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AZ CORP COMMISSION
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RE: Intervenor Surrebutal Testimony/Erik A. Nielsen DOCKET NO. WS-04235a-13-0331

Please find the enclosed signed original and 13 copies of Erik Nielsen's Intervenor Surrebuttal Testimony for DOCKET NO. WS-04235a-13-0331. I hereby certify that a copy of this testimony has been mailed to the following parties:

Steve Wene, Esq.
MOYES SELLERS & HENDRICKS, LTD.
1850 North Central Avenue, Suite 1100
Phoenix, Arizona 85004
swene@law-msh.com
Attorneys for Utility Source, LLC

Daniel Pozefsky
Residential Utility Consumer Office
1110 West Washington St., Suite 220
Phoenix, Arizona 85007

Terry Fallon
4561 Bellemont Springs Drive
Bellemont, Arizona 85015

Sincerely,

Erik Nielsen
4680 N. Alpine Dr.
PO Box 16020
Bellemont, AZ 86015
928-779-7105
Nielsen_e@yahoo.com

ORIGINAL

Arizona Corporation Commission
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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- GARY PIERCE
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2014 OCT 22 A 11:03
 AZ CORP COMMISSION
 DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
 UTILITY SOURCE, LLC, AN ARIZONA
 CORPORATION, FOR A DETERMINATION
 OF THE FAIR VALUE OF ITS UTILITY
 PLANTS AND PROPERTY AND FOR
 INCREASES IN ITS CHARGES FOR UTILITY
 SERVICE BASED THEREON.

DOCKET NO. WS-04235A-13-0331

**SURREBUTTAL TESTIMONY OF ERIK
 NIELSEN/INTERVENOR**

INTRODUCTION

Q. Please state your name and role in this matter.

A. Erik Nielsen. I am a customer of Utility Source in Bellemont, AZ and an intervenor in this case. I have undergraduate degrees in Economics and Political Science from the University of California, San Diego, an MS in Public Policy from Rutgers University and a PhD in Natural Resources from the University of Idaho. I have worked in the private sector as a consultant on social and economic impacts of resource development and am currently an Associate Professor of Environmental Science and Policy in the School of Earth Sciences and Environmental Sustainability at Northern Arizona University.

Q. What is the purpose of your Testimony?

- 1) To respond to specific elements of Utility Source's rebuttal testimony regarding the standpipe operation, non-compliance with original CC&N order, rate base components, POA documents, Well #4 plans and line extension agreements
- 2) Comment on cost of capital and return on ;
- 3) Address shared operations in the Company office that the Company claims does not exist.
- 4) Address shared use of Mary Ann Perry's bookkeeping time between companies run by Utility Source owners.
- 5) Propose adjustments to allowable expenses for water and wastewater division based on recent data request information and investigation;
- 6) Propose additional adjustments to plant in service for the water division based on new information and confirming previous testimony;
- 7) Address the question of unauthorized sales of bulk water from the Company hydrant system and the risks they posed to public health;

- 1 8) Demonstrate that Utility Source does not have authority under its CC&N to deliver water via a
2 standpipe operation outside of its narrowly defined service area;
3 9) To further document the unreasonable nature of the proposed rate hike on consumers.

4 **1. RESPONSE TO UTILITY SOURCE REBUTTAL TESTIMONY**

5 **Q. Mr. McCleve's rebuttal testimony acknowledges that the company was providing bulk water from the**
6 **fire hydrant system. Please comment.**

7 A. I appreciate the acknowledgement of this fact and will address the implications of unauthorized sale of
8 unmetered and unmanaged bulk water from fire hydrants on human health and the lack of ADEQ and County
9 approval for these operations in violation of ADEQ and county regulation.

10 **Q. Mr. McCleve's rebuttal testimony regarding the standpipe operation states that "the Company built the**
11 **new load station to comply with the County rules and staff comments". Please comment on this**
12 **statement.**

13 A. I contacted the Coconino County Community Development office to clarify this statement and obtain
14 background information on what actually had transpired. They responded as follows:

15 *"The issue was that they had established a water dispensing station without a CUP, which is clearly required*
16 *by the Zoning Ordinance. In addition, they were dispensing water without ADEQ approval, which is also*
17 *required. In 2009 we received a complaint that they were dispensing water from a hydrant without any*
18 *required approvals. They were informed they needed a CUP and they agreed to submit the application so the*
19 *complaint was closed before any citation was issued. They hired an engineer and designed their project as*
20 *they saw fit. If they chose to build a "Cadillac" system, that was their choice, not dictated by the County.*
21 *There are numerous water dispensing stations throughout the County built in a variety of different ways, all*
22 *designed by the individual owners. County codes set minimum standards, but beyond that, the owner*
23 *determines how they want to design the project. **The County certainly never told them they had to build a***
24 ***water dispensing station, but if they wanted to provide that service, they needed to get the appropriate***
25 ***permits and meet minimum standards [Emphasis added]."** (See exhibit 1)*

26 **Q. Mr. McCleve also asserts that the Company does not know how much money they might make from this**
27 **standpipe operation and that the 200,000 gallons estimate is a maximum that could be served not a**
28 **projection of what will be served. Please comment on this statement.**

A. The company's application to the county for the conditional use permit states "an estimated demand of
150,000-200,000 per month". Based on consultations with local standpipe operator, it appears that they

1 have lost significant proportion of their business. Based on observations of current high levels of large
2 commercial water hauler activity at the standpipe every day it is likely that these numbers may be
3 conservative. (See exhibit 1) One regional bulk water professional estimated that this standpipe could
4 potentially dispense over 500,000 gallons per month based on market demand from commercial haulers,
5 ADOT, construction haulers, rogue haulers and individual residential users between Flagstaff and Williams. I
6 believe the monthly standpipe sales from October as requested by Staff will demonstrate a high level of sales
7 and sales will continue to grow as word gets out.

8 The statement that the Company does not know how much money it will make is unreasonable give the fact
9 that the Company initially estimated they had spent \$55,000 on the standpipe and in response to Staffs 9th
10 data request they suggest the cost of the standpipe operation might be approximately \$162,252. It is
11 inconceivable or irresponsible that the Company would invest \$162,252 in plant in service without some real
12 projections of potential market and revenue to recover these costs.

13 **Q. Mr. McCleve's rebuttal testimony suggests that they should not file a new rate case based on the**
14 **significant potential revenue from the standpipe due to the cost burden on consumers and that they**
15 **should only have to file if revenues exceed the requested revenue requirement by 10%. Please comment.**

16 A. I agree that another rate case expense for consumers would be unfair but I believe that since the Company
17 proceeded in constructing this without ACC approval, at a very high construction cost and with the potential
18 for high revenue, the costs of a rate case with the 2015 test year should be burdened to the Company not to
19 the customers, particularly when this water will not be used within the CC&N service area.

20 **Q. Mr. McCleve's rebuttal testimony asserts that it is his understanding that the fire hydrants are properly**
21 **included in the rate base. Please comment.**

22 A. I requested clarification from Coconino County on the subdivision ordinance related to hydrants. The
23 response was as follows: *"Regarding your question about fire hydrants, where hydrants are required, the*
24 *hydrants would be considered part of the required infrastructure for the subdivision, and the cost of the*
25 *hydrants would be considered a development cost just like roads, drainage systems, etc."* (See exhibit 1).

26 Given this response from Coconino County, the hydrant costs should be removed from the rate base or be
27 considered as prior contributions by the developer to the system however it is unclear who actually paid for
28 these hydrants.

1 **Q. Mr. McCleve's rebuttal testimony argues that Decision 72261 represents that staff concluded the**
2 **Company fully complied with the orders in decision 67446 regarding consolidation of all assets to Utility**
3 **Source. Please respond.**

4 A. Decision 72261 only addresses the specific order in decision 67446 related to ADWR and ADEQ and not to
5 the compliance with order to consolidate assets as a condition for the CC&N to become effective. This is an
6 entirely different issue. The fact that the CC&N was granted relied upon the representation from the
7 Company that all assets were in fact consolidated under Utility Source and ACC accepting this representation
8 that the Company had complied with the order.

9 **Q. Mr. McCleve's rebuttal testimony acknowledges that the company will rectify any discrepancies that**
10 **were not previously resolved regarding plant in service not currently owned by the company that exist**
11 **today but suggests that the company relied on its engineers and attorney to correctly comply with the**
12 **court order. He also expresses that the Company and its owners fully intend to have the Company own**
13 **the production wells of concern. Please comment.**

14 A. The responsibility for compliance with the order was not the responsibility of the Company attorney or the
15 engineer but the owner of the company. As I demonstrated in evidence in my previous testimony, the
16 owners of the company was notified within months of the incorrect deed transfer by the Coconino county
17 cartographer yet they did not act to correct this error until 2011, 6 years later nor inform the ACC of this
18 error. The company also resubmitted those erroneous deed transfer documents in 2007 to the ACC in their
19 2006-2007 rate case (WS-04235A-06-0303) [See exhibit 1.A in Nielsen testimony for supporting evidence].

20 Furthermore, the two other parcels in question were never even attempted to be transferred even though
21 they represented the majority of the wells and springs of the Company plant in service. In the 2005 CC&N
22 expansion case (WS-04235A-05-0707) the company made clear their intention to develop these parcels and
23 deliver water and wastewater service to these parcels that they affirmed were owned by other entities they
24 control.

25 I appreciate that the Company intends to have the Company own the production wells but that is not the
26 point. I provided clear evidence that they do not currently own and did not own in the last rate case. It is not
27 the responsibility of an intervenor or the ACC staff to verify this information and the evidence suggests that
28 the company clearly knew that these properties were not under the company ownership. What is troubling is
that the original court order was not complied with, the ACC accepted representations of compliance by the
Company, and these properties have been included as rate base since the original CC&N, including
presumably the land and well values. Since these properties were not owned by the Company, consumers

1 deserve to have refunded to them all proportions of payments made based on their inclusion in the rate base
2 since 2007.

3 **Q. Mr. McCleve's testimony regarding the inclusion of deep well #4 asserts that the Company's intention is**
4 **to begin using it in the near future as a production well for the water system and will finalize**
5 **documentation necessary for it to come online soon. Please comment on this position.**

6 A. This is a deeply troubling plan from the Company, since there is no need for this water given the
7 production capacity of the well system currently serving customers. If this well is brought online
8 approximately an additional \$1.4 million dollars will be added to plant in service and be an additional burden
9 on ratepayers. The company has not disclosed potential new developments for this water that would justify
10 a new well being brought into service so it is unclear what the motivation or intention is for this action. In
11 response to my data request about the use of the water in Deep Well #4, they did not know and would serve
12 future customers. In response to RUCO's data request the Company claims to have no knowledge of future
13 development plans. Based on this information one can only conclude this well will be brought into service as
14 indicated by Mr. McCleve to serve projected demand from the standpipe operation.

