



BEFORE THE ARIZONA CORPORATION COMMISSION

2014 NOV -4 P 3: 35

Arizona Corporation Commission

DOCKETED

NOV 04 2014

COMMISSIONERS

- BOB STUMP, Chairman
- GARY PIERCE
- BRENDA BURNS
- BOB BURNS
- SUSAN BITTER SMITH

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

ORIGINAL

DOCKETED BY	
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IN THE MATTER OF THE APPLICATION OF
 GLOBAL WATER -- PALO VERDE UTILITIES
 COMPANY, INC. FOR AN EXTENSION OF ITS
 EXISTING CERTIFICATE OF CONVENIENCE
 AND NECESSITY

DOCKET NO. SW-20445A-14-0291

**RESPONSE TO INSUFFICIENCY
LETTER**

Global Water – Palo Verde Utilities Company, Inc. (“Palo Verde”) provides this response to Commission Staff’s Revised Insufficiency Letter dated September 5, 2014.

1. Pursuant to A.A.C. R.14-2-602.B.5.q, Staff will require documentation establishing the applicant's current financial condition, including at least the applicant's current assets and liabilities and an income statement. Please provide a current set of financial statements (i.e., June 30, 2014) that reflect the rates and rulings set forth by ACC Rate Decision No. 74364 issued February 26, 2014.

Response to Insufficiency Question 1:

Palo Verde’s updated Balance Sheet and Income Statement is attached as Revised Exhibit 9 to Palo Verde’s Application.

2. Please provide, for each parcel, the preliminary engineering report with specifications in sufficient detail to describe each wastewater system and the principal components of each wastewater system for a five year period as well as the same information beyond the five years to be included in the project. This information should include:
 - a. Master Map/Plan with a layout of the proposed wastewater system's major components (collection, treatment, and disposal systems) and phasing of construction (if phasing is proposed).

1 b. *Engineering design report, including description of location, hydrology, the*
2 *proposed system's configuration, anticipated demand, design capacity, and*
3 *design pressure. The report must: (1) Demonstrate that the proposed system*
4 *will satisfy the minimum design standards as required by the Arizona*
5 *Department of Environmental Quality ("ADEQ"), and if phasing is proposed,*
6 *the anticipated demand and system components by phase; and (2) Include a*
7 *timeline of construction for the proposed system with estimated starting and*
8 *completion dates, and a description of each separate phase of construction if*
9 *phasing is proposed.*

10 **Response to Insufficiency Question 2:**

11 Palo Verde provides the attached Revised Engineering Reports as Revised Exhibit 6 to the
12 Application.

13 3. *Please provide an engineering cost estimate for the proposed system by phase, if*
14 *phasing is proposed, including a breakdown of costs for each major component.*

15 **Response to Insufficiency Question 3:**

16 Palo Verde provides the attached revised cost estimates by phase, as Revised Exhibits 8 and
17 10 to the Application. In addition, letters from the property owners providing updated information
18 regarding phasing and development timeframes are attached as new Exhibit 17 to the Application.
19 Letters are provided for the Anderson Russell, Estrella Gin, El Dorado Eagle Wing, and Santa Cruz
20 Land Development properties. The Pinal County (Pinal County) property is an already-developed
21 facility for which Palo Verde has provided a notice of service to a contiguous parcel, and therefore
22 no letter is provided for this property. The Eagle Wing PAD property is anticipated to be used for
23 a roadway / right of way (see Revised Engineering Report), and thus no letter is provided for this
24 property.

25 4. *Were all city, county (franchises), or state agency approvals required by law to*
26 *construct and operate the proposed facilities provided in the documentation filed?*

27

1 **Response to Insufficiency Question 4:**

2 Palo Verde has an existing License Agreement with the City of Maricopa. In the past, Staff
3 has accepted the License Agreement as a substitute for a Franchise Agreement. See Decision No.
4 70133 (January 23, 2008) at Finding of Fact No. 57. A copy of the License Agreement is provided
5 as new Exhibit 18 to Palo Verde's Application. Approvals to Construct from ADEQ are typically
6 issued after the CC&N is extended and the project is ready to begin construction. Palo Verde's
7 Aquifer Protection Permit was previously provided as Exhibit 7 to the Application.

8
9 RESPECTFULLY SUBMITTED this 4th day of November 2014.

10 ROSHKA DEWULF & PATTEN, PLC

11
12 By 
13 Timothy J. Sabo

14 One Arizona Center
15 400 East Van Buren Street, Suite 800
16 Phoenix, Arizona 85004

17 *Attorneys for Global Water – Palo Verde*
18 *Utilities Company*

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1 Original +13 copies of the foregoing
2 filed this 4th day of November 2014, with:

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

7 Copies of the foregoing hand-delivered/mailed
8 this 4th day of November 2014, to:

9 Lyn A. Farmer, Esq.
10 Chief Administrative Law Judge
11 Hearing Division
12 Arizona Corporation Commission
13 1200 West Washington
14 Phoenix, AZ 85007

15 Janice Alward, Esq.
16 Chief Counsel, Legal Division
17 Arizona Corporation Commission
18 1200 West Washington
19 Phoenix, AZ 85007

20 Steven M. Olea
21 Director, Utilities Division
22 Arizona Corporation Commission
23 1200 West Washington
24 Phoenix, AZ 85007

25 By *Jaclyn Howard*
26
27



APPLICATION OF GLOBAL WATER – PALO VERDE UTILITIES COMPANY
FOR AN EXTENSION OF A CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER UTILITY SERVICE IN PINAL COUNTY, AZ

REVISED LIST OF EXHIBITS

<u>EXHIBIT #</u>	<u>STATUS</u>	<u>DESCRIPTION</u>
1	No Change	Legal Descriptions of the Extension Area
2	No Change	Applicant's Officer and Director Information
3	No Change	Applicant's Certificate of Good Standing from the Arizona Corporation Commission
4	No Change	Notice to be sent to City of Maricopa
5	No Change	Notice to be sent to City of Casa Grande
6	Revised	Pre-Engineering Report for Each Property included in the Application
7	No Change	Aquifer Protection Permit
8	Revised	Estimated Total Construction Costs and Plant Projections
9	Revised	Applicant's General Statement of Financial Condition
10	Revised	Estimated Annual Operating Revenue and Expenses for First Five Years
11	No Change	Applicant's Tariff – Schedule of Rates and Charges
12	No Change	Written Requests for Service
13	No Change	Maps of Existing CC&N and Extension Area
14	No Change	E-mail Regarding Public Water System Compliance Report
15	No Change	Wastewater Flow Data Sheet
16	No Change	Notarized Signature of Ron Fleming on behalf of Applicant
17	New	Letters from Property Owners Regarding Phasing and Development Timeframes
18	New	License Agreement with the City of Maricopa



APPLICATION OF GLOBAL WATER – PALO VERDE UTILITIES COMPANY
FOR AN EXTENSION OF A CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER UTILITY SERVICE IN PINAL COUNTY, AZ

REVISED-EXHIBIT 6

**PRE-ENGINEERING SEWER REPORT FOR EACH PROPERTY INCLUDED IN
APPLICATION**



**Global Water - Palo Verde Utilities
Company
2014 CC&N Expansion
Anderson Russell, LLC**



**PRELIMINARY ENGINEERING REPORT
SEWER CC&N EXPANSION**

**ANDERSON RUSSELL, LLC PROPERTY
LOCATED WITHIN**

**SECTION 22, T5S, R4E
SECTION 23, T5S, R4E
SECTION 26, T5S, R4E
PINAL COUNTY, ARIZONA**

REVISED NOVEMBER 2014

Prepared for:
ANDERSON RUSSELL, LLC
14400 N. 76TH PLACE
SCOTTSDALE, AZ 85260

Prepared By:
Global Water – Palo Verde Utilities Company

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PROJECT SUMMARY

Anderson Russell, LLC's property (the "Property") is 745 acres- approximately 1.16 square miles of undeveloped land. The Property will be provided wastewater service from Global Water - Palo Verde Utilities Company (PVUC). PVUC has filed an application with the Arizona Corporation Commission with the intention to extend its Certificate of Convenience and Necessity ("CC&N") service area to include the Property.

The Property consists primarily of Residential Use with a small amount of Commercial and Mixed Use. Design criteria will be in accordance with the requirements of the most recent version of Global Water's Standards for Planning, Design and Construction. These standards can be found online at www.gwresources.com.

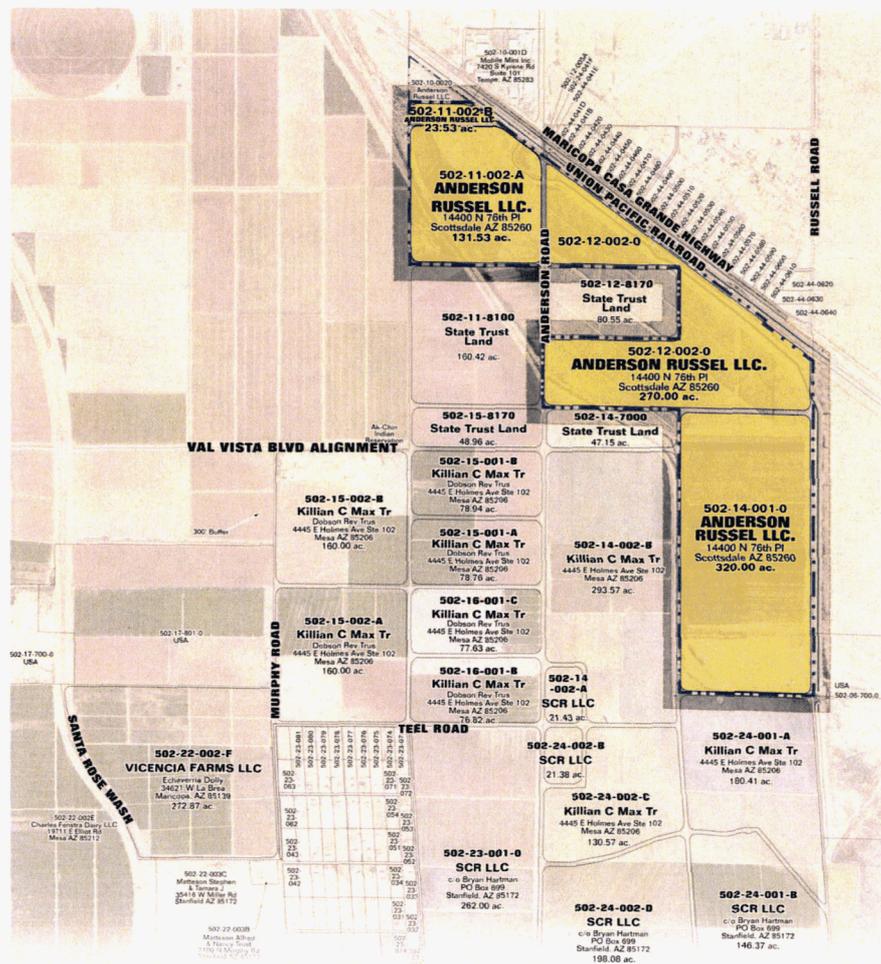
To provide sewer service to the Property, a 24" sewer line will be extended to the North side of the Property along the Anderson Road alignment.

Wastewater demands have been estimated based upon pre-engineering analysis.

**Global Water - Palo Verde Utilities Company
2014 CC&N Expansion: Anderson Russell, LLC**

PROJECT LOCATION

The Property is located South of the Maricopa/Casa Grande Highway, North of Teel Road and Russell Road to the East, in Section 22, Township 5 South, Range 4 East, and Section 23, Township 5 South, Range 4 East, and Section 26, Township 5 South, Range 4 East of the Gila and Salt River Base Meridian, Pinal County, Arizona and within the incorporated City of Maricopa. The Property is bound by the Union Pacific Railroad to the North, Russell Road to the East, and Teel Road to the South.

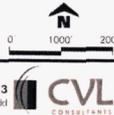


**South Maricopa Anderson
Corridor Annexation**

Pinal County Assessor's Map of Annexation Property
Exhibit C

10 December 2013

N:\01\0225601\Graphics\Exhibit\AndersonRussell - Annexation.mxd



Global Water - Palo Verde Utilities Company
2014 CC&N Expansion: Anderson Russell, LLC

LEGAL DESCRIPTION

First American Title

No. NCS-

EXHIBIT "A"

PARCEL NO. 1:

THAT PORTION OF THE NORTH HALF OF SECTION 23, TOWNSHIP 5 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, LYING SOUTH AND WEST OF THE RIGHT OF WAY OF SOUTHERN PACIFIC RAILROAD.

PARCEL NO. 2:

THAT PORTION OF THE SOUTHEAST QUARTER AND THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 5 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, LYING SOUTH AND WEST OF THE RIGHT OF WAY OF SOUTHERN PACIFIC RAILROAD.

PARCEL NO. 3:

THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 5 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL NO. 4:

THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 5 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL NO. 5:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 15 AND THE NORTHEAST QUARTER OF SECTION 22 ALL IN TOWNSHIP 5 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, LYING SOUTH AND WEST OF THE RIGHT OF WAY OF THE SOUTHERN PACIFIC RAILROAD;

EXCEPT ANY PORTION LYING IN THE RIGHT OF WAY OF ANDERSON ROAD.

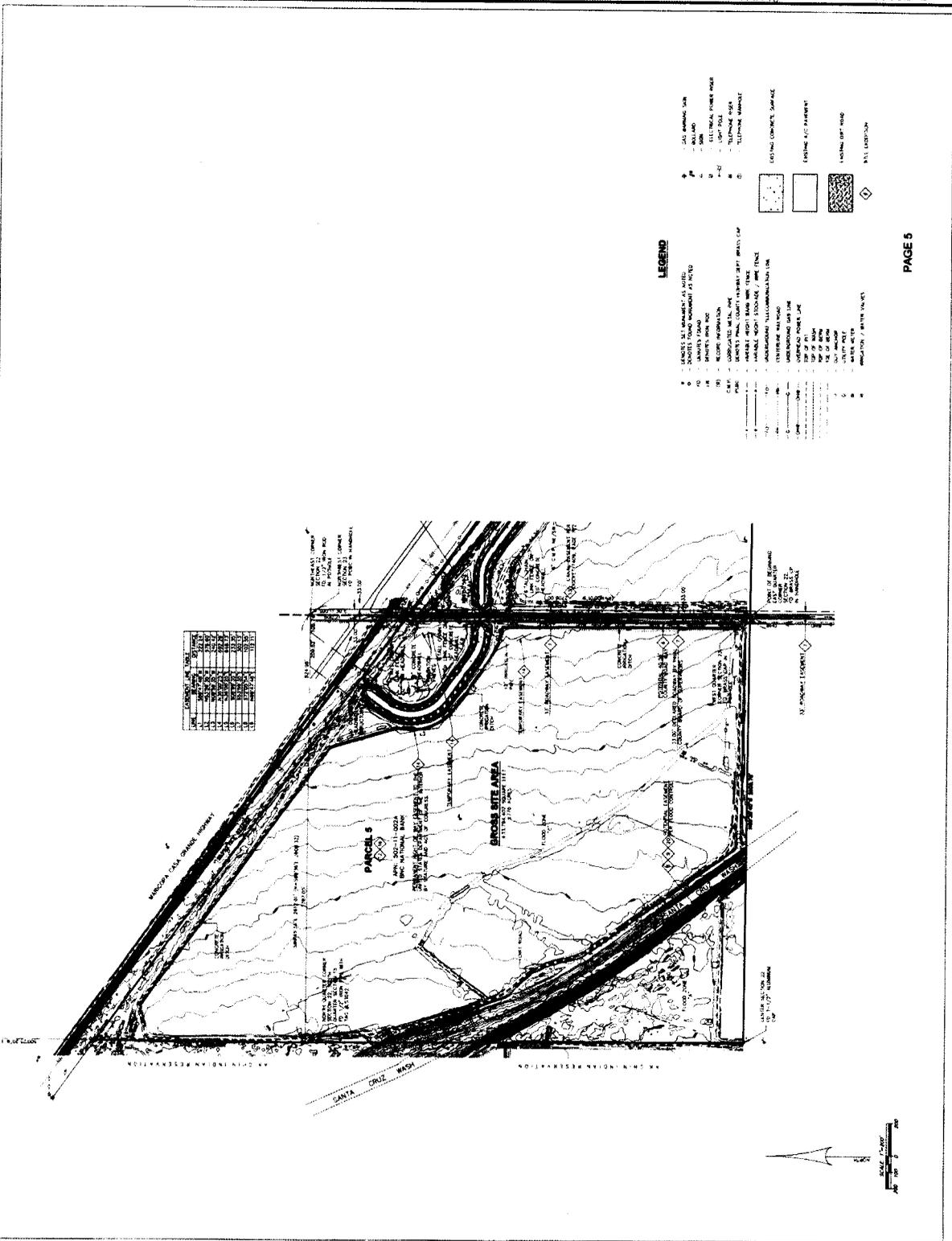
Page 3

First American Title

Global Water - Palo Verde Utilities Company
 2014 CC&N Expansion: Anderson Russell, LLC

ANDERSON RUSSELL PROPERTY
 LOCATED IN SECTION 15, RANGE 4 EAST, OF THE QUA AND SALT RIVER
 MERIDIAN,
 PINAL COUNTY, ARIZONA

2 OF 4

- LEGEND**
- 1 EXISTING 12" WATER MAIN
 - 2 EXISTING 12" WATER MAIN
 - 3 EXISTING 12" WATER MAIN
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 - 100 EXISTING 12" WATER MAIN

PAGE 5

Global Water - Palo Verde Utilities Company
 2014 CC&N Expansion: Anderson Russell, LLC

ANDERSON RUSSELL PROPERTY
 LOCATED IN SECTION 19, RANGE 4 EAST, OF THE GILA AND SALT RIVER MERIDIAN,
 TOWNSHIP 5 SOUTH, RANGE 4 EAST, PINAL COUNTY, ARIZONA

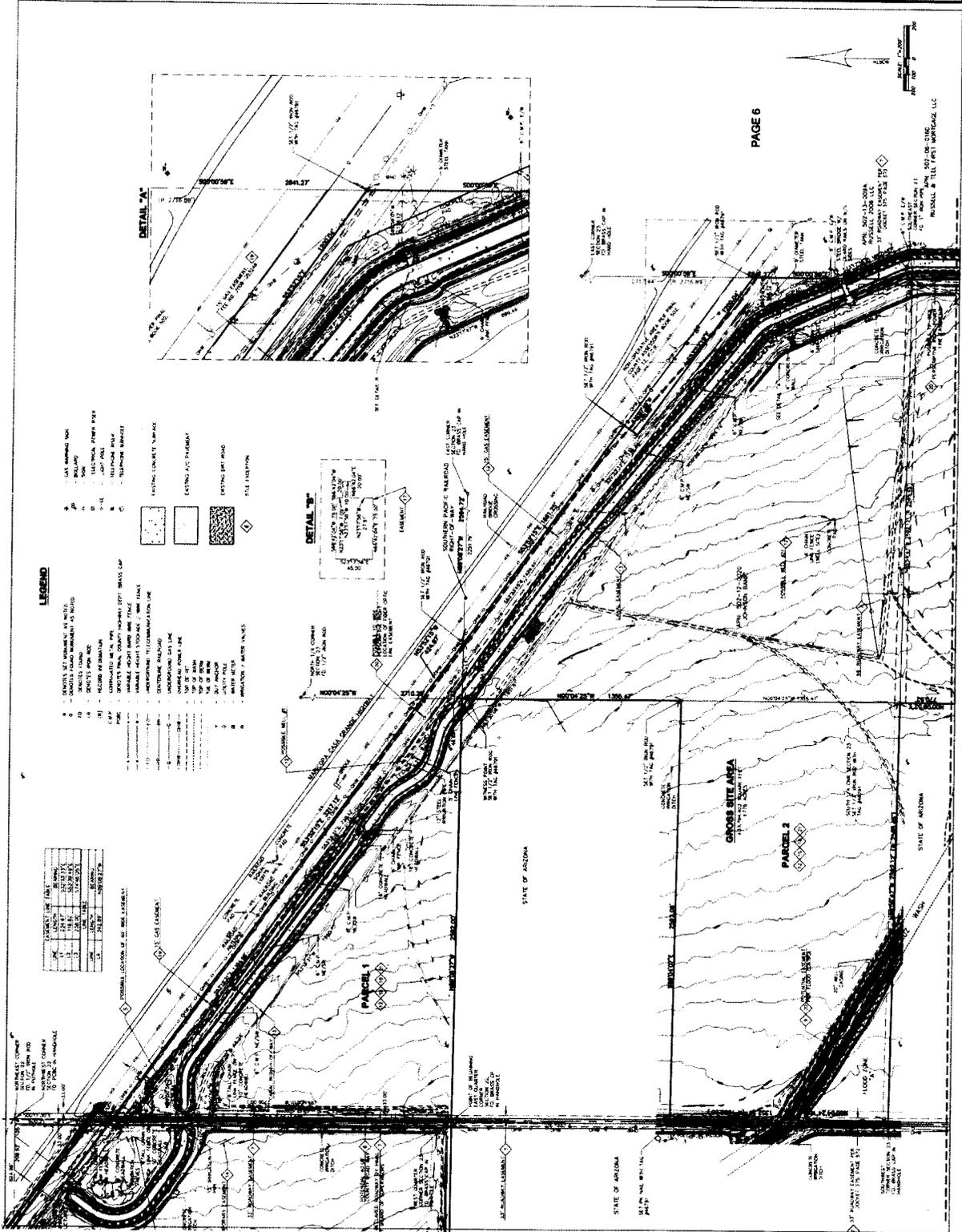
3 OF 4

DATE: 11/11/14
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 APPROVED BY: [Name]

SCALE: AS SHOWN

NORTH

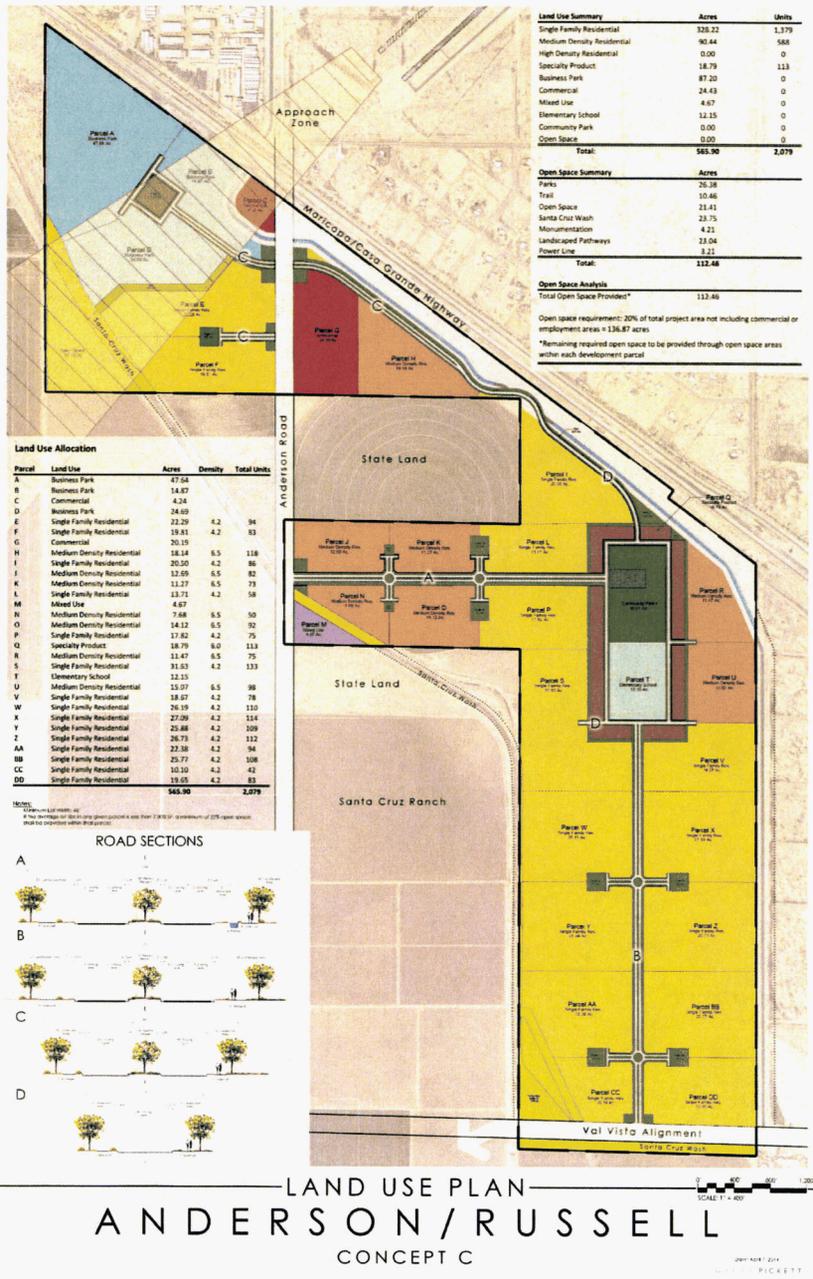
PAGE 6



PROPOSED DEVELOPMENT PHASING

The Property consists of primarily Residential Use with a small amount of Commercial and Mixed Use. The development has been split into three phases, with continued development through each phase as development occurs. All offsite plant and main distribution pipelines to provide service to the entire development will have to be constructed prior to the commissioning of the first meter in phase I, therefore all offsite infrastructure will begin in 2017 and completed in 2018. Phase I has a schedule to begin onsite infrastructure in 2018 with 40% build-out planned for 2019.

**Global Water - Palo Verde Utilities Company
2014 CC&N Expansion: Anderson Russell, LLC**



DESIGN CRITERIA



WASTEWATER SYSTEM STANDARDS

I. WASTEWATER SYSTEM DESIGN CRITERIA

A. Design Flows

All design flows used in hydraulic analysis and design shall be as per the latest Global Water- Palo Verde Utilities Code of Practice.

All sewers shall be designed for peak flow conditions. In the absence of flow data, new domestic sewage systems shall be designed based on the following criteria:

Land Use	Unit	Average Daily Demand	Peaking Factor
Residential	Dwelling Unit	234 gpd	Refer to Table 1 of AAC R-18-9-E301.D.1.a
Commercial*	Square Foot of Building	0.1 gpd	2.0
	Acre of Commercial Property	2,200 gpd	2.0
Industrial*	Acre of Industrial Property	1,200 gpd	2.0
School	Student	25 gpd	4.8

*Does not include high water use commercial/industrial facilities such as restaurants, car washes, bottling plants, etc. Contact the applicable utility for high water use operations.

For preliminary design only, a density of 4.5 dwelling units per acre shall be utilized for single family residential properties without a land use plan. Final design shall be based on the actual density.

B. Hydraulic Design

The minimum allowable slope for an 8-inch sewer shall be equal to 0.0035 ft/ft unless otherwise approved by Global Water. For all other sewer sizes, the sewer lines shall be designed and constructed to provide a minimum velocity of 2.0 feet per second (fps) when flowing full. Hydraulic calculations shall be provided to demonstrate that a flushing velocity in excess of 1.5 fps is attained during peak flow conditions. Global may approve exceptions to the flushing velocity requirement in areas of low flow, or where slopes may not be reasonably increased to achieve an appropriate velocity. Increasing pipe diameter to reduce required minimum slope is unacceptable unless minimum velocity criteria can be met. A design Manning's Formula "n" value equal to 0.013 shall be utilized for all pipe materials. Peak design velocities shall be less than 8 fps.

Other than private services, no sewers shall be less than 8 inches in diameter.

The ratio of flow depth in the pipe to the pipe diameter (d/D) shall not exceed 0.75 in peak dry weather flow. Consequently, the maximum sewer design capacity shall be equal to 91% of the full flow capacity at the peak design flow.

All manholes shall have a minimum drop of 0.10 feet across the manhole for all sewers.

