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1 COMMISSIONERS

- 2 **Bob Stump – Chairman**
- 3 **Gary Pierce**
- 4 **Brenda Burns**
- 5 **Bob Burns**
- 6 **Susan Bitter Smith**

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Arizona Corporation Commission
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7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 IN THE MATTER OF THE APPLICATION
9 OF TUSAYAN WATER DEVELOPMENT
10 ASSOCIATION, INC. FOR
11 ESTABLISHMENT OF RATES FOR
12 WATER SERVICE.

DOCKET NO. W-02350A-10-0163

12 IN THE MATTER OF THE APPLICATION
13 OF ANASAZI WATER CO., LLC FOR
14 ADJUDICATION "NOT A PUBLIC
15 SERVICE CORPORATION."

DOCKET NO. W-20765A-10-0432

15 IN THE MATTER OF THE APPLICATION
16 OF HYDRO-RESOURCES, INC. FOR
17 ADJUDICATION "NOT A PUBLIC
18 SERVICE CORPORATION."

DOCKET NO. W-20770A-10-0473

19 **JOINT STATUS REPORT BY HYDRO-RESOURCES, INC.,**
 20 **ANASAZI WATER COMPANY, LLC AND TUSAYAN WATER DEVELOPMENT**
 21 **ASSOCIATION, INC.**

22 Pursuant to the Commission's Procedural Order filed March 29, 2013, Hydro-
23 Resources, Inc. ("Hydro"), Anasazi Water Company, LLC ("Anasazi") and Tusayan Water
24 Development Association, Inc. ("Tusayan") submit the following status report.

25 As noted in the Procedural Order of March 29, 2013, these parties had reached
26 conceptual agreement on a global settlement as of April, 2012, and then undertook what
27 proved to be a laborious process of completing dozens of deeds, easements and bills of
28 sale, together with other transactional documents, necessary to effectuate the sale and

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1 transfers of certain assets and property interests to Hydro as the future water provider in
2 Tusayan's current service area. In February 2013, Hydro provided Anasazi with those
3 transfer documents and associated legal descriptions and survey maps for Anasazi's review
4 and comment. Counsel for Hydro and Anasazi further discussed fine point details
5 concerning the conveyances in March 2013, and Anasazi is still reviewing the documents,
6 which are attachments to a Transfer Agreement that has essentially been negotiated and
7 agreed since last year. Anasazi believes it will be in a position to respond with its
8 suggested edits to the transfer documents by mid-May, 2013, and these parties anticipate
9 that the Transfer Agreement and Settlement Agreement as previously agreed by the parties
10 will be docketed shortly thereafter.

11 As to these parties' position as to the best process for going forward and reaching
12 resolution of this matter, they submit that monthly written status reports, and, as necessary,
13 further procedural conferences will keep the parties focused and moving toward execution
14 of the necessary agreements to effectuate the settlement and allow Hydro to file its
15 application for a CCN for the majority of the current Tusayan CCN area. These parties
16 expect that they will be in position to execute the Settlement Agreement and Transfer
17 Agreement in May, 2013, and Hydro is already working on its CCN Application that is
18 anticipated in the Settlement Agreement.

19 Public utility water service continues without incident in Tusayan's service area. At
20 the Town's request, Tusayan has begun serving water furnished by Hydro to certain
21 customers that were formerly provided water by Anasazi so that Tusayan is charging those
22 customers the Hydro water rates, thus eliminating one of the issues concerning the Town
23 and certain of Tusayan's customers.

24 Tusayan's obligations under the conceptual settlement terms involves an application
25 for cancellation of its CCN. Tusayan will provide continuous service until a firm take-over
26 date is established in the proceedings to cancel its CCN and the proceedings for issuance
27 of the new CCN to Hydro.

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1 Dated this 26th day of April, 2013.

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23 Association, Inc.

24 **ORIGINAL and 13 COPIES** of the
25 foregoing filed this 26th day of April,
26 2013, with:

27 Docket Control Division
28 Arizona Corporation Commission
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1 **COPY** of the foregoing hand-delivered
2 this 14th day of April, 2013, to:

3 Hearing Division
4 Arizona Corporation Commission
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17 **COPY** of the foregoing e-mailed and mailed this
18 14th day of April, 2013, to:

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