14 **Q. Mr. McCleve's rebuttal testimony asserts that all records of the Property owners association that were**
15 **controlled by Mr. McCleve and Mr. Buelcheck prior to regulation by the ACC were turned over to the POA**
16 **and that this matter has already been addressed by the commission. Please comment.**

17 A. The issue of concern that I raised in my testimony were records related to special assessments authorized
18 in the CC&Rs as well other hook-up fees as prior contributions and annual budgets. (See Nielsen Testimony
19 Item II). I have consulted with the President, Vice President and Secretary who formed the first POA
20 controlled by residents to establish exactly what was turned over to the POA. They affirmed that they did get
21 records on POA dues and past due accounts however they did not receive any information related to water
22 and sewer or annual budgets from the inception of the POA and the subdivision and construction of water
23 and wastewater infrastructure. Larry Palmer who served as the Vice President of the original POA stated the
24 following:

24 *I was vice president of the first board of directors of the Flagstaff Meadows Home Owners Association*
25 *in February of 2007. We received the association dues books from Greenfield in June of 2007. At that*
26 *time my wife Sandra Palmer who has been a life time bookkeeper volunteered to keep the books for*
27 *the association. Sandra and I went through the material that was sent to us from Mary Ann at*
28 *Greenfield.*

1 ***It consisted of bank deposit receipts, general ledger, and trial balance sheets for the last several***
2 ***years. It also contained the dues balances for each of the HOA members. From that we took over the***
3 ***sending and receiving of payment of the dues for the HOA. As far as the water and sewer billing is***
4 ***concerned, there was no information that we received concerning the members other than what***
5 ***might be in the general ledger. Utility Source had already been established some time before***
6 ***this and was doing the billing and collection from the members for water and sewer so there was***
7 ***no reason for Greenfield to send us any material about billing. To be sure I remembered that***
8 ***correctly, I went into Sterling and went through the box of material that Marry Ann sent us when we***
9 ***took over and I found nothing concerning the billing of water and sewer. I also contacted David***
10 ***Hitesman who was president of the HOA during the conversion to see if he might have received***
11 ***anything from Greenfield and he confirmed that he had not.*****[emphasis added][See exhibit 1]**

11 The assertion by Mr. McCleve that this issue of the POAs financial role in Contributions in Advance of
12 construction has already been settled by the commission omits the fact that the ACC did not have CC&R
13 documentation that established the special assessment fees for water and wastewater nor were the books of
14 the POA submitted as part of the record from the original rate case and CC&N case.

15 **Q. Mr. McCleve's rebuttal testimony asserts that he does not recall if they executed line extension**
16 **agreements with Empire Builders or Empire Residential Development and they attorney who might have**
17 **addressed the issue is retired and Empire is now bankrupt. Additionally in response to my data requests,**
18 **the company has responded that they have no extension agreements with Empire. Please comment on this**
19 **assertion.**

20 A. By the Company's CC&N in 2005, the Company was required to use extension agreements rather than
21 hook-up fees. Empire Companies received permission from ADEQ to extend water and wastewater lines to
22 the Flagstaff Meadows Unit III, Phase I in July and August 2007 (see exhibit 2 in Nielsen original testimony).
23 The work was initiated and water and sewer distribution systems were partially completed by Empire. I
24 spoke with a representative on the engineering company (Shephard-Wesnitzer, Inc.) in Flagstaff who filed
25 the permit applications and they confirmed that they were working for Empire and Empire had partially
26 completed these systems when they went bankrupt (see exhibit 1). The company representative explained
27 that the county later required the bank who now owned the property to bury the partially completed water
28 and sewer distribution lines. The representative also indicated that there would normally be some
 agreement between the water company and the developer/builder.

1 The pile of water infrastructure now abandoned on the site of Flagstaff Meadows, Unit III, Phase I attests to
2 the partial completion of this distribution system [see exhibit 1]. It is clear that Empire must have had an
3 agreement with Utility Source regarding this infrastructure and how the contribution in Aid-of construction
4 would have been accounted for or else Utility Source was constructing these line extensions on their own
5 dime. Mr. McCleve's suggestion now that he does not recall if they executed a line extension is not a
6 sufficient response given the obligation of the Company to file any water extension agreement with the ACC.

7 Decision 68962, finding of fact #12, clearly states that the company will use advances in aid of construction
8 for any developments proposed for the new service area parcels and extension agreements will be used. The
9 decision reads: *"To finance the new water distribution and wastewater collection facilities, a combination of*
10 *advances in aid of construction will be used. To deal with water facility advances, the Company will enter*
11 *into a main extension agreement with the developers for the proposed extension area and file a copy for*
12 *Commission approval."* (Decision 68962, p. 5) (emphasis added).

13 I have not found any information in the ACC records that the Company ever filed a main extension
14 agreement with the ACC prior to Empire beginning water extension to this phase of Flagstaff Meadows but it
15 appears that they should have as a publically regulated company.

16 **Q. Mr. McCleve acknowledges that there have been several issues with the hydrant system but they have
17 been resolved? Please comment.**

18 A. I have requested documentation from the company on their reporting to the ACC on system outages but
19 at this time there is no indication that they have reported these outages as required.

20 **2. COMMENTS ON THE COST OF CAPITAL RECOMMENDATIONS THE COMPANY, RUCO AND ACC**

21 **Q. Can you comment on proposed cost of equity and returns from RUCO, ACC and the Company?**

22 A. While I do not fully understand the models used by the Company, ACC and RUCO to make
23 recommendations on the cost of equity, I do understand the ACC goal of providing the Company a
24 reasonable rate of return for equity investments in the plant in service. But like companies that exist in the
25 competitive market, the return on equity should also reflect performance and customer service. As a
26 regulated monopoly, I believe the return on investment should also reflect a company's full transparency
27 before the ACC and the burden that they impose on intervenors and Staff to fully adjudicate and investigate
28 and the reasonableness of proposed rate hikes on consumers.

1 From a lay person's perspective, the assertion by Mr. Borassa that Utility Source faces significant risk and
2 thus justifies a higher return on investment makes little sense on face value. My equity investments in
3 publically traded companies face significant risk in the marketplace. The Company developed this water and
4 wastewater system to support their land development company and a captive customer base. As I
5 demonstrated in my original testimony the owners generated a significant profit from this land development
6 tied to the promise of undervalued water and wastewater services. Their development faced significant risk
7 however it is hard to justify a risk premium for the Company's ongoing operations. The recession did not
8 significantly affect their revenue stream and thus history undermines this argument. The ACC is faced with
9 treating the investments in Utility Source as separate from the land development investments but the reality
10 of this case is that they are intertwined for the investors and the actual rate of return on these joint
11 investments has been very high. If the costs of the water and wastewater systems were included entirely as
12 land development costs, the company principles have already received a high rate of return on their overall
13 investment.

14 Given that the proposed rate hike is unreasonable and the difference in revenue requirement estimated by
15 the company, RUCO and ACC staff ranges significantly, the ACC should take into account the balance
16 between return on investment and hardship on customers and thus justify the lower rate of return. For
17 Example the difference between RUCOs total revenue requirement for water and wastewater divisions and
18 that proposed by the Company is \$648, 967 and \$761,867 respectively or a difference of \$112,897 annually.
19 This translates to an annual difference of approximately \$347 per customer. I think in the interests of
20 balance the lower of the estimates of costs of capital should be used in this case and if I could fully
21 understand the rationale employed by the models I would argue for an even lower rate.

22 **3. SHARED OPERATIONS IN THE COMPANY OFFICE THAT THE COMPANY CLAIMS DOES NOT EXIST.**

23 **Q. The Company has responded to separate data requests related to shared office space from Nielsen and
24 ACC Staff claiming that the 20525 E. Chandler Heights, Queen Creek, AZ location where customers send
25 their payments and call for customer service does not have any shared or co-located business at that
26 location. Please comment on these responses**

27 A. My data request 2.1 asked "Please describe the other businesses co-located at these office locations and
28 the relationship of Utility Source owners to these businesses? Are expenses at these locations (e.g.
equipment, contract staff, utilities, etc.) shared between these businesses and Utility Source L.L.C.?"

The company did not answer my question and asserted that the other locations I mentioned on invoices
were previous personal addresses of the principles. My question regarding the existence of co-located

1 businesses was not answered. RUCO made a similar data request 1.16 and the company state that there
2 were no shared facilities.

3 ACC Staff data request 9.5 asked "Is the office space of the Company's headquarters, 20525 E. Chandler
4 Heights, Queen Creek, Arizona, used solely for USL? If shared with another business, are the utilities
5 allocated?"

6 The company provided a response to this request as follows:

7 *"The Company does not share the office with another business. However, the use of the word "solely" requires*
8 *the Company to explain that from time to time, the Company's conference room is used to conduct a meeting*
9 *by others, but this use is de minimis and does not interfere with Company operations. For example,*
10 *occasionally the Company has allowed a local relator and a homeowners' association to use the conference*
11 *room to meet clients or conduct a meeting."*

12 According to public records submitted to the state of Arizona and other public listings, seven companies
13 controlled by the owners of Utility Source have listed their physical address as 20525 E. Chandler Heights,
14 Queen Creek, Arizona (see exhibit 3). These include:

- 15 1. Utility Source LLC
- 16 2. Fuelco Travel Center, LP
- 17 3. Pecans of Queen Creek, LLC
- 18 4. The Pecans Homeowners Association, Inc.
- 19 5. Strategic Funding VII, LP
- 20 6. Pecans 20, LLC
- 21 7. Strategic GP, LLC

22 In addition 3 other companies are listed with the address of the principle manager, Mr. Lonnie McCleve as
23 20525 E. Chandler Heights, Queen Creek, Arizona. These include:

- 24 1. Flagstaff Meadows, LLC
- 25 2. Bellemont Interchange, LLC
- 26 3. Eagle Park LLC

27 Finally, one additional company and two mentioned above have the Agent listed at this same address

- 28 1. Riggs Road, L.L.C with Peterson Properties address as 20525 E. Chandler Heights, Queen Creek,
Arizona.
2. Strategic GP, LLC with Peterson Properties address as 20525 E. Chandler Heights, Queen Creek,
Arizona.

1 3. Strategic Funding VII, LP with Mary Ann Perry's address as 20525 E. Chandler Heights, Queen Creek,
2 Arizona.

3
4 One might argue that these are just mailing addresses to justify the de minimus claim made by the Company.
5 However I visited the company address on October 15th and was attended to by Mary Ann Perry who
6 reportedly only performs duties for the Company as a bookkeeper (I will address this in section #4)

7 What I found was a location was something much different than the de minimus claim made by the
8 Company. The signage outside the office indicates the visitor center for the Pecans subdivision with hours
9 from 11:00 am-5:00 pm M-S (see exhibit 3). Additional signs indicate this is a location for lot/custom sales
10 and the sign on the door lists the contact of a real estate broker if no one is in the office or if visitors arrive
11 outside of the posted office hours. Inside the office the majority of the space has blueprints and promotional
12 materials for the subdivision as one might expect from a visitor's center and sales office. The building is
13 basically a small office/visitor center located where a guard house would be for a gated community.

14 The property located at 20525 E. Chandler Heights, Queen Creek, Arizona is owned by the Pecans
15 Homeowner's Association (see exhibit 3).

16 Finally, I called one of the three brokers who Mrs. Perry had recommended and who had promotional
17 materials spread out on a large table (exhibit 3). The broker said they sells lots and also build custom homes
18 in the Pecans. The broker indicated that they have found that customers were stopping by outside of the
19 normal office hours they maintained when they were there and so now they normally work by appointment
20 at this location.

21 Because of these multiple entities and clear shared office space, below I will propose further adjustments to
22 the Company expenses.

23 **4. DEDICATION OF MARY ANN PERRY BOOKEEPING AND SECRETARIAL TIME TO UTILITY SOURCE AFFAIRS
24 CONTRARY TO COMPANY'S ASSERTIONS**

25 **Q. In the Company's response to Nielsen's data request 2.1 question "Are Marry Ann Perry's sole
26 responsibilities as contracted secretarial support limited to providing billing and bookkeeping services in
27 support of Utility Source L.L.C.?" The company responded that "Ms.Perry's contracted services are for the
28 company only". Would you like to address this response?**

1 A. Yes, the evidence suggests that both the office and Mrs. Perry's time are divided between various
2 enterprises owned by the Company principles. It is also important to note that the Company has not
3 provided copies of contracts for her professional services to the Company.