**Global Water - Palo Verde Utilities Company
2014 CC&N Expansion: Anderson Russell, LLC**

DEMANDS

Type	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Total Meters	# of Accts
Residential	475.00	1,125	534,375	16,031,250	2455	2455
Commercial	165.00	2,800	462,000	13,860,000	322	322
Industrial	19.00	1,800	34,200	1,026,000	19	19
Irrigation	86.00	0	0	0	0	0
	745.00		496,200	30,917,250	2796	2796

EXISTING INFRASTRUCTURE AND PROPOSED NEW INFRASTRUCTURE

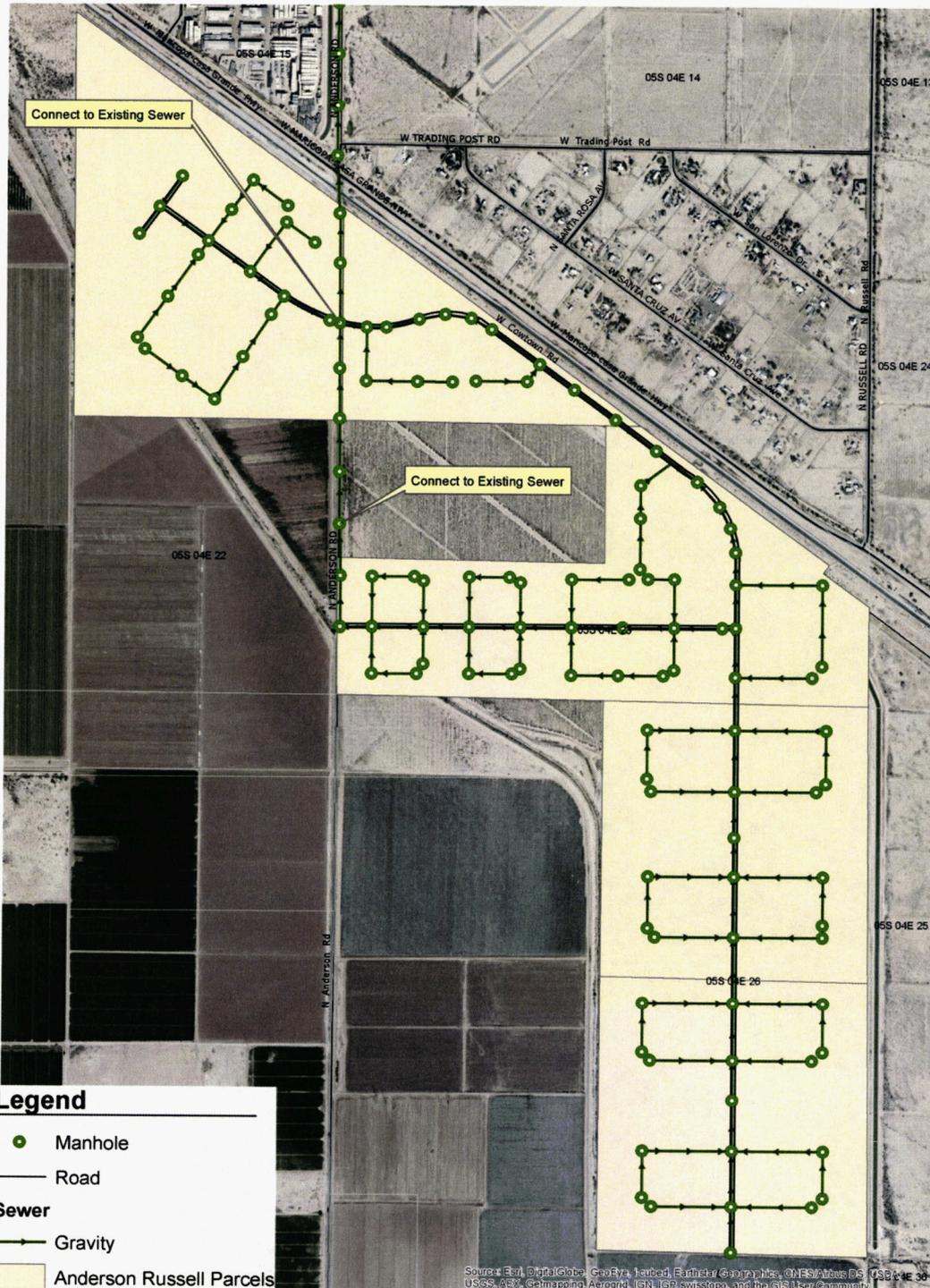


PROPOSED CC&N EXPANSION
 ANDERSON RUSSELL
 SEWER EXHIBIT





PROPOSED CC&N EXPANSION ANDERSON RUSSELL ON-SITE SEWER EXHIBIT



**Global Water - Palo Verde Utilities Company
2014 CC&N Expansion: Anderson Russell, LLC**

PROPOSED NEW INFRASTRUCTURE / ESTIMATED COSTS

ANDERSON RUSSELL					
Off-site Infrastructure	Quantity	Units	Unit Price	Total	NARUC
24" PVC SDR 35	26503	LF	\$ 110.00	\$ 2,915,330.00	361
60" Manhole	45	Ea	\$ 2,500.00	\$ 112,500.00	361
Jack and Bore	800	LF	\$ 200.00	\$ 160,000.00	361
Engineering and Permits	10%	ls	\$ -	\$ 318,783.00	361
Total				\$ 3,506,613.00	

ANDERSON RUSSELL						
Phase 1 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" PVC SDR 35	0	LF	\$ 75.00	\$ -	361	
8" SDR 35	6800	LF	\$ 60.00	\$ 408,000.00	361	
48" Manhole	14	Ea	\$ 1,000.00	\$ 14,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 97,650.00	361	\$ 519,650.00
6" Services	1109	Ea	\$ 500.00	\$ 554,500.00	363	\$ 554,500.00
TOTAL PHASE 1				\$ 1,074,150.00		\$ 1,074,150.00

ANDERSON RUSSELL						
Phase 2 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" PVC SDR 35	8000	LF	\$ 75.00	\$ 600,000.00	361	
8" SDR 35	17000	LF	\$ 60.00	\$ 1,020,000.00	361	
48" Manhole	60	Ea	\$ 1,000.00	\$ 60,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 163,450.00	361	\$ 1,843,450.00
6" Services	1109	Ea	\$ 500.00	\$ 554,500.00	363	\$ 554,500.00
TOTAL PHASE 2				\$ 2,397,950.00		\$ 2,397,950.00

ANDERSON RUSSELL						
Phase 3 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" PVC SDR 35	5200	LF	\$ 75.00	\$ 390,000.00	361	
8" SDR 35	750	LF	\$ 60.00	\$ 45,000.00	361	
48" Manhole	40	Ea	\$ 1,000.00	\$ 40,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 63,950.00	361	\$ 538,950.00
6" Services	1109	Ea	\$ 500.00	\$ 554,500.00	363	\$ 554,500.00
TOTAL PHASE 3				\$ 1,093,450.00		\$ 1,093,450.00

**Global Water - Palo Verde Utilities Company
2014 CC&N Expansion: Anderson Russell, LLC**

COMMITTED SEWER- TOTAL DWELLING UNITS

PAD OR MASTER PLAN LOCATION	TOTAL NO. OF LOTS	TOTAL NO. OF LOTS COMMITTED	TREATMENT REQUIREMENTS AT GPD/DU
North Region			187.2 GPD/DU
Rancho El Dorado	3,210	3,210	600,912
The Villages	1,938	1,938	362,794
Acacia Crossings	739	739	138,341
Cobblestone Farms	891	891	166,795
Province *	1,333	1,333	255,154
Santa Rosa Springs	790	647	121,118
Glennwilde	2,130	1,948	364,666
Rancho Mirage Estates	2,153	664	124,301
Sorrento Phase 1	821	821	153,691
Sorrento Phase 3	651	-	-
Dunn Ranch	641	-	-
El Rancho Santa Rosa	720	-	-
Santa Rosa Crossings	351	230	43,056
Homestead Village	2,308	1,726	323,107
Rancho El Dorado Phase III	1,803	903	169,042
Del Tessa	-	-	-
Province Phase III	862	255	47,736
Tortosa NW (Cottonwood)	1,290	1,290	241,488
Tortosa South	1,172	-	-

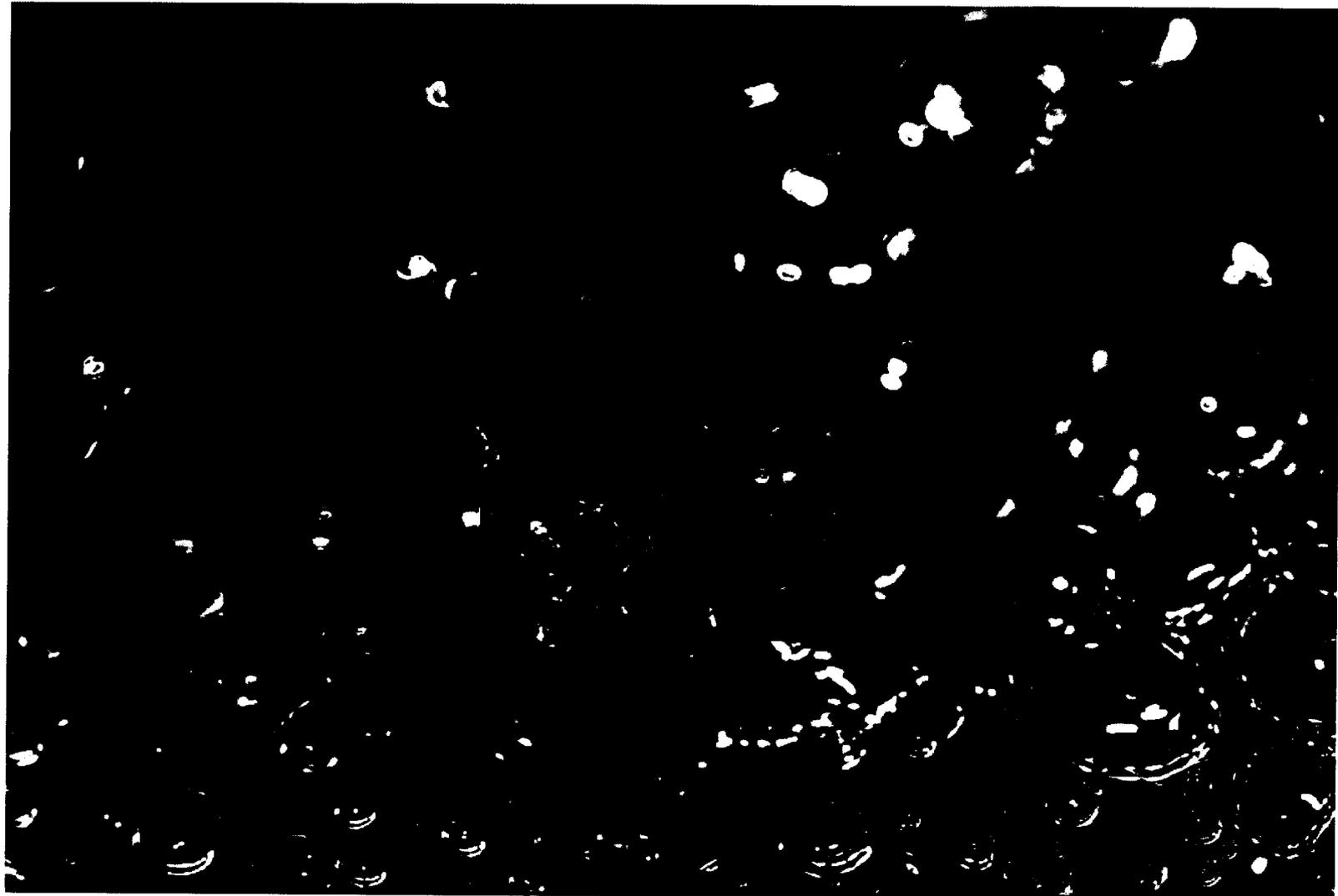
**Global Water - Palo Verde Utilities Company
2014 CC&N Expansion: Anderson Russell, LLC**

Tortosa NE	1,062	-	-
Maricopa Groves (Senita)	1,375	1,375	257,400
Smith Farms	705	601	112,507
Eagle Shadows Phase 1	1,099	-	-
Maricopa Meadows Total	1,626	1,626	304,387
Alterra North & South Total	1,005	1,005	188,136
Palo Brea Total	526	526	98,467
Desert Cedars Totals	418	418	78,250
Commercial		3,532	662,412
Anderson Russell, LLC	4,133	3,327	622,814
North Total	35,752	29,005	5,436,574

SUMMARY / CONCLUSION

Based upon the data and analysis provided, PVUC's existing sewer collection system can be extended to provide service to the Property as identified in the CC&N Application. The collection system has been sized accordingly to receive the estimated demands for the Property, and will transfer the sewer to PVUC's Campus I Water Reclamation Facility for processing and treatment. Ultimately, the recycled water will be transmitted back to the community for non-potable use. Given the timing of this development, in conjunction with the sewer demands alongside other localized growth, the treatment capacity of Campus 1 will be assessed and properly expanded as necessary to meet all demands. PVUC has the ability to expand capacity of Campus 1 into its currently permitted 9.0 MGD.

The Property is contiguous to PVUC's current CC&N.



TM

**Global Water - Palo Verde Utilities
Company
2014 CC&N Expansion
City of Maricopa -
Eagle Wing PAD**



**PRELIMINARY ENGINEERING REPORT
SEWER CC&N EXPANSION**

**CITY OF MARICOPA
EAGLE WING PAD**

**SECTION 1, T5S, R3E
SECTION 6, T5S, R4E
SECTION 7, T5S, R4E
SECTION 8, T5S, R4E**

PINAL COUNTY, ARIZONA

REVISED NOVEMBER 2014

Prepared for:
City of Maricopa
PO Box 610
Maricopa, AZ 85139

Prepared By:
Global Water – Palo Verde Utilities Company

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PROJECT SUMMARY

Eagle Wing PAD (the “Property”) is 68 acres- 0.106 square miles of undeveloped land owned by the City of Maricopa. The current plan for the Property is strictly dedicated for future road right-of-way (ROW). The ROW will potentially include medians and landscaping, warranting sewer service. PVUC has filed an application with the Arizona Corporation Commission with the intention to expand its Certificate of Convenience and Necessity (“CC&N”) service area to include the Property.

Since the ROW will potentially include landscaping, service requirements may exist. A point of connection will be established as part of the initial construction facilities for the Property. Design criteria will be in accordance with the requirements of the most recent version of Global Water’s Standards for Planning, Design, and Construction. These standards can be found online at www.gwresources.com.

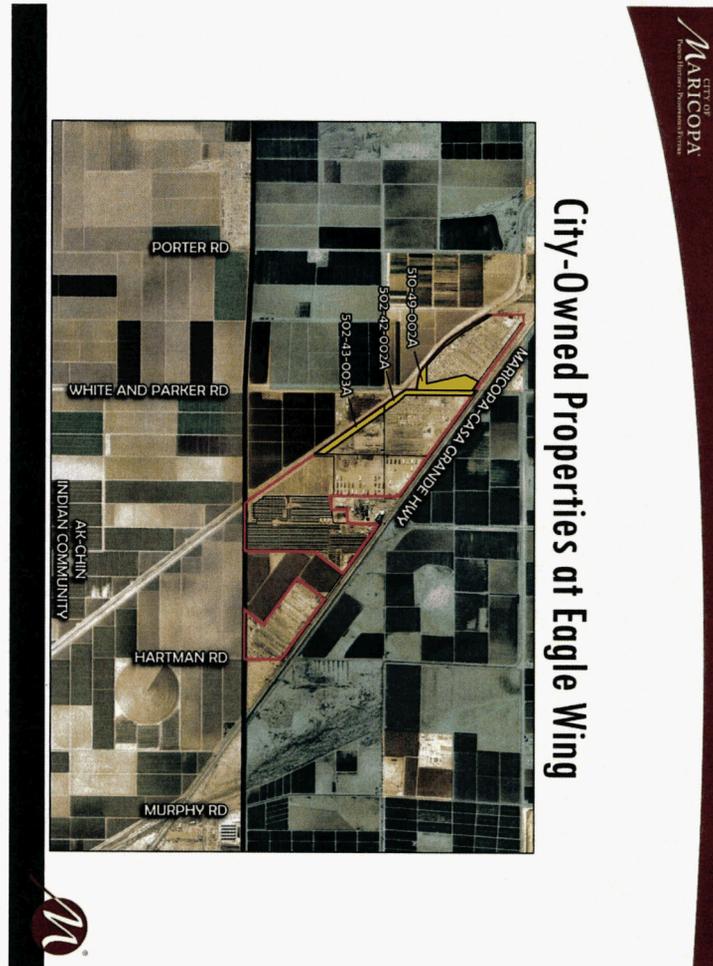
At this time, no sewer service demands have been estimated for the Property.

PROJECT LOCATION

The Property is located South of the Union Pacific Railroad in Section 1, Township 5 South, Range 3 East, and Section 6, Township 5 South, Range 4 East, Section 7, Township

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5 South, Range 4 East, and Section 8, Township 5 South, Range 4 East of the Gila and Salt River Base Meridian, Pinal County, Arizona and within the incorporated City of Maricopa. The Property is bound by the Union Pacific Railroad to the North, surrounded by Eagle Wing property to the East and West, and lies on the Southern edge of Eagle Wing property.



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LEGAL DESCRIPTION

No. 242-5313948

EXHIBIT "A"

PARCEL NO. 1:

THAT PORTION OF PARCEL 1 DESCRIBED IN DOCUMENT 2005-056538 OF OFFICIAL RECORDS, RECORDS OF PINAL COUNTY, ARIZONA, LOCATED IN SECTION 1, TOWNSHIP 5 SOUTH, RANGE 3 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 1;

THENCE NORTH 00 DEGREES 13 MINUTES 59 SECONDS EAST, A DISTANCE OF 1,253.79 FEET ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 1 TO THE SOUTH LINE OF SAID PARCEL 1 AND THE POINT OF BEGINNING;

THENCE NORTH 80 DEGREES 49 MINUTES 31 SECONDS WEST, A DISTANCE OF 495.48 FEET ALONG SAID SOUTH LINE TO A EASEMENT DESCRIBED AS DOCKET 368, PAGE 478 RECORDS OF PINAL COUNTY, ARIZONA;

THENCE NORTH 67 DEGREES 32 MINUTES 21 SECONDS WEST, A DISTANCE OF 245.15 FEET ALONG THE SOUTH LINE OF SAID EASEMENT AND PARCEL 1;

THENCE NORTH 58 DEGREES 33 MINUTES 21 SECONDS WEST, A DISTANCE OF 313.39 FEET ALONG SAID SOUTH LINE;

THENCE NORTH 48 DEGREES 21 MINUTES 01 SECONDS WEST, A DISTANCE OF 756.83 FEET ALONG SAID SOUTH LINE;

THENCE NORTH 43 DEGREES 52 MINUTES 01 SECONDS WEST, A DISTANCE OF 569.99 FEET ALONG SAID SOUTH LINE;

THENCE NORTH 34 DEGREES 39 MINUTES 01 SECONDS WEST, A DISTANCE OF 615.95 FEET ALONG SAID SOUTH LINE;

THENCE NORTH 32 DEGREES 27 MINUTES 01 SECONDS WEST, A DISTANCE OF 378.38 FEET ALONG SAID SOUTH LINE;

THENCE NORTH 30 DEGREES 55 MINUTES 01 SECONDS WEST, A DISTANCE OF 751.97 FEET ALONG SAID SOUTH LINE;

THENCE NORTH 00 DEGREES 07 MINUTES 59 SECONDS EAST, A DISTANCE OF 192.00 FEET ALONG THE WEST LINE OF SAID EASEMENT AND PARCEL 1;

THENCE DEPARTING PARCEL 1 SOUTH 31 DEGREES 59 MINUTES 01 SECONDS EAST, A DISTANCE OF 1,260.00 FEET ALONG THE NORTH LINE OF SAID EASEMENT;

THENCE SOUTH 36 DEGREES 59 MINUTES 01 SECONDS EAST, A DISTANCE OF 970.00 FEET ALONG SAID NORTH LINE;

THENCE SOUTH 46 DEGREES 59 MINUTES 01 SECONDS EAST, A DISTANCE OF 970.00 FEET ALONG SAID NORTH LINE;

THENCE DEPARTING FROM SAID PARCEL SOUTH 89 DEGREES 46 MINUTES 01 SECONDS EAST, A DISTANCE OF 697.22 FEET;

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THENCE NORTH 13 DEGREES 11 MINUTES 06 SECONDS WEST, A DISTANCE OF 1,535.51 FEET;

THENCE NORTH 25 DEGREES 52 MINUTES 03 SECONDS EAST, A DISTANCE OF 754.79 FEET TO THE SOUTHWESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD;

THENCE SOUTH 53 DEGREES 50 MINUTES 31 SECONDS EAST, A DISTANCE OF 317.10 FEET ALONG SAID SOUTHEASTERLY LINE TO THE EAST LINE OF SAID SECTION 1;

THENCE SOUTH 00 DEGREES 13 MINUTES 59 SECONDS WEST, A DISTANCE OF 940.89 FEET ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 1;

THENCE SOUTH 00 DEGREES 13 MINUTES 59 SECONDS WEST, A DISTANCE OF 1,451.26 FEET ALONG SAID EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 1 TO THE POINT OF BEGINNING.

PARCEL NO. 2:

THAT PORTION OF PARCEL 2 DESCRIBED AS DOCUMENT 2005-056538 OF OFFICIAL RECORDS, RECORDS OF PINAL COUNTY, ARIZONA, LOCATED IN SECTION 6, TOWNSHIP 5 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 6;

THENCE NORTH 00 DEGREES 13 MINUTES 59 SECONDS EAST, A DISTANCE OF 840.00 FEET ALONG THE WEST LINE OF SAID SECTION 6 TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 00 DEGREES 13 MINUTES 59 SECONDS EAST, A DISTANCE OF 1,865.05 FEET ALONG SAID WEST LINE TO THE WEST QUARTER CORNER OF SAID SECTION 6;

THENCE CONTINUING NORTH 00 DEGREES 13 MINUTES 59 SECONDS EAST, A DISTANCE OF 940.89 FEET ALONG SAID WEST LINE TO THE SOUTHWESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD;

THENCE SOUTH 53 DEGREES 50 MINUTES 47 SECONDS EAST, A DISTANCE OF 231.53 FEET ALONG SAID SOUTHWESTERLY LINE TO A LINE THAT IS 187.50 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID SECTION 6;

THENCE SOUTH 00 DEGREES 13 MINUTES 59 SECONDS WEST, A DISTANCE OF 2,697.85 FEET ALONG SAID PARALLEL LINE TO THE NORTHERLY LINE OF A PARCEL DESCRIBED IN DOCKET 372, PAGE 453 RECORDS OF PINAL COUNTY, ARIZONA AND A POINT ON A NON-TANGENT CURVE HAVING A RADIUS THAT BEARS SOUTH 42 DEGREES 11 MINUTES 49 SECONDS WEST, A DISTANCE OF 3,034.79 FEET;

THENCE SOUTHEASTERLY 780.48 FEET ALONG THE ARC OF SAID CURVE AND SAID NORTHERLY LINE, BEING CONCAVE SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 14 DEGREES 44 MINUTES 07 SECONDS;

THENCE SOUTH 33 DEGREES 04 MINUTES 04 SECONDS EAST, A DISTANCE OF 260.45 FEET ALONG SAID NORTHERLY LINE TO THE SOUTH LINE OF SAID SECTION 6;

THENCE SOUTH 89 DEGREES 56 MINUTES 41 SECONDS WEST, A DISTANCE OF 258.82 FEET ALONG SAID SOUTH LINE TO THE SOUTHWESTERLY LINE OF SAID PARCEL 2;

THENCE NORTH 34 DEGREES 26 MINUTES 01 SECONDS WEST, A DISTANCE OF 1,017.77 FEET ALONG SAID SOUTHWESTERLY LINE TO THE POINT OF BEGINNING.

PARCEL NO. 3:

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No. 242-5313948

THAT PORTION OF PARCEL 2 DESCRIBED IN DOCUMENT 2005-056538 OF OFFICIAL RECORDS, RECORDS OF PINAL COUNTY, ARIZONA, LOCATED IN SECTION 7, TOWNSHIP 5 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 7;

THENCE NORTH 89 DEGREES 56 MINUTES 41 SECONDS EAST, A DISTANCE OF 578.91 FEET ALONG THE NORTH LINE OF SAID SECTION 7 TO A POINT ON THE SOUTHWESTERLY LINE OF SAID PARCEL 2 AND THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 89 DEGREES 56 MINUTES 41 SECONDS EAST, A DISTANCE OF 263.89 FEET ALONG SAID NORTH LINE TO THE NORTHERLY LINE OF AN EASEMENT DESCRIBED AS DOCKET 1410, PAGE 592 RECORDS OF PINAL COUNTY, ARIZONA;

THENCE SOUTH 35 DEGREES 09 MINUTES 45 SECONDS EAST, A DISTANCE OF 2,868.07 FEET ALONG SAID NORTHERLY LINE TO THE EAST LINE OF SAID PARCEL 2;

THENCE SOUTH 00 DEGREES 29 MINUTES 41 SECONDS EAST, A DISTANCE OF 457.08 FEET ALONG SAID EAST LINE TO SAID SOUTHWESTERLY LINE;

THENCE NORTH 34 DEGREES 25 MINUTES 05 SECONDS WEST, A DISTANCE OF 3,396.06 FEET ALONG SAID SOUTHWESTERLY LINE TO THE POINT OF BEGINNING.

TOPOGRAPHIC CONDITIONS

None at this time

PROPOSED DEVELOPMENT PHASING

None at this time since this is all just dedicated future ROW

DESIGN CRITERIA



WASTEWATER SYSTEM STANDARDS

I. WASTEWATER SYSTEM DESIGN CRITERIA

A. Design Flows

All design flows used in hydraulic analysis and design shall be as per the latest Global Water- Palo Verde Utilities Code of Practice.

All sewers shall be designed for peak flow conditions. In the absence of flow data, new domestic sewage systems shall be designed based on the following criteria:

Land Use	Unit	Average Daily Demand	Peaking Factor
Residential	Dwelling Unit	234 gpd	Refer to Table 1 of AAC R-18-9-E301.D.1.a
Commercial*	Square Foot of Building	0.1 gpd	2.0
	Acre of Commercial Property	2,200 gpd	2.0
Industrial*	Acre of Industrial Property	1,200 gpd	2.0
School	Student	25 gpd	4.8

*Does not include high water use commercial/industrial facilities such as restaurants, car washes, bottling plants, etc. Contact the applicable utility for high water use operations.

For preliminary design only, a density of 4.5 dwelling units per acre shall be utilized for single family residential properties without a land use plan. Final design shall be based on the actual density.

B. Hydraulic Design

The minimum allowable slope for an 8-inch sewer shall be equal to 0.0035 ft/ft unless otherwise approved by Global Water. For all other sewer sizes, the sewer lines shall be designed and constructed to provide a minimum velocity of 2.0 feet per second (fps) when flowing full. Hydraulic calculations shall be provided to demonstrate that a flushing velocity in excess of 1.5 fps is attained during peak flow conditions. Global may approve exceptions to the flushing velocity requirement in areas of low flow, or where slopes may not be reasonably increased to achieve an appropriate velocity. Increasing pipe diameter to reduce required minimum slope is unacceptable unless minimum velocity criteria can be met. A design Manning's Formula "n" value equal to 0.013 shall be utilized for all pipe materials. Peak design velocities shall be less than 8 fps.

Other than private services, no sewers shall be less than 8 inches in diameter.

The ratio of flow depth in the pipe to the pipe diameter (d/D) shall not exceed 0.75 in peak dry weather flow. Consequently, the maximum sewer design capacity shall be equal to 91% of the full flow capacity at the peak design flow.

All manholes shall have a minimum drop of 0.10 feet across the manhole for all sewers.

