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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

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

IN THE MATTER OF THE FORMAL
COMPLAINT OF SPARTAN HOMES AND
CONSTRUCTION, INC.,

COMPLAINANT,

vs.

FAR WEST WATER AND SEWER, INC.,

RESPONDENT.

DOCKET NO. WS-03478A-08-0256

COMPLIANCE FILING

1 Sewer Refunds and Sewer Main Extension Agreement. In Compliance with Decision

2 No. 72594 in the above-captioned docket, attached are copies of:

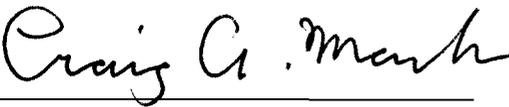
- 3 1. A check from Far West Water and Sewer, Inc. ("Far West") in the amount of
- 4 \$3,635.93 to Spartan Homes and Construction, Inc. in payment for sewer refunds
- 5 of advances; and
- 6 2. An executed Sewer Main Extension Agreement between Far West and Spartan
- 7 Homes.

8 CC&N Extension Filing. Decision No. 72594 required Far West to file "a sewer CC&N
9 extension application encompassing the entire Spartan Property." Far West is waiting for
10 Spartan Homes to provide a property description and color map. Once it has received these
11 documents, Far West should be able to file the application within ten business days.

12 \$154,180 Payment to Spartan Homes. Decision No. 72594 also required Far West to pay
13 Spartan Homes \$154,180 "unless they reach an agreement as to a later payment date." The
14 parties are currently negotiating an acceptable payment arrangement and are optimistic that

1 they will shortly be able to resolve this matter. Counsel for Spartan Homes authorizes this
2 representation.

3 Respectfully submitted on February 1, 2012, by:

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8 Craig A. Marks
9 Craig A. Marks, PLC
10 10645 N. Tatum Blvd.
11 Suite 200-676
12 Phoenix, AZ 85028
13 (480) 367-1956
14 Craig.Marks@azbar.org
15 Attorney for Far West Water & Sewer Company

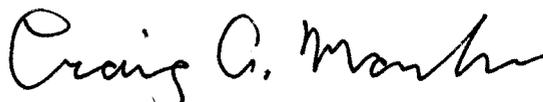
Original and 13 copies **filed**
on February 1, 2012, with:

Arizona Corporation Commission
Docket Control
1200 West Washington Street
Phoenix, AZ 85007

Copy e-mailed
on February 1, 2012, to:

Jeffery W. Crockett, Esq.
Brownstein Hyatt Farber Schreck
40 North Central, 14th Floor
Phoenix, AZ 85004

By:



Craig A. Marks

FAR WEST WATER & SEWER, INC

SEWER MAIN EXTENSION AGREEMENT

This agreement, made and entered into this 20th day of November, 2011, by and between Far West Water and Sewer, Inc. (hereinafter referred to as "the Company"), and Spartan Homes & Construction, Inc., (hereinafter referred to as "the Applicant") whose address is

11858 Via Loma Vista
Yuma, Arizona 85367

WITNESSETH:

1. The Company will inspect, approve, and accept an extension to its sewer collection facilities as follows:

Sierra Ridge Unit 1

- A. Map of extension area attached
 - B. Estimated Start Date: December 2004
 - C. Estimated Completion Date: July 2005
2. The Applicant will install sewer line improvements according to Far West Water's specifications and practices. Upon receipt of Far West Water Acceptance Letter for the improvements, and the signing of this agreement, the Company will agree to repay to the Applicant as a Refundable Advance in Aid of Construction, the total amount of \$ 119,092.47 (One Hundred Nineteen Thousand Ninety Two Dollars and Forty Seven Cents) Receipt of which is hereby acknowledged by the Company, which represents (description and cost involved):
 - A. Materials: 5,944 lf 8" PVC sewer line, 13 sewer manholes, 4 sewer cleanouts, and 113 4" sewer services
 - B. Labor: See attached cost sheet
 3. Refunds for advances in aid of construction pursuant to this agreement shall be made in accord with the following method: The Company shall each year pay to the party making an advance under a main extension agreement, or that party's assignees or other successors in interest where the Company has received notice and evidence of such assignment of succession, an amount equal to five per cent (5%) of the total gross annual revenue from sewer fees to each bonafide consumer whose service line is connected to main lines covered by the main extension agreement, for a period of twenty (20) years. Refunds shall be made by the Company on or before the 31st day of August of each year, covering any refunds owing from sewer revenues received during

the preceding July 1st to June 30th period. A balance remaining at the end of the twenty-year period set out shall become non-refundable, in which case the balance not refunded shall be entered as a contribution in aid of construction in the accounts of the Company.

The aggregate refunds under this rule shall in no event exceed the total of the refundable advances in aid of construction. No interest shall be paid by the utility on any amounts advanced. The Company shall make no refunds from any revenue received from any lines, other than costumer service lines, leading up to or taking off from the particular main extension covered by the agreement.

4. Terms and Conditions:
- A. It is understood that the Company shall at all times own all pipe, manholes, clean outs, fittings, and appurtenances used in construction said extension and the person making any advances, whether refundable or not, shall not have any right, title of interest in any such facilities.
 - B. The Applicant shall grant or convey or shall cause to be granted or conveyed, without cost to the Company, a permanent easement and right-of-way across any property owned or controlled by the Applicant wherever said permanent easement and right-of-way is necessary for the Company sewer facilities and lines so as to be able to furnish service to the Consumers.
 - C. This agreement shall be binding upon and for the benefit of the heirs, administrators, executors, successors, and assigns of the parties signing this agreement; provided, however, that no assignment or other transfer of this contract by Applicant shall be binding upon the Company or create any rights in the assignee until such assignment or other transfer is approved and accepted in writing by the Company.

Spartan Homes & Construction, Inc.

By



Far West Water and Sewer, Inc.

By