4 As I mentioned in the preceding section regarding shared office space, I did visit the Pecans Visitor Center
5 and was attended to for over 20 minutes by Mrs. Perry. I arrived at 10:45 am and no one was present and
6 the office hours on the building indicated M-S 11:00-5:00 pm. After touring some model homes, I noticed a
7 car drive up and Mrs. Perry opened up the office and took down the sign in the door window that provided
8 details about who to contact after hours or if the office was closed. This contact information was not her but
9 a broker. She explained to me that she was not a broker but then proceeded to explain to me the history of
10 the development, the options for lots and custom homes, min. square foot requirements for homes,
11 requirements for RVs, the HOA and the CC&Rs as well as who to contact if I was interested in purchasing a lot
12 or custom home. Most significantly, Mrs. Perry explained this to me not as what others were doing but what
13 "we were doing". For example she explained that "we have just formed a homeowners association board",
14 "we (the Pecans) took over here in 2010 and had a lot to do to clean up the development after the recession"
15 "we are planning a festival" and "we are having problems with the construction workers destroying the
16 landscaping", etc. She is clearly a member of the overall operations at this housing development much as she
17 was when Greenfield developed this subdivision and Mary Ann Perry managed the Flagstaff Meadows
18 Homeowners Association books.

17 Mrs. Perry is listed in corporate documents filed with the ACC as the secretary for the Pecans Homeowners
18 Association. She is also listed as the Agent for the company Strategic Funding VII, LP with the physical address
19 of the company at 20525 E. Chandler Heights Rd, Queen Creek (see exhibit 3).

20 When I spoke with the broker who works out of the 20525 E. Chandler Heights, Queen Creek, Arizona office,
21 she mentioned that they tend to work by appointment at this location and Mrs. Perry covers when they are
22 not there.

23 The final piece of evidence for Mrs. Perry's non-exclusive time dedicated to Utility Source business is the
24 phone number listed for Utility Source. The number is also listed in a multitude of past and current real
25 estate listings for the Pecans subdivision as the contact number for Ms. Perry at the Pecans Home Owners
26 Association (see exhibit 4). It would appear that Mrs. Perry is conducting business for the Pecans and related
27 companies as well as the Pecans HOA.
28

1 **Q. So how much time should be compensated for Mrs. Perry's partial services to Utility Source?**

2 A. I have contacted various business professionals about the amount of time necessary to keep the books
3 and provide secretarial support for a company the size of Utility Source and they all concur that this is less
4 than a part time position.

5 I have spoken to the retired professional bookkeeper who ran the Flagstaff Meadows HOA before we
6 contracted a professional management and she estimated that the maximum amount of time necessary to
7 keep the books for a company the size of Utility source would be no more than 20 hours per week including
8 attending to customer service calls.

9 In addition our current professional management company for the HOA only charges \$22,700 per year that
10 includes management, administration, overhead, customer service, billing, legal, bookkeeping and
11 accounting and filing plus profit for the management company.

12 Finally a small retail owner who has annual revenue three times that of Utility Source and who has a
13 significant payroll of full-time and part time employees as well as significant purchasing and sales, pays \$700
14 per month for professional bookkeeping services or \$8400 annually.

15 Given the clear evidence that Mrs. Perry is engaged in duties beyond those of serving Utility Source
16 customers and management for the conduct of the business I propose that her compensation should be no
17 more than 50% of her current compensation. I want to see a well-managed billing and bookkeeping for the
18 company and I believe that 50% time would be more than sufficient for the duties she performs for the
19 company. This adjustment will be reflected in the subsequent section.

20 **5. PROPOSED ADJUSTMENTS TO OPERATIONAL EXPENSES FOR WATER AND WASTEWATER DIVISION.**

21 **Q. Please summarize your proposed adjustments to expenses for the water and wastewater divisions of**
22 **Utility Source that address the issue of shared office space, Mary Ann Perry, Misc Expenses etc.**

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1 A. In general I propose the following adjustments to the operational expenses to be split between the water
 2 and wastewater divisions.

| 3 Items | Current US listed Expenses | Allowed expenses | Justification |
|---|----------------------------|------------------|--|
| 4 Mary Ann Perry- Professional bookkeeping services | \$38,500.00 | \$16,250.00 | 50% of Mrs. Perry labor based on my prior testimony of non-exclusive work for the company and reasonable compensation for the work required to keep the books for a business of this size. |
| 5 Phones | \$13,005.00 | \$ 5,202.00 | 40% of phones (100% of Water manager, 50% Bookkeeper, 100 % of NTS and 10% of others) |
| 6 Copier | \$ 4,521.42 | \$ 678.21 | 15% of copier/printer (@.06/copy 1600 copies per month) |
| 7 SRP | \$ 12,040.00 | \$ | Electricity for personal home of owner located at |
| 8 Auto allowance | \$ 6,000.00 | \$ 1,084.80 | 2 r/t to bank/post per week (40 miles) Federal rates |
| 9 Staples | \$ 1,192.00 | \$ 596.00 | 50% of staples for shared offices |
| 10 APS power well #4 | \$ 4,950.00 | \$0 | 100% of well four electricity |
| 11 APS purchased power for Fuelco | \$ 48,458.18 | \$ 0 | Wells are not currently owned by Utility Source so charges associated with purchased power should be disallowed |
| 12 APS late fees | \$ 824.00 | | It should be expected that late fees and shit off notices should be avoided |
| 13 Total | \$129,491.40 | \$23,811.01 | |

16 **Q. Please explain your adjustment to the professional services-bookkeeping expenses.**

17
 18 A. As I have clearly demonstrated in this surrebuttal testimony Mrs. Perry does not work exclusively for the
 19 Company nor are the costs associated with the required services reasonable.

20 **Q. Please explain your adjustment to the Phone expense.**

21 A. The ACC staff rightly requested an adjustment to the excessive phone expense for a company of this size
 22 down \$2,366 and the Company accepted this adjustment. However given the share use of the locations, the
 23 shared use of Mrs. Perry's phone for unrelated business expenses and the multiple business enterprises of
 24 the principle these should expenses should be further reduced. I propose paying 100% of Mr. McCaleb's
 25 phone (contract operator of water and wastewater), 50 % of Mrs. Perry's phone and phone, 100% of NTS 1-
 26 866 number for customers, and 10% of the cost of the other telecommunication services based on uses by
 27 the principles for their other business interests. Since we do not have knowledge of the actual users of these
 28 each of the services listed in the ledger for various service carriers, an overall reduction of 40% seems
 reasonable.

1 **Q. Please explain your proposed reduction to the copier expenses.**

2 A. Again because of the shared use of the office space for at least seven entities, I propose a 15% portion of
3 the total expense to be charged to Utility Source consumers as a reasonable expense. This is more than
4 sufficient to cover actual printing costs for bills and other business related copying expenses.

5 **Q. Please explain your elimination of the \$12,040 Misc. Utility Expenses that represent SRP electricity bills**
6 **for the company office in Queen Creek.**

7 A. In response to Staff Data request JLK 9.5 Utilities that request the Company to "Please forward test year
8 invoices for general ledger accounts number 675.3 and 775.3," the Company provided receipts for the
9 \$12,040 in SRP electrical bills. These duplicate bills were addressed to the company address 20525 E.
10 Chandler Heights, Queen Creek. However the service address listed for the bills was 23995 S. 205th Court,
11 Queen Creek, AZ (see exhibit 5). This is an address located in the Pecans Subdivision and is a personal
12 residence. The 7,400 square foot residence is owned by Mr. McCleve (exhibit 5).

13 I do not know the ACC rules for accounting and allowable expenses but this submission as a legitimate
14 business expense to be borne by rate payers is beyond reason and should be disallowed entirely.
15 Furthermore, the submission of these charges as a legitimate expense for the test year and in previous
16 annual reports should be investigated.

17 **Q. Please explain your proposed reduction to the \$6,000 auto expense.**

18 A. The costs associated with this expense are unreasonable. To my knowledge and to my neighbor's
19 knowledge Mrs. Perry does not travel to Bellemont. I propose a reasonable mileage allowance of 40 miles
20 per week to run errands for Utility Source. At the federal mileage rate this would be \$1,084.80.

21 **Q. Please explain your proposed reduction to the Staples supplies.**

22 A. Based on the shared office space of used by multiple entities, 50 percent of the listed costs seems more
23 than reasonable to cover costs of Utility Source.

24 **Q. Please explain your proposed reduction to the Deep Well #4 Purchased power expense.**

25 A. Since the company is not including Deep Well #4 as plant in service and it is not used and useful, the
26 associated charges with Deep well #4 should be disallowed entirely.

27 **Q. Please explain your other proposed reductions to the APS purchased power expense.**
28

1 A. Purchased power for wells not owned by Utility Source should not be an allowable expense. Therefore
2 APS Fuelco receipts at account #4283 should not be allowed.

3 Additionally, \$824.80 of APS late fees were charged to the purchased power expense. It is reasonable to
4 assume that Utility Source is capable of paying its bills on time and if not the owners should absorb those
5 costs. I will also note that 20 of the 48 receipts submitted for purchased power included shut-off notices. It is
6 inconceivable that on numerous occasions the power purchased to run the utility was almost shut off.

7 **Q. Are these all the adjustments you are recommending?**

8 A. No I reserve the right to request further adjustments based on the Company response to my third data
9 request and to outstanding RUCO data requests.

10 **6. PROPOSED ADJUSTMENTS TO PLANT IN SERVICE VALUE AND CAIC**

11 **Q. Please summarize your adjustments to plant in service value and CAIC.**

12
13 A. In addition to the disallowed costs documented in my previous testimony I am recommending additional
14 adjustments. The Company has not responded to Staff, Nielsen and RUCO data requests detailing the original
15 costs documentation for major portions of the plant in service and CAIC such that accurately assessing these
16 costs is hampered. However I would like to recommend adjustments to the following components of the
17 water and wastewater divisions.

| Item | Original cost | Adjustment | CAIC | Justification |
|------------------------------|---------------|------------|-----------|---|
| 18 Fire Hydrants | \$ 34,500.00 | \$0 | \$34,500 | These are development costs to the land developer and should be counted as CAIC from Greenfield |
| 20 Water Distribution System | \$161,632.00 | \$88,380 | \$73,252 | At least 45% of 8" water distribution was installed by Empire Companies |
| 22 Sewer Distribution System | \$ 260, 533 | \$151,347 | \$109,206 | At least 42 percent of the 8" sewer distribution was installed by Empire |
| 24 Total | \$456,685 | \$239,727 | | |
| 25 Shallow wells | Unknown | Unknown | Unknown | Staff Engineering report, indicated that 4 of the 5 shallow wells had been disconnected but awaiting additional information |

1 **Q. Please explain your adjustments to the Fire Hydrant Plant in Service/CAIC.**

2 A. Although Mr. McCleve in his rebuttal testimony asserts that the hydrants are properly accounted for in the
3 plant in service, this belies the fact that the Coconino County Ordinance Section 6.4.1D requires hydrants for
4 subdivisions. Greenfield Land Development, owned by Mr. McCleve, subdivided the lands now served by
5 Utility Source but this is a required contribution from the land developer. I contacted the Coconino County
6 Development office and they replied that *"Regarding your question about fire hydrants, where hydrants are
7 required, the hydrants would be considered part of the required infrastructure for the subdivision, and the
8 cost of the hydrants would be considered a development cost just like roads, drainage systems, etc"*. (See
9 exhibit 1 letter).

10 Perhaps this remains as plant in service but additional CAIC should be considered from Greenfield Land
11 Development.

12 **Q. Please explain your adjustment to the Water Distribution System Plant in Service/CAIC**

13 The water distribution systems for Flagstaff Meadows Unit II and the Townhomes of Flagstaff Meadows were
14 permitted by Empire Companies (the primary builders in the Flagstaff Meadows subdivision) with ADEW for
15 Approval to construct. These were obtained before Utility Source had become a regulated utility. In these
16 approval documents Empire obtained approval to construct 6,600 feet of 8" lines and 193 residential
17 connections. (see exhibit 2 in previous Nielsen Testimony)

18 In subsequent 2007 permitting for construction of water distribution system for Flagstaff Meadows Unit III,
19 Phase I, Empire obtained similar approvals and they were listed as the owner. Without any disclosure from
20 the Company to the contrary on the components of CAIC, is reasonable to conclude that **at least 45 percent**
21 of the 14563 feet of the 8" distribution lines were built by Empire Companies. This represents a \$73,252
22 contribution towards the water distribution plant in service and should be added to the CAIC or reduced
23 from the value of the plant in service.