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DEMANDS

Type	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Total Meters	# of Accts
Residential	0.00	1,125	-	-	0	0
Commercial	0.00	2,800	-	-	0	0
Industrial	0.00	1,800	-	-	0	0
ROW	68.00	0	0	0	0	0
	68.00		-	-		0

EXISTING INFRASTRUCTURE AND PROPOSED NEW INFRASTRUCTURE

None at this time since this is all just dedicated future ROW

**Global Water - Palo Verde Utilities Company
2014 CC&N Extension – City of Maricopa - Eagle Wing PAD**

PROPOSED INFRASTRUCTURE / ESTIMATED COSTS

COM EAGLE WING PAD					
Off-site Infrastructure	Quantity	Units	Unit Price	Amount	NARUC
No Off-site Infrastructure required					

COM EAGLE WING PAD						
On-Site Sewer System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
There is no on-site infrastructure for this property, it is all dedicated right of way						

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SEWER COMMITMENT – TOTAL DWELLING UNITS

PAD OR MASTER PLAN LOCATION	TOTAL NO. OF LOTS	TOTAL NO. OF LOTS COMMITTED	TREATMENT REQUIREMENTS AT GPD/DU
North Region			187.2 GPD/DU
Rancho El Dorado	3,210	3,210	600,912
The Villages	1,938	1,938	362,794
Acacia Crossings	739	739	138,341
Cobblestone Farms	891	891	166,795
Province *	1,333	1,333	255,154
Santa Rosa Springs	790	647	121,118
Glennwilde	2,130	1,948	364,666
Rancho Mirage Estates	2,153	664	124,301
Sorrento Phase 1	821	821	153,691
Sorrento Phase 3	651	-	-
Dunn Ranch	641	-	-
El Rancho Santa Rosa	720	-	-
Santa Rosa Crossings	351	230	43,056
Homestead Village	2,308	1,726	323,107
Rancho El Dorado Phase III	1,803	903	169,042
Del Tessa	-	-	-
Province Phase III	862	255	47,736
Tortosa NW (Cottonwood)	1,290	1,290	241,488
Tortosa South	1,172	-	-

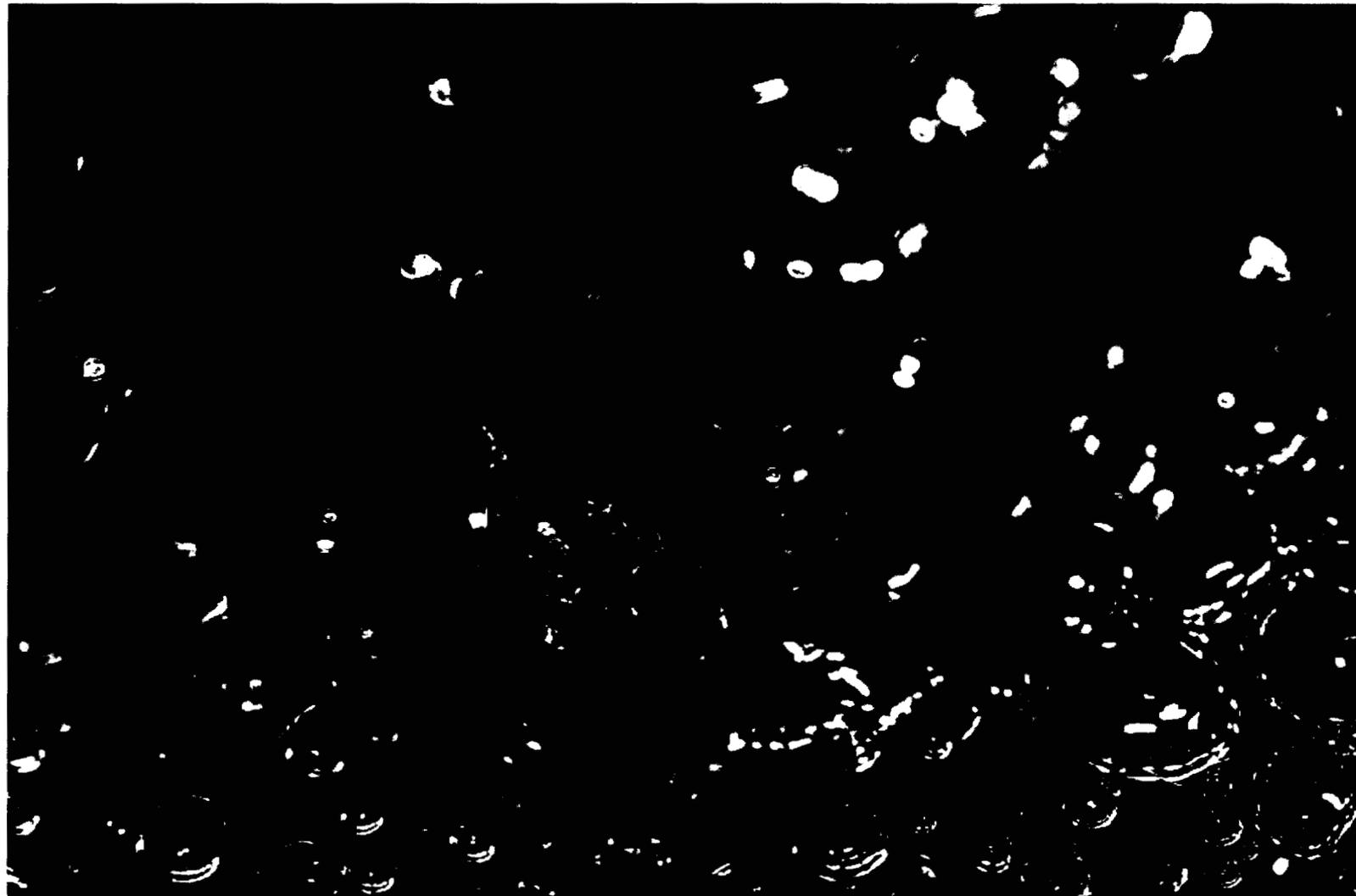
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Tortosa NE	1,062	-	-
Maricopa Groves (Senita)	1,375	1,375	257,400
Smith Farms	705	601	112,507
Eagle Shadows Phase 1	1,099	-	-
Maricopa Meadows Total	1,626	1,626	304,387
Alterra North & South Total	1,005	1,005	188,136
Palo Brea Total	526	526	98,467
Desert Cedars Totals	418	418	78,250
Commercial		3,532	662,412
Eagle Wing PAD	0	0	0
North Total	31,619	25,678	4,813,759

SUMMARY / CONCLUSION

The Property is 68 acres- 0.106 square miles of undeveloped land owned by the City of Maricopa. The current land plan for the Property is strictly dedicated for future ROW, and has no determined sewer demands at this time.- The ROW will potentially include medians and landscaping, warranting the need for sewer service. If sewer demand is required, PVUC's existing sewer collection system can be extended to provide service to the Property, as identified in the CC&N Application. The collection system has been sized accordingly to receive the estimated demands for this property, and will transfer the sewer to PVUC's Campus I Water Reclamation Facility for processing and treatment. Ultimately the recycled water will be transmitted back to the community for non-potable use. Given the timing of this development in conjunction with the sewer demands alongside other localized growth, the treatment capacity of Campus 1 will be assessed and properly expanded as necessary to meet all demands. PVUC has the ability to expand capacity of Campus 1 into its currently permitted 9.0 MGD.

The infrastructure needs will be determined at such time Eagle Wing development is progressing, and a point of connection will be established as part of the initial construction facilities for Eagle Wing Parcels 1 and 2. The Property is contiguous to PVUC's current CC&N.



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**Global Water - Palo Verde
Utilities Company
2014 CC&N Expansion
City of Maricopa - Estrella Gin**



GLOBAL WATER
RELIABLE • RENEWABLE • REUSABLE

**PRELIMINARY ENGINEERING REPORT
SEWER CC&N EXPANSION**

**CITY OF MARICOPA
ESTRELLA GIN
SECTION 21, T4S, R3E
PINAL COUNTY, ARIZONA**

REVISED NOVEMBER 2014

Prepared for:
City of Maricopa
PO Box 610
Maricopa, AZ 85139

Prepared By:
Global Water – Palo Verde Utilities Company

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PROJECT SUMMARY

Estrella Gin (the "Property") is approximately 52- 0.081 acres of undeveloped land owned by the City of Maricopa. The Property will be provided wastewater service from Global Water - Palo Verde Utilities Company ("PVUC"). PVUC has filed an application with the Arizona Corporation Commission with the intention to extend its Certificate of Convenience and Necessity ("CC&N") service area to include the Property.

The Property consists of Commercial, Flex Office/Warehouse and Industrial Use with no planned Residential at this time. Design criteria will be in accordance with the requirements of the most recent version of Global Water's Standards for Planning, Design and Construction. These standards are available online at www.gwresources.com.

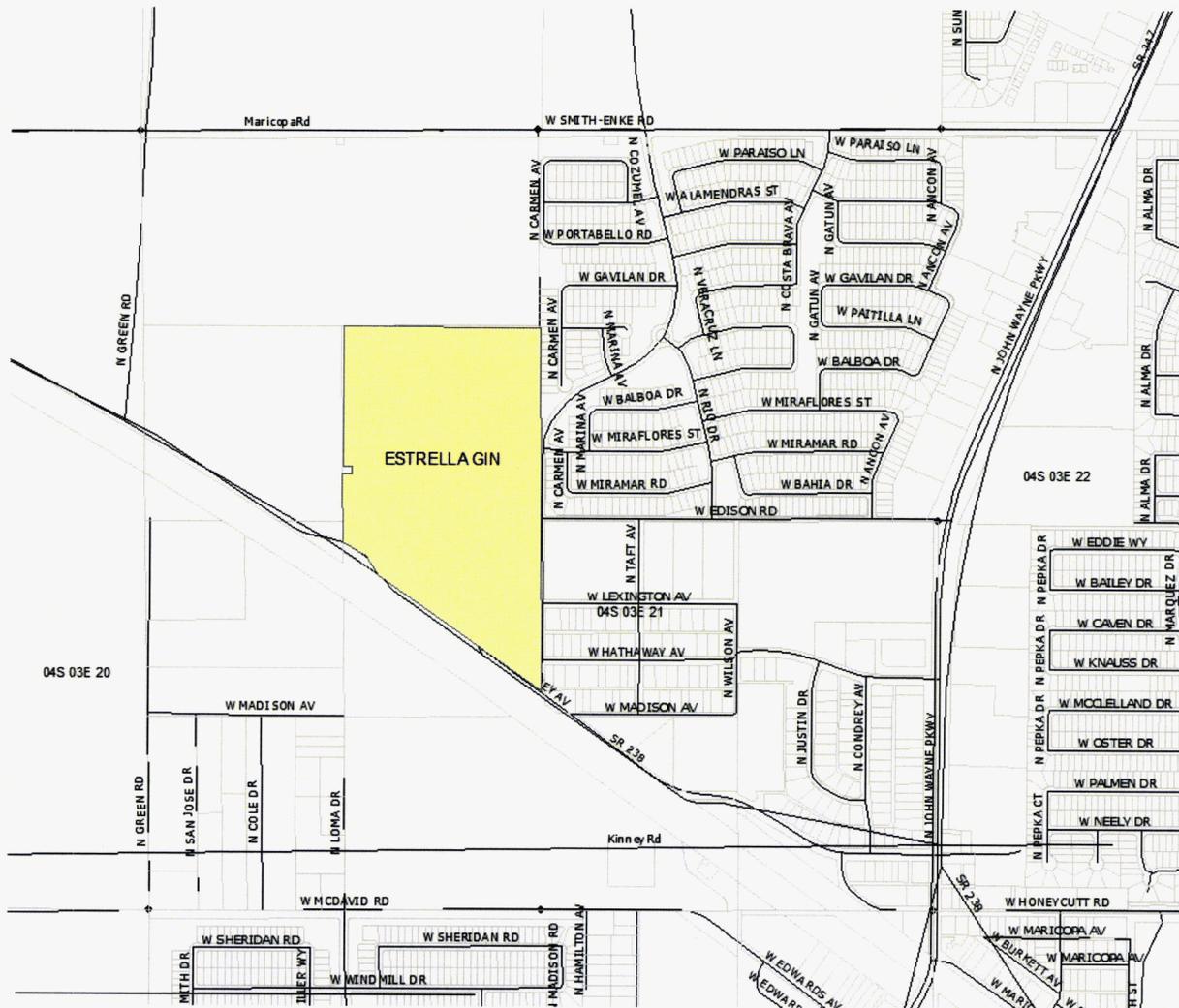
To provide sewer service to this development, there is no off-site infrastructure required to be installed. A 12" sewer line exists within the Property, because a line was extended to serve the needs of the City of Maricopa's Fire Station 575. This extension was submitted to the ACC to serve on a contiguous basis.

At this time, design flows have been estimated based upon pre-engineering analysis.

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PROJECT LOCATION

The Property is located north of Garvey Avenue and West of Roosevelt Ave in Section 21, Township 4 South, Range 3 East of the Gila and Salt River Base Meridian, Pinal County, Arizona and within the incorporated City of Maricopa. The Property is bound by the Union Pacific Railroad on the South, Roosevelt Avenue on the East, and unimproved land to the West and North. The Property is contiguous to PVUC's current CC&N, and PVUC is currently providing sewer service within the development to Fire Station 575.



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2014 CC&N Expansion – City of Maricopa - Estrella Gin

LEGAL DESCRIPTION

Policy No.: 1002024.V7073

File No.: 01006676-010-LS

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PINAL, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

The Northeast quarter of the Southwest quarter; AND the Southeast quarter of the Northwest quarter of Section 21, Township 4 South, Range 3 East of the Gila and Salty River Meridian, Pinal County, Arizona, lying North of the Southern Pacific Railroad right of way.

Except those portions conveyed to Pinal County, Arizona in Quit Claim Deeds recorded in Docket 973, Page 345 and Docket 1018, Page 934; and

ALSO Except that portion described as follows:

Commencing at the Northwest corner of the Southeast quarter of the Northwest quarter of said Section 21;

Thence South along the West line of said Southeast quarter of the Northwest quarter of Section 21, a distance of 945.00 feet to the TRUE POINT OF BEGINNING;

Thence East along a line perpendicular to said West line, a distance of 70.00 feet to a point on a line 70 feet East of and parallel with the West line of the Southeast quarter of the Northwest quarter of Section 21;

Thence South along said line, a distance of 50.00 feet;

Thence West along a line perpendicular to the West line of said Southeast quarter of the Northwest quarter of Section 21, a distance of 70.00 feet to a point on said West line;

Thence North along the West line of said Southeast quarter of the Northwest quarter of Section 21, a distance of 50.00 feet to the POINT OF BEGINNING; and

ALSO Except that portion described as follows:

Commencing at the Arizona Department of Transportation aluminum cap in handhole marking the North quarter corner of said Section 21 from which the Arizona Department of Transportation aluminum cap in handhole marking the Northeast corner of said Section 21 bears North 89 degrees 38 minutes 51 seconds East, a distance of 2714.34 feet;

Thence South 00 degrees 31 minutes 04 seconds East, along the North-South mid-section line of said Section 21, a distance of 2066.95 feet to the TRUE POINT OF BEGINNING;

Thence continuing South 00 degrees 31 minutes 04 seconds East, along said North-South mid-section line of said Section 21, a distance of 563.37 feet to the 1/4 inch iron pipe marking the center of said Section 21;

Thence South 89 degrees 53 minutes 52 seconds West, along the East-West mid-section line of said Section 21, a distance of 30.00 feet to a point on a line which is parallel with and 30.00 feet Westerly, as measured at right angle from the North-South mid-section line of said Section 21;

Thence North 00 degrees 31 minutes 04 seconds West, along said parallel line, a distance of 371.06 feet to the beginning of a tangent curve of 630.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 17 degrees 45 minutes 10 seconds, a distance of 195.20 feet to the POINT OF BEGINNING.

APN: 510-17-005E-6

ALTA Owner's Policy (6-17-06)
Form 1402.06.A

TOPOGRAPHIC CONDITIONS

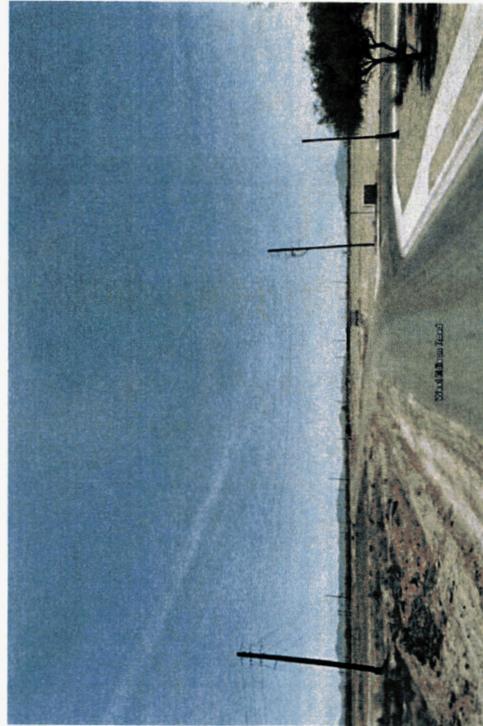
SITE ANALYSIS - TOPOGRAPHY & DRAINAGE



HP- High Point

LP - Low Point

A0 - 100 Year Floodplain, Flood Depths 1'-0" to 3'-0"



A ridge line running north and east through the site at elevation 1169.0 +/- with low points at the NW, and SE corner of the property. The ridge line going NE through the property is the beginning of the 100 year flood plane which should hold a depth of water between 1.0 and 3.0 per a 100 year storm event. This floodplain will be eliminated when final grading is completed.

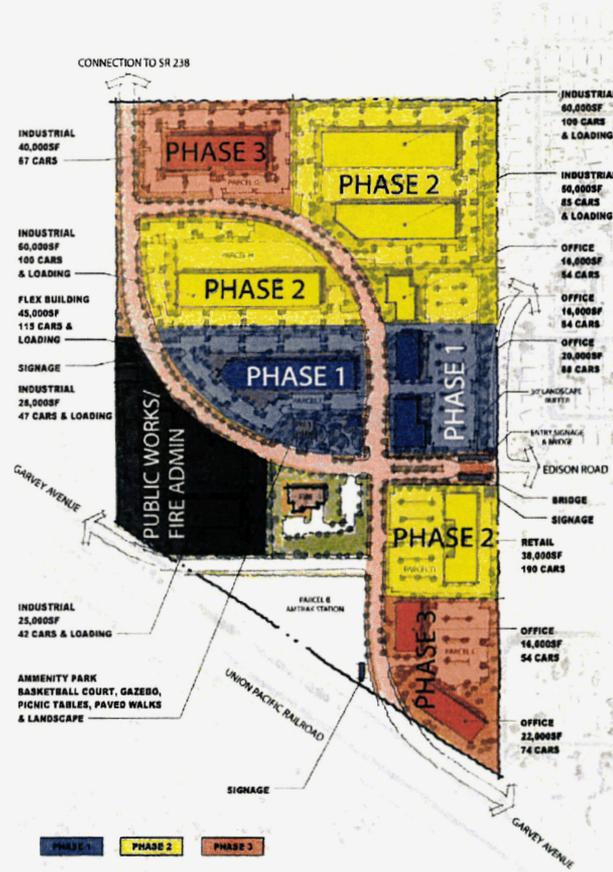
SMITHGROUP JJR

PROPOSED DEVELOPMENT PHASING

The Property consists of Commercial, Flex Office/Warehouse and Industrial Use with no planned Residential at this time. The development has been split into three phases, with continued development through each phase as development occurs.

DEVELOPMENT PHASING

DEVELOPMENT PHASING CONCEPT DIAGRAM



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2014 CC&N Expansion – City of Maricopa - Estrella Gin

DESIGN CRITERIA



WASTEWATER SYSTEM STANDARDS

I. WASTEWATER SYSTEM DESIGN CRITERIA

A. Design Flows

All design flows used in hydraulic analysis and design shall be as per the latest Global Water- Palo Verde Utilities Code of Practice.

All sewers shall be designed for peak flow conditions. In the absence of flow data, new domestic sewage systems shall be designed based on the following criteria:

Land Use	Unit	Average Daily Demand	Peaking Factor
Residential	Dwelling Unit	234 gpd	Refer to Table 1 of AAC R-18-9-E301.D.1.a
Commercial*	Square Foot of Building	0.1 gpd	2.0
	Acre of Commercial Property	2,200 gpd	2.0
Industrial*	Acre of Industrial Property	1,200 gpd	2.0
School	Student	25 gpd	4.8

*Does not include high water use commercial/industrial facilities such as restaurants, car washes, bottling plants, etc. Contact the applicable utility for high water use operations.

For preliminary design only, a density of 4.5 dwelling units per acre shall be utilized for single family residential properties without a land use plan. Final design shall be based on the actual density.

B. Hydraulic Design

The minimum allowable slope for an 8-inch sewer shall be equal to 0.0035 ft/ft unless otherwise approved by Global Water. For all other sewer sizes, the sewer lines shall be designed and constructed to provide a minimum velocity of 2.0 feet per second (fps) when flowing full. Hydraulic calculations shall be provided to demonstrate that a flushing velocity in excess of 1.5 fps is attained during peak flow conditions. Global may approve exceptions to the flushing velocity requirement in areas of low flow, or where slopes may not be reasonably increased to achieve an appropriate velocity. Increasing pipe diameter to reduce required minimum slope is unacceptable unless minimum velocity criteria can be met. A design Manning's Formula "n" value equal to 0.013 shall be utilized for all pipe materials. Peak design velocities shall be less than 8 fps.

Other than private services, no sewers shall be less than 8 inches in diameter.

The ratio of flow depth in the pipe to the pipe diameter (d/D) shall not exceed 0.75 in peak dry weather flow. Consequently, the maximum sewer design capacity shall be equal to 91% of the full flow capacity at the peak design flow.

All manholes shall have a minimum drop of 0.10 feet across the manhole for all sewers.

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DEMANDS

Type	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Total Meters	# of Accts
Residential	0.00	1,125	-	-	0	0
Commercial	22.00	2,800	61,600	1,848,000	43	43
Industrial	22.00	1,800	39,600	1,188,000	22	22
Irrigation	8.0	0	0	0	0	
	52.00		101,200	3,036,000	65	65

EXISTING INFRASTRUCTURE AND PROPOSED NEW INFRASTRUCTURE

PROPOSED CC&N SEWER EXPANSION

Legend

- | | | | |
|---|--------------------|---|----------------|
|  | Sewer Manhole |  | Phase Existing |
|  | Existing Sewer |  | Phase 1 |
|  | Proposed 12" Sewer |  | Phase 2 |
| | |  | Phase 3 |



**Global Water - Palo Verde Utilities Company
2014 CC&N Expansion – City of Maricopa - Estrella Gin**

PROPOSED NEW INFRASTRUCTURE/ ESTIMATED COSTS

ESTRELLA GIN		Quantity	Units	Unit Price	Total	NARUC
Off-site Infrastructure						
No Off-site Infrastructure required						

ESTRELLA GIN		Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
Phase 1 On-Site Sewer System							
12" SDR 35		540	LF	\$ 75.00	\$ 40,500.00	361	
8" SDR 35		460	LF	\$ 60.00	\$ 27,600.00	361	
48" Manhole		4	Ea	\$ 2,000.00	\$ 8,000.00	361	
Engineering and Permits		10%	Is	\$ -	\$ 6,350.00	361	\$ 82,450.00
6" Services		30	Ea	\$ 500.00	\$ 15,000.00	363	\$ 15,000.00
TOTAL PHASE 1					\$ 97,450.00		\$ 97,450.00

ESTRELLA GIN		Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
Phase 2 On-Site Sewer System							
12" SDR 35		485	LF	\$ 75.00	\$ 36,375.00	361	
8" SDR 35		950	LF	\$ 60.00	\$ 57,000.00	361	
48" Manhole		8	Ea	\$ 2,000.00	\$ 16,000.00	361	
Engineering and Permits		10%	Is	\$ -	\$ 6,737.50	361	\$ 116,112.50
6" Services		30	Ea	\$ 500.00	\$ 15,000.00	363	\$ 15,000.00
TOTAL PHASE 2					\$ 131,112.50		\$ 131,112.50

ESTRELLA GIN		Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
Phase 3 On-Site Sewer System							
12" SDR 35		365	LF	\$ 75.00	\$ 27,375.00	361	
8" SDR 35		445	LF	\$ 60.00	\$ 26,700.00	361	
48" Manhole		2	Ea	\$ 2,000.00	\$ 4,000.00	361	
Engineering and Permits		10%	Is	\$ -	\$ 4,687.50	361	\$ 62,762.50
6" Services		31	Ea	\$ 500.00	\$ 15,500.00	363	\$ 15,500.00
TOTAL PHASE 3					\$ 78,262.50		\$ 78,262.50

Global Water - Palo Verde Utilities Company
2014 CC&N Expansion – City of Maricopa - Estrella Gin

SEWER COMMITMENT – TOTAL DWELLING UNITS

PAD OR MASTER PLAN LOCATION	TOTAL NO. OF LOTS	TOTAL NO. OF LOTS COMMITTED	TREATMENT REQUIREMENTS AT GPD/DU
North Region			187.2 GPD/DU
Rancho El Dorado	3,210	3,210	600,912
The Villages	1,938	1,938	362,794
Acacia Crossings	739	739	138,341
Cobblestone Farms	891	891	166,795
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Rancho Mirage Estates	2,153	664	124,301
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Province Phase III	862	255	47,736
Tortosa NW (Cottonwood)	1,290	1,290	241,488
Tortosa South	1,172	-	-

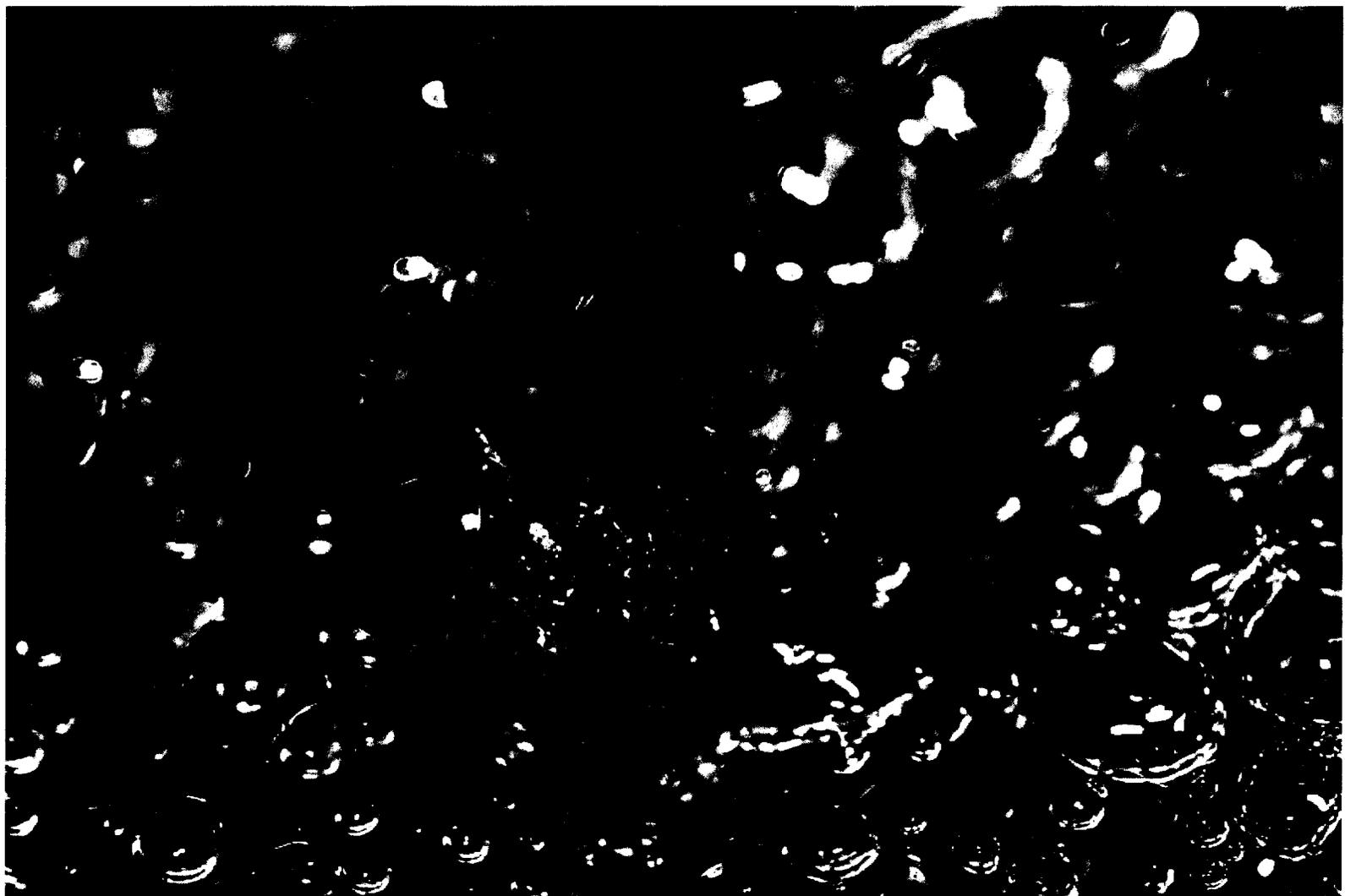
Global Water - Palo Verde Utilities Company
2014 CC&N Expansion – City of Maricopa - Estrella Gin

Tortosa NE	1,062	-	-
Maricopa Groves (Senita)	1,375	1,375	257,400
Smith Farms	705	601	112,507
Eagle Shadows Phase 1	1,099	-	-
Maricopa Meadows Total	1,626	1,626	304,387
Alterra North & South Total	1,005	1,005	188,136
Palo Brea Total	526	526	98,467
Desert Cedars Totals	418	418	78,250
Commercial		3,532	662,412
Estrella Gin Maricopa	184	91	17,035
North Total	31,803	25,860	4,830,795

SUMMARY / CONCLUSION

Based upon the data and analysis provided, PVUC's existing sewer collection system can be extended to provide service to the Property as identified in the CC&N Application. The collection system has been sized accordingly to receive the estimated demands for the Property, and will transfer the sewer to PVUC's Campus I Water Reclamation Facility for processing and treatment. Ultimately the recycled water will be transmitted back to the community for non-potable use. Given the timing of this development in conjunction with the sewer demands alongside other localized growth, the treatment capacity of Campus 1 will be assessed and properly expanded as necessary to meet all demands. PVUC has the ability to expand capacity of Campus 1 into its currently permitted 9.0 MGD.

