court-appointed "Receiver" for a small, distressed water and sewer utility company in central Missouri.
- Organized and established new company providing full range of services designed for small water/ sewer utility companies, and special districts.
- Consulted with land developers on water and sewer aspects of the entitlement process, including establishment of new regulated utilities. Focus was to maintain timeframes for obtaining regulatory approvals while implementing creative financing approaches to reduce capital expense and pace infrastructure spending with development demand.

1993 - 1999 Santec Corporation, Inc. Castle Rock, CO

Project Manager, Hiring Manager, Director of Marketing, Business Development

- Direct Sales of Wastewater Treatment Equipment and Design Services to the development and engineering industries.
- In project management role, worked with customers to obtain state and federal regulatory approvals of treatment equipment designs.
- Hired company staff, including engineers and sales professionals, and provided supervision and training for new staff.

- Designed and implemented marketing strategies that successfully expanded Sante's footprint by five new states during tenure.
- Worked with company owners to re-engineer business processes and service offerings to better meet customer demands.

OTHER UTILITY COMPANY POSITIONS (AT PRESENT)

- 1997 - Present: Verde Santa Fe Wastewater Company, Inc.; Cottonwood, AZ; Shareholder, President, Director
- 2005 - Present: Coronado Utilities, Inc.; San Manuel, AZ; Shareholder, President, Director
- 2003 - Present: Pine Meadows Utilities, LLC; Payson, AZ; Member, President
- 2003 - Present: Beasch Ranch Utilities, LLC; Dewey, AZ; Member, President

EDUCATION

- 1989 - 1993 University of Colorado Boulder, CO
Bachelor of Arts
- Major - International Affairs/ Minor - Economics
- 1996 - 1998 University of Colorado Denver, CO
Master of Business Administration
- Achieved while working in Castle Rock Full-Time

REFERENCES

- Joshua J. Meyer - Arizona Real Estate Attorney & Former Partner: Ph: (928) 580-5522; 12155 Calle Entrada; Yuma, AZ 85367
- Pat Carpenter - Contractor and Certified Water & Sewer Operator: Ph: (928) 606-0498; P.O. Box 264; Williams, AZ 86046
- Bob Dodds - Vice President, Service Delivery - Algonquin Water Services: Ph: (905) 465-4523; 12725 W. Indian School Rd.; Avondale, AZ 85323
- Gerald Brunskill - Manager of Closure Operations - BHP Billiton (BHP is preferred shareholder in Coronado Utilities); Ph: (520) 385-3241; P.O. Box M; San Manuel, AZ 85631
- Bud Carr - Owner/ President of Rainbow Parks (Pivotal is manager/ operator of Water/ Sewer systems in Congress, AZ); Ph: (936) 328-3727; 100 Rainbow Dr.; Livingston, TX 77351
- Gary Martinson - President of Bison Homes (developer of Bison Ranch WWTP, Heber, AZ - Pivotal is operator); Ph: (602) 837-8700; 16927 E Saguaro Blvd.; Fountain Hills, AZ 85268

EXHIBIT 2

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AFFIDAVIT OF Glen T. Curtis

Glen T. Curtis , being duly sworn, deposes and says:

1. I am a resident of Yuma County, over 18 years of age, and make this affidavit based on my own personal knowledge.

2. During the period of 2003 to present, I sold lots located within the Links at Coyote Wash subdivision near Yuma, Arizona

3. Whenever speaking to prospective buyers, I provided information concerning utility rates for both water and electric service. The water and electric utility rates for residents within the Links at Coyote Wash subdivisions are lower when compared to others in the surrounding community (i.e. Far West Water & Sewer Company or Arizona Public Service Company).

4. At no time did I ever tell a prospective buyer for property within the Links at Coyote Wash subdivision that water or electric utility rates would never increase.



[NAME] GLEN T. CURTIS

SUBSCRIBED and sworn to before me this 1st day of April, 2011.


Notary Public

My Commission Expires:

10/02/2013



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AFFIDAVIT OF Chris Cleary

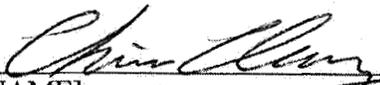
Chris Cleary, being duly sworn, deposes and says:

1. I am a resident of Yuma County, over 18 years of age, and make this affidavit based on my own personal knowledge.

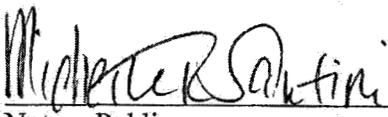
2. During the period of 2003 to present, I sold lots located within the Links at Coyote Wash subdivision near Yuma, Arizona.

3. Whenever speaking to prospective buyers, I provided information concerning utility rates for both water and electric service. The water and electric utility rates for residents within the Links at Coyote Wash subdivisions are lower when compared to others in the surrounding community (i.e. Far West Water & Sewer Company or Arizona Public Service Company).

4. At no time did I ever tell a prospective buyer for property within the Links at Coyote Wash subdivision that water or electric utility rates would never increase.


[NAME] Chris Cleary

SUBSCRIBED and sworn to before me this 15th day of April, 2011.


Notary Public

My Commission Expires:

10/02/2013



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AFFIDAVIT OF Quincy Smith

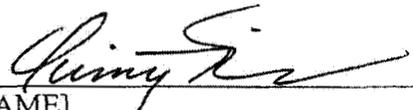
Quincy Smith, being duly sworn, deposes and says:

1. I am a resident of Yuma County, over 18 years of age, and make this affidavit based on my own personal knowledge.

2. During the period of 2003 to present, I sold lots located within the Links at Coyote Wash subdivision near Yuma, Arizona.

3. Whenever speaking to prospective buyers, I provided information concerning utility rates for both water and electric service. The water and electric utility rates for residents within the Links at Coyote Wash subdivisions are lower when compared to others in the surrounding community (i.e. Far West Water & Sewer Company or Arizona Public Service Company).

4. At no time did I ever tell a prospective buyer for property within the Links at Coyote Wash subdivision that water or electric utility rates would never increase.


[NAME]

SUBSCRIBED and sworn to before me this 1st day of April, 2011.


Notary Public

My Commission Expires:

10/02/2013



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AFFIDAVIT OF Jerry Miller

Jerry Miller, being duly sworn, deposes and says:

1. I am a resident of Yuma County, over 18 years of age, and make this affidavit based on my own personal knowledge.

2. During the period of 2003 to present, I sold lots located within the Links at Coyote Wash subdivision near Yuma, Arizona.

3. Whenever speaking to prospective buyers, I provided information concerning utility rates for both water and electric service. The water and electric utility rates for residents within the Links at Coyote Wash subdivisions are lower when compared to others in the surrounding community (i.e. Far West Water & Sewer Company or Arizona Public Service Company).

4. At no time did I ever tell a prospective buyer for property within the Links at Coyote Wash subdivision that water or electric utility rates would never increase.

Jerry L. Miller
[NAME]

SUBSCRIBED and sworn to before me this 1st day of April, 2011.

Michelle R. Santini
Notary Public

My Commission Expires:

10/02/2013