24 **Q. Please explain your adjustments to the Gravity Sewer Plant in Service/CAIC.**

25 A. The gravity sewer systems for Flagstaff Meadows Unit II and the Townhomes of Flagstaff Meadows were
26 permitted by Empire Companies (the primary builders in the Flagstaff Meadows subdivision) with ADEW for
27 Approval to construct. These were obtained before Utility Source had become a regulated utility. In these
28 approval documents Empire obtained approval to construct 6,800 feet of 8" lines. (see exhibit 2 in Nielsen
Original Testimony)

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In subsequent 2007 permitting for construction of gravity sewer system for Flagstaff Meadows Unit III, Phase I, Empire obtained similar approvals and they were listed as the owner. Without any disclosure from the Company to the contrary on the components of CAIC, is reasonable to conclude that **at least 42 percent** of the 16,224 feet of the 8" gravity sewer system listed as plant in service were built by Empire Companies. This represents a \$109,206 contribution towards the plant in service and should be added to the CAIC or reduced from the plant in service.

Q. What about removing four shallow wells from the plant in service?

A. At this time I cannot propose to remove the costs associated with four shallow wells due to lack of information. The ACC staff engineering testimony on page 2 states that *"The water system currently has four (4) inactive wells identified as Shallow Wells No. 1,3,4,& 5. The four (4) inactive wells have not been operational for several years. The plumbing and electrical connections on each well have been disconnected."*

I have submitted a data request to the Company to detail when and why these wells were disconnected from the system. If in fact these wells are no longer used and useful then their value should be removed from the plant in service.

It is disconcerting to know that these shallow wells have been disconnected even though they have historically provided the cheapest water to the water system and they have been reported to produce equal to or greater than Deep Wells 1 and 2. With the removal of these wells, the launch of the standpipe and the indication from Mr. McCleve that they will be bringing the \$1.4 million dollar Deep Well #4 online soon, customers are sure to see much greater rate increases in the next rate case.

Q. Do you have further adjustment to make to Plant in Service or CIAC?

A. At this time I reserve the right to revisit these questions when complete information has been provided by the Company.

7. UNAUTHORIZED SALES OF BULK WATER FROM THE COMPANY FIRE HYDRANTS AND RISK TO PUBLIC HEALTH

Q. What are the concerns related to the recently disclosed unauthorized sale of bulk water that occurred in the years prior to 2009?

1 A. First the dispensing of this water from a hydrant in front of a busy travel center and without a Conditional
2 Use Permit or ADEQ approvals to commercial water haulers who may have distributed this water for human
3 consumption appears that the Company put revenue above human health concerns. Standpipe operations
4 have specific operating requirements to maintain sanitary facilities. Had Utility Source been shut down by
5 ADEQ inspectors our entire water service could have been jeopardized.

6 **Q. How might these unauthorized sales impact the water system sanitation?**

7 A. Because sales from a hydrant are not metered nor do they have backflow controls, contamination from
8 commercial non-potable water haulers could have entered the system and compromised public health for
9 residential consumers as well as those receiving the water from these haulers.

10 **Q. How might the unauthorized sales impacted revenue for the Company?**

11 A. It is unclear if these sales were metered and reported as metered sales and thus it raises many question
12 about if payments made in cash or with a check or with a credit card? What were the accounting controls?

13 **8. STANDPIPE OPERATIONS AUTHORITY UNDER UTILITY SOURCE CC&N**

14
15 **Q. The Company in response to Staff Data request JLK 8.2 "Does Utility Sources' CC&N prohibit, restrict, or**
16 **in any way limit the sale or transfer of the Company's available water supplies or water rights to**
17 **individuals or entities outside of its certified service area?" The company responded that " The**
18 **Commission order granting the Company's CC&N (Decision No. 67446) speaks for itself...Bulk water sales**
19 **are not prohibited by the Commission's order granting the CC&N to the Company. There is no obligation**
20 **on any customer to use the purchased water within the CC&N." Please comment on this assertion.**

21 A. The original CC&N decision 67446 established the public need for the provision of water and wastewater
22 service to the geographically limited Flagstaff Meadows Phase I (Including Flagstaff Meadows Unit I and Unit
23 II as well as Townhomes at Flagstaff Meadows)(see note #4 pg 6 of the decision for specific parcels to be
24 served by CC&N). The authorization was to provide service to those subdivisions.

25 The 2006 Extension of the CC&N in Decision 68962 also geographically limited the service for the CC&N
26 extension as follows :

27 *"It is Therefore Ordered that the application as amended of Utility Source L.L.C. for an extension to its*
28 *Certificate of Convenience and Necessity for the operation of water and wastewater utilities in Parcels A and*

1 ***F and for wastewater utility only in Parcels B and C in areas more fully described in Exhibit A is hereby***
2 ***approved provided that Utility source LLC timely complies with the following four ordering principles” Decision***
3 **68962 pg. 8 (emphasis added)**

4 The original CC&N decision stipulated that the Company must also be in compliance with ADEQ and all other
5 applicable regulations pertaining to provision of water and wastewater services within its service area and
6 the requested CC&N extension area. The ACC concluded that there was a public need and necessity to
7 provide service to these specific parcels but did not specifically discuss or address the provision of bulk water
8 outside the service area.

9 Further evidence of the narrow geographic extent of the CC&N authority from the ACC is found in Decision
10 68962, whereby, in addition to restricting geographically the area of service to particular parcels, it
11 eliminated the Company’s proposal to service a larger area and specifically deleted two parcels listed in the
12 original application. I believe that the ACC was extremely narrow in its determination as to the service area of
13 the company for the CC&N. Therefore the initial sales of bulk water from the hydrant system as well as the
14 construction and water distribution from the current standpipe appears to be clearly outside of the authority
15 of the Company’s CC&N.

16 In the original 2005 CC&N application, the Company submitted a letter from the Bellemont Water Company,
17 a ACC regulated bulk water service provider, located less than one mile from the current Utility Source
18 standpipe operation to support its application. Their letter states that *“Bellemont Water Company does not*
19 *provide any wastewater services, nor do we have capacity to serve water in your development of Flagstaff*
20 *Meadows and adjacent properties on the north side of I-40. We have no objection to your seeking a*
21 *Certificate of Convenience and Necessity for those services.” (exhibit 8)*

22 Clearly if Bellemont Water Company knew that Utility Source intended to deliver bulk water in competition
23 with its operations, they would not have supported the CC&N application.

24 The fact is that the Company did not notify the ACC of the existence of this standpipe in this current rate
25 application, even though it was almost entirely completed at the time of the amended application and had
26 been in design and construction since 2009. This demonstrates another example of the Company
27 preemptively acting and assuming that the CC&N authorizes this service area, to their financial benefit,
28

1 without informing the ACC, and then asserting that they are not explicitly prohibited from servicing a wider
2 area at a later date when they are questioned on the authority.

3
4 Beyond saying they were not prohibited from providing this service, the Company affirmatively stated in
5 their CUP application (exhibit 1.I in my original testimony) to Coconino County for the standpipe operation
6 that *"Utility source has approvals from ADWR and Corporation Commission indicating that the water quantity*
7 *is available and Utility Source may make bulk water sales on the level proposed"*. The relevant portions of
8 the CC&N decisions by the ACC do not support these assurances.

9 This history of this standpipe echoes the storyline behind the original construction of the water and
10 wastewater system for the subdivision whereby the company acted without ACC authority. In that case the
11 Company acted first, with knowledge of the rules, and then when caught, ended up paying a small penalty
12 and ultimately receiving the CC&N. I trust that the ACC will not allow this preemptive action to occur again
13 for it will have significant impact on customer's rates similar to the previous decision.

14 If the ACC allows this standpipe operation under the existing CC&N authority, then Utility Source will justify
15 the inclusion of \$1.4 million from Deep Well #4 in the plant in service, nearly doubling the cost of plant in
16 service for the water division. When the next rate case comes before the ACC, the Company will no doubt be
17 asking for significant rate increase that would, once again, be unreasonable for consumers but that would
18 benefit the company.

19 **9. UNREASONABLE RATE INCREASE AND HARDSHIP ON CUSTOMERS**

20 **Q. What do the comments submitted by customers to the ACC address.**

21 A. The majority of the individual comments submitted by customers indicate significant financial hardship
22 from these proposed rates. Retirees on fixed income and young families dominate the community and they
23 all questioned their ability to pay these new rates and many expressed the need to move from the
24 community if the rates were approved.

25 **Q. How might the proposed rate increases affect property values in the community?**

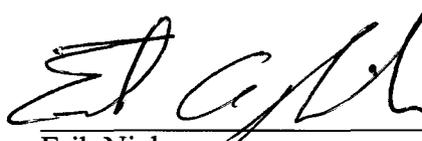
26 A. The average home/townhome value in the community served by Utility Source is approximately \$200,000.
27 Assuming the average increase in monthly water/utility bills under the proposed rate is approximately \$100-
28 125/month for single family homes this will decrease the purchasing power of potential buyers by the same

1 amount. With current interest rates and a 30 year mortgage, this is the equivalent of a \$10,000-15,000
2 decrease in value per housing unit in the community so that buyers could afford the same mortgage as a
3 percent of monthly income. This translates to an approximate \$3,200,000 to \$4,920,000 decrease in property
4 value for the 325 residential customers served by Utility Source. I consulted with a local realtor who sells
5 homes in Bellemont, Flagstaff and the surrounding communities and he suggested that "it is a fair conclusion
6 to draw that having a utility cost go up by \$100 would have some sort of impact on the ability of home
7 owners and buyer to make their monthly mortgage payments. With new buyers they will potentially look
8 elsewhere with similar pricing but less expensive utility cost."

9 **Q. Does this conclude your testimony?**

10 A. Yes

11
12 RESPECTFULLY SUBMITTED this 20th day of October, 2014.

13
14 

15 Erik Nielsen
16 4680 N. Alpine Drive
17 P.O. Box 16020
18 Bellemont, Arizona 85015

19 **Original and thirteen (13) copies of
20 the foregoing filed this 20th day of
21 October, 2014, with:**

22 Docket Control
23 Arizona Corporation Commission
24 1200 West Washington Street
25 Phoenix, Arizona 85007

26 **Copy of the foregoing mailed this
27 20th day of October, 2014, to:**

28 Steve Wene, Esq.
MOYES SELLERS & HENDRICKS, LTD.
1850 North Central Avenue, Suite 1100
Phoenix, Arizona 85004
swene@law-msh.com
Attorneys for Utility Source, LLC

1 Daniel Pozefsky
Residential Utility Consumer Office
2 1110 West Washington St., Suite 220
Phoenix, Arizona 85007

3
4 Terry Fallon
4561 Bellemont Springs Drive
Bellemont, Arizona 85015

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Exhibit 1

From: "Aber, John" <jaber@coconino.az.gov>
To: Erik Nielsen <nielsen_e@yahoo.com>
Sent: Wednesday, October 15, 2014 3:18 PM
Subject: RE: Utility Source standpipe history and subdivision ordinance questions

Erik,

Sorry for the delay in getting back to you. I was out all last week, and have been busy catching up since returning on Monday. The issue was that they had established a water dispensing station without a CUP, which is clearly required by the Zoning Ordinance. In addition, they were dispensing water without ADEQ approval, which is also required. In 2009 we received a complaint that they were dispensing water from a hydrant without any required approvals. They were informed they needed a CUP and they agreed to submit the application so the complaint was closed before any citation was issued. They hired an engineer and designed their project as they saw fit. If they chose to build a "Cadillac" system, that was their choice, not dictated by the County. There are numerous water dispensing stations throughout the County built in a variety of different ways, all designed by the individual owners. County codes set minimum standards, but beyond that, the owner determines how they want to design the project. The County certainly never told them they had to build a water dispensing station, but if they wanted to provide that service, they needed to get the appropriate permits and meet minimum standards.