The Property is contiguous to PVUC's current CC&N, with infrastructure in close proximity to the Property.



TM

**Global Water - Palo Verde
Utilities Company
2014 CC&N Expansion
El Dorado Holdings, Inc.
Eagle Wing Parcels 1, 2, and 3**



**PRELIMINARY ENGINEERING REPORT
SEWER CC&N EXPANSION**

**EAGLE SHADOWS, LLC c/o EL DORADO HOLDINGS, INC.
EAGLE WING PARCELS 1, 2, AND 3
LOCATED WITHIN**

**SECTION 1, T5S, R3E
SECTION 6, T5S, R4E
SECTION 7, T5S, R4E
SECTION 8, T5S, R4E**

PINAL COUNTY, ARIZONA

REVISED NOVEMBER 2014

Prepared for:

**EAGLE SHADOW, LLC c/o EL DORADO HOLDINGS, INC.
426 N. 44TH ST, SUITE 100
PHOENIX, AZ 85005**

Prepared By:

Global Water – Palo Verde Utilities Company

Global Water - Palo Verde Utilities Company
2014 CC&N Expansion – Eagle Shadow, LLC c/o El Dorado Holdings, Inc. - Eagle Wing Parcels 1, 2, and 3

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PROJECT SUMMARY

Eagle Wing Parcels 1, 2 and 3 (“the Property”) has a combined 430 acres- approximately 0.672 square miles of undeveloped land owned by Eagle Shadows, LLC c/o El Dorado Holdings, Inc. The Property will be provided wastewater service from Global Water - Palo Verde Utilities Company (PVUC). PVUC has filed an application with the Arizona Corporation Commission with the intention to expand its Certificate of Convenience and Necessity (“CC&N”) service area to include the Property.

The Property is split into two separate areas, in which Phases 1 and 2 are adjoined, while Phase 3 is a separate section of land in relatively close proximity to Phase 1 and 2.

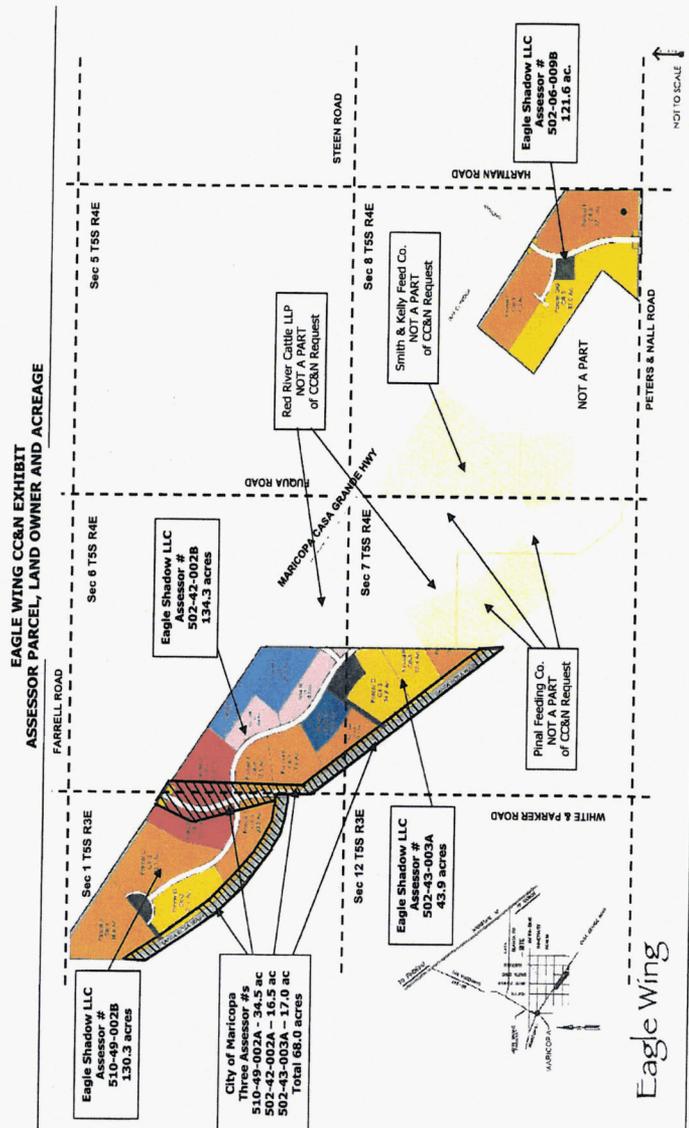
The Property consists of primarily Residential and Commercial Use, with a small amount of Industrial Use. Design criteria will be in accordance with the requirements of the most recent version of Global Water’s Standards for Planning, Design and Construction. The standards can be found online at www.gwresources.com.

To provide sewer service to this Property, a 24” sewer line will be extended to Phase 1 and 2 and a separate sewer line extension to serve Phase 3. Waste Water demands have been estimated based upon pre-engineering analysis.

Global Water - Palo Verde Utilities Company
2014 CC&N Expansion – Eagle Shadow, LLC c/o El Dorado Holdings, Inc. - Eagle Wing Parcels 1, 2, and 3

PROJECT LOCATION

The Property is two separate plots of land that are not adjoining and located in Section 1, Township 5 South, Range 3 East, Section 6, Township 5 South, Range 4 East, Section 7, Township 5 South, and Section 8, Township 5 South, Range 4 East of the Gila and Salt River Base Meridian, Pinal County, Arizona and within the incorporated City of Maricopa. The Property is bound by the Maricopa Casa Grande Highway to the North, and Peters & Nall Road to the South, Porter Road to the West, and Hartmann Road to the West (See Sheet No. 2).



Global Water - Palo Verde Utilities Company
2014 CC&N Expansion – Eagle Shadow, LLC c/o El Dorado Holdings, Inc. - Eagle Wing Parcels 1, 2, and 3

LEGAL DESCRIPTION

No. NCS-504471-PHX1

EXHIBIT "A"

PARCEL NO. 1: Assessor Parcel #510-49-002B 130.3 acres

THAT PORTION OF PARCEL 1 DESCRIBED IN DOCUMENT RECORDED AS 2005-056538 OF OFFICIAL RECORDS, RECORDS OF PINAL COUNTY, ARIZONA, LOCATED IN SECTION 1, TOWNSHIP 5 SOUTH, RANGE 3 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 1;

THENCE SOUTH 89 DEGREES 57 MINUTES 17 SECONDS EAST, A DISTANCE OF 2,377.67 FEET ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 1 TO THE NORTHWEST CORNER OF SAID PARCEL 1 AND THE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 89 DEGREES 57 MINUTES 17 SECONDS EAST ALONG SAID NORTH LINE, A DISTANCE OF 259.66 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 1;

THENCE CONTINUING SOUTH 89 DEGREES 57 MINUTES 17 SECONDS EAST ALONG THE NORTH LINE OF THE NORTHEAST CORNER OF SAID SECTION 1, A DISTANCE OF 222.09 FEET TO THE SOUTHWESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD;

THENCE SOUTH 53 DEGREES 49 MINUTES 05 SECONDS EAST, ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE A DISTANCE OF 2,666.32 FEET TO THE WESTERLY LINE OF A PARCEL OF LAND DEEDED TO THE CITY OF MARICOPA IN DEED RECORDED AS 2010-114179 OF OFFICIAL RECORDS PINAL COUNTY RECORDS;

THENCE SOUTH 25 DEGREES 52 MINUTES 03 SECONDS WEST, A DISTANCE OF 755.50 FEET ALONG THE WEST LINE OF SAID PARCEL;

THENCE SOUTH 13 DEGREES 11 MINUTES 06 SECONDS EAST, A DISTANCE OF 1,535.51 FEET ALONG THE WEST LINE OF SAID PARCEL;

THENCE NORTH 89 DEGREES 46 MINUTES 01 SECONDS WEST, A DISTANCE OF 697.22 FEET ALONG THE NORTHERLY LINE OF SAID PARCEL;

THENCE NORTH 46 DEGREES 59 MINUTES 01 SECONDS WEST, ALONG SAID NORTH LINE, A DISTANCE OF 970.00 FEET ALONG THE NORTHERLY LINE OF SAID PARCEL;

THENCE NORTH 36 DEGREES 59 MINUTES 01 SECONDS WEST, CONTINUING ALONG SAID NORTH LINE, A DISTANCE OF 970.00 FEET;

THENCE NORTH 31 DEGREES 59 MINUTES 01 SECONDS WEST, CONTINUING ALONG SAID NORTH LINE, A DISTANCE OF 1,260.00 FEET TO A POINT ON THE WESTERLY LINE OF SAID PARCEL 1;

THENCE NORTH 00 DEGREES 07 MINUTES 59 SECONDS EAST, ALONG SAID WESTERLY LINE A DISTANCE OF 1,241.13 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2: Assessor Parcel #502-42-002B 134.3 acres

THAT PORTION OF PARCEL 2 DESCRIBED IN DOCUMENT RECORDED AS 2005-066538 OF OFFICIAL RECORDS, RECORDS OF PINAL COUNTY, ARIZONA, LOCATED IN SECTION 6, TOWNSHIP 5 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 6;

Global Water - Palo Verde Utilities Company
2014 CC&N Expansion – Eagle Shadow, LLC c/o El Dorado Holdings, Inc. - Eagle Wing Parcels 1, 2, and 3

No. NCS-504471-PHX1

THENCE NORTH 89 DEGREES 56 MINUTES 52 SECONDS EAST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 6, A DISTANCE OF 837.76 FEET TO A POINT ON THE NORTHERLY LINE OF A PARCEL DEEDED TO THE CITY OF MARICOPA IN DEED RECORDED AS 2010-114179 OF OFFICIAL RECORDS AND THE POINT OF BEGINNING;

THENCE NORTH 33 DEGREES 04 MINUTES 04 SECONDS WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 260.50 FEET TO THE BEGINNING OF A TANGENT CURVE;

THENCE NORTHWESTERLY 780.48 FEET ALONG THE ARC OF SAID CURVE AND SAID NORTHERLY LINE, BEING CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 3,034.79 FEET, THROUGH A CENTRAL ANGLE OF 14 DEGREE 44 MINUTES 07 SECONDS;

THENCE NORTH 00 DEGREES 13 MINUTES 59 SECONDS EAST, BEING PARALLEL WITH AND 187.50 FEET EAST OF THE WEST LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 1,890.86 FEET ALONG THE EASTERLY LINE OF SAID PARCEL;

THENCE NORTH 00 DEGREES 18 MINUTES 31 SECONDS EAST, A DISTANCE OF 806.89 FEET ALONG SAID EASTERLY LINE TO A POINT ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC RAILROAD;

THENCE SOUTH 53 DEGREES 49 MINUTES 05 SECONDS EAST, ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE, A DISTANCE OF 2,854.30 FEET TO THE NORTHEAST CORNER OF SAID PARCEL 2;

THENCE SOUTH 01 DEGREES 01 MINUTES 53 SECONDS WEST, ALONG THE EASTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 1,822.10 FEET TO A POINT ON THE SOUTH LINE OF SAID SOUTHWEST QUARTER;

THENCE SOUTH 89 DEGREES 56 MINUTES 52 SECONDS WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 1,636.12 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 3: Assessor Parcel #502-43-003A 43.9 acres

THAT PORTION OF PARCEL 2 DESCRIBED IN DOCUMENT RECORDED AS 2005-056538 OF OFFICIAL RECORDS, RECORDS OF PINAL COUNTY, ARIZONA, LOCATED IN SECTION 7, TOWNSHIP 5 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 7;

THENCE NORTH 89 DEGREES 56 MINUTES 52 SECONDS EAST, ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 7, A DISTANCE OF 842.83 FEET TO A POINT ON THE NORTHERLY LINE OF A PARCEL DEEDED TO THE CITY OF MARICOPA IN DEED RECORDED AS 2010-114179 OF OFFICIAL RECORDS AND THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 89 DEGREES 56 MINUTES 52 SECONDS EAST ALONG SAID NORTH LINE, A DISTANCE OF 1,631.05 FEET TO A POINT ON THE EASTERLY LINE OF SAID PARCEL 2;

THENCE SOUTH 00 DEGREES 30 MINUTES 08 SECONDS EAST, ALONG SAID EASTERLY LINE, A DISTANCE OF 2,346.17 FEET TO A POINT ON SAID NORTHERLY LINE;

THENCE NORTH 35 DEGREES 09 MINUTES 45 SECONDS WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 2,867.91 FEET TO THE POINT OF BEGINNING.

EXHIBIT A

PINAL FEEDING
JN 04-1085

Assessor Parcel #502-06-009B

LEGAL DESCRIPTION

PHASE 1

THAT PORTION OF SECTION 8, TOWNSHIP 5 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 8;
THENCE S89°31'13"W, ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 8, A DISTANCE OF 1,936.25 FEET TO THE SOUTHWEST CORNER OF PARCEL 1, AS SHOWN IN BOOK 12 OF SURVEYS, PAGE 29, RECORDS OF PINAL COUNTY;
THENCE N35°45'13"E, ALONG THE WESTERLY LINE OF SAID PARCEL 1, A DISTANCE OF 951.00 FEET;
THENCE N54°20'47"W, ALONG SAID WESTERLY LINE, A DISTANCE OF 2,203.00 FEET;
THENCE N35°37'13"E, ALONG NORTHWESTERLY LINE OF SAID PARCEL 1, A DISTANCE OF 1,388.68 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF THE SOUTHERN PACIFIC RAILROAD;
THENCE S54°22'17"E, ALONG SAID SOUTHERLY LINE, A DISTANCE OF 2,886.76 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 8;
THENCE LEAVING SAID SOUTH LINE S00°35'37"E, ALONG SAID EAST LINE A DISTANCE OF 1,486.96 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 5,298,517 SQUARE FEET OR 121.637 ACRES, MORE OR LESS.

OLSSON ASSOCIATES
7250 NORTH 16TH STREET, SUITE 210
PHOENIX, ARIZONA 85020
(602) 748-1000

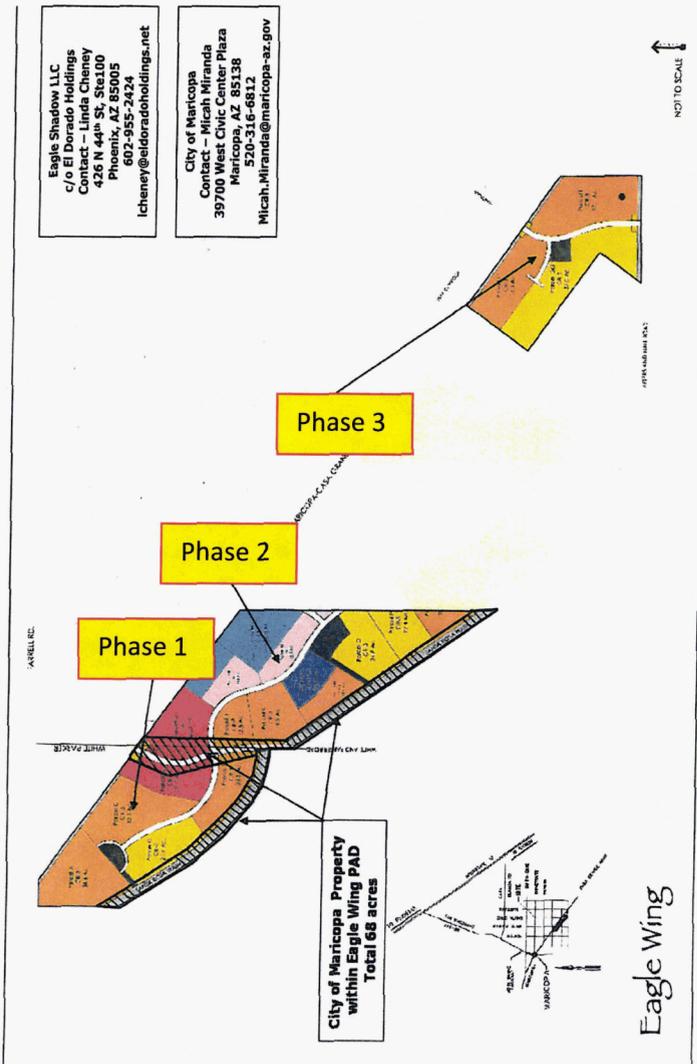


TOPOGRAPHIC CONDITIONS

NONE AVAILABLE AT THIS TIME

PROPOSED DEVELOPMENT PHASING

The Property consists of primarily Residential and Commercial Use, with a small amount of Industrial Use. The Property has been split into three proposed phases, with continued development through each phase as development occurs. All offsite plant and main distribution pipelines to provide service to the entire development will have to be constructed prior to the commissioning of the first meter in phase I, therefore all offsite infrastructure will begin in 2018 and be 65% completed in 2019. Phase I has a schedule to begin onsite infrastructure in 2018 with 75% build-out planned for 2019.



DESIGN CRITERIA



WASTEWATER SYSTEM STANDARDS

I. WASTEWATER SYSTEM DESIGN CRITERIA

A. Design Flows

All design flows used in hydraulic analysis and design shall be as per the latest Global Water- Palo Verde Utilities Code of Practice.

All sewers shall be designed for peak flow conditions. In the absence of flow data, new domestic sewage systems shall be designed based on the following criteria:

Land Use	Unit	Average Daily Demand	Peaking Factor
Residential	Dwelling Unit	234 gpd	Refer to Table 1 of AAC R-18-9-E301.D.1.a
Commercial*	Square Foot of Building	0.1 gpd	2.0
	Acre of Commercial Property	2,200 gpd	2.0
Industrial*	Acre of Industrial Property	1,200 gpd	2.0
School	Student	25 gpd	4.8

*Does not include high water use commercial/industrial facilities such as restaurants, car washes, bottling plants, etc. Contact the applicable utility for high water use operations.

For preliminary design only, a density of 4.5 dwelling units per acre shall be utilized for single family residential properties without a land use plan. Final design shall be based on the actual density.

B. Hydraulic Design

The minimum allowable slope for an 8-inch sewer shall be equal to 0.0035 ft/ft unless otherwise approved by Global Water. For all other sewer sizes, the sewer lines shall be designed and constructed to provide a minimum velocity of 2.0 feet per second (fps) when flowing full. Hydraulic calculations shall be provided to demonstrate that a flushing velocity in excess of 1.5 fps is attained during peak flow conditions. Global may approve exceptions to the flushing velocity requirement in areas of low flow, or where slopes may not be reasonably increased to achieve an appropriate velocity. Increasing pipe diameter to reduce required minimum slope is unacceptable unless minimum velocity criteria can be met. A design Manning's Formula "n" value equal to 0.013 shall be utilized for all pipe materials. Peak design velocities shall be less than 8 fps.

Other than private services, no sewers shall be less than 8 inches in diameter.

The ratio of flow depth in the pipe to the pipe diameter (d/D) shall not exceed 0.75 in peak dry weather flow. Consequently, the maximum sewer design capacity shall be equal to 91% of the full flow capacity at the peak design flow.

All manholes shall have a minimum drop of 0.10 feet across the manhole for all sewers.



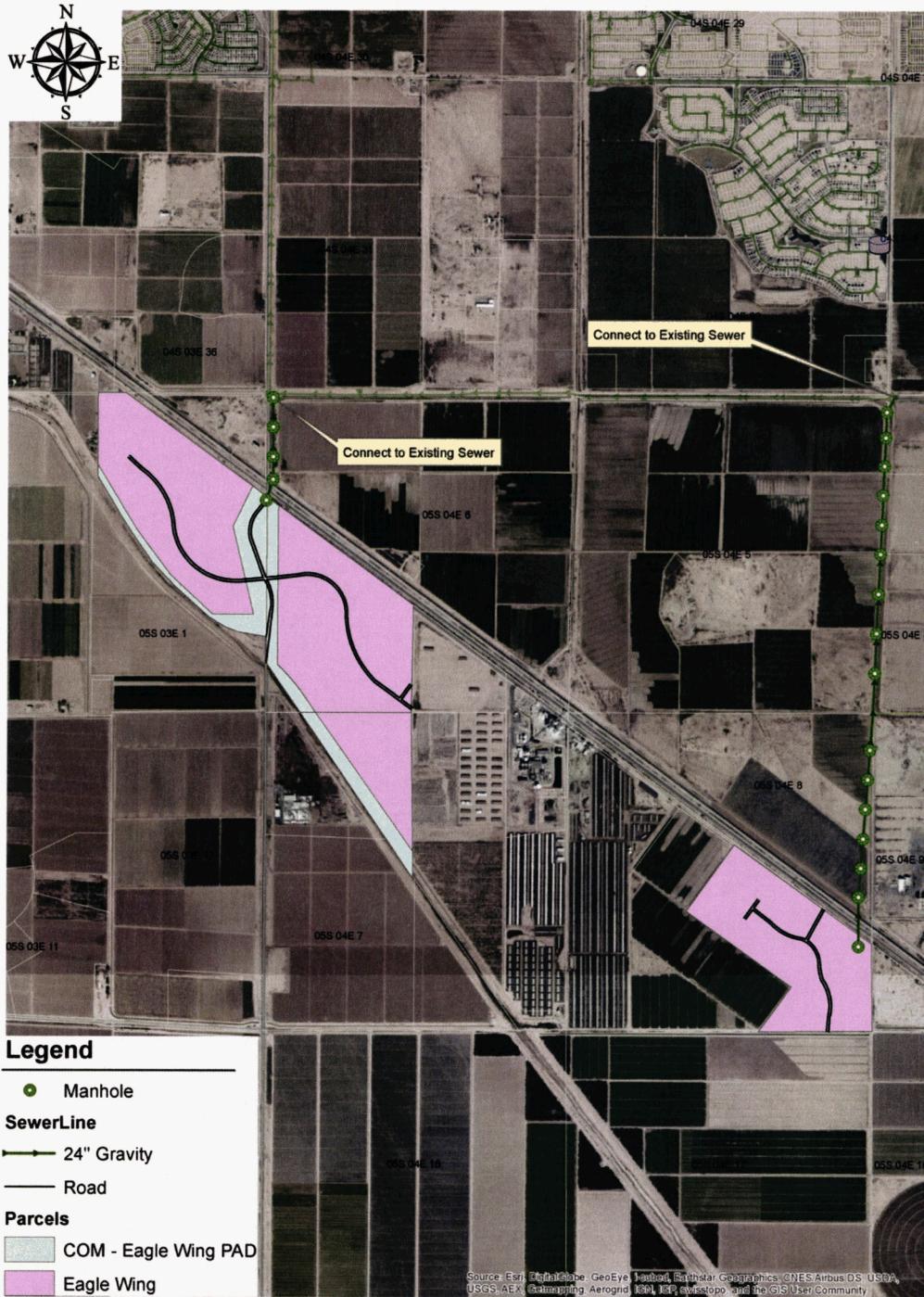
Global Water - Palo Verde Utilities Company
2014 CC&N Expansion – Eagle Shadow, LLC c/o El Dorado Holdings, Inc. - Eagle Wing Parcels 1, 2, and 3

DEMANDS

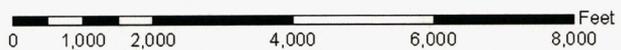
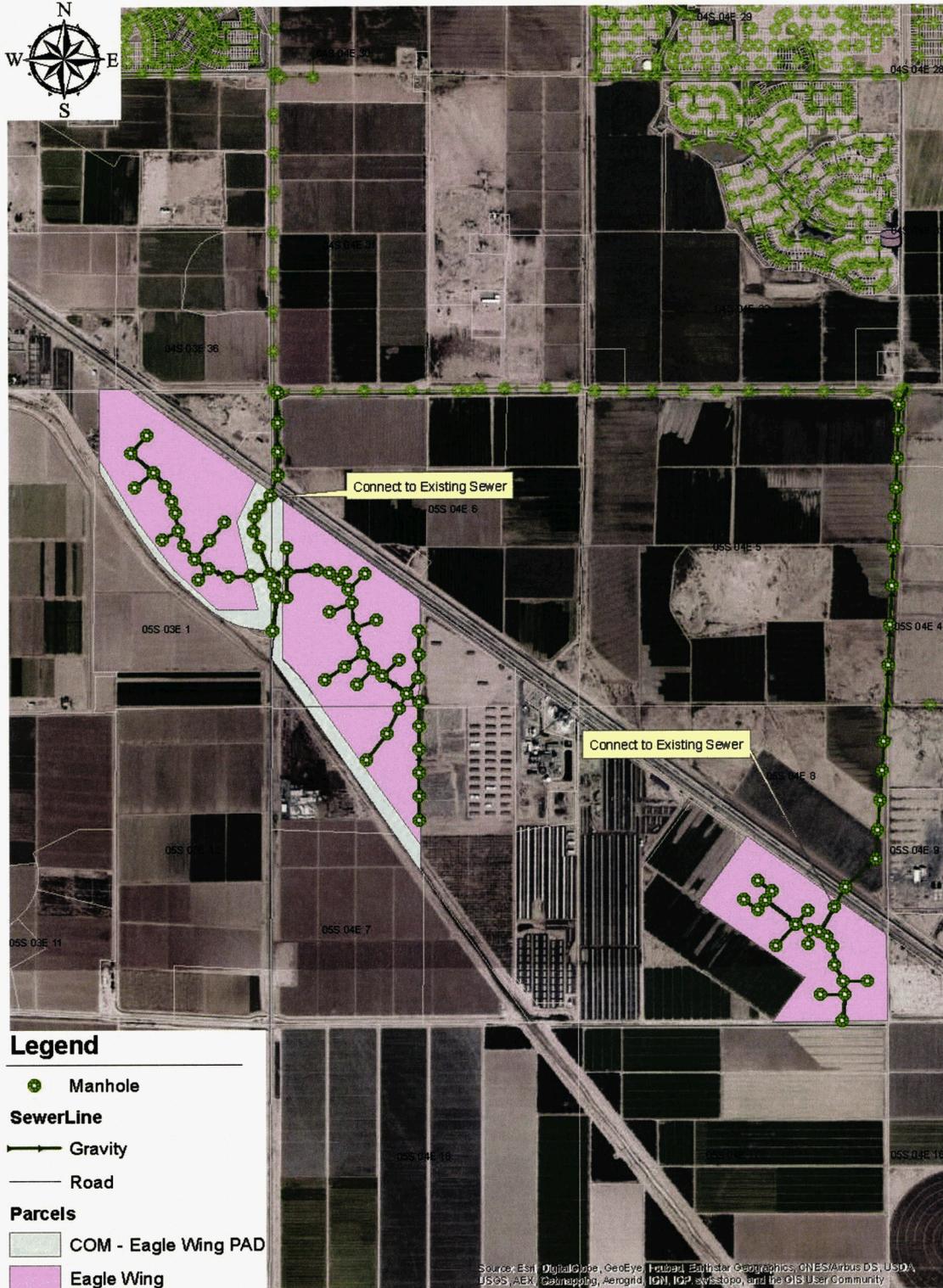
Type	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Total Meters	# of Accts
Residential	250.00	1,125	281,250	8,437,500	1292	1292
Commercial	75.00	2,800	210,000	6,300,000	146	146
Industrial	15.00	1,800	27,000	810,000	15	15
Irrigation	46.00	0	0	0	0	0
Common	44.00	0	0	0	0	0
	430.00		237,000	15,547,500	1453	1453