Regarding your question about fire hydrants, where hydrants are required, the hydrants would be considered part of the required infrastructure for the subdivision, and the cost of the hydrants would be considered a development cost just like roads, drainage systems, etc. Hope this answers your questions.

John

*John Aber, Assistant Director
Coconino County Community Development
2500 North Fort Valley Road
Building 1
Flagstaff, Arizona 86001
928.679.8850*

Parks, AZ Commercial Water Hauler at Utility Source Stand Pipe, October 2014



To: Erik Nielsen
Fr: Larry Palmer

October 16, 2014

I was vice president of the first board of directors of the Flagstaff Meadows Home Owners Association in February of 2007. We received the association dues books from Greenfield in June of 2007. At that time my wife Sandra Palmer who has been a life time bookkeeper volunteered to keep the books for the association. Sandra and I went through the material that was sent to us from Mary Ann Perry at Greenfield.

It consisted of bank deposit receipts, general ledger, and trial balance sheets for the last several years. It also contained the dues balances for each of the HOA members. From that we took over the sending and receiving of payment of the dues for the HOA. As far as the water and sewer billing is concerned, there was no information that we received concerning the members other than what might be in the general ledger. Utility Source had already been established some time before this and was doing the billing and collection from the members for water and sewer so there was no reason for Greenfield to send us any material about billing. To be sure I remembered that correctly, I went into Sterling and went through the box of material that Marry Ann sent us when we took over and I found nothing concerning the billing of water and sewer. I also contacted David Hitesman who was president of the HOA during the conversion to see if he might have received anything from Greenfield and he confirmed that he had not.



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Flagstaff Meadows Unit III - Belmont, Arizona

SWI performed topographic survey, infrastructure, preliminary plat, boundary verification, traffic impact analysis, and construction staking for this 60.65 acre, 261 lot subdivision, including the creation of construction documents. The project is located in Belmont, Arizona along the south side of Shadow Mountain Road and the north side of Interstate 40 between the I-40 Interchange and the existing Townhomes at Flagstaff Meadows Development.



Pre-construction

This project is currently under construction.

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Abandoned Water and Sewer Distribution Systems for Flagstaff Meadows Unit III, Phase I

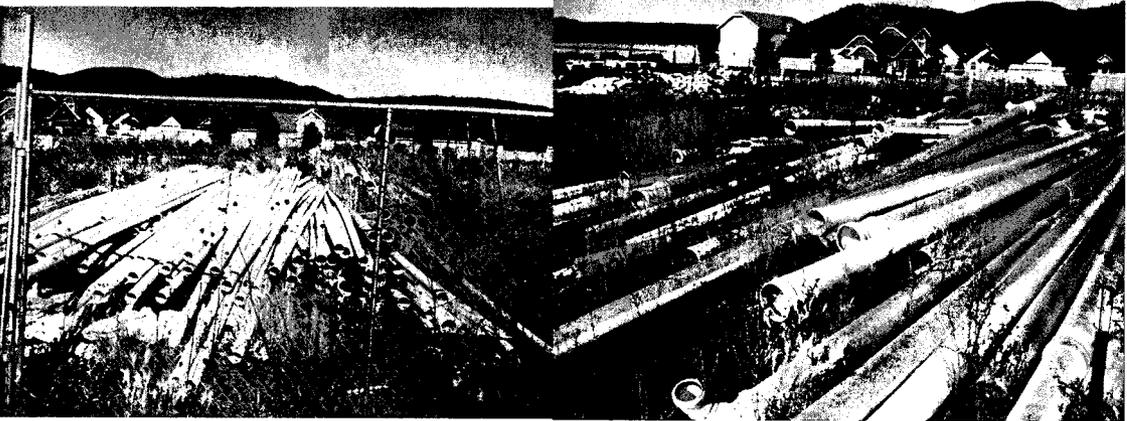
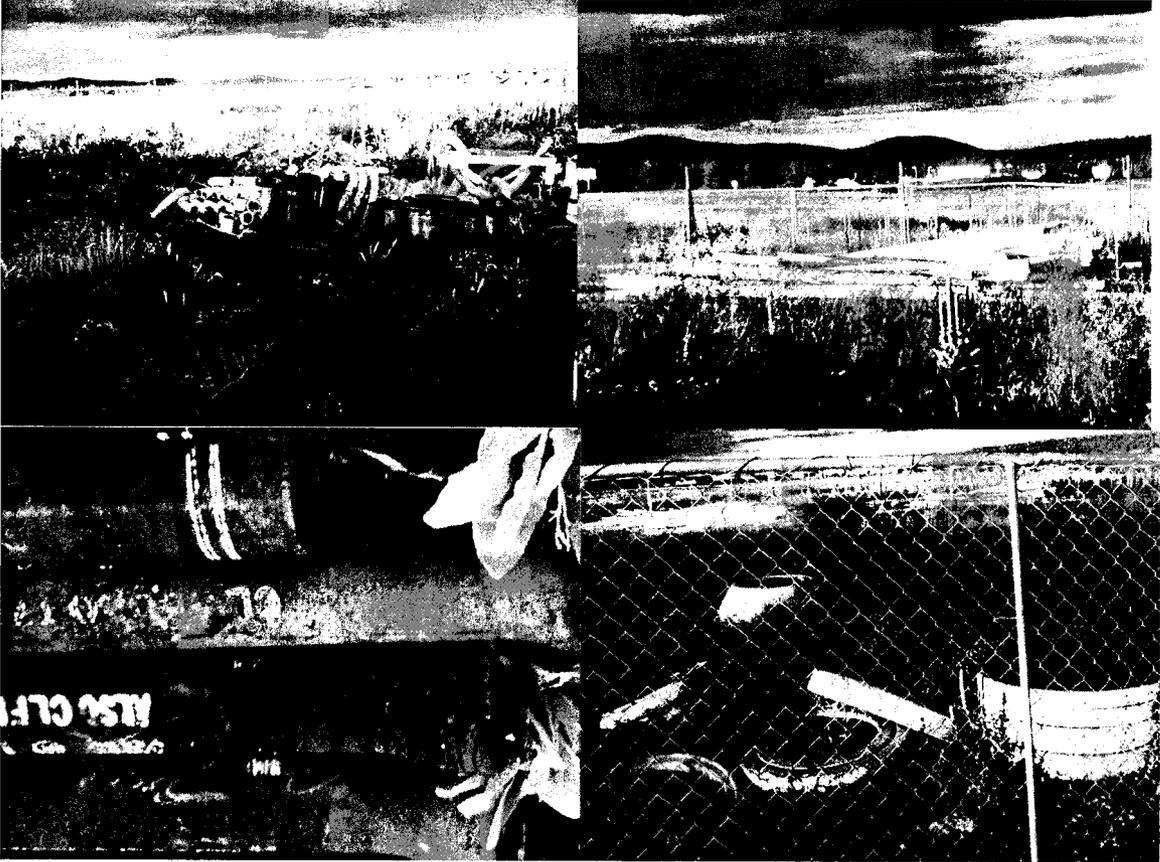


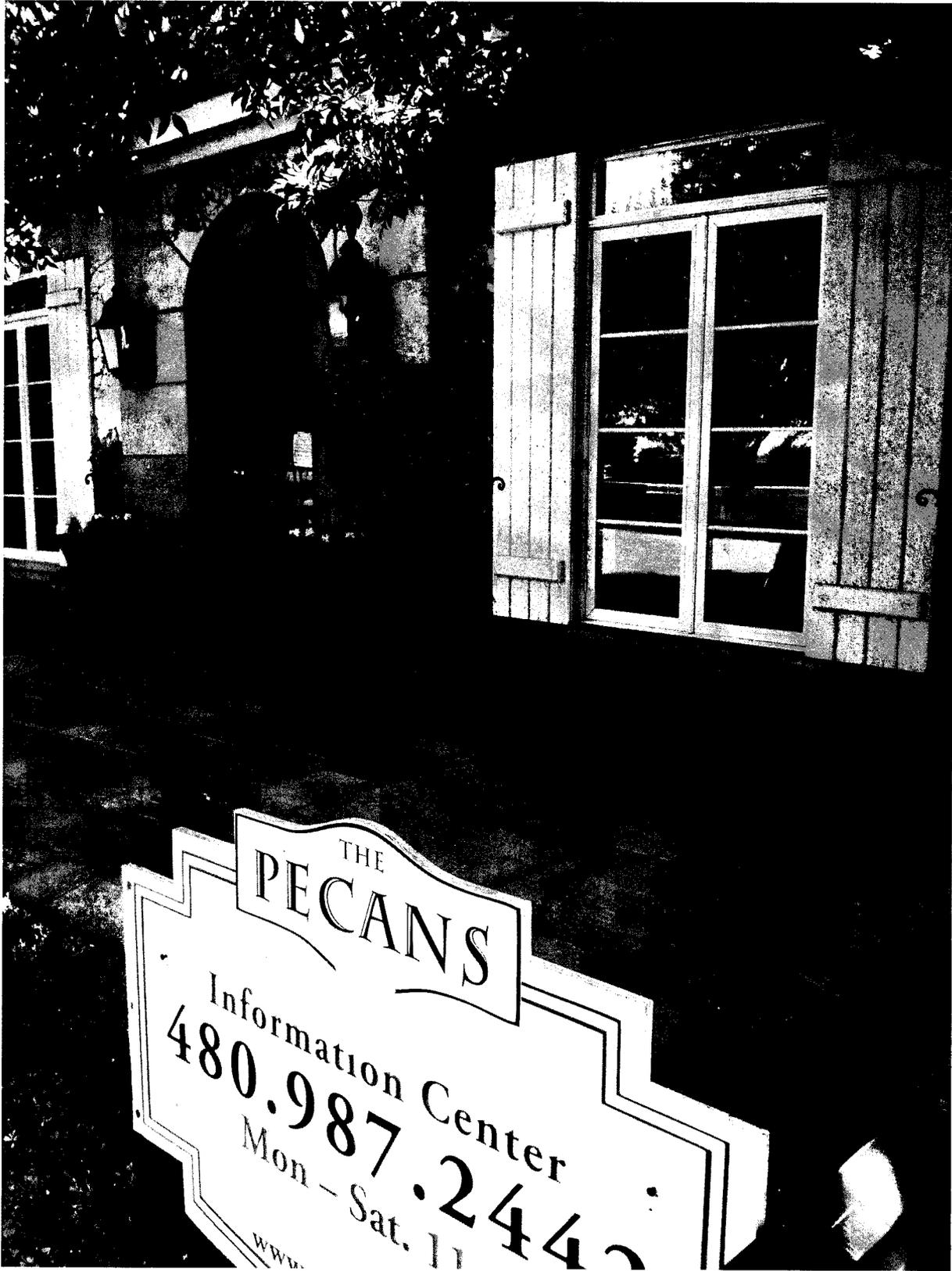
Exhibit 3

| Name | Domestic Address | Agent | Principle/Manager/Member | Principle Address | Contact number | Source | Date Incorporated | Note |
|---|---------------------------------------|--|--------------------------|--------------------------------------|----------------|-----------------------------|----------------------------------|---|
| Utility Source LLC | 20525 E. Chandler Heights Rd, Mesa | Mackinlay, J.K. 1019 Stapley, Mesa | Lonnie McCleve | 20525 E. Chandler Heights Rd, | | ACC- corps division | Moved to address in early 2011 | Moved from Gilbert Address |
| Fuelco Travel Center, LP | 20525 E. Chandler Heights Rd, | Mackinlay, J.K. 1019 Stapley, Mesa | Lonnie McCleve | 20525 E. Chandler Heights Rd, | | AZ SOS | | |
| Pecans of Queen Creek | 20525 E. Chandler Heights Rd, | | | | 480-987-2442 | Yellow Pages /Google Search | Hours M-Sat 11:00-5:00 | Visitor Center/sales office for subdivision |
| The Pecans Homeowners Association, Inc. | 20525 E. Chandler Heights Rd, | Ekmark and Ekmark LLC | Lonnie McCleve | 20523 E. Via de Palmas | 480-892-8756 | ACC- corps division | Incorporated 2003-- updated 2014 | Mary Ann Perry secretary |
| Strategic Funding VII, LP | 20525 E. Chandler Heights Rd, | Mary Ann Parry, 20525 E. Chandler Heights | | | | AZ sos | | Mary Ann Perry Agent |
| Pecans 20, LLC | 20525 E. Chandler Heights Rd, | | Lonnie McCleve | 20525 E. Chandler Heights Rd, | | ACC- corps division | Incorporated 2012 | |
| Strategic GP, LLC | 20525 E. Chandler Heights Rd, | Petersen Properties, 20525 E. Chandler Heights Rd, | Lonnie McCleve | 23995 S 205th Court, Queen Creek, AZ | | ACC- corps division | Incorporated 2012 | |
| Riggs Road LLC | 23995 S. 205th Court, Queen Creek, AZ | Petersen Properties, 20525 E. Chandler Heights Rd, | Lonnie McCleve | 23995 S 205th Court, Queen Creek | 480-892-1380 | ACC- corps division | Incorporated 2012 | |