EXISTING INFRASTRUCTURE AND PROPOSED NEW INFRASTRUCTURE

**PROPOSED CC&N EXPANSION
 EAGLE WING SEWER EXHIBIT**



PROPOSED CC&N EXPANSION EAGLE WING ON-SITE SEWER EXHIBIT



Global Water - Palo Verde Utilities Company
2014 CC&N Expansion – Eagle Shadow, LLC c/o El Dorado Holdings, Inc. - Eagle Wing Parcels 1, 2, and 3

PROPOSED NEW INFRASTRUCTURE / ESTIMATED COSTS

EAGLE WING					
Off-site Infrastructure	Quantity	Units	Unit Price	Total	NARUC
24" PVC SDR 35	11640	LF	\$ 110.00	\$ 1,280,400.00	361
60" Manhole	20	Ea	\$ 2,500.00	\$ 50,000.00	361
Jack and Bore	1600	LF	\$ 200.00	\$ 320,000.00	331
Engineering and Permits	10%	ls	\$ -	\$ 165,040.00	361
Total				\$ 1,815,440.00	

EAGLE WING						
Phase 1 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" PVC SDR 35	3100	LF	\$ 75.00	\$ 232,500.00	361	
8" SDR 35	4100	LF	\$ 60.00	\$ 246,000.00	361	
48" Manhole	12	Ea	\$ 1,000.00	\$ 12,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 34,350.00	361	\$ 524,850.00
6" Services	171	Ea	\$ 500.00	\$ 85,500.00	363	\$ 85,500.00
TOTAL PHASE 1				\$ 610,350.00		\$ 610,350.00

EAGLE WING						
Phase 2 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
8" SDR 35	5600	LF	\$ 60.00	\$ 336,000.00	361	
48" Manhole	7	Ea	\$ 1,000.00	\$ 7,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 42,850.00	361	\$ 385,850.00
6" Services	171	Ea	\$ 500.00	\$ 85,500.00	363	\$ 85,500.00
TOTAL PHASE 2				\$ 471,350.00		\$ 471,350.00

EAGLE WING						
Phase 3 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
8" SDR 35	3200	LF	\$ 60.00	\$ 192,000.00	361	
48" Manhole	5	Ea	\$ 1,000.00	\$ 5,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 28,300.00	361	\$ 225,300.00
6" Services	172	Ea	\$ 500.00	\$ 86,000.00	363	\$ 86,000.00
TOTAL PHASE 3				\$ 311,300.00		\$ 311,300.00

Global Water - Palo Verde Utilities Company
2014 CC&N Expansion – Eagle Shadow, LLC c/o El Dorado Holdings, Inc. - Eagle Wing Parcels 1, 2, and 3

COMMITTED SEWER – TOTAL DWELLING UNITS

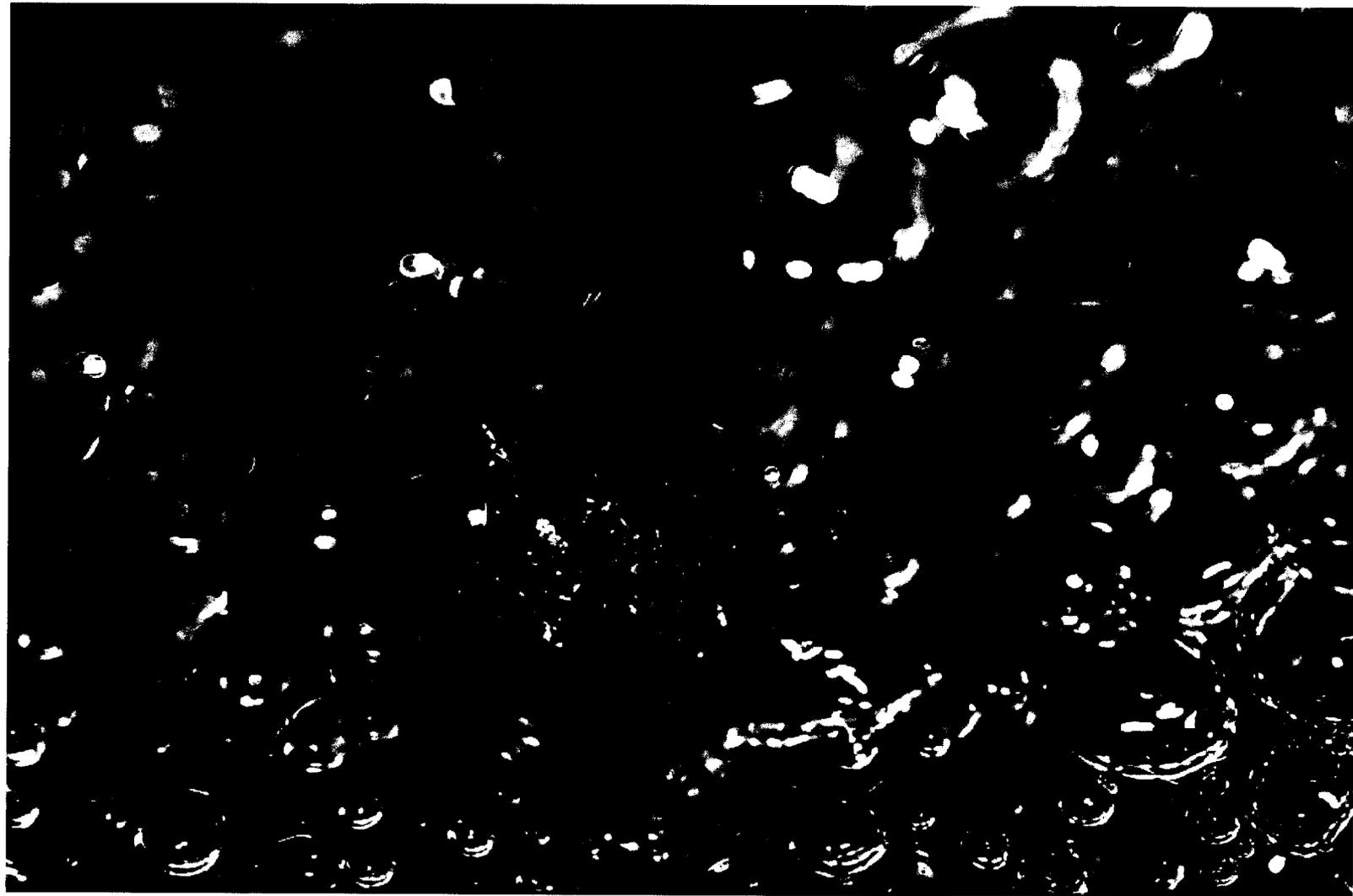
PAD OR MASTER PLAN LOCATION	TOTAL NO. OF LOTS	TOTAL NO. OF LOTS COMMITTED	TREATMENT REQUIREMENTS AT GPD/DU
North Region			187.2 GPD/DU
Rancho El Dorado	3,210	3,210	600,912
The Villages	1,938	1,938	362,794
Acacia Crossings	739	739	138,341
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Global Water - Palo Verde Utilities Company
2014 CC&N Expansion – Eagle Shadow, LLC c/o El Dorado Holdings, Inc. - Eagle Wing Parcels 1, 2, and 3

Tortosa NW (Cottonwood)	1,290	1,290	241,488
Tortosa South	1,172	-	-
Tortosa NE	1,062	-	-
Maricopa Groves (Senita)	1,375	1,375	257,400
Smith Farms	705	601	112,507
Eagle Shadows Phase 1	1,099	-	-
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Palo Brea Total	526	526	98,467
Desert Cedars Totals	418	418	78,250
Commercial		3,532	662,412
Eagle Wing	1,288	514	96,221
North Total	32,907	26,192	4,909,980

SUMMARY / CONCLUSION

Based upon the data and analysis provided, PVUC's existing sewer collection system can be extended to provide service to the Property as identified in the CC&N Application. The collection system has been sized accordingly to receive the estimated demands for the Property, and will transfer the sewer to PVUC's Campus I Water Reclamation Facility for processing and treatment. Ultimately the recycled water will be transmitted back to the community for non-potable use. Given the timing of this development in conjunction with the sewer demands alongside other localized growth, the treatment capacity of Campus 1 will be assessed and properly expanded as necessary to meet all demands. PVUC has the ability to expand capacity of Campus 1 into its currently permitted 9.0 MGD.



TM

**Global Water - Palo Verde
Utilities Company
2014 CC&N Expansion
Pinal County – Maricopa
Recycling Center**



GLOBAL WATER
RELIABLE · RENEWABLE · REUSABLE

**PRELIMINARY ENGINEERING REPORT
SEWER CC&N EXPANSION**

**PINAL COUNTY
MARICOPA RECYCLING CENTER**

**SECTION 21, T4S, R3E
PINAL COUNTY, ARIZONA**

REVISED NOVEMBER 2014

Prepared for:

PINAL COUNTY

Prepared By:

Global Water – Palo Verde Utilities Company

Global Water - Palo Verde Utilities Company
2014 CC&N Expansion Pinal County - Recycling Center

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PROJECT SUMMARY

Maricopa Recycling Center (the "Property") is a 2 acre- .003 square mile commercial property owned by Pinal County. The Property will be provided sewer service from Global Water - Palo Verde Utility Company (PVUC). PVUC has filed an application with the Arizona Corporation Commission with the intention to expand its Certificate of Convenience and Necessity ("CC&N") service area to include the Property.

The Property is a commercial non-profit organization owned by Pinal County. Pinal County has requested that sewer service be obtained by PVUC to accommodate a restroom facility for employee staff. Therefore, the Property is being included in the application. Design criteria will be in accordance with the requirements of the most recent version of Global Water's Standards for Planning, Design, and Construction. These standards can be found online at www.gwresources.com.

At this time, the property is fully developed and waste water flows are based upon general demands for a typical restroom facility.

PROJECT LOCATION

The Property is located in Section 21, Township 4 South, Range 3 East of the Gila and Salt River Base Meridian, Pinal County, Arizona and within the incorporated City of Maricopa. The

Global Water - Palo Verde Utilities Company
2014 CC&N Expansion Pinal County - Recycling Center

Property is bound by the Union Pacific Railroad to the North, Green Road to the East, McDavid Road to the South and undeveloped land to the West.

PROPOSED CC&N EXPANSION
RECYCLE CENTER SEWER EXHIBIT



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TOPOGRAPHIC CONDITIONS

Not available at this time

PROPOSED DEVELOPMENT PHASING

The property is fully developed at this time. The property owner is simply requesting a sewer service for a proposed restroom facility for their employees.

DESIGN CRITERIA



WASTEWATER SYSTEM STANDARDS

I. WASTEWATER SYSTEM DESIGN CRITERIA

A. Design Flows

All design flows used in hydraulic analysis and design shall be as per the latest Global Water- Palo Verde Utilities Code of Practice.

All sewers shall be designed for peak flow conditions. In the absence of flow data, new domestic sewage systems shall be designed based on the following criteria:

Land Use	Unit	Average Daily Demand	Peaking Factor
Residential	Dwelling Unit	234 gpd	Refer to Table 1 of AAC R-18-9-E301.D.1.a
Commercial*	Square Foot of Building	0.1 gpd	2.0
	Acre of Commercial Property	2,200 gpd	2.0
Industrial*	Acre of Industrial Property	1,200 gpd	2.0
School	Student	25 gpd	4.8

*Does not include high water use commercial/industrial facilities such as restaurants, car washes, bottling plants, etc. Contact the applicable utility for high water use operations.

For preliminary design only, a density of 4.5 dwelling units per acre shall be utilized for single family residential properties without a land use plan. Final design shall be based on the actual density.

B. Hydraulic Design

The minimum allowable slope for an 8-inch sewer shall be equal to 0.0035 ft/ft unless otherwise approved by Global Water. For all other sewer sizes, the sewer lines shall be designed and constructed to provide a minimum velocity of 2.0 feet per second (fps) when flowing full. Hydraulic calculations shall be provided to demonstrate that a flushing velocity in excess of 1.5 fps is attained during peak flow conditions. Global may approve exceptions to the flushing velocity requirement in areas of low flow, or where slopes may not be reasonably increased to achieve an appropriate velocity. Increasing pipe diameter to reduce required minimum slope is unacceptable unless minimum velocity criteria can be met. A design Manning's Formula "n" value equal to 0.013 shall be utilized for all pipe materials. Peak design velocities shall be less than 8 fps.

Other than private services, no sewers shall be less than 8 inches in diameter.

The ratio of flow depth in the pipe to the pipe diameter (d/D) shall not exceed 0.75 in peak dry weather flow. Consequently, the maximum sewer design capacity shall be equal to 91% of the full flow capacity at the peak design flow.

All manholes shall have a minimum drop of 0.10 feet across the manhole for all sewers.



Global Water - Palo Verde Utilities Company
 2014 CC&N Expansion Pinal County - Recycling Center

DEMANDS

Type	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Total Meters	# of Accts
Residential	0.00	1,125	-	-	0	0
Commercial	2.00	2,800	5,600	168,000	2	2
Industrial	0.00	1,800	-	-	0	0
	2.00		5,600	168,000		2

EXISTING INFRASTRUCTURE AND PROPOSED NEW INFRASTRUCTURE

PROPOSED CC&N EXPANSION
RECYCLE CENTER SEWER EXHIBIT



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**Global Water - Palo Verde Utilities Company
2014 CC&N Expansion Pinal County - Recycling Center**

PROPOSED NEW INFRASTRUCTURE / ESTIMATED COSTS

RECYCLING CENTER					
Off-site Infrastructure	Quantity	Units	Unit Price	Total	NARUC
No Off-site Infrastructure required					

RECYCLING CENTER						
On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
Engineering and Permits	10%	ls	\$ -	\$ 50.00	363	
6" Services	1	Ea	\$ 500.00	\$ 500.00	363	\$ 550.00
TOTAL PHASE 3				\$ 550.00		\$ 550.00

Global Water - Palo Verde Utilities Company
2014 CC&N Expansion Pinal County - Recycling Center

COMMITTED SEWER – TOTAL DWELLING UNITS

PAD OR MASTER PLAN LOCATION	TOTAL NO. OF LOTS	TOTAL NO. OF LOTS COMMITTED	TREATMENT REQUIREMENTS AT GPD/DU
North Region			187.2 GPD/DU
Rancho El Dorado	3,210	3,210	600,912
The Villages	1,938	1,938	362,794
Acacia Crossings	739	739	138,341
Cobblestone Farms	891	891	166,795
Province *	1,333	1,333	255,154
Santa Rosa Springs	790	647	121,118
Glennwilde	2,130	1,948	364,666
Rancho Mirage Estates	2,153	664	124,301
Sorrento Phase 1	821	821	153,691
Sorrento Phase 3	651	-	-
Dunn Ranch	641	-	-
El Rancho Santa Rosa	720	-	-
Santa Rosa Crossings	351	230	43,056
Homestead Village	2,308	1,726	323,107
Rancho El Dorado Phase III	1,803	903	169,042
Del Tessa	-	-	-
Province Phase III	862	255	47,736
Tortosa NW (Cottonwood)	1,290	1,290	241,488
Tortosa South	1,172	-	-

Global Water - Palo Verde Utilities Company
2014 CC&N Expansion Pinal County - Recycling Center

Tortosa NE	1,062	-	-
Maricopa Groves (Senita)	1,375	1,375	257,400
Smith Farms	705	601	112,507
Eagle Shadows Phase 1	1,099	-	-
Maricopa Meadows Total	1,626	1,626	304,387
Alterra North & South Total	1,005	1,005	188,136
Palo Brea Total	526	526	98,467
Desert Cedars Totals	418	418	78,250
Commercial		3,532	662,412
Recycling Center	4	4	4
North Total	31,623	25,769	4,813,764

SUMMARY / CONCLUSION

Based upon the data and analysis provided, PVUC's existing sewer collection system can be extended to provide service to the Property as identified in the CC&N Application. The collection system has been sized accordingly to receive the estimated demands for the Property, and will transfer the sewer to PVUC's Campus I Water Reclamation Facility for processing and treatment. Ultimately the recycled water will be transmitted back to the community for non-potable use. Given the timing of this development in conjunction with the sewer demands alongside other localized growth, the treatment capacity of Campus 1 will be assessed and properly expanded as necessary to meet all demands. PVUC has the ability to expand capacity of Campus 1 into its currently permitted 9.0 MGD.

The Property is contiguous to PVUC's currently approved CC&N and the property is fully developed at this time.



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**Global Water - Palo Verde Utilities
Company**

CC&N Expansion- 2014

Santa Cruz Land Development, LLC



GLOBAL WATER
RELIABLE · RENEWABLE · REUSABLE

**PRELIMINARY ENGINEERING REPORT
SEWER CC&N EXPANSION**

**SANTA CRUZ LAND DEVELOPMENT, LLC
SECTION 21, T4S, R3E
PINAL COUNTY, ARIZONA**

REVISED NOVEMBER 2014

Prepared for:

Santa Cruz Land Development, LLC
6849 E. County 9 ½ Street
Yuma, AZ 85365-8909

Prepared By:

Global Water – Palo Verde Utilities Company

**Global Water - Palo Verde Utilities Company
2014 CC&N Expansion - Santa Cruz Land Development, LLC**

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Global Water - Palo Verde Utilities Company
2014 CC&N Expansion - Santa Cruz Land Development, LLC

PROJECT SUMMARY

Santa Cruz Development, LLC owns 114 acres- 0.178 square miles of undeveloped land (the "Property"). The Property will be provided wastewater service from Global Water - Palo Verde Utilities Company (PVUC). PVUC has filed an application with the Arizona Corporation Commission with the intention to extend its Certificate of Convenience and Necessity ("CC&N") service area to include the Property.

The Property consists of Commercial, Flex Office / Warehouse, and Industrial Use with no planned Residential at this time. Design criteria will be in accordance with the requirements of the most recent version of Global Water's Standards for Planning, Design and Construction. The standards can be found online at www.gwresources.com.

To provide wastewater service to this development, a 12" sewer line will be extended to the Northeast corner of the Property from a connection point that exists East of the Property along Highway 238.

At this time, demands have been estimated based upon pre-engineering analysis.

PROJECT LOCATION

The Property is located North of Garvey Avenue and South of Highway 283 in Section 21, Township 4 South, Range 3 East of the Gila and Salt River Base Meridian, Pinal County, Arizona and within the

LEGAL DESCRIPTION

LEGAL DESCRIPTION

PARCEL NO. 1

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 3 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA; EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE SOUTHERN PACIFIC RAILROAD RIGHT OF WAY.

PARCEL NO. 2

THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 3 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA; EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE FOLLOWING DESCRIBED PARCEL AS CONVEYED TO THE STATE OF ARIZONA, BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION, IN DOCKET 1495, PAGE 17, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 21, WHICH LIES BETWEEN THE SOUTH LINE OF THE EXISTING 33.00 FOOT PUBLIC HIGHWAY RIGHT OF WAY AND THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 21;

THENCE SOUTH 00 DEGREES 52 MINUTES 48 SECONDS EAST A DISTANCE OF 50.00 FEET

ALONG THE WEST LINE OF SAID SECTION 21, TO THE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 39 MINUTES 03 SECONDS EAST A DISTANCE OF 2900 FEET TO

THE TERMINUS OF SAID LINE; AND

EXCEPT ANY PORTION OF FEE INTEREST IN AND TO SAID PUBLIC HIGHWAY RIGHT OF WAY, AS CONVEYED IN DOCKET 1957, PAGE 17; AND

EXCEPTING THEREFROM ANY PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, AS CONVEYED IN INSTRUMENT NO. 1997-044070, TO MARICOPA DOMESTIC WATER IMPROVEMENT DISTRICT, A POLITICAL SUBDIVISION OF PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21;

THENCE SOUTH ALONG THE EAST LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 50.00 FEET TO A POINT ON A LINE 50 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHWEST QUARTER, SAID POINT BEING THE POINT OF BEGINNING;

THENCE CONTINUING SOUTH ALONG SAID EAST LINE A DISTANCE OF 50.00 FEET TO A POINT ON A LINE PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST QUARTER;

THENCE WEST ALONG SAID LINE A DISTANCE OF 50.00 FEET;

THENCE NORTH ALONG A LINE PARALLEL TO THE EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 50.00 FEET TO A POINT ON A LINE 50 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHWEST QUARTER;

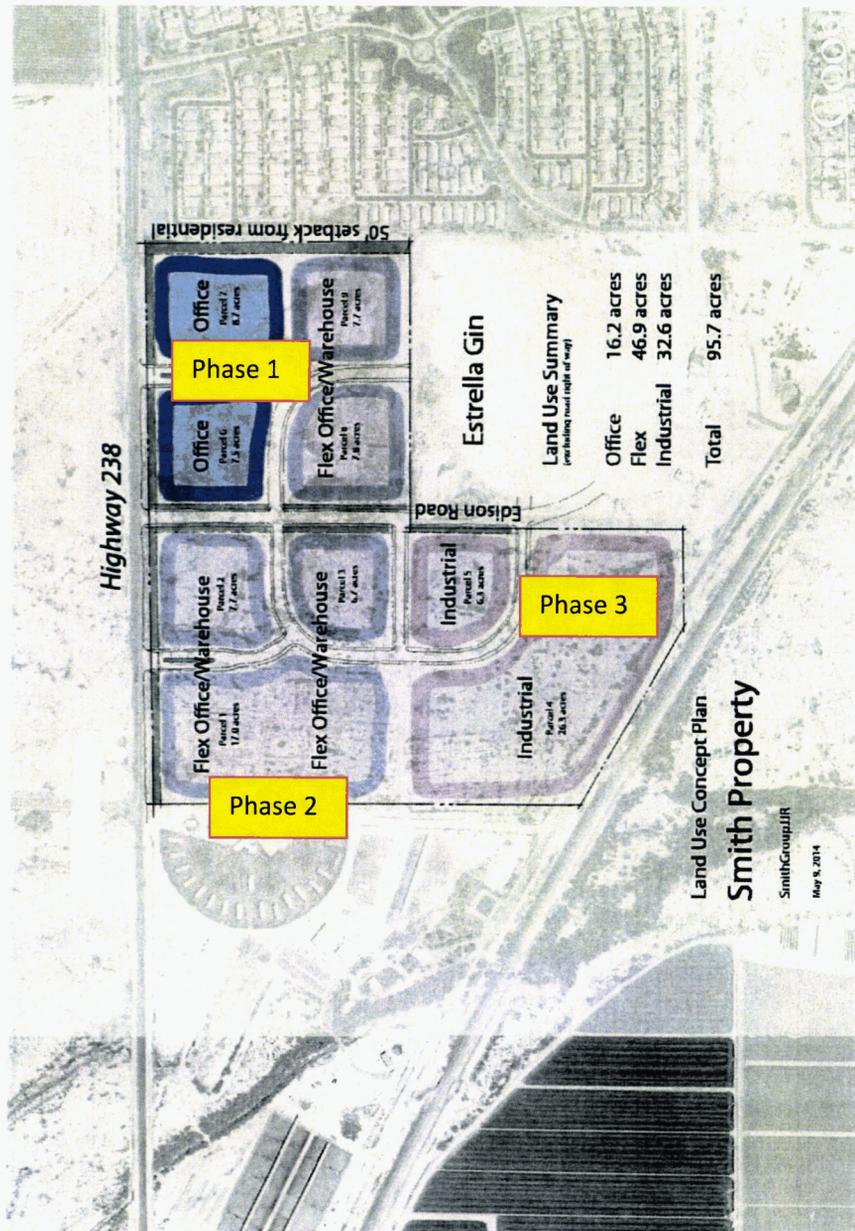
THENCE EAST ALONG SAID LINE A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING.

TOPOGRAPHIC CONDITIONS

Not available at this time

PROPOSED DEVELOPMENT PHASING

The Property consists of Commercial, Flex Office / Warehouse, and Industrial Use with no planned Residential at this time. The Property has been split into three phases, with continued development through each phase as development occurs. All offsite plant and main distribution pipelines to provide service to the entire development will have to be constructed prior to the commissioning of the first meter in phase I, therefore all offsite infrastructure will begin in 2019 and expected to be 75% completed by end of year. Phase I has a schedule to begin onsite infrastructure also in 2019 with 75% completed by end of year.



DESIGN CRITERIA



WASTEWATER SYSTEM STANDARDS

I. WASTEWATER SYSTEM DESIGN CRITERIA

A. Design Flows

All design flows used in hydraulic analysis and design shall be as per the latest Global Water- Palo Verde Utilities Code of Practice.

All sewers shall be designed for peak flow conditions. In the absence of flow data, new domestic sewage systems shall be designed based on the following criteria:

Land Use	Unit	Average Daily Demand	Peaking Factor
Residential	Dwelling Unit	234 gpd	Refer to Table 1 of AAC R-18-9-E301.D.1.a
Commercial*	Square Foot of Building	0.1 gpd	2.0
	Acre of Commercial Property	2,200 gpd	2.0
Industrial*	Acre of Industrial Property	1,200 gpd	2.0
School	Student	25 gpd	4.8

*Does not include high water use commercial/industrial facilities such as restaurants, car washes, bottling plants, etc. Contact the applicable utility for high water use operations.

For preliminary design only, a density of 4.5 dwelling units per acre shall be utilized for single family residential properties without a land use plan. Final design shall be based on the actual density.

B. Hydraulic Design

The minimum allowable slope for an 8-inch sewer shall be equal to 0.0035 ft/ft unless otherwise approved by Global Water. For all other sewer sizes, the sewer lines shall be designed and constructed to provide a minimum velocity of 2.0 feet per second (fps) when flowing full. Hydraulic calculations shall be provided to demonstrate that a flushing velocity in excess of 1.5 fps is attained during peak flow conditions. Global may approve exceptions to the flushing velocity requirement in areas of low flow, or where slopes may not be reasonably increased to achieve an appropriate velocity. Increasing pipe diameter to reduce required minimum slope is unacceptable unless minimum velocity criteria can be met. A design Manning's Formula "n" value equal to 0.013 shall be utilized for all pipe materials. Peak design velocities shall be less than 8 fps.

Other than private services, no sewers shall be less than 8 inches in diameter.

The ratio of flow depth in the pipe to the pipe diameter (d/D) shall not exceed 0.75 in peak dry weather flow. Consequently, the maximum sewer design capacity shall be equal to 91% of the full flow capacity at the peak design flow.

All manholes shall have a minimum drop of 0.10 feet across the manhole for all sewers.



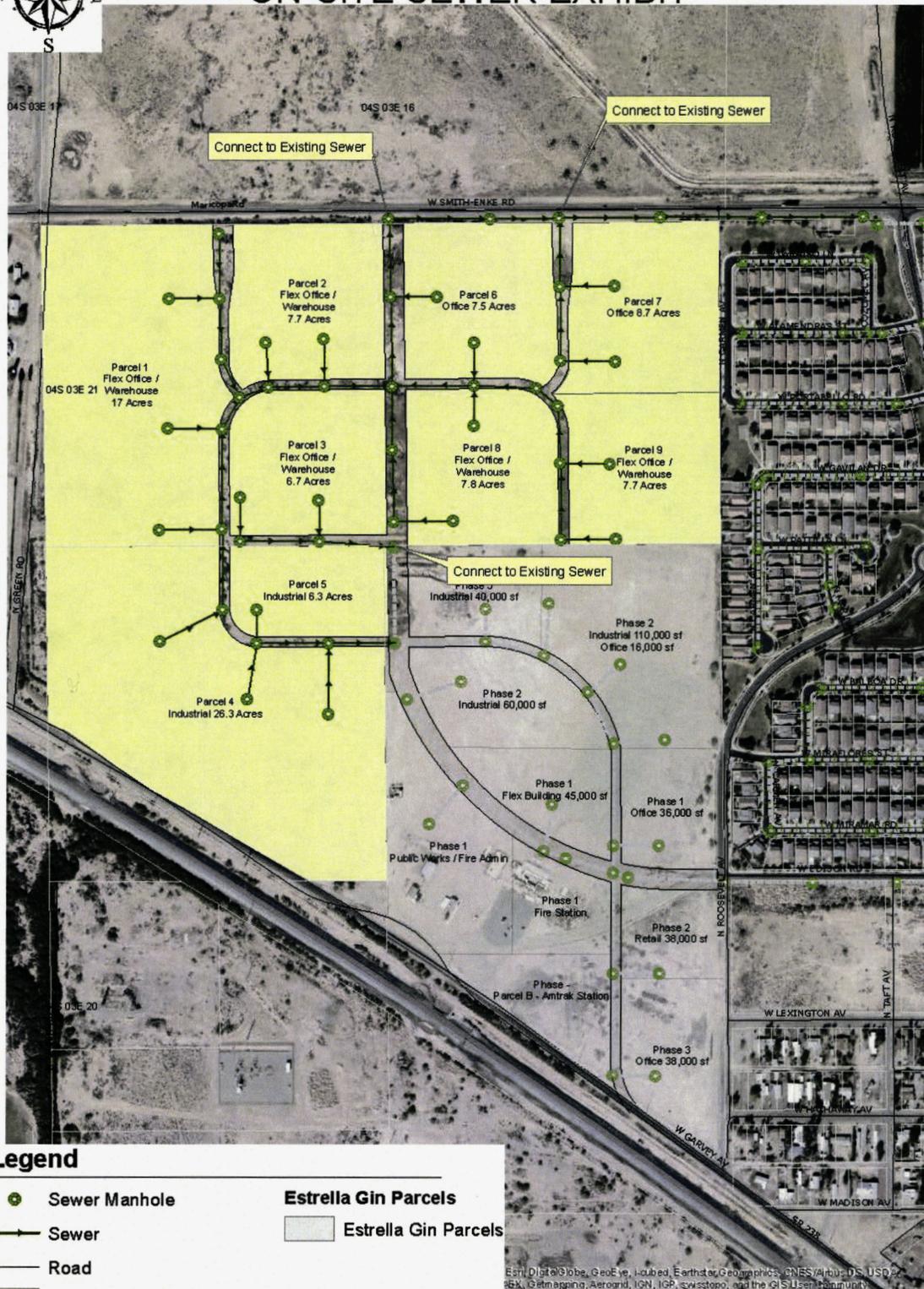
Global Water - Palo Verde Utilities Company
2014 CC&N Expansion - Santa Cruz Land Development, LLC

DEMANDS

Parcel	Acres	Avg Day Demand	Total GPD	Mon/ Demand	Water Meters	# of Accts
Residential	0.00	1,053	-	-	0	0
Commercial	63.10	2,200.00	138,820	4,164,600	123	123
Industrial	32.60	1,200	39,120	1,173,600	32	32
Irrigation	18.30	0	0	0	0	0
	114.00		177,940	5,338,200	155	155

EXISTING INFRASTRUCTURE AND PROPOSED NEW INFRASTRUCTURE

PROPOSED CC&N EXPANSION SANTA CRUZ LAND COMPANY ON-SITE SEWER EXHIBIT



Legend

- Sewer Manhole
 - Sewer
 - Road
 - Parcels
 - Estrella Gin Sewer
 - Estrella Gin Sewer Manhole
- Estrella Gin Parcels**
- Estrella Gin Parcels

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PROPOSED CC&N EXPANSION SANTA CRUZ LAND COMPANY ON-SITE SEWER EXHIBIT



**Global Water - Palo Verde Utilities Company
2014 CC&N Expansion - Santa Cruz Land Development, LLC**

PROPOSED NEW INFRASTRUCTURE / ESTIMATED COSTS

SANTA CRUZ LAND					
Offsite Infrastructure	Quantity	Units	Unit Price	Total	NARUC
12" PVC SDR 35	1991	LF	\$ 75.00	\$ 149,325.00	361
60" Manhole	6	Ea	\$ 2,500.00	\$ 15,000.00	361
Engineering and Permits	10%	ls	\$ -	\$ 16,432.50	361
Total				\$ 180,757.50	

SANTA CRUZ LAND						
Phase 1 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
8" SDR 35	1550	LF	\$ 60.00	\$ 93,000.00	361	
48" Manhole	4	Ea	\$ 2,000.00	\$ 8,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 13,700.00	361	\$ 114,700.00
6" Services	72	Ea	\$ 500.00	\$ 36,000.00	363	\$ 36,000.00
TOTAL PHASE 1				\$ 150,700.00		\$ 150,700.00

SANTA CRUZ LAND						
Phase 2 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
8" SDR 35	2900	LF	\$ 60.00	\$ 174,000.00	361	
48" Manhole	8	Ea	\$ 2,000.00	\$ 16,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 22,600.00	361	\$ 212,600.00
6" Services	72	Ea	\$ 500.00	\$ 36,000.00	363	\$ 36,000.00
TOTAL PHASE 2				\$ 248,600.00		\$ 248,600.00

SANTA CRUZ LAND						
Phase 3 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
8" SDR 35	1900	LF	\$ 60.00	\$ 114,000.00	361	
48" Manhole	4	Ea	\$ 2,000.00	\$ 8,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 15,850.00	361	\$ 137,850.00
6" Services	73	Ea	\$ 500.00	\$ 36,500.00	363	\$ 36,500.00
TOTAL PHASE 3				\$ 174,350.00		\$ 174,350.00

Global Water - Palo Verde Utilities Company
2014 CC&N Expansion - Santa Cruz Land Development, LLC

COMMITTED SEWER – TOTAL DWELLING UNITS

PAD OR MASTER PLAN LOCATION	TOTAL NO. OF LOTS	TOTAL NO. OF LOTS COMMITTED	TREATMENT REQUIREMENTS AT GPD/DU
North Region			187.2 GPD/DU
Rancho El Dorado	3,210	3,210	600,912
The Villages	1,938	1,938	362,794
Acacia Crossings	739	739	138,341
Cobblestone Farms	891	891	166,795
Province *	1,333	1,333	255,154
Santa Rosa Springs	790	647	121,118
Glennwilde	2,130	1,948	364,666
Rancho Mirage Estates	2,153	664	124,301
Sorrento Phase 1	821	821	153,691
Sorrento Phase 3	651	-	-
Dunn Ranch	641	-	-
El Rancho Santa Rosa	720	-	-
Santa Rosa Crossings	351	230	43,056
Homestead Village	2,308	1,726	323,107
Rancho El Dorado Phase III	1,803	903	169,042
Del Tessa	-	-	-
Province Phase III	862	255	47,736
Tortosa NW (Cottonwood)	1,290	1,290	241,488
Tortosa South	1,172	-	-

**Global Water - Palo Verde Utilities Company
2014 CC&N Expansion - Santa Cruz Land Development, LLC**

Tortosa NE	1,062	-	-
Maricopa Groves (Senita)	1,375	1,375	257,400
Smith Farms	705	601	112,507
Eagle Shadows Phase 1	1,099	-	-
Maricopa Meadows Total	1,626	1,626	304,387
Alterra North & South Total	1,005	1,005	188,136
Palo Brea Total	526	526	98,467
Desert Cedars Totals	418	418	78,250
Commercial		3,532	662,412
Santa Cruz Land	414	217	17,035
North Total	32,033	25,769	4,830,795

SUMMARY / CONCLUSION

Based upon the data and analysis provided, PVUC's existing sewer collection system can be extended to provide service to the Property as identified in the CC&N application. The collection system has been sized accordingly to receive the estimated demands for the Property, and will transfer the sewer to PVUC's Campus I Water Reclamation Facility for processing and treatment. Ultimately the recycled water will be transmitted back to the community for non-potable use. Given the timing of this development in conjunction with the sewer demands alongside other localized growth, the treatment capacity of Campus 1 will be assessed and properly expanded as necessary to meet all demands. PVUC has the ability to expand capacity of Campus 1 into its currently permitted 9.0 MGD.

The Property is contiguous to PVUC's CC&N, with infrastructure in close proximity to the Property.



GLOBAL WATER
RELIABLE • RENEWABLE • REUSABLE

APPLICATION OF GLOBAL WATER – PALO VERDE UTILITIES COMPANY
FOR AN EXTENSION OF A CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER UTILITY SERVICE IN PINAL COUNTY, AZ

REVISED-EXHIBIT 8

ESTIMATED TOTAL CONSTRUCTION COSTS AND PLANT PROJECTIONS

**GLOBAL WATER- PALO VERDE UTILITY COMPANY CC&N EXPANSION
ESTIMATED OFFSITE SEWER INFRASTRUCTURE COSTS**

SANTA CRUZ LAND					
Offsite Infrastructure	Quantity	Units	Unit Price	Total	NARUC
12" PVC SDR 35	1991	LF	\$ 75.00	\$ 149,325.00	361
60" Manhole	6	Ea	\$ 2,500.00	\$ 15,000.00	361
Engineering and Permits	10%	ls	\$ -	\$ 16,432.50	361
Total				\$ 180,757.50	

ESTRELLA GIN					
Offsite Infrastructure	Quantity	Units	Unit Price	Total	NARUC
No Offsite Infrastructure required					

EAGLE WING					
Offsite Infrastructure	Quantity	Units	Unit Price	Total	NARUC
24" PVC SDR 35	11640	LF	\$ 110.00	\$ 1,280,400.00	361
60" Manhole	20	Ea	\$ 2,500.00	\$ 50,000.00	361
Jack and Bore	1600	LF	\$ 200.00	\$ 320,000.00	331
Engineering and Permits	10%	ls	\$ -	\$ 165,040.00	361
Total				\$ 1,815,440.00	

ANDERSON RUSSELL					
Offsite Infrastructure	Quantity	Units	Unit Price	Total	NARUC
24" PVC SDR 35	26503	LF	\$ 110.00	\$ 2,915,330.00	361
60" Manhole	45	Ea	\$ 2,500.00	\$ 112,500.00	361
Jack and Bore	800	LF	\$ 200.00	\$ 160,000.00	361
Engineering and Permits	10%	ls	\$ -	\$ 318,783.00	361
Total				\$ 3,506,613.00	

COM EAGLE WING PAD					
Offsite Infrastructure	Quantity	Units	Unit Price	Total	NARUC
No Offsite Infrastructure required					

RECYCLING CENTER					
Offsite Infrastructure	Quantity	Units	Unit Price	Total	NARUC
No Offsite Infrastructure required					

**GLOBAL WATER-PALO VERDE UTILITY COMPANY CC&N EXPANSION
ESTIMATED ONSITE SEWER INFRASTRUCTURE**

SANTA CRUZ LAND						
Phase 1 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
8" SDR 35	1550	LF	\$ 60.00	\$ 93,000.00	361	
48" Manhole	4	Ea	\$ 2,000.00	\$ 8,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 13,700.00	361	\$ 114,700.00
6" Services	72	Ea	\$ 500.00	\$ 36,000.00	363	\$ 36,000.00
TOTAL PHASE 1				\$ 150,700.00		\$ 150,700.00

SANTA CRUZ LAND						
Phase 2 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
8" SDR 35	2900	LF	\$ 60.00	\$ 174,000.00	361	
48" Manhole	8	Ea	\$ 2,000.00	\$ 16,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 22,600.00	361	\$ 212,600.00
6" Services	72	Ea	\$ 500.00	\$ 36,000.00	363	\$ 36,000.00
TOTAL PHASE 2				\$ 248,600.00		\$ 248,600.00

SANTA CRUZ LAND						
Phase 3 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
8" SDR 35	1900	LF	\$ 60.00	\$ 114,000.00	361	
48" Manhole	4	Ea	\$ 2,000.00	\$ 8,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 15,850.00	361	\$ 137,850.00
6" Services	73	Ea	\$ 500.00	\$ 36,500.00	363	\$ 36,500.00
TOTAL PHASE 3				\$ 174,350.00		\$ 174,350.00

ESTRELLA GIN						
Phase 1 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" SDR 35	540	LF	\$ 75.00	\$ 40,500.00	361	
8" SDR 35	460	LF	\$ 60.00	\$ 27,600.00	361	
48" Manhole	4	Ea	\$ 2,000.00	\$ 8,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 6,350.00	361	\$ 82,450.00
6" Services	30	Ea	\$ 500.00	\$ 15,000.00	363	\$ 15,000.00
TOTAL PHASE 1				\$ 97,450.00		\$ 97,450.00

ESTRELLA GIN						
Phase 2 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" SDR 35	485	LF	\$ 75.00	\$ 36,375.00	361	
8" SDR 35	950	LF	\$ 60.00	\$ 57,000.00	361	
48" Manhole	8	Ea	\$ 2,000.00	\$ 16,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 6,737.50	361	\$ 116,112.50
6" Services	30	Ea	\$ 500.00	\$ 15,000.00	363	\$ 15,000.00
TOTAL PHASE 2				\$ 131,112.50		\$ 131,112.50

ESTRELLA GIN						
Phase 3 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" SDR 35	365	LF	\$ 75.00	\$ 27,375.00	361	
8" SDR 35	445	LF	\$ 60.00	\$ 26,700.00	361	
48" Manhole	2	Ea	\$ 2,000.00	\$ 4,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 4,687.50	361	\$ 62,762.50
6" Services	31	Ea	\$ 500.00	\$ 15,500.00	363	\$ 15,500.00
TOTAL PHASE 3				\$ 78,262.50		\$ 78,262.50

EAGLE WING						
Phase 1 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" PVC SDR 35	3100	LF	\$ 75.00	\$ 232,500.00	361	
8" SDR 35	4100	LF	\$ 60.00	\$ 246,000.00	361	
48" Manhole	12	Ea	\$ 1,000.00	\$ 12,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 34,350.00	361	\$ 524,850.00
6" Services	171	Ea	\$ 500.00	\$ 85,500.00	363	\$ 85,500.00
TOTAL PHASE 1				\$ 610,350.00		\$ 610,350.00

EAGLE WING						
Phase 2 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
8" SDR 35	5600	LF	\$ 60.00	\$ 336,000.00	361	
48" Manhole	7	Ea	\$ 1,000.00	\$ 7,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 42,850.00	361	\$ 385,850.00
6" Services	171	Ea	\$ 500.00	\$ 85,500.00	363	\$ 85,500.00
TOTAL PHASE 2				\$ 471,350.00		\$ 471,350.00

EAGLE WING						
Phase 3 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
8" SDR 35	3200	LF	\$ 60.00	\$ 192,000.00	361	
48" Manhole	5	Ea	\$ 1,000.00	\$ 5,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 28,300.00	361	\$ 225,300.00
6" Services	172	Ea	\$ 500.00	\$ 86,000.00	363	\$ 86,000.00
TOTAL PHASE 3				\$ 311,300.00		\$ 311,300.00

ANDERSON RUSSELL						
Phase 1 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" PVC SDR 35	0	LF	\$ 75.00	\$ -	361	
8" SDR 35	6800	LF	\$ 60.00	\$ 408,000.00	361	
48" Manhole	14	Ea	\$ 1,000.00	\$ 14,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 97,650.00	361	\$ 519,650.00
6" Services	1109	Ea	\$ 500.00	\$ 554,500.00	363	\$ 554,500.00
TOTAL PHASE 1				\$ 1,074,150.00		\$ 1,074,150.00

ANDERSON RUSSELL						
Phase 2 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" PVC SDR 35	8000	LF	\$ 75.00	\$ 600,000.00	361	
8" SDR 35	17000	LF	\$ 60.00	\$ 1,020,000.00	361	
48" Manhole	60	Ea	\$ 1,000.00	\$ 60,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 163,450.00	361	\$ 1,843,450.00
6" Services	1109	Ea	\$ 500.00	\$ 554,500.00	363	\$ 554,500.00
TOTAL PHASE 2				\$ 2,397,950.00		\$ 2,397,950.00

ANDERSON RUSSELL						
Phase 3 On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" PVC SDR 35	5200	LF	\$ 75.00	\$ 390,000.00	361	
8" SDR 35	750	LF	\$ 60.00	\$ 45,000.00	361	
48" Manhole	40	Ea	\$ 1,000.00	\$ 40,000.00	361	
Engineering and Permits	10%	ls	\$ -	\$ 63,950.00	361	\$ 538,950.00
6" Services	1109	Ea	\$ 500.00	\$ 554,500.00	363	\$ 554,500.00
TOTAL PHASE 3				\$ 1,093,450.00		\$ 1,093,450.00

COM EAGLE WING PAD

On-Site Sewer System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
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There is no on-site infrastructure for this property, it is all dedicated right of way

RECYCLING CENTER

On-Site Sewer System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
Engineering and Permits	10%	ls	\$ -	\$ 50.00	363	
6" Services	1	Ea	\$ 500.00	\$ 500.00	363	\$ 550.00

TOTAL PHASE 3 \$ 550.00 \$ 550.00

**GLOBAL WATER- PALO VERDE UTILITY COMPANY CC&N EXPANSION
ESTIMATED PLANT PLANT COSTS**

CAMPUS 1 EXPANSION	Quantity	Units	Total	NARUC	NARUC TOTAL
Structures & Improvements	1	ls	\$ 1,500,000.00	354	\$ 1,500,000.00
Power Generation Equip	1	ls	\$ 750,000.00	355	\$ 750,000.00
Pumping Equipment	1	ls	\$ 2,500,000.00	371	\$ 2,500,000.00
Treatment and Disposal	1	ls	\$ 3,500,000.00	380	\$ 3,500,000.00
Other Plant and Misc Equipment	1	ls	\$ 750,000.00	389	\$ 750,000.00
Engineering and Permits	15%	ls	\$ 1,350,000.00	389	\$ 2,100,000.00
			Total \$		\$ 10,350,000.00

Total sewer flow at full build out	1,017,940 gpd
Industry standard- \$/gallon	\$ 10.00 per gallon
	\$ 10,179,400.00

PVUC CC&N Expansion- 2014
Demand and Meter Count Tables

Santa Cruz Land Company

Parcel	Acres	Avg Day Demand	Total GPD	Mon/ Demand	Water Meters	# of Accts
Residential	0.00	1,053	-	-	0	0
Commercial	63.10	2,200.00	138,820	4,164,600	123	123
Industrial	32.60	1,200	39,120	1,173,600	32	32
	95.70		177,940	5,338,200	155	155

Estrella Gin

Parcel	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Total Meters	# of Accts
Residential	0.00	1,125	-	-	0	0
Commercial	22.00	2,800	61,600	1,848,000	43	43
Industrial	22.00	1,800	39,600	1,188,000	22	22
	44.00		101,200	3,036,000	65	65

Eagle Wing 386

Parcel	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Total Meters	# of Accts
Residential	250.00	1,125	281,250	8,437,500	1292	1292
Commercial	75.00	2,800	210,000	6,300,000	146	146
Industrial	15.00	1,800	27,000	810,000	15	15
	340.00		237,000	15,547,500	1453	1453

Anderson Russell

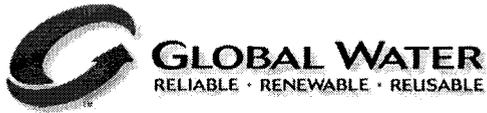
Parcel	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Total Meters	# of Accts
Residential	475.00	1,125	534,375	16,031,250	2455	2455
Commercial	165.00	2,800	462,000	13,860,000	322	322
Industrial	19.00	1,800	34,200	1,026,000	19	19
	659.00		496,200	30,917,250	2796	2796

COM Eagle Wing PAD

Parcel	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Total Meters	# of Accts
Residential	0.00	1,125	-	-	0	0
Commercial	0.00	2,800	-	-	0	0
Industrial	0.00	1,800	-	-	0	0
	0.00		-	-	0	0

Recycling Center

Parcel	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Total Meters	# of Accts
Residential	0.00	1,125	-	-	0	0
Commercial	2.00	2,800	5,600	168,000	2	2
Industrial	0.00	1,800	-	-	0	0
	2.00		5,600	168,000	2	2



APPLICATION OF GLOBAL WATER – PALO VERDE UTILITIES COMPANY
FOR AN EXTENSION OF A CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER UTILITY SERVICE IN PINAL COUNTY, AZ

REVISED-EXHIBIT 9

APPLICANT'S GENERAL STATEMENT OF FINANCIAL CONDITION

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.

BALANCE SHEET

Acct No.		12/31/2013	06/30/2014
ASSETS			
CURRENT AND ACCRUED ASSETS			
131	Cash and cash equivalents	\$103,578	\$103,604
132	Special Deposits	140,008	140,186
134	Working Funds	0	
135	Temporary Cash Investments	0	
141	Customer Accounts Receivable	703,468	680,799
142	Other Accounts Receivable	110,201	150,000
143	Accumulated Provision for Uncollectible Accounts	(57,077)	(54,772)
151	Plant Material and Supplies	13,510	12,500
162	Prepayments	34,725	50,646
173	Accrued Revenue	\$841,271	839,811
	TOTAL CURRENT AND ACCRUED ASSETS	\$1,889,684	\$1,922,774
FIXED ASSETS			
101	Utility Plant in Service	\$111,388,164	\$111,630,957
103	Property Held for Future Use	0	0
105	Construction Work in Progress	16,654,280	16,899,462
108	Accumulated Depreciation – Utility Plant	(25,546,136)	(27,286,878)
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$102,496,308	\$101,243,541
OTHER ASSETS			
114	Utility Plant Acquisition Adjustments	\$0	\$0
181	Unamortized Debt Discount & Expense	0	0
190	Accumulated Deferred Income Taxes	0	3,530,584
	TOTAL OTHER ASSETS	\$0	\$3,530,584
	TOTAL ASSETS	\$104,386,096	\$106,969,899

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct No.		12/31/2013	06/30/2014
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts payable	\$178,976	\$215,484
232	Notes Payable (Current Portion)		
235	Customer Deposits	997,918	997,918
236	Accrued Taxes	368,663	449,597
237.2	Accrued Interest on other Liabilities	139,127	148,565
241	Miscellaneous Current and Accrued Liabilities	352,921	356,704
253	Other Deferred Credits	130,502	164,184
	TOTAL CURRENT LIABILITIES	\$2,168,107	\$2,332,452
	LONG-TERM DEBT (Over 12 Months)		
224	Other Long-Term Debt	\$143,972	\$128,477
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	0	0
252	Advances in Aid of Construction	28,415,978	28,455,978
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	30,859,451	32,300
272	Less: Amortization of Contributions	(2,633,356)	(5,168)
281	Accumulated Deferred Income Taxes	0	0
	TOTAL DEFERRED CREDITS	\$56,642,073	\$28,483,110
	TOTAL LIABILITIES	\$58,954,152	\$30,944,039
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$10	\$10
211	Paid in Capital in Excess of Par Value	40,056,551	64,775,745
215	Retained Earnings	5,375,383	10,977,105
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$45,431,944	\$75,752,860
	TOTAL LIABILITIES AND CAPITAL	\$104,386,096	\$106,696,899

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	12/31/2013	06/30/2014
521	Flat Rate Revenues	\$13,182,317	\$6,681,879
522	Measured Revenues	328,082	152,367
534	Rents from Wastewater Property	\$54,192	28,434
536	Other Wastewater Revenues	319,024	143,181
	TOTAL REVENUES	\$13,883,615	\$7,005,861
	OPERATING EXPENSES		
701	Salaries and Wages	\$2,062,753	\$858,220
704	Employee Pensions and Benefits	5,810	21,736
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	174,909	86,893
715	Purchased Power	611,106	301,880
716	Fuel for Power Production	2,659	0
718	Chemicals	298,660	140,975
720	Materials and Supplies	157,417	77,893
721	Office Expense	95,345	51,942
731	Contractual Services – Eng.	3,816	0
732	Contractual Services – Acctg.	185,702	186,858
733	Contractual Services - Legal	156,173	78,863
734	Contractual Services – Mgt Fees	704,628	359,905
735	Contractual Services – Testing	52,389	28,409
736	Contractual Services – Other	60,210	29,321
741	Rental of Building/Real Property	116,756	12,950
742	Rental of Equipment	15,892	31,976
750	Transportation Expense	84,434	59,846
757	Insurance General Liability	108,217	70,004
758	Insurance Workers Comp	13,330	8,400
759	Insurance Other	220,998	106,792
760	Advertising Expense	3,934	1,155
766	Regulatory Comm Exp (Amort of Rate Case)	207,587	0
767	Regulatory Comm Exp - Other	183	0
770	Bad Debt Expense	59,178	21,711
775	Miscellaneous Expense	528,862	294,805
403	Depreciation Expense	3,479,611	1,702,880
403	Depreciation Expense – CIAC Amortization	(489,163)	(71,611)
408	Taxes Other Than Income	138,812	65,185
408.11	Property Taxes	782,606	444,069
409	Income Taxes	0	(3,530,584)
	TOTAL OPERATING EXPENSES	\$9,842,814	\$1,440,473

OTHER INCOME/EXPENSE			
419	Interest and Dividend Income	\$532	\$203
421	Non-Utility Income	65,412	43,608

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.