| | | | | | | | | |
|---------------------------------|-------------------------------------|---|----------------|--------------------------------------|--------------|--------------------|--|--------------------------|
| SGB Investments, LLC | 2591 E. Meadow View Dr, Gilbert | Mackinlay, J.K. 1019 Stapley, Mesa | Gary Bulecheck | 2591 E. Meadow View Dr | | ACC-corps division | Incorporated 2011 | |
| Pecan Homes, LLC | 2840 E. Portola Valley, Gilbert, AZ | Check, Charles, 2840 E. Portola Valley | Lonnie McCleve | 23995 S 205th Court, Queen Creek, AZ | | ACC-corps division | Incorporated 2011 | |
| Apex Builders LLC | 28857 E. Sandy Ct, Gilbert AZ | Walling, D. 2857 E. Sandy Creek | Lonnie McCleve | 721 E. San Pedro, Gilbert AZ | | ACC-corps division | Incorporated 2008 | |
| Cliffstone Development Co | 721 E. San Pedro, Gilbert | | Lonnie McCleve | 721 E. San Pedro, Gilbert AZ | | ACC-corps division | Incorporated 2007, dissolved 2010 | Mary Ann Perry secretary |
| Flagstaff Meadows, LLC | 721 E. San Pedro, Gilbert | Mackinlay, J.K. 1019 Stapley, Mesa | Lonnie McCleve | 20525 E. Chandler Heights Rd, | | ACC-corps division | Incorporated 2001, updated 2011 | |
| QC Meadows, LLC | 721 E. San Pedro, Gilbert | Shein, D | Lonnie McCleve | 721 E. San Pedro, Gilbert AZ | | | Incorporated 2010 | |
| Utility Source | 721 San Pedro, Gilbert, Az | Mackinlay, J.K. 1019 Stapley, Mesa | Lonnie McCleve | 721 E. San Pedro, Gilbert AZ | 480-892-8756 | ACC-corps division | Gilbert Address for billing until early 2011 | |
| The Pecans of Queen Creek LLC | 721 San Pedro, Gilbert, Az | Shein, D | Lonnie McCleve | 23995 S 205th Court, Queen Creek, AZ | | ACC-corps division | Incorporated 2003-- updated 2013 | |
| Greenfield Land Development LLC | 721 San Pedro, Gilbert, Az | Buelchek, 16141 E. Meadowview Dr, Gilbert | Lonnie McCleve | 721 E. San Pedro, Gilbert AZ | 480-892-8756 | Acc-corps division | Incorporated 1997 | |
| Bellefont Interchange | 1019 S. Stapley, | Mackinlay, J.K. 1019 Stapley, | Lonnie McCleve | 20525 E. Chandler Heights Rd, | | ACC-corps | Incorporated 2011 | |

| | | | | | | | |
|------------------------|-----------------------|------------------------------------|----------------|-------------------------------|--|--------------------|-------------------|
| 185 LLC | Mesa | Mesa | Lonnie McCleve | 20525 E. Chandler Heights Rd, | | division | |
| Eagle Park LLC | 1019 S. Stapley, Mesa | Mackinlay, J.K. 1019 Stapley, Mesa | Lonnie McCleve | 20525 E. Chandler Heights Rd, | | ACC-corps division | Incorporated 2014 |
| Presidio Financial LLC | 1019 S. Stapley, Mesa | Mackinlay, J.K. 1019 Stapley, Mesa | Lonnie McCleve | 1019 S. Stapley, Mesa, AZ | | ACC-corps division | Incorporated 2008 |

Utility Source Office Location



Phoenix: 92° | Partly Cloudy

Enter e-mail for community updates:

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Map and Driving Directions

20525 E Chandler Heights Rd
Queen Creek, AZ 85142

Directions Save

View on Google Maps

View Larger Map



E-mail Notification

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(480) 987-2442

Site Plan - Preferred Builder - Preferred Lenders

Site Plan - The Pecans | An Arizona Surprise | Queen Creek ...

www.thepecans.com/SitePlan.aspx
Lot Available, Lot Sold. Home Available, Home Sold. Blandford Homes ...

The Pecans | Estate Sized Lots | Blandford Homes

blandfordhomes.com/thepecans/
The Pecans - Single Level 3600 square foot to over 5200 square foot Semi-Custom Blandford Homes. Prime Queen Creek address in a beautiful wooded ...
Floorplans and Renderings - Virtual Tour - Virtual Brochure - Video Page

Pecans Real Estate & Pecans Homes For Sale — Trulia.com

www.trulia.com/AZ/Queen_Creek,27465,Pecans/
Results 1 - 15 of 15 - Find Homes For Sale in Pecans, Queen Creek. Search Pecans, Queen Creek, Arizona real estate, recently sold properties, foreclosures, new ...

Pecans Real Estate & Homes for Sale

www.estately.com › Arizona › Queen Creek
Search For Sale Pecans real estate listings. There are 4 homes for sale in Pecans. Estately has ... 24252 S 201ST Court Queen Creek, AZ. House. 4 beds.

20489 E Pecan Ln, Queen Creek, AZ 85142 - Zillow

www.zillow.com › Arizona › Queen Creek › 85142
View 80 photos of this 5 bed, 5.0 bath, 4700 sqft Single Family that sold on 6/12/13 for \$859000. There's an understated elegance in this extraordinary custom ...

The Pecans in Queen Creek, AZ - YouTube



www.youtube.com/watch?v=WEEES4D_IT-w
Nov 13, 2013 - Uploaded by Gary Smith
http://WeDealRealEstate.com Thanks for checking out The Pecans! Located in Queen Creek, AZ with a ...

Pecan Creek Subdivision - Queen Creek

www.queencreek.com/pecan-creek.html
Listings 1 - 10 of 81 - MLS listings of Pecan Creek and Pecan Creek South.

Pecan Creek Homes in San Tan Valley Arizona - Queen ...

www.queencreekaz.com/pecan-creek.html
Listings 1 - 10 of 72 - Queen Creek homes, land, and real estate listings. Looking for Queen Creek homes for sale? This is the website you want...

The Pecans - Queen Creek, AZ - Real Estate | Facebook

https://www.facebook.com/thepecans
The Pecans, Queen Creek, AZ. 63 likes · 3 talking about this · 311 were here. Real Estate.



See photos

The Pecans of Quee

Directions Be the first to review

Address: 20525 E Chandler Heights Rd, Quee

Phone: (480) 987-2442

Hours: Closed now · Hours

Reviews

Be the first to review

More reviews: insiderpages.com

People also search for



Maracay Homes Ocotillo Landing



William Lyon Homes Villas at Hastings Farms



San Tan Valley Real Estate Co

Maricopa County Parcels



| | | | |
|----------------------------|---|---|------------|
| Parcel: | 304-91-665 | Report Date: | 10/15/2014 |
| Owner: | PECANS OF HOMEOWNERS ASSOCIATION INC THE | Unique Location Characteristics: | |
| Property Address: | 20525 E CHANDLER HEIGHTS RD QUEEN CREEK 85142 | Lot Size: | 4,982 |
| Local Jurisdiction: | QUEEN CREEK | Main Living Area: | |
| MCR: | 663-28 | Construction Year: | |
| Subdivision Name: | PECANS PHASE 1 REPLAT | Improvement Class: | |
| Lot: | | Bath Fixtures: | |
| Elementary School: | QUEEN CREEK UNIFIED SCHOOL DISTRICT | Parking: | |
| High School: | QUEEN CREEK UNIFIED #95 | Pool: | |
| 2015 FCV: | \$500 | Last Sale Price/Sale / Date: | |

Disclaimer: The data contained in this database is deemed reliable but not guaranteed. This information should be used for informational use only and does not constitute a legal document for the description of these properties. Every effort has been made to insure the accuracy of this data; however, this material may be slightly dated which would have an impact on its accuracy. The Maricopa county Assessor's Office disclaims any responsibility or liability for any direct or indirect damages resulting from the use of this data.

**Large
3/4 Acre Lots
For Sale!**

**LUXURY CUSTOM HOMES
STARTING IN THE \$700'S**

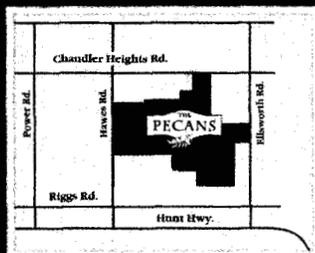
**Seller
Financing
Available**

PECAN HOMES

*Individual lots for
sale as well for
you to build your
own home*



Lots Available - Starting in the \$100's



The Pecans, Queen Creek's extraordinary custom home community, is back in full swing. This dynamic environment, set in a mature 280 acre pecan forest with tree lined boulevards, meandering pathways and gracious open spaces, remains beautiful as the day it first opened. What has changed is the affordability of owning your dream home in this never to be duplicated community. The Pecans new custom building program, Pecan Homes, is currently under construction with many affordable luxury homes. 10 custom homes are currently under construction and 12 homes are in design.

Our custom homes, paired with a beautiful 3/4 acre lot, start in the \$700's. Give us a call for detailed information and for a competitive price quote to build your dream home in The Pecans. Here are a few of the current homes under construction through Pecan Homes.

These beautiful custom homes include: Alder custom cabinets with crown molding, custom granite counter-tops (in kitchen, baths & laundry), custom appliances, custom flooring (travertine/wood quality), upgraded stain-resistant carpet with upgraded pad, 8' raised panel interior doors, custom entry door, 7 1/2" base-board, vinyl windows to be clear low e, concrete paver drives & walks, large covered patios, casita, cultured stone veneer on front elevation, enhanced roofline, custom front yard landscaping, 10-year home structural warranty, central vac, tile shower surrounds in all baths, vaulted ceilings, gas heatilator fireplace, epoxy garage floors.

Offered by Pecan Homes 480.987.2442

David Walling, Kara Edwards or Payton Edwards

david@thewallinggroup.com

www.pecanhomes.com



BROKER PARTICIPATION

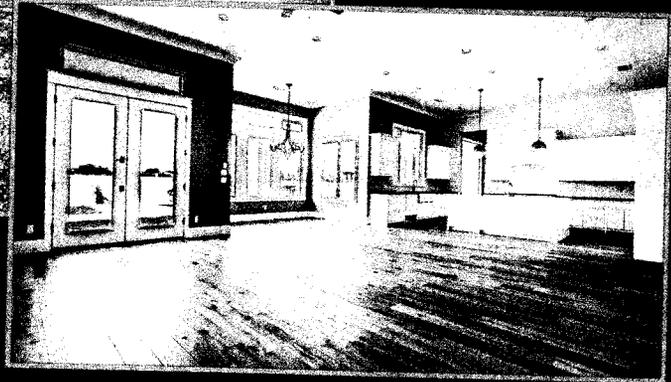


Custom Home Specialist

Whitewing at Germann



4785 Square Foot
Custom Home
with 5 bedrooms,
4.5 bath plus office.
Offered for \$1,195,000



*Street of Dreams
Award Winning Home Builder*

*E&A Custom Homes
by Jason Check*



**David
Walling**
480-389-8302
david@thewallinggroup.com



**Kara
Edwards**
480-540-6551
karaedwards18@gmail.com

Elite
Desert
Realty **EDR**



Call Us to View This Property Today!