426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	0	(7,476)
	TOTAL OTHER INCOME/EXPENSE	\$65,944	\$36,335
	NET INCOME/(LOSS)	\$4,106,745	\$5,601,723



APPLICATION OF GLOBAL WATER – PALO VERDE UTILITIES COMPANY
FOR AN EXTENSION OF A CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER UTILITY SERVICE IN PINAL COUNTY, AZ

REVISED-EXHIBIT 10

**ESTIMATED ANNUAL OPERATING REVENUE AND EXPENSES FOR FIRST FIVE
YEARS**

Palo Verde Utilities Company
 CC&N Expansion 2014
 Project Statement of Income

Line No:	Description:	2015 Year 1	2016 Year 2	2017 Year 3	2018 Year 4	2019 Year 5
1	Wastewater Revenue \a					
2	Residential	\$ -	\$ -	\$ -	\$ 213,876	\$ 476,678
3	Commercial	12,390	62,068	86,982	251,079	518,653
4	Industrial	182	987	1,428	2,338	4,264
5	Irrigation	-	-	-	-	-
6	Establishment fee	152	607	303	10,256	13,106
7	Recycled Water Revenues	7,343	36,859	51,865	149,929	310,479
8	Total Estimated Revenues	20,067	100,522	140,579	627,477	1,323,181
9						
10	Employee Labor				66,700	66,700
11	Pumping Power \1	159	794	1,111	11,846	25,564
12	Chemicals \1	84	422	591	6,304	13,604
13	Repairs & Maint \1	34	170	238	2,537	5,475
14	Insurance \1	28	141	197	2,098	4,527
15	Contract Services Fathom \2	15	76	106	1,132	2,442
16	Rent Expense Equip \1	4	21	29	308	665
17	Bad Debt Expense \1	15	77	108	1,147	2,476
18	Maricopa MOU \1	75	373	522	5,567	12,013
19	Postage & Mailing \1	1	3	4	38	81
20	Phone Services Expense \1	1	3	4	38	81
21	Computer Repair & Maint \1	1	3	4	38	81
22	Office Supplies Misc \1	3	13	19	198	428
23	Banking fees \1	6	28	39	415	896
24	Transportation \1	19	93	130	1,389	2,997
25	Total Variable Costs	443	2,215	3,101	99,753	138,031
26						
27	Depreciation \3	35,950	126,305	245,379	360,007	463,093
28	CIAC Amort \4	\$ (17,875.00)	(62,563)	(121,447)	(176,546)	(222,210)
29	Property Taxes \5	1,686	5,065	7,313	24,320	58,555
30	Income Taxes \6	(52)	10,983	2,321	119,115	329,751
31	Total Other Expenses	19,709	79,790	133,565	326,896	629,188
32						
33	Total Operating Expenses	20,152	82,005	136,666	426,649	767,219
34						
35	Operating Income (Expense)	\$ (86)	\$ 18,517	\$ 3,913	\$ 200,829	\$ 555,962

- 37 \a - Based on customer growth and average revenue for typical meter
- 38 \1 - Based on 2013 average cost per account multiplied by estimated new connections.
- 39 \2 - Based on per connection FATHOM fee
- 40 \3 - Based on plant estimate & authorization depreciation rates
- 41 \4 - Based on customer growth at current HUF
- 42 \5 - ADOR property tax calculation
- 43 \6 - Based on composite rate last rate case
- 44

Line No:	Customer Additions:	2015		2016		2017		2018		2019	
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
1	Residential	0	0	0	250	302					
2	Commercial	3	11	6	38	61					
3	Industrial	1	6	3	6	11					
4	Irrigation										
5	Total	4.33	17.33	8.67	293.02	374.47					

Line No:	Cumulative Customers:	2015		2016		2017		2018		2019	
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
7	Residential	0.00	0.00	0.00	249.80	552.14					
8	Commercial	2.87	14.33	20.07	57.72	118.93					
9	Industrial	1.07	7.33	10.27	15.83	26.75					
10	Irrigation	0.00	0.00	0.00	0.00	0.00					
11	Total	4.33	21.67	30.33	323.35	697.82					

Wastewater Revenue	2013 Revenue		Active Connections		Average Connections		Revenue per Avg Connection	
	2013	2014	12/31/2013	12/31/2014	2013	2014	2013	2014
Residential	\$ 12,623,218	\$ 16,893	16,893	16,545	\$ 762.96	\$ 790.01	819.92	830.10
Commercial	\$ 558,749	130	132	131	\$ 4,265.26	\$ 4,292.90	4,322.21	4,332.39
Industrial	\$ 351	10	10	10	\$ 70.12	\$ 97.17	124.21	137.26
Irrigation	\$ 13,182,317	17,035	17,035	16,681	\$ 790.26			

Recycled Water Revenue	2013 Revenue		Active Connections		Average Connections		Revenue per Avg Connection	
	2013	2014	12/31/2013	12/31/2014	2013	2014	2013	2014
Commercial	\$ 328,082	130	132	131	\$ 2,504	\$ 2,531.49	2,561.40	2,571.58

New Rates by year using Test Year (not cumulative)	2011 TY Connections		2011 TY Revenue		2015		2016		2017		2018		2019		2020		2021		
	2011	2012	2011	2012	2015	2016	2017	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	
Valencia Water Co	5,343	4,940,316	\$ 126,277	\$ 126,277	\$ 128,630	\$ 128,630	\$ 128,630	\$ 128,630	\$ 128,630	\$ 128,630	\$ 128,630	\$ 128,630	\$ 128,630	\$ 128,630	\$ 128,630	\$ 128,630	\$ 128,630	\$ 128,630	\$ 128,630
Water Utility of Greater Buckeye	627	462,043	\$ 4,645	\$ 4,644	\$ 4,645	\$ 4,644	\$ 4,645	\$ 4,644	\$ 4,645	\$ 4,644	\$ 4,645	\$ 4,644	\$ 4,645	\$ 4,644	\$ 4,645	\$ 4,644	\$ 4,645	\$ 4,644	\$ 4,645
Water Utility of Greater Tonopah	324	207,705	\$ 99,992	\$ 99,991	\$ 99,992	\$ 99,991	\$ 99,992	\$ 99,991	\$ 99,992	\$ 99,991	\$ 99,992	\$ 99,991	\$ 99,992	\$ 99,991	\$ 99,992	\$ 99,991	\$ 99,992	\$ 99,991	\$ 99,992
Willow Valley Water Co	1,502	702,652	\$ 202,135	\$ 202,134	\$ 202,135	\$ 202,134	\$ 202,135	\$ 202,134	\$ 202,135	\$ 202,134	\$ 202,135	\$ 202,134	\$ 202,135	\$ 202,134	\$ 202,135	\$ 202,134	\$ 202,135	\$ 202,134	\$ 202,135
Water Utility of Northern Scottsdale	76	147,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
sub-total WVR revenue	7,872	6,460,229	\$ 433,049	\$ 433,046	\$ 433,049	\$ 433,046	\$ 433,049	\$ 433,046	\$ 433,049	\$ 433,046	\$ 433,049	\$ 433,046	\$ 433,049	\$ 433,046	\$ 433,049	\$ 433,046	\$ 433,049	\$ 433,046	\$ 433,049

Manicopa/CG Region connections	2011 TY Connections		2011 TY Revenue		2015		2016		2017		2018		2019		2020		2021		
	2011	2012	2011	2012	2015	2016	2017	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	
Santa Cruz Water Co - North	16,028	10,463,460	\$ 554,487	\$ 554,487	\$ 554,487	\$ 554,487	\$ 554,487	\$ 554,487	\$ 554,487	\$ 554,487	\$ 554,487	\$ 554,487	\$ 554,487	\$ 554,487	\$ 554,487	\$ 554,487	\$ 554,487	\$ 554,487	\$ 554,487
Palo Verde Utilities Co - North	15,831	13,107,528	\$ 428,148	\$ 428,150	\$ 428,148	\$ 428,150	\$ 428,148	\$ 428,150	\$ 428,148	\$ 428,150	\$ 428,148	\$ 428,150	\$ 428,148	\$ 428,150	\$ 428,148	\$ 428,150	\$ 428,148	\$ 428,150	\$ 428,148
sub-total MCGR revenue	31,859	23,570,988	\$ 982,635	\$ 982,635	\$ 982,635	\$ 982,635	\$ 982,635	\$ 982,635	\$ 982,635	\$ 982,635	\$ 982,635	\$ 982,635	\$ 982,635	\$ 982,635	\$ 982,635	\$ 982,635	\$ 982,635	\$ 982,635	\$ 982,635
total connections	39,731	30,031,217	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684	\$ 1,415,684
Cumulative		\$ 30,031,217	\$ 1,415,684	\$ 1,415,684	\$ 2,635,291	\$ 2,635,291	\$ 2,635,291	\$ 2,635,291	\$ 2,635,291	\$ 2,635,291	\$ 2,635,291	\$ 2,635,291	\$ 2,635,291	\$ 2,635,291	\$ 2,635,291	\$ 2,635,291	\$ 2,635,291	\$ 2,635,291	\$ 2,635,291

Annual additional cumulative revenue per connection	2015		2016		2017		2018		2019		2020	
	2015	2016	2015	2016	2017	2018	2019	2020	2018	2019	2020	
Manicopa/CG Region connections	\$ 34.59	\$ 56.96	\$ 64.98	\$ 64.98	\$ 64.98	\$ 64.98	\$ 64.98	\$ 64.98	\$ 64.98	\$ 64.98	\$ 64.98	
Santa Cruz Water Co - North	27.04	54.09	67.14	67.14	67.14	67.14	67.14	67.14	67.14	67.14	67.14	
Palo Verde Utilities Co - North	30.84	55.53	66.05	66.05	66.05	66.05	66.05	66.05	66.05	66.05	66.05	
sub-total MCGR revenue	35.63	66.33	74.76	74.76	74.76	74.76	74.76	74.76	74.76	74.76	74.76	
total connections												

Total Variable Costs (excluding allocated Personnel Costs)

	2013 Expense Amount	Active Connections 12/31/2012	Active Connections 12/31/2013	Average Connections during 2013	Revenue per Avg Connection	2015	2016	2017	2018	2019
Pumping Power	\$ 611,106	16,327	17,035	16,681	\$ 36.63	158.75	793.76	1,111.26	11,845.89	25,564.36
Chemicals	\$ 325,195	16,327	17,035	16,681	\$ 19.49	84.48	422.39	591.35	6,303.69	13,603.87
Repairs & Maint	\$ 130,878	16,327	17,035	16,681	\$ 7.85	34.00	169.99	237.99	2,536.98	5,475.00
Insurance	\$ 108,217	16,327	17,035	16,681	\$ 6.49	28.11	140.56	196.79	2,097.71	4,527.02
Contract Services Fathom	\$ 406,979				\$ 3.50	15.17	75.83	106.17	1,131.73	2,442.35
Rent Expense Equip	\$ 15,892	16,327	17,035	16,681	\$ 0.95	4.13	20.64	28.90	308.05	664.80
Bad Debt Expense	\$ 59,178	16,327	17,035	16,681	\$ 3.55	15.37	76.86	107.61	1,147.12	2,475.58
Maricopa MOU	\$ 287,169	16,327	17,035	16,681	\$ 17.22	74.60	373.00	522.20	5,566.58	12,013.11
Postage & Mailing	\$ 1,944	16,327	17,035	16,681	\$ 0.12	0.50	2.52	3.53	37.68	81.31
Phone Services Expense	\$ 1,944	16,327	17,035	16,681	\$ 0.12	0.50	2.52	3.53	37.68	81.31
Computer Repair & Maint	\$ 1,944	16,327	17,035	16,681	\$ 0.12	0.50	2.52	3.53	37.68	81.31
Office Supplies Misc	\$ 10,222	16,327	17,035	16,681	\$ 0.61	2.66	13.28	18.59	198.15	427.63
Banking fees	\$ 21,423	16,327	17,035	16,681	\$ 1.28	5.57	27.83	38.96	415.26	896.17
Transportation	\$ 71,637	16,327	17,035	16,681	\$ 4.29	18.61	93.05	130.27	1,388.63	2,996.77
	\$ 2,053,725				\$ 102	\$ 443	\$ 2,215	\$ 3,101	\$ 33,053	\$ 71,331

Palo Verde Utilities Company				2015		2016	
CC&N Expansion 2014		NARUC Sewer Depreciation Rates		Year 1		Year 2	
NARUC Acct No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)	Beginning Balance	Additions	Current year depreciation	Ending Balance
354	Structures & Improvements	30	3.33	\$ 150,000.00	\$ 225,000.00	\$ (8,750.00)	\$ 363,750.00
355	Power Generation Equipment	20	5.00	75,000.00	112,500.00	(6,562.50)	179,062.50
360	Collection Sewers - Force	50	2.00				
361	Collection Sewers - Gravity Offsite	50	2.00	\$ -	\$ -		
361	Collection Sewers - Gravity Onsite	50	2.00	\$ 16,490.00	\$ 65,960.00	(989.40)	81,295.70
362	Special Collecting Structures	50	2.00				
363	Services to Customers	50	2.00	\$ 3,550.00	\$ 12,000.00	(191.00)	15,323.50
364	Flow Measuring Devices	10	10.00				
365	Flow Measuring Installations	10	10.00				
366	Reuse Services	50	2.00				
367	Reuse Meters & Meter Installations	12	8.33				
370	Receiving Wells	30	3.33				
371	Pumping Equipment	8	12.50	\$ 250,000.00	\$ 375,000.00	(54,687.50)	554,687.50
374	Reuse Distribution Reservoirs	40	2.50				
375	Reuse Transmission & Distribution System	40	2.50				
380	Treatment & Disposal Equipment	20	5.00	\$ 350,000.00	\$ 525,000.00	(30,625.00)	835,625.00
381	Plant Sewers	20	5.00				
382	Outfall Sewer Lines	30	3.33				
389	Other Plant & Miscellaneous Equipment	15	6.67	\$ 210,000.00	\$ 315,000.00	(24,500.00)	493,500.00
390	Office Furniture & Equipment	15	6.67				
390.1	Computers & Software	5	20.00				
391	Transportation Equipment	5	20.00				
392	Stores Equipment	25	4.00				
393	Tools, Shop & Garage Equipment	20	5.00				
394	Laboratory Equipment	10	10.00				
395	Power Operated Equipment	20	5.00				
396	Communication Equipment	10	10.00				
397	Miscellaneous Equipment	10	10.00				
398	Other Tangible Plant	10	10.00				
				\$ -	\$ 1,055,040.00	\$ (35,950.40)	\$ 1,019,089.60
	Total Offsite Depreciation			\$ -	\$ 1,630,460.00	\$ (126,305.40)	\$ 2,523,244.20
	Percent of Offsites Funded by HUF			\$ 1,035,000.00	\$ (35,750.00)	\$ (125,125.00)	
	CIAC Amorization (total offsite dep x 50%)			\$ -	\$ (17,875.00)	\$ (62,562.50)	

Palo Verde Utilities Company		2017			2018		
CC&N Expansion 2014		Year 3			Year 4		
NARUC Sewer Depreciation Rates							
NARUC Act No.	Depreciable Plant	Additions	Current year depreciation	Ending Balance	Additions	Current year depreciation	Ending Balance
354	Structures & Improvements	\$ 225,000.00	\$ (16,250.00)	\$ 572,500.00	\$ 75,000.00	\$ (21,250.00)	\$ 626,250.00
355	Power Generation Equipment	112,500.00	(12,187.50)	279,375.00	37,500.00	(15,937.50)	300,937.50
360	Collection Sewers - Force		-	-		-	-
361	Collection Sewers - Gravity Offsite	\$ 1,051,983.90	(10,519.84)	1,041,464.06	\$ 2,817,717.10	(49,216.85)	3,809,964.31
361	Collection Sewers - Gravity Onsite	\$ 46,445.00	(2,113.45)	125,627.25	\$ 255,815.63	(5,136.06)	376,306.82
362	Special Collecting Structures		-	-		-	-
363	Services to Customers	\$ 6,000.00	(371.00)	20,952.50	\$ 134,800.00	(1,779.00)	153,973.50
364	Flow Measuring Devices		-	-		-	-
365	Flow Measuring Installations		-	-		-	-
366	Reuse Services		-	-		-	-
367	Reuse Meters & Meter Installations		-	-		-	-
370	Receiving Wells		-	-		-	-
371	Pumping Equipment	375,000.00	(101,562.50)	828,125.00	125,000.00	(132,812.50)	820,312.50
374	Reuse Distribution Reservoirs		-	-		-	-
375	Reuse Transmission & Distribution System		-	-		-	-
380	Treatment & Disposal Equipment	525,000.00	(56,875.00)	1,303,750.00	175,000.00	(74,375.00)	1,404,375.00
381	Plant Sewers		-	-		-	-
382	Outfall Sewer Lines		-	-		-	-
389	Other Plant & Miscellaneous Equipment	315,000.00	(45,500.00)	763,000.00	105,000.00	(59,500.00)	808,500.00
390	Office Furniture & Equipment		-	-		-	-
390.1	Computers & Software		-	-		-	-
391	Transportation Equipment		-	-		-	-
392	Stores Equipment		-	-		-	-
393	Tools, Shop & Garage Equipment		-	-		-	-
394	Laboratory Equipment		-	-		-	-
395	Power Operated Equipment		-	-		-	-
396	Communication Equipment		-	-		-	-
397	Miscellaneous Equipment		-	-		-	-
398	Other Tangible Plant		-	-		-	-
		\$ 2,656,928.90	\$ (245,379.29)	\$ 4,934,793.81	\$ 3,725,832.73	\$ (360,006.91)	\$ 8,300,619.63
	Total Offsite Depreciation	\$ 2,604,483.90	\$ (242,894.84)	\$ 4,934,793.81	\$ 3,335,217.10	\$ (353,091.85)	\$ 8,300,619.63
	Percent of Offsites Funded by HUF		50%			50%	
	CIAC Amortization (total offsite dep x 50%)		\$ (121,447.42)			\$ (176,545.92)	

Palo Verde Utilities Company		2019		
CC&N Expansion 2014		Year 5		
NARUC Sewer Depreciation Rates				
NARUC Act No.	Depreciable Plant	Additions	Current year depreciation	Ending Balance
354	Structures & Improvements	\$ 150,000.00	\$ (25,000.00)	\$ 751,250.00
355	Power Generation Equipment	75,000.00	(18,750.00)	357,187.50
360	Collection Sewers - Force		-	-
361	Collection Sewers - Gravity Offsite	\$ 952,516.13	(86,919.18)	4,675,561.26
361	Collection Sewers - Gravity Onsite	\$ 579,021.88	(13,484.43)	941,844.26
362	Special Collecting Structures		-	-
363	Services to Customers	\$ 206,200.00	(5,189.00)	354,984.50
364	Flow Measuring Devices		-	-
365	Flow Measuring Installations		-	-
366	Reuse Services		-	-
367	Reuse Meters & Meter Installations		-	-
370	Receiving Wells		-	-
371	Pumping Equipment	250,000.00	(156,250.00)	914,062.50
374	Reuse Distribution Reservoirs		-	-
375	Reuse Transmission & Distribution System		-	-
380	Treatment & Disposal Equipment	350,000.00	(87,500.00)	1,666,875.00
381	Plant Sewers		-	-
382	Outfall Sewer Lines		-	-
389	Other Plant & Miscellaneous Equipment	210,000.00	(70,000.00)	948,500.00
390	Office Furniture & Equipment		-	-
390.1	Computers & Software		-	-
391	Transportation Equipment		-	-
392	Stores Equipment		-	-
393	Tools, Shop & Garage Equipment		-	-
394	Laboratory Equipment		-	-
395	Power Operated Equipment		-	-
396	Communication Equipment		-	-
397	Miscellaneous Equipment		-	-
398	Other Tangible Plant		-	-
		\$ 2,772,738.00	\$ (463,092.61)	\$ 10,610,265.02
	Total Offsite Depreciation	\$ 1,987,516.13	\$ (444,419.18)	
	Percent of Offsites Funded by HUF		50%	
	CIAC Amortization (total offsite dep x 50%)	\$	\$ (222,209.59)	

	Year 1- 2015		Year 2- 2016		Year 3- 2017	
	% Built	Total	% Built	Total	% Built	Total
Anderson Russell						
Offsite						
NARUC 361	0%	\$ 3,506,613.00	0%	\$ -	30%	\$ 1,051,983.90
Phase I Onsite						
NARUC 361	0%	\$ 519,650.00		\$ -		\$ -
NARUC 363	0%	\$ 554,500.00		\$ -		\$ -
	0%	\$ -		\$ -		\$ -
Phase II Onsite						
NARUC 361	0%	\$ 1,843,450.00	0%	\$ -	0%	\$ -
NARUC 363	0%	\$ 554,500.00	0%	\$ -	0%	\$ -
	0%	\$ -	0%	\$ -	0%	\$ -
Phase III						
NARUC 361	0%	\$ 538,950.00	0%	\$ -	0%	\$ -
NARUC 363	0%	\$ 554,500.00	0%	\$ -	0%	\$ -
	0%	\$ -	0%	\$ -	0%	\$ -
	0%	\$ -	0%	\$ -	0%	\$ -
COM Eagle Wing PAD						
Offsite						
NA	0%	\$ -		\$ -		\$ -
Onsite						
NA	0%	\$ -		\$ -		\$ -
Offsite						
NARUC 361	0%	\$ -	0%	\$ -	0%	\$ -
Onsite						
NARUC 363	100%	\$ 550.00	100%	\$ -	100%	\$ -
Campus 1						
NARUC 354	10%	\$ 1,500,000.00	25%	\$ 225,000.00	40%	\$ 225,000.00
NARUC 355	10%	\$ 750,000.00	25%	\$ 112,500.00	40%	\$ 112,500.00
NARUC 371	10%	\$ 2,500,000.00	25%	\$ 375,000.00	40%	\$ 375,000.00
NARUC 380	10%	\$ 3,500,000.00	25%	\$ 525,000.00	40%	\$ 525,000.00
NARUC 389	10%	\$ 2,100,000.00	25%	\$ 315,000.00	40%	\$ 315,000.00
Totals						
	% Built	Total	% Built	Total	% Built	Total
NARUC 361		\$ 10,267,335.50		\$ 65,960.00		\$ 1,098,428.90
NARUC 363		\$ 2,074,500.00		\$ 12,000.00		\$ 6,000.00
NARUC 354		\$ 1,500,000.00		\$ 225,000.00		\$ 225,000.00
NARUC 355		\$ 750,000.00		\$ 112,500.00		\$ 112,500.00
NARUC 371		\$ 2,500,000.00		\$ 375,000.00		\$ 375,000.00
NARUC 380		\$ 3,500,000.00		\$ 525,000.00		\$ 525,000.00
NARUC 389		\$ 2,100,000.00		\$ 315,000.00		\$ 315,000.00
	Total	\$ 1,055,040.00	Total	\$ 1,630,460.00	Total	\$ 2,656,928.90

**PALO VERDE CC&N EXPANSION- 2014
COST SUMMARY AND SCHEDULE**

	Year 4-2018		Year 5-2019		Number of Customers (Meter Sets) Per Year					
	% Built	Total	% Built	Total	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Santa Cruz Land										
Offsite										
NARUC 361	0%	\$ -	75%	\$ 135,568.13						
Phase I Onsite										
NARUC 361	0%	\$ -	75%	\$ 86,025.00	Res	0	0	0	0	0
NARUC 363	0%	\$ -	75%	\$ 27,000.00	Comm	41	0	0	0	0
	0%	\$ -	75%	\$ -	Ind	11	0	0	0	5
	0%	\$ -	75%	\$ -						
Phase II Onsite										
NARUC 361	0%	\$ -	0%	\$ -	Res	0	0	0	0	0
NARUC 363	0%	\$ -	0%	\$ -	Comm	41	0	0	0	0
	0%	\$ -	0%	\$ -	Ind	11	0	0	0	0
	0%	\$ -	0%	\$ -						
Phase III										
NARUC 361	0%	\$ -	0%	\$ -	Res	0	0	0	0	0
NARUC 363	0%	\$ -	0%	\$ -	Comm	41	0	0	0	0
	0%	\$ -	0%	\$ -	Ind	11	0	0	0	0
	0%	\$ -	0%	\$ -						
Estrella Gin										
Offsite										
NARUC 361	0%	\$ -	0%	\$ -						
Phase I Onsite										
NARUC 361	100%	\$ -	100%	\$ -	Res	0	0	0	0	0
NARUC 363	100%	\$ -	100%	\$ -	Comm	14	3	11	0	0
	100%	\$ -	100%	\$ -	Ind	7	1	6	0	0
	100%	\$ -	100%	\$ -						
Phase II Onsite										
NARUC 361	75%	\$ 40,639.38	90%	\$ 17,416.88	Res	0	0	0	0	0
NARUC 363	75%	\$ 5,250.00	90%	\$ 2,250.00	Comm	14	0	0	6	5
	75%	\$ -	90%	\$ -	Ind	7	0	0	3	1
	75%	\$ -	90%	\$ -						
Phase III										
NARUC 361	10%	\$ 6,276.25	50%	\$ 25,105.00	Res	0	0	0	0	0
NARUC 363	10%	\$ 1,550.00	50%	\$ 6,200.00	Comm	14	0	0	0	4
	10%	\$ -	50%	\$ -	Ind	7	0	0	0	2
	10%	\$ -	50%	\$ -						
Eagle Wing										
Offsite										
NARUC 361	20%	\$ 363,088.00	65%	\$ 816,948.00						
Phase I Onsite										
NARUC 361	20%	\$ 104,970.00	75%	\$ 288,667.50	Res	431	0	0	0	86
NARUC 363	20%	\$ 17,100.00	75%	\$ 47,025.00	Comm	49	0	0	0	17
	20%	\$ -	75%	\$ -	Ind	5	0	0	0	2
	20%	\$ -	75%	\$ -						
Phase II Onsite										
NARUC 361	0%	\$ -	15%	\$ 57,877.50	Res	431	0	0	0	42
NARUC 363	0%	\$ -	15%	\$ 12,825.00	Comm	49	0	0	0	5
	0%	\$ -	15%	\$ -	Ind	5	0	0	0	0
	0%	\$ -	15%	\$ -						
Phase III										
NARUC 361	0%	\$ -	0%	\$ -	Res	431	0	0	0	0
NARUC 363	0%	\$ -	0%	\$ -	Comm	49	0	0	0	0
	0%	\$ -	0%	\$ -	Ind	5	0	0	0	0
	0%	\$ -	0%	\$ -						



GLOBAL WATER
RELIABLE • RENEWABLE • REUSABLE

APPLICATION OF GLOBAL WATER – PALO VERDE UTILITIES COMPANY
FOR AN EXTENSION OF A CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER UTILITY SERVICE IN PINAL COUNTY, AZ

NEW-EXHIBIT 17

**LETTERS FROM PROPERTY OWNERS REGARDING PHASING AND
DEVELOPMENT TIMEFRAMES**

October 23, 2014

Mr. Ron Fleming
President and COO
Global Water – Palo Verde Utilities Company, Inc, Santa Cruz Water Company, Inc
21410 N 19th Avenue, Suite 201
Phoenix, AZ 85027

Re: Water, Wastewater and Reclaimed Water Services
Anderson Russell, LLC (the "Property")

Further to recent communication with Global Water regarding current status of the Application(s) for Extension of its Existing Certificate of Convenience and Necessity to provide water, wastewater and reclaimed water service to our Property, we wish to confirm our development plan schedule and our anticipated need for the noted services as originally provided to Global and dated March 31, 2014.

As you know, many and various economic factors both at the macro and micro level make it difficult to predict market demand for any new development project. As such, we continually monitor and adjust schedules as necessary in accordance with those factors. At this time, we wish to restate that the development schedules provided to Global with our original request for service remain valid and useable.

Please don't hesitate to contact Kelly Hall with PM Consultants at email: khall@pmcaz.com or phone 480.220.7393 with any questions or for additional information.

Sincerely,
PM Consultants, LLC


Kelly Hall, AICP

Cc: K. Miller, Anderson Russell, LLC



39700 W. Civic Center Plaza
Maricopa, AZ 85138
Ph: 520.568.9098
Fx: 520.568.9120
www.maricopa-az.gov

October 20, 2014

Mr. Ron Fleming
President and COO
Global Water – Santa Cruz Water Company, Inc.
21410 N. 19th Avenue, Suite 201
Phoenix, AZ 85027

Re: Development Phasing For the Estrella Gin Business Park Site

Dear Mr. Fleming:

The Estrella Gin Business Park site is a 52-acre, city-owned parcel that is planned to be developed through a public private partnership. It is the City's leading economic development priority. The goal for the business park is to provide employment opportunities for local residents by allowing expanding businesses to remain in the community and facilitating the relocation of industry to Maricopa. As shown in the Development Phasing Concept Diagram included with the CC&N expansion application, approximately 40 acres is available for private development, anticipated to include a mix of industrial, office and flex space.

In May 2014, the Maricopa City Council approved a Master Planning and Marketing Agreement with The Boyer Company for the planning, design, marketing, disposition and future development of land within the Estrella Gin Business Park. Based on the timeframes set forth in the City's development agreement with The Boyer Company, Phase 1 of the project is to be initiated by mid-2015. Phase 2 and Phase 3 are anticipated to begin by early 2017 and early 2019, respectively.

A public works and fire maintenance facility, and an Amtrak station will also be developed on the site. Construction on these projects is scheduled to start in late 2014 and mid-late 2015. Timely approval of the CC&N expansion application by the Arizona Corporation Commission will be critical to achieving each of the aforementioned development milestones.

Sincerely,

Micah Miranda
Economic Development Director
micah.miranda@maricopa-az.gov



El Dorado

Holdings, Inc.

October 21, 2014

Mr. Ron Fleming
President and CEO
Global Water Resources – Palo Verde Utilities Company and Santa Cruz Water Company
21410 N. 19th Avenue, Suite 201
Phoenix, AZ 85027

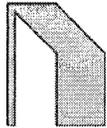
Re: Development Timeline for Eagle Wing Parcels 1, 2 and 3

Eagle Wing is a Master Planned Community in the City of Maricopa with parcels 1, 2 and 3 having a combined 430 acres of residential, commercial and industrial uses. Zoning approval through a Planned Area Development (PAD) was obtained in September of 2005. The demand for such uses did not reach this part of the City before the market turned and therefore the project was put on the shelf.

The market is beginning to recover and Eagle Shadow LLC wants to be in a position to move forward with development when the time comes. Phases 1 and 2 are anticipated to begin in 2018 with full completion in 2019. Phase 3 development will proceed accordingly depending on either the success of phases 1 and 2 or when there is a demand for the property.

Sincerely,

Linda Cheney
Vice President
El Dorado Holdings, Inc.
as Administrative Agent for
Eagle Shadow, LLC



NATHAN & ASSOCIATES, INC.
LAND BROKERAGE SERVICES

7600 East Doubletree Ranch Road | Suite 150
Scottsdale, Arizona 85258
480.367.0700 Phone | 480.367.8341 Fax
www.nathanandassociatesinc.com

October 28, 2014

Mr. Ron Fleming
Global Water Resources
21410 North 19th Avenue
Suite 201
Phoenix, Arizona 85027

Re: *Development Timeline for Santa Cruz Land and Development, LLC*
Assessor Parcel Numbers: 510-17-003a & 510-17-004a

Dear Mr. Fleming:

Nathan & Associates, Inc. has exclusively represented Santa Cruz Land and Development, LLC on the property referenced above, which is located at the southeast corner of Highway 238 and Green Road in Maricopa County, Arizona for a number of years.

Land use and conceptual plans on the subject property show office, industrial, flex office and warehouse uses which are permitted within the property's zoning designation. There are currently no residential uses planned. Demand in recent years for the uses planned on the site has been sluggish. Although it is difficult to determine exactly when the commercial and industrial market and the uses proposed on the site will experience renewed demand, I am hopeful that the combination of future housing growth and the planned Edison Road extension to Highway 238 will facilitate buyer and development interest. Like neighboring property owners, I am optimistic that this activity will occur in 2017 or 2018. Approval of the CC&N expansion application will help accomplish this timeframe.

Sincerely,

NATHAN & ASSOCIATES, INC.