Exhibit 4



Registered Name

Information Search

Generated by TnT Names Search Version 3.11

Instructions

Agent General Information

| | |
|------------------|----------------------------------|
| Agent ID | 1184428 |
| Lastname | PARRY |
| Firstname | MARY |
| Middle | ANN |
| Address 1 | 20525 EAST CHANDLER HEIGHTS ROAD |
| City | QUEEN CREEK |
| State | AZ |
| ZIP | 85142- |
| Phone | 480-892-8756 |

Agent/Owner References

| File ID | Type | Status | Name | Code | Begin | End |
|---------|------|--------|---------------------------|------------------|-----------|-----|
| 2023369 | LP | Active | STRATEGIC FUNDING VII, LP | SERVICEOFPROCESS | 11/8/2012 | |

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Please email your comments or questions regarding this system to trades@azsos.gov. We appreciate any feedback.

Disclaimer



\$199,854
24024 S 201ST Way 134
Queen Creek, AZ 85142
MLS# 4974538

http://peakrealtvadvisors.com/idx/24024-S-201ST-Way-134-Queen-Creek-AZ-85142-mls_4974538/?SavedSearch=20120618154328420811000000&PropertyType=C&pg=511&Limit=8&OrderBy=natural&p=y&m=20070913202326493241000000&n=y

Property Description

The Pecans, Queen Creek's extraordinary custom home community. This lot is for sale or builder will build your dream home on it. This gorgeous community features estate-sized lots nestled in a grove of nearly 6,000 pecan trees. One of the most unique neighborhoods in the Valley. This dynamic environment, set in a mature pecan forest with tree lined boulevards, meandering pathways and gracious open spaces. This home site is a must see!! Ask us about other lots for sale in the area.

Location, Tax & Legal

Map Code/Grid: V42

Compass: S

St Suffix: Way

City/Town Code: Queen Creek

Zip Code: 85142

Taxes: 855

House Number: 24024

Street Name: 201ST

Unit #: 134

State/Province: AZ

Subdivision: The Pecans

General Property Description

Apx Total Acres: 0.76

Apx Lot Size Range: IRR

Elementary School: Queen Creek

High School: Queen Creek High

High School Dist #: 095 - Queen Creek
Unified District

Apx Total Acres G/N: G

Zoning: residential

Jr. High School: Queen Creek Middle

Elem School Dist #: 095 - Queen Creek
Unified District

Status Change Info

Status: Active

Status Change Date: 2013-07-29

Assoc/Prop Info

HOA Y/N: N

HOA Fee: 190

HOA Name: The Pecans HOA

PAD Fee Y/N: N

HOA Transfer Fee: 190

HOA Paid (Freq): Monthly

HOA Telephone: 480-892-8756

HOA 2 Y/N: N

*Utility Service
Unmetered*

Listing Office: Platinum Peak Realty, LLC

Last Updated: September - 25 - 2014



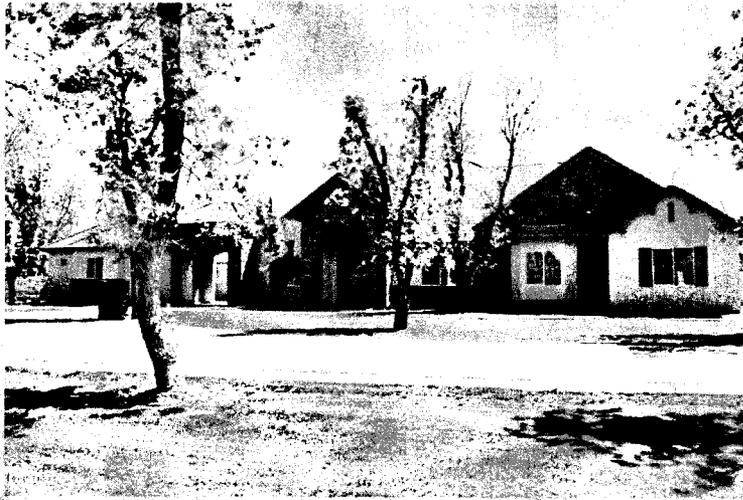
Copyright 2014 Arizona Regional Multiple Listing Service, Inc. All rights reserved. Information Not Guaranteed and Must Be Confirmed by End User. Site contains live data.

Thursday 2nd of October 2014 10:46 PM

Paste your AdWords Remarketing code here

24023 S 201ST Way
 Queen Creek, AZ 85142
 MLS# 4942455
 5 beds | 4 baths | 3947 sqft

\$699,855



Property Description

This Brand New Home TO BE BUILT and Not yet started. This home is to be located in the gated Pecans subdivision. See Documents Tab for Floor Plan. This Brookside Homes property will include many options standard, solid construction with style, convenient control, and amazingly efficient comfort. Gourmet kitchen, over sized luxury bathrooms, spacious bedrooms, large walk in closets, and sprawling courtyards invite comfort at every turn. Thousands of mature pecan trees form the enchanting setting for the community. NOTE: THIS IS TO BE BUILT DRAWINGS/PICTURES ARE NOT ACTUAL AND SUBJECT TO CHANGE. SOME FEATURES ARE OPTIONS AND NOT INCLUDED. SALE PRICE SUBJECT TO CHANGE

Contract Information

List Price: 699855

Location, Tax & Legal

| | |
|--------------------------------|------------------------------------|
| Map Code/Grid: V42 | House Number: 24023 |
| Compass: S | Street Name: 201ST |
| St Suffix: Way | City/Town Code: Queen Creek |
| State/Province: AZ | Zip Code: 85142 |
| Subdivision: The Pecans | Taxes: 855.14 |

General Property Description

| | |
|---|---|
| Dwelling Type: Single Family - Detached | Dwelling Styles: Detached |
| Exterior Stories: 1 | # of Interior Levels: 1 |
| # Bedrooms: 5 | # Bathrooms: 4 |
| Approx SQFT: 3947 | Price/SqFt: 177.31 |
| Approx SqFt Range: 3,501 - 4,000 | Horses: N |
| Model: Havencrest | Year Built: 2013 |
| Apx Lot Size Range: 24,001 - 35,000 | Elementary School: Queen Creek |
| Jr. High School: Queen Creek Middle | High School: Queen Creek High |
| Elem School Dist #: 095 - Queen Creek Unified District | High School Dist #: 095 - Queen Creek Unified District |

Remarks & Misc

Public Remarks: This Brand New Home TO BE BUILT and Not yet started. This home is to be located in the gated Pecans subdivision. See Documents Tab for Floor Plan. This Brookside Homes property will include many options

Geo Lat: 33.230506

Dining Area: Formal; Eat-in Kitchen

Kitchen Features: Range/Oven Elec; Disposal; Dishwasher; Built-in Microwave; Wall Oven(s); Walk-in Pantry; Granite Countertops; Kitchen Island

Laundry: Wshr/Dry HookUp Only; Inside Laundry

Basement Description: None

Other Rooms: Great Room

Features: Vaulted Ceiling(s); 9+ Flat Ceilings; No Interior Steps

Accessibility Feat: Hallways 36in+ Wide

Exterior Features: Covered Patio(s); Pvt Yrd(s)/Crtyrd(s)

Parking Features: Electric Door Opener

Construction: Frame - Wood

Const - Finish: Painted; Stucco; Stone

Construction Status: To Be Built

Roofing: Concrete

Cooling: Refrigeration

Heating: Other (See Remarks)

Energy/Green Feature: Multi-Zones

Utilities: SRP; SW Gas

Water: City Water

Sewer: Septic

Fencing: Block

Property Description: Cul-De-Sac Lot

Landscaping: Dirt Back; Grass Front; Yrd Wtring Sys Front

Possession: Close of Escrow

Unit Style: All on One Level

Association Fee Incl: Common Area Maint; Street Maint

Assoc Rules/Info: Other (See Remarks)

Existing 1st Loan: Treat as Free&Clear

Miscellaneous: Home Warranty

New Financing: Cash; Conventional

Disclosures: None

Listing Office: Platinum Peak Realty, LLC

Last Updated: September - 25 - 2014



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Thursday 2nd of October 2014 11:52 PM

Exhibit 5



www.srpnet.com
DUPLICATE BILL

Residential Customer Services
(602) 238-8888 or (800) 258-4777
Monday - Friday, 7:00 am - 7:00 pm

Amount Due \$2,844.69
Due Date 08/10/2012
Account No. XXX-XX3-002

NO

LONNIE C MC CLEVE
23895 S 205TH CT QUEEN CREEK
Res Basic Plan
Services
Deposit Paid \$0.00

ELECTRICITY YOU USED

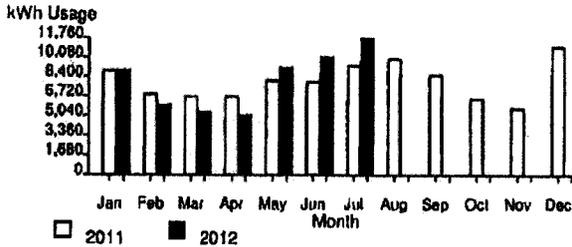
Meter No 5811924 was read on 07/19/2012
kWh Current Read 218320 Previous Read 208560 Energy used 11760
Total kWh 11760

YOUR ACCOUNT SUMMARY AS OF 07/20/2012

Previous Account Balance \$2,454.37
07/09 Payment Thank you \$1,168.08 CR
Balance Before Usage Charges \$1,286.29
Monthly Service Charge \$15.00
Energy (kWh) Charge \$1,405.72
Queen Creek - Maricopa Tax \$31.97
County and State Tax \$103.71
This Month's Usage Charges \$1,556.40
NEW ACCOUNT BALANCE \$2,844.69

COMPARING YOUR MONTHLY USAGE

| | Days | kWh | Average Daily | |
|---------------|------|-----|---------------|-------------|
| | | | Cost | Temperature |
| July '12 Bill | 31 | 379 | \$50.21 | 94.3° |
| June '12 Bill | 30 | 339 | \$42.94 | 88.4° |
| July '11 Bill | 31 | 307 | \$40.61 | 94.5° |



NOTES

- The Energy Charge includes a Fuel and Purchased Power Adjustment Factor of \$0.03130 per kWh and an Environmental Programs Cost Adjustment Factor of \$0.00370 per kWh.
- Your Smart Meter is read automatically each day ensuring an accurate bill. View your daily usage at srpnet.com/myaccount.
- This is the first bill of the two month summer peak pricing season.
- We have eliminated the return envelope in your bill to save paper. If you need an envelope, make one payment by mail and one will be included in the next bill.
- You used in excess of 700 kWh this month. Most customers that use this much electricity will save money on our Time of Use or EZ-3 price plans. Please call us to switch.

Detach Here



Account No. XXX-XX3-002
Service Address
23895 S 205TH CT QUEEN CREEK

851429500259
0014784
LONNIE C MC CLEVE
20525 E CHANDLER HEIGHTS RD
QUEEN CREEK AZ 85142-9500

Detach Here

Past Due After
08/10/2012

Pay This Amount \$2,844.69

For SHARE, please add \$1.00 or \$2.00 to your payment. Payable in U.S. Funds only. Please do not send cash.

Make Check Payable To



PO BOX 80062
PRESCOTT AZ 86304-8062



If you have made any changes on the back of this stub please check this box.

PLEASE RETURN THIS PORTION WHEN MAILING YOUR PAYMENT

Unofficial 20 Document

RECORDING REQUESTED BY
Security Title Agency

AND WHEN RECORDED MAIL TO:

KPHV, LLC, AN ARIZONA LIMITED
LIABILITY COMPANY
20509 E. VIA DE ARBOLES
QUEEN CREEK, AZ 85142

48
ra

ESCROW NO.: 48121257 - 048 - VB

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Special Warranty Deed

For the consideration of Ten Dollars, and other valuable consideration,

Lonnie C. McCleve and Debbie R. McCleve, as Trustees of the Lonnie C. McCleve and Debbie R. McCleve Revocable Living Trust dated February 3, 2000 and The Pecans of Queen Creek, LLC an Arizona limited liability company

conveys to

KPHV, LLC, an Arizona limited liability company

the following real property situated in **Maricopa** County, Arizona:

See Exhibit "A" attached hereto and made a part hereof.

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

EXEMPT PER A.R.S. 11-1134 B(5)

Pursuant to ARS Section 33-404, the names and addresses of the beneficiaries of the Grantor's Trust are:

See Attached Exhibit "B" Disclosure of Beneficiaries attached hereto and made a part hereof.

Dated: April 1, 2014

Grantor(s):

Escrow No.: 48121257-048-VB

The Lonnie C. McCleve and Debbie R. McCleve Revocable Living Trust dated February 3, 2000

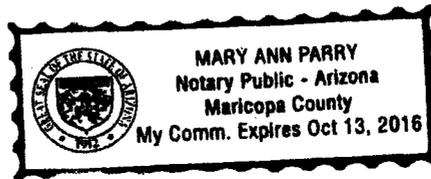
Debbie R. McCleve
Debbie R. McCleve, Trustee

Lonnie C. McCleve
Lonnie C. McCleve, Trustee

The Pecans of Queen Creek, LLC an Arizona limited liability company

Lonnie McCleve
Lonnie McCleve, Manager

State of ARIZONA SS:
County of Maricopa

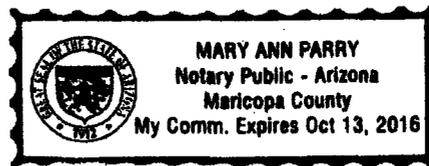


Entity Not Notarizing All

The foregoing Special Warranty Deed, dated April 1, 2014 and consisting of 2 page(s), was acknowledged before me this 1 day of April 2014, by Lonnie C. McCleve and Debbie R. McCleve, as Trustees of the Lonnie C. McCleve and Debbie R. McCleve Revocable Living Trust dated February 3, 2000, on behalf of the Trust and was also signed by The Pecans of Queen Creek, LLC an Arizona limited liability company, whose signatures I am not notarizing.

Mary Ann Parry
Notary Public

State of ARIZONA SS:
County of Maricopa



Entity Not Notarizing All

The foregoing Special Warranty Deed, dated April 1, 2014 and consisting of 2 page(s), was acknowledged before me this 1 day of April 2014, by Lonnie McCleve, Manager, The Pecans of Queen Creek, LLC an Arizona limited liability company, on behalf of the company, and was also signed by Lonnie C. McCleve and Debbie R. McCleve, as Trustees of the Lonnie C. McCleve and Debbie R. McCleve Revocable Living Trust dated February 3, 2000, whose signatures I am not notarizing.

Mary Ann Parry
Notary Public

Exhibit "A"
LEGAL DESCRIPTION

PARCEL NO. 1:

LOT 21, THE PECANS PHASE 1, ACCORDING TO BOOK 663 OF MAPS, PAGE 28, RECORDS OF MARICOPA COUNTY, ARIZONA.

MARICOPA COUNTY PARCEL: 304-91-628

PARCEL NO. 2:

LOT 56, THE PECANS PHASE 2, ACCORDING TO BOOK 801 OF MAPS, PAGE 33, AND THEREAFTER AFFIDAVIT OF CHANGE RECORDED IN RECORDING NO. 06-970977, RECORDS OF MARICOPA COUNTY, ARIZONA.

MARICOPA COUNTY PARCEL: 314-04-497

DATE: March 31, 2014

ESCROW NO.: 48121257-048-VB

Lonnie C. McCleve and Debbie R. McCleve, as Trustees of the Lonnie C. McCleve and Debbie R. McCleve Revocable Living Trust dated February 3, 2000

EXHIBIT "B"
TRUST DECLARATION

Disclosure of Beneficiaries

Pursuant to ARS 33-404, the names of the beneficiaries of the Declaration of Trust dated February 3, 2000 are as follows:

Name: Tracey SIMAS

Address: 3144 Sierra Madre Ave., Gilbert, Az. 85296

Name: Tim Campbell

Address: 20345 E. Via De Arboles, Queen Creek, Az. 85142

Name: Carrie Lundall

Address: 3317 S. Higley Rd #114, Gilbert, Az. 85297

Name: Tiffany Check

Address: 2840 E Portola Valley Ct., Gilbert, Az 85297

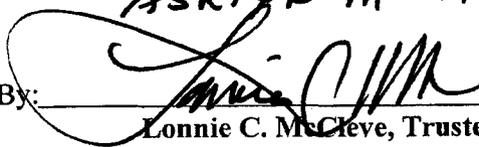
Name: Brian Campbell

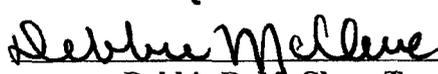
Address: P.O. Box 16094, Bellemont, Az, 86015

Name: Lacey Montierth

Address: 136 W. 200 S. #105, Provo, Utah 84601

Ashlyn McCleve, 20523 E. Via De Palmas, Queen Creek, Az 85142

By: 
Lonnie C. McCleve, Trustee


Debbie R. McCleve, Trustee

Pinal County**Christmas Idea House in Queen Creek this year**

by **Jennifer McClellan** - Nov. 30, 2011 12:55 PM
The Arizona Republic

Recommend Be the first of your friends to recommend this.

Tweet 0

"Holly Jolly Christmas" is the theme of the Desert Club's 54th annual Christmas Idea House, the best time of the year for the Southeast Valley charity group.

Part home tour, part holiday boutique, the showcase is meant to inspire visitors with grown-up visions of sugar plums, or tole-painted plate sets, embroidered organza table runners and ornately decorated Christmas trees.

This week, about 50 club members stuffed every nook, covered every counter and decorated every doorway in the five-bedroom, six-bath luxury home of Lonnie and Debbie McCleve in the Pecans of Queen Creek community.

All of the garlands, wreaths, ornaments, cookie mixes, quilts, dolls and thousands of seasonal items and gifts are for sale. Proceeds are distributed to Valley charities and Valley students.

The house is open to the public today and Saturday.

"Some people just want to come to see the house," said co-chairwoman Carol Jordan of Gilbert. "Some people want to give to charity, and they know this is a good way to do it.

"For some people, it's something a mother, daughter and grandchild can all experience together."

Traditionally, the Idea House attracts thousands of visitors and is the group's largest fundraiser.

From last year's proceeds, it granted 18 scholarships of \$500 to \$4,000 that helped with students' tuition to all three state universities and community colleges in Chandler, Mesa, Phoenix and Prescott.

The club granted \$22,250 to 15 community organizations, including AZ Blankets for Kids, Westwood High School, Silent Friends, East Valley Adult Resources and Gabriel's Angels.

Each year, a homeowner volunteers to give his or her home to the club for one week. Lonnie McCleve, who has visited Christmas Idea Houses with wife Debbie for more than 20 years, said most of the couple's holiday decorations were purchased at past Desert Club houses.

"The houses are always very professionally decorated to the max," he said. "These ladies have amazing ways of using colors."

Lonnie said it was "a no brainer" to let the club use his house, especially after it agreed to name a scholarship after the McCleves' granddaughter, Emmie Rae Check, who passed away about a year ago from complications of cerebral palsy.

This year, club members will stage the master bedroom, a boy and a girl room, a man cave, the living room, a family room, the kitchen, the front entryway and outside patio.

Jordan said that with more than 3,000 items, the kitchen has the most items for sale and is usually the most popular room. Look for homemade fudge, gourmet cocoa mixes and cake platters.

The house has several fully decorated artificial trees. Visitors may purchase individual ornaments and baubles or the whole thing.

Christmas Idea House

What: The Desert Club hosts the 54th annual Christmas Idea House.

When: 4-8 p.m. Dec. 2, 9 a.m.-4 p.m. Dec. 3.

Where: 23995 S. 205th Court, Queen Creek in the Pecans of Queen Creek community.

Admission: \$10. Visit website for \$2 discount coupon.

Details: 480-200-5142, christmasideahouse.org.

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- [Billionaire Warren Buffett buys group of Arizona auto dealers \(azcentral.com\)](#)
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- [School attendance low after Peoria first-grader dies \(azcentral.com\)](#)

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- [These Scientists Made Huge Discoveries About Ebola--But 5 Died Before The Paper Was Published \(Fast & Company\)](#)
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- [8 Photos Of An Unfinished Mansion That Was Left In The Wilderness \(BoredLion\)](#)
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- [25 Athletes Who Are Absolutely Despicable \(RantSports\)](#)
- [MH17 Victim's Body Found With Oxygen Mask On \(Newser\)](#)
- [16 Uncomfortable Mother's Day Photos \(Parent Society\)](#)

Zillow Details for McCleve home 23995 S. 205th Ct. Queen Creek AZ

http://www.zillow.com/homes/for_sale/days_sort/33.229293,-111.638653,33.227431,-111.641496_rect/18_zm/1_fr/

1. [Arizona](#)
2. [Queen Creek](#)
3. [85142](#)
4. [23995 S 205th Ct](#)



1.

23995 S 205th Ct, Queen Creek, AZ 85142

5 beds 7 baths 7,644 sqft

Off Market

Zestimate[®]: \$1,473,980

Rent Zestimate[®]: \$5,022/mo

Est. Refi Payment

\$5,524/mo

[See current rates on Zillow](#)

This 7644 square foot single family home has 5 bedrooms and 7.0 bathrooms. It is located at 23995 S 205th Ct Queen Creek, Arizona.

Facts

- Lot: 0.69 acres
- Single Family
- Built in 2006
- Cooling: Refrigeration
- Last sold: Feb 2010 for \$1,000,000

Features

- Flooring: Carpet, Hardwood
- Garden
- Parking: 4 spaces
- Patio
- Pool
- Vaulted Ceiling
- View: Mountain
- Wet Bar

Zestimate Details

\$1,473,980

+\$37,443 Last 30 days

Popularity on Zillow

If this home is listed on Zillow, it will reach the largest real estate network on the web.*

1 all-time views

of this home ([chart](#))

220 forecasted views of this home

in the first 7 days after listing for sale

Interested in selling this home?

Post your home as [Make Me Move](#), [for sale](#), [for rent](#), or [contact an agent](#).

Price History

| Date | Event | Price | \$/sqft | Source |
|----------|-----------------|-------------------|---------|-------------------|
| 04/01/14 | Listing removed | \$1,695,000 | \$221 | Russ Lyon Soth... |
| 01/07/14 | Price change | \$1,695,000-3.1% | \$221 | Russ Lyon Soth... |
| 10/05/13 | Listed for sale | \$1,750,000+75.0% | \$228 | Russ Lyon Soth... |
| 02/19/10 | Sold | \$1,000,000-14.3% | \$130 | Public Record |
| 02/02/07 | Sold | \$1,167,000 | \$152 | Public Record |

[Less](#)

Tax History

Find assessor information on the [county website](#)

Year Property taxes Change Tax assessment Change

[More](#)

| | | | | |
|------|----------|--------|----------|--------|
| 2013 | \$10,443 | +10.3% | \$78,000 | +3.2% |
| 2012 | \$9,471 | +1.3% | \$75,550 | -0.7% |
| 2011 | \$9,347 | -6.5% | \$76,080 | -52.1% |

Exhibit 8