James T. 'Nate' Nathan

JTN/akw



GLOBAL WATER
RELIABLE • RENEWABLE • RELIABLE

APPLICATION OF GLOBAL WATER – PALO VERDE UTILITIES COMPANY
FOR AN EXTENSION OF A CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER UTILITY SERVICE IN PINAL COUNTY, AZ

NEW-EXHIBIT 18

LICENSE AGREEMENT WITH THE CITY OF MARICOPA

LICENSE AGREEMENT

This License Agreement ("License") is made this day of 9 Nov 2006, by and between City of Maricopa, an Arizona municipal corporation ("City") and Palo Verde Utilities Company, LLC/Global Water-Palo Verde Utilities Company and Santa Cruz Water Company, LLC/Global Water-Santa Cruz Water Company (collectively, "Utility"). This License is entered into pursuant to and in accordance with the Memorandum of Understanding ("MOU") entered into between the City and the Utility's parent company, Global Water Resources, LLC ("GWR") dated December 6, 2005.

RECITALS:

A. Utility is currently or will be providing water and wastewater services throughout significant portions of the City, the Subject Territories and Global's Planning Area (as defined in the MOU). Such area is within the current or expected future area for which Utility holds a Certificate of Convenience and Necessity ("CC&N") issued by the Arizona Corporation Commission ("Commission"). Utility has been asked by certain property owners to petition the Commission for an extension of said CC&N to include additional areas within and outside the City but which are not currently within Utility's existing certificated area. The areas outside of the City are within the City's growth and/or planning areas. Utility acknowledges City's commitment to the health and welfare of the residents of these areas and, therefore, will continue to use the best available engineering and technology in supplying water, wastewater and reclaimed water services in conformance with applicable regulations of the United States Environmental Protection Agency, Arizona Department of Environmental Quality, Pinal County Department of Health and Human Services, the Commission, and any other governmental authority having jurisdiction thereof.

B. City acknowledges Utility's operation in these areas and recognizes the importance of the wastewater, water and reclaimed water utility services provided by Utility and further acknowledges the extension of Utility's CC&N and operations to include additional properties outside of and within the City.

C. City has agreed that Utility should be permitted the use of all public streets and rights-of-way within the City for utility service during the term of this License. Utility and City agree that City will have the right to review and approve the location of all wastewater and water mains, force mains, lift stations and other similar facilities that may be placed in public rights-of-way within the City's jurisdiction.

Accordingly, the parties hereto desire to enter into this License.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **Definitions.** Utility and City agree to the following definitions as to terms utilized herein:

A. "City Administrator" shall mean the City Manager for the City of Maricopa, Arizona, who oversees the day-to-day conduct of City business in accordance with the directions of the Mayor and City Council as set forth in the City Code of the City of Maricopa, Arizona.

B. "City Facilities" shall mean all public utilities for the provision or collection of wastewater, water, gas, electric, telephone, railroad, solid waste and transportation including, but not limited to, methods of manufacture, distribution, transmission, storage or supply of such public utilities.

C. "Utility Facilities" shall mean facilities owned by Utility and used in the provision of water production, treatment and distribution, wastewater collection and treatment and reclaimed water delivery including, but not limited to, methods of manufacture, distribution, transmission, storage or supply of such wastewater treatment.

D. "Proprietary Function" shall mean functions that City, in its discretion, may perform when considered to be for the profit or benefit of the City and its residents as opposed to "Governmental Purposes."

E. "Environmental Laws" shall mean all federal, state and local laws, ordinances, rules, regulations, statutes and judicial decisions now or hereafter in effect, as amended from time to time, in any way relating to or regulating human health or safety, or industrial hygiene or environmental conditions, or protection of the environment, or prevention or cleanup of pollution or contamination of the air, soil, surface water or ground water.

F. "Governmental Purposes" shall include, but not be limited to, the following functions of City: (1) any and all improvement to City streets, alleys, and avenues; (2) establishing and maintaining storm drains and related facilities; (3) establishing and maintaining municipal parks, parking, parkways, pedestrian malls, or grass, shrubs, trees, and other vegetation for the purposes of landscaping any street or public property; (4) collection and disposal of garbage; and (5) as defined by statute and case law.

G. "Hazardous Substances" means those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, or other petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials.

2. **Operating Grant.** City hereby grants Utility, its successors and assigns, the license, right and privilege to construct, maintain, and operate upon, over, along, across, and

under the present and future public rights-of-way (including, but not limited to, streets, alleys, ways, highways and bridges) within the City (currently or in the future) and those areas outside of the City's jurisdictional limits but within its growth areas (as defined on Exhibit A attached hereto), wastewater collection, water distribution, and reclaimed water distribution systems, together with all necessary or desirable appurtenances (including, but not limited to, pumping facilities, transmission mains, service lines, meters, force mains, collection mains, valves, cleanouts, manholes, control stations, remote terminal units, telemetry antennae (subject to applicable regulatory provisions) and equipment for its own use), for the purpose of supplying water together with wastewater collection, treatment and reclaimed water services to City, its successors, the inhabitants thereof, and all individuals and entities either within or beyond the limits thereof, for all reasonable purposes. This License shall be effective on the date first set forth above, and unless earlier revoked or terminated as provided for herein, the term of this License shall continue, as provided for in the MOU, until the earlier of (a) being replaced with a franchise agreement as provided for in the MOU or (b) twenty (20) years from the date of this License.

In the event of conflict between the terms and conditions of this License and the terms and conditions under which the City may grant a license as set forth in applicable Arizona law or the Maricopa City Code, the following will prevail in the order presented: (i) applicable Arizona law, (ii) Maricopa City Code, and (iii) this License.

This License as granted is non-exclusive. City specifically reserves the right to grant, at any time, such additional licenses to use the City's present and future public rights-of-way to other parties as it deems appropriate.

3. **Compliance with City Practice; Map Submitted for Approval; City**

Construction Near Utility Facilities.

A. Construction Standards.

All construction of Utility Facilities hereunder shall be performed in accordance with the construction standards, conditions and administrative procedures (including Global Water Construction Standards, Uniform Standard Specifications for Public Works Construction (MAG)) of City with respect to improvements in the public rights-of-way. Before Utility makes or authorizes any installations in the public rights-of-way, Utility shall submit for approval a map and site plan showing the location of such proposed installations to City Administrator or his designee. In addition, Utility is aware that City may require any landowner, developer or new customer entering into facilities extension agreements with Utility within the jurisdiction of City to submit their plans for facility construction for review and that City may charge a reasonable fee for such review. City shall require that City's costs for an on-site inspector to review Utility's compliance within the requirements of right-of-way permits issued pursuant to this License shall be paid by Utility. The inspector may be full time or part time as determined in the reasonable discretion of City based upon Utility's construction in the public right-of-way.

Utility shall strictly adhere to all applicable codes, right-of-way permit conditions or regulations of City currently or hereafter in force. Utility shall arrange the Utility Facilities within the area of the License in such a manner as to cause no unreasonable interference with the use of said public property. In the event of such interference caused by installation by Utility that is not in accordance with plans that have been submitted to the City, City may require the relocation or removal of Utility's Facilities from the property within the area of this License in question without cost to City.

B. Restoration.

Whenever Utility disturbs the surface or subsurface of any public right-of-way or adjoining public property or the public improvement located thereon, therein or thereunder for

any purpose mentioned herein, Utility shall promptly, at its own expense, restore, repair or replace the same to a condition as existed prior to the disturbance to the satisfaction of City (subject to City's customary practice of review upon request of Utility). If such restoration, repair or replacement of the surface, subsurface or any structure thereon, therein or thereunder is not completed in a reasonable time or such restoration, repair or replacement does not meet City's satisfaction, City may perform the necessary restoration, repair or replacement, either through use of its own forces or through a hired contractor, and the cost thereof, including the cost of inspection and supervision, shall be paid by Utility within thirty (30) days after receipt of City's invoice therefor. All excavations made by Utility in the City's public rights-of-way shall be properly safeguarded for the prevention of accidents. The work hereby required shall be done in strict compliance with the applicable rules, regulations and ordinances of City as now or hereafter amended.

C. Location.

The Utility Facilities herein provided for, to be constructed, installed, operated and maintained hereunder, shall be so located or relocated as to interfere as little as possible with traffic or other authorized uses over, under or through the City's public rights-of-way. Utility shall conduct its activities hereunder within the City's rights-of-way in such a manner as to not unreasonably interfere with City's placement, construction, use and maintenance of its public rights-of-way, street lighting, water pipes, drains, sewers, traffic signal systems, light rail or other City systems that have been, or may be, installed, maintained, used or authorized by City. Those phases of the activities licensed herein relating to traffic control, backfilling, compaction and paving, as well as the location or relocation of Utility Facilities herein provided for, shall be subject to regulation by City.

Utility shall keep accurate installation records of the location of all Utility Facilities in the City's public rights-of-way and shall cooperate with City to furnish such records in an electronic mapping format compatible with the current City electronic mapping format. At a minimum, such files shall be ESRI Shape Files that contain the center line route of the water and wastewater lines together with the nominal line size, operating system name, line section name, shape file projection, longitude/latitude coordinates, and NAD_1983 HARN Stateplane_Arizona_Central_FIPS_0202_Feet_Intl Projection: Transverse_Mercator. Upon completion of changes in the Utility Facilities in the City's rights-of-way, Utility shall provide City with installation records in an electronic format compatible with the current City electronic mapping format showing the location of the underground and above ground facilities within thirty (30) calendar days from the completion of the installation.

Utility shall comply with Arizona Revised Statutes Sections 40-360.21 *et seq.* by participating as a member of the Arizona Blue Stake Center with the necessary records and persons to provide location service of Utility Facilities upon receipt of a locate call or as promptly as possible, but in no event later than two (2) working days. A copy of Utility's agreement or proof of membership shall be filed with City.

If, during the design process for public improvements being constructed for a Governmental Purpose, City discovers a potential conflict of Utility Facilities with proposed construction, Utility shall either: (1) at its sole cost through its own service locate and, if necessary, expose its facilities in conflict in the least destructive or intrusive method possible; or (2) reimburse City for the reasonable costs of using a pothole service under contract with City to locate or expose its facilities. City shall make reasonable efforts to design projects pursuant to this subsection so as to avoid relocation expense to Utility. Utility agrees to furnish the location

information in a timely manner, but in no case longer than fifteen (15) calendar days after City's written notice of potential conflict.

Utility agrees not to install, maintain or use any of its Utility Facilities in such a manner as to damage or unreasonably interfere with any existing facilities of any utility located within the rights-of-way of City.

D. Relocation

City may reasonably require relocation of the Utility Facilities in the City's public rights-of-way. If City requires such relocation, the entire cost of such relocation shall be borne by Utility.

City will not exercise its rights to require relocation of the Utility Facilities in an unreasonable or arbitrary manner, or to avoid its obligation under the License. City agrees to notify Utility during the planning and design of City's projects in rights-of-way that may require relocation of the Utility Facilities and to coordinate its construction plans and schedules with Utility to determine the most cost-effective design to mitigate Utility's cost to relocate the Utility Facilities.

City will make reasonable efforts not to require Utility to relocate the Utility Facilities within the public rights-of-way without providing Utility adequate space within the rights-of-way to relocate the Utility Facilities that must be moved.

Subject to the provisions of this Section, if, during the course of a project undertaken by or on behalf of City, City determines that the Utility Facilities are in conflict, the following procedures shall apply: (i) Prior to issuing notice to proceed to City's contractor, Utility shall, within a reasonable time, but in no event exceeding six (6) months, remove or relocate the conflicting facility to the alternate location provided by City as described in this Section. This time period shall begin running upon receipt by Utility of written notice from City. However, if

both City and Utility agree, the time frame may be extended based on the requirements of the project; (ii) Subsequent to City's notice to proceed to its contractor, City and Utility will immediately begin the coordination necessary to remove or relocate the conflicting facility. Actual construction of such removal or relocation is to begin no later than sixty (60) business days, if practicable, after written notification from City of the conflict.

Utility agrees to obtain a permit as required by this License prior to removing, abandoning, relocating or reconstructing, if necessary, any portion of the Utility Facilities within the City's public rights-of-way. Further, Utility shall reimburse City for pavement damage as reasonably determined by the City Code or the City. Reimbursement for pothole services and pavement damage is separate, and in addition to, any license fees included in this License. Utility, at the time of or prior to submitting construction plans, shall provide City with a description of the type of service to be provided by Utility in sufficient detail for City to determine compliance with this License.

In the event that Utility's construction or maintenance activities under this License conflict with existing or planned facilities occupying the City's public rights-of-way under authority of a City permit or License, and such activities require the relocation of such existing facilities, Utility shall be responsible for the cost of such relocation.

If Utility fails to comply with the terms of this License in undertaking any relocation of the Utility Facilities that are required under this License, and such failure delays construction of a public project causing City to be liable for delay damages, Utility shall reimburse City for those damages attributable to the delay created by Utility. Except for charges that it is disputing in good faith, Utility shall pay City for delay damages under this paragraph within thirty (30) calendar days of receipt of an invoice. Except for charges that Utility is disputing in good faith, a late charge in the amount of one and one-half percent (1.5%) accruing thirty-one (31) days

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from the date of the invoice until paid per month shall be assessed for late payment of such damages.

E. Emergencies

In the event of a public emergency, City may direct Utility to undertake reasonable activities in connection with the Utility Facilities as deemed reasonably necessary by the City Administrator and Public Works Director to address a public emergency. A public emergency shall be any condition which, in the opinion of any of the officials named, poses an immediate threat to the lives or property of the citizens of City, caused by any natural or man-made disaster, including, but not limited to, storms, floods, fire, accidents, explosions, major water main breaks, hazardous materials spills, etc. Utility shall conduct any such emergency activities at its cost, but may seek recovery for such costs against any party, except City, that may have responsibility for causing the emergency. If Utility does not take the action directed by City described above within 24 hours, City reserves the right to cause such action to be undertaken by City or a third party and seek reimbursement from Utility.

F. Permitting

Prior to construction or alteration of the Utility Facilities in the City, Utility shall in each case file plans with the City's Public Works Department and any other department as may be designated by City and, where required, receive written approval in the form of a permit before proceeding with such work.

A City construction permit to allow installation of the Utility Facilities in the City may include the following, but not limited to, conditions: (i) Controlling construction hours to nighttime and weekends; (ii) Controlling the length of street segments under construction; (iii) Reserving the right to change the construction schedule to accommodate known and unforeseen events; (iv) Requiring public information/notification efforts; (v) Requiring construction firms to

utilize contract barricade companies and any other necessary traffic control devices; (vi) Requiring trench plating and restoration of the street segment to accommodate normal traffic needs each day; (vii) Requiring that substantial design be done up front to minimize unanticipated route changes; (viii) Providing for a requirement controlling the number of pipelines constructed in a street segment; (ix) Other reasonable conditions relating to construction in the City's rights-of-way.

G. Other

In the case of emergency repairs, after calling Police and Fire Departments as appropriate, Utility may call the City's Public Works Director or City Administrator to locate and obtain verbal approval for the emergency repair from the City. However, in all cases Utility must file plans and obtain all applicable permits within two (2) business days of any such emergency.

Whenever the construction, operation, use, relocation, reconstruction, repair, maintenance or related activity by Utility causes the release of a Hazardous Substance, Utility shall take all necessary actions and measures to immediately abate such Hazardous Substance. If Utility cannot contact the City Administrator or Public Works Director immediately, Utility shall proceed to abate the Hazardous Substance immediately and shall notify the City Administrator or Public Works Director, file plans, obtain a permit and make any required changes within two (2) business days of such abatement.

If City undertakes either directly or through a contractor any construction project adjacent to or near the Utility Facilities operated pursuant hereto and such activity does not involve a public improvement for a Governmental Purpose, City shall include in all such construction specifications, bids, and contracts a requirement that, as part of the cost of the project and at no cost to Utility, the contractor or his designee obtain from Utility approval for the temporary

removal, relocation, barricading or depressurization of any Utility Facilities or equipment, the location of which may create an unsafe condition in view of the equipment to be utilized or the methods of construction to be followed by the contractor. City shall indemnify and hold Utility harmless from any and all claims, costs, losses, or expenses incurred by Utility as a result of the failure of City to comply with the requirements hereof.

4. Fees.

A. A fee of three percent (3%) of Gross Revenues as it relates to consumptive use of water and wastewater by residential and commercial customers within the existing incorporated limits of the City, the Subject Territories and in Global's Planning Area shall be paid by Utility to the City. If the ACC Order (as defined in the MOU) has not been entered by April 14, 2006, then the fee of three percent (3%) as provided for above shall be reduced to two percent (2%) with respect to the consumptive use of water and wastewater residential and commercial customers located outside the jurisdictional limits of the City but within GWR's Planning Area; however, if any property located outside the City's jurisdictional limits becomes a part of the City's jurisdictional limits through an annexation, then the fee shall automatically be increased from two percent (2%) to three percent (3%) for the annexed property on the date the annexation is effective. In the event the Commission declines to enter the ACC Order and at the request of the Utility or GWR, the City will then proceed with a franchise election (at Utility's cost) seeking approval of the fees provided for in this Section and to grant Utility or GWR a franchise in connection therewith for a reasonable term as agreed to by the parties, but in no event less than twenty (20) years. The franchise election shall take place on a date to be set by the City and shall occur no later than the earlier of eighteen (18) months following the Commission declining to enter the ACC Order or October 15, 2007. Upon a request of Utility or GWR, the City agrees to continue to cause franchise elections to occur (at Utility's cost) on at

least an annual basis seeking approval of the franchise provided for herein. All of the foregoing payments shall be made on a quarterly basis. Gross Revenues shall include base fees, consumptive fees, and industrial and commercial reclaimed water sales but shall not include revenues as they arise from hook up fees, service connection fees, termination fees, reconnect or disconnect fees, late fees, NSF fees, account handling fees, or bulk service rate on the sale of construction water. The parties acknowledge that Utility or GWR will seek the consent of the Commission to allow for inclusion of all fees described within this Section in the monthly consumptive billing of the utilities. The fees provided for in this Section are flow through fees to Utility and are incremental to the rates currently set in place by the Commission; however, if the Commission does not approve these fees to be added to the monthly consumptive billings of Utility, Utility shall pay the fees as an operating expense.

B. GWR shall pay City a special installation fee of Fifty Dollars (\$50.00) for each residential home within the jurisdictional limits of City as annexed from time to time connecting to the water or wastewater system described herein during the term of this License. Only a single Fifty Dollar (\$50.00) fee will be paid per home. The special installation fee will be adjusted to One Hundred Dollars (\$100.00) for each residential home within GWR's Planning Area (exclusive of the Ak-Chin Indian Reservation and also excluding homes within the jurisdictional limits of the City) connecting to the Utility's water and wastewater system described herein during the terms of this License. All such fees will be paid retroactively on a quarterly basis.

C. Payments due City under this License shall be made payable to the "City of Maricopa" and directed to: The City of Maricopa, P.O. Box 610, Maricopa, Arizona 85239. All forms and remittances received within the cashiering office on or before the last business day of the month following the end of each calendar quarter when due shall be regarded

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as timely filed. The start of business of the first business day following the second month following the end of each calendar quarter when due shall be the delinquency date. Mailing the form of remittance on or before the due date or delinquency date does not relieve Utility of the responsibility of causing its form or remittance to be received by the last business day of the quarter when due. If such payment is not received by the delinquency date, City shall impose interest at a rate of one and one-half percent (1.5%) per month commencing from the delinquency date and continuing until the payment is made. Fractions of a month shall be considered to constitute a full month for the purpose of computing interest. Each payment shall be accompanied by a brief report showing the basis for the computation and such other relevant facts as may be required by the City.

D. The fees contemplated by this Section are the same fees contemplated by the Sections 5 and 12 of the MOU. The MOU shall not be construed as containing an additional obligation for the Utility or GWR to pay fees.

5. Nature of License. This License is not exclusive, and nothing herein contained shall be construed to prevent City from granting other like or similar grants or privileges to any other person, firm or corporation. Utility may not assign this License to any other person, firm or corporation without the prior written consent of City, which shall be expressed by a Resolution from the City Council. Any transfer of this License, whether voluntary or involuntary, without approval of the City shall be deemed void and of no effect.

6. Revocation.

6.1 Revocation for Cause. Subject to Section 6.2 below, this License issued hereunder may, after public hearing, be revoked, altered, or suspended by City as it deems necessary on any of the following grounds: (i) For failure to pay license fees as required under this License; (ii) For failure to comply with the law regarding the operation of the Utility

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Facilities, this License or the appropriate regulatory authority; (iii) For violation of material terms of this License; (iv) Any fraud by Utility in its conduct or relations under the material terms of this License; (v) Willful or grossly negligent repeated violations of this License; (vi) Failure to comply with any federal, state, local or administrative order, law, permit regulation or consent decree as such may apply to the activities of Utility, as contemplated in this License; and (vii) Permanent or temporary suspension for a period greater than ninety (90) calendar days by the United States or the State of Arizona for any authorizations for Utility to own, operate, maintain, or construct the Utility Facilities.

6.2 Cure Period. If any of the foregoing events shall occur, Utility shall be given a period of thirty (30) days after receipt of a written notice of default from City to cure said default prior to the conduct of the hearing described in Section 6.3. If Utility shall fail to cure the event of default within said thirty (30) day period or, in the event of a default that is unable to be cured within such thirty (30) day period, Utility shall fail to commence the cure of the event of default and continue to diligently pursue such cure, the provisions of Section 6.3 shall then apply.

6.3 City Determination; Public Hearing. If Utility shall fail to remedy its default as provided for in Section 6.2, City shall notify Utility of that determination and shall state the major causes and reasons supporting the determination. Utility shall be granted ten (10) days to respond to the determination. City shall consider the response of Utility, if any, and may terminate, postpone for a period, or proceed with the revocation, alteration, or suspension process. If City proceeds with the revocation, alteration or suspension process, or reactivates postponed proceedings, a written statement of revocation, alteration or suspension shall be served upon Utility stating the principal reasons for such action and a copy of the statement shall be sent by certified U.S. Mail, return receipt requested, to Utility. This statement and a Notice of Public Hearing shall be published in a newspaper of general circulation and a public hearing

shall be scheduled thirty (30) days after publication. The City Council shall take final action on the revocation, alteration or suspension of the License after completion of the public hearing.

7 **Abandonment**

7.1 **Abandonment: Removal of Facilities.** In the event that the use of a substantial part of any of the Utility Facilities in the City is commenced in connection with the providing of regular services and then discontinued for any reason for a continuous period of two (2) years for reasons other than Force Majeure, or in the event such Utilities Facilities have been installed in any City public right-of-way without complying with the requirements of this License, or this License has terminated or been revoked, Utility shall promptly, upon being given thirty (30) days' notice from City, begin removal of such Facilities in the City and related appurtenances from the City's public rights-of-way other than such underground facilities which City may permit to be abandoned in place. In the event of such removal, Utility shall promptly restore the street or other area from which such property has been removed to a condition satisfactory to City subject to City's customary practice to review upon request of Utility. As a minimum, Utility shall restore the City's public rights-of-way to a condition as existed prior to the removal of the structure or property.

7.2 **Permanent Abandonment.** Utility Facilities and any other property of Utility remaining in the City's public rights-of-way without the consent of City one hundred and eighty (180) days after the revocation of the License shall be at the option of City considered permanently abandoned. Any Utility property permitted to be abandoned in place shall be abandoned consistent with applicable law.

8. **Indemnification and Insurance**

8.1 **General Indemnification.** Utility shall fully indemnify, defend and hold harmless City, its officers, boards, commissions, elected officials, agents, attorneys, representatives and

employees (the "Indemnitees") against any and all costs, damages, expenses, claims, suits, actions, liabilities and judgments for damages, including but not limited to, reasonable expense for legal fees, whether suit be brought or not, and disbursements and liabilities incurred or assumed by City (collectively "Losses") in connection with: (i) Personal injury or death and damage to any form of property tangible or intangible, in any way arising out of or through the acts or omissions of Utility, its officials, agents, attorneys, representatives or employees; (ii) Requests for relief to the extent arising out of any Utility action or inaction which results in (a) a claim for invasion of the right of privacy; (b) defamation of any person, firm or corporation; (c) trespass or any claim of compensable taking or compensable diminution of use or value of property; (d) violation or infringement of any copyright, trademark, trade name, service mark or patent; (iii) Any and all claims arising out of Utility's failure to comply with the provisions of this License or any federal, state or local law or regulation applicable to Utility; or (iv) Any and all disputes arising out of a claim by any party other than City or Utility wherein damages or other relief is sought to the extent caused by an action or omission of Utility. However, such duty to indemnify, defend and hold harmless shall not apply to Losses arising from the negligence or willful misconduct of City, its employees, agents, representatives and invitees for which City shall indemnify Utility..

8.2 Waiver. The provisions of this Section shall not be read to impose any liabilities on City not imposed by other law, or to waive any immunities City may have under federal or state law. Utility shall make no settlement in any matter identified above without City's written consent, which shall not be unreasonably withheld or delayed. Failure to inform City of settlement shall constitute a breach of the License and City may seek any redress available to it against Utility whether set forth in this License or under any other municipal, state or federal laws. City's exercise of or failure to exercise all rights pursuant to any section of this License

shall not affect in any way the right of City to subsequently exercise any such rights or any other right of City under this License or any other rule, regulation or law.

8.3 All Rights Reserved. All rights of City, pursuant to indemnification and insurance as provided for by this License are in addition to all other rights City may have under this License and any other rule, regulation or law.

8.4 Survival. The provisions of this Section shall not be dependent or conditioned upon the validity of this License or the validity of any of the procedures or agreements involved in the award of a license, but shall be and remain a binding right and obligation of City and Utility even if part or all of this License is declared null and void in a legal or administrative proceeding. It is the intent of Utility and City, upon the Effective Date of the License, that the provisions of this subsection survive any such declaration and shall be a binding obligation of and inure to the benefit of Utility and City and their respective successors and assigns, if any.

8.5 Environmental Indemnification. Utility (as "Indemnitor") agrees to indemnify, defend, save and hold harmless City and its officers, officials, agents and employees as ("Indemnitee") from and against any and all demands, claims, complaints, losses, damages, actions or causes of action, assessments, liabilities, costs or expenses including, without limitation, interest, penalties and reasonable attorneys' fees and reasonable expenses of investigation and remedial work (including investigations and remediation by engineers, environmental consultants and similar technical personnel) asserted against or imposed upon or incurred by Indemnitee arising in connection with, or resulting from, any Environmental Law, including but not limited to, any use, generation, storage, spill, release, discharge or disposal of any Hazardous Substance that comes to be located on, at, about or under the City's rights-of-way because of, or in connection with, the violation of any Environmental Law (hereinafter collectively referred to as "Claims") to the extent that such Claims are caused by the Fault of the

Indemnitor, its officers, officials, agents, employees, contractors, volunteers, tenants, subtenants, invitees or licensees. As used in this Section, "Fault" means those nonculpable acts or omissions giving rise to strict liability under any Environmental Law pertaining to Hazardous Substances, as well as culpable conduct (negligence or willful misconduct) provided however, "Fault" does not include claims caused by the negligence or willful misconduct of City, its employees, agents, representatives or invitees.

8.6 Liability Insurance. Beginning upon the Effective Date and continuing throughout the term of this License, Utility shall maintain insurance in the amounts and under the terms and conditions set forth in Exhibit B. Within thirty (30) days of the Effective Date, Utility shall file with City and maintain on file throughout the term of this License certificates of insurance that demonstrate that Utility complies with the requirements set forth in Exhibit B. Utility shall also provide City certificates evidencing its compliance within ten (10) business days from any subsequent request from City.

8.7 Changes to Insurance. Utility shall have six (6) months from the date of notification from the City Administrator of reasonable changes to the insurance requirements to comply with such changes. City may, no more frequently than each year on the anniversary date of this License, change such insurance requirements to be consistent with insurance requirements consistent with prudent water, wastewater, and reclaimed water utility practices.

9. General Provisions

9.1 License Administrator and Enforcement. In all matters of License administration, the City Administrator shall have authority to determine Utility's compliance with the terms and provisions of this License, and in the event of non-compliance to exercise any or all of the remedies included in this License, except that License revocation may be accomplished as indicated in this License. Should Utility become dissatisfied with any material decision or ruling

of the City Administrator, Utility may appeal the decision of the City Administrator on issues of significance, to the City Council. The City Council may refuse to reconsider, accept, reject or modify the decision of the City Administrator. Notwithstanding the above, this provision shall in no way be deemed to restrict Utility from seeking relief in any court of competent jurisdiction.

9.2 Right of Inspection of Construction. City shall have the right to inspect all construction or installation work performed subject to the provisions of this License and to make such tests as it shall find necessary to ensure compliance with the terms of this License and other pertinent provisions of law.

9.3 Right of Intervention. City shall have the right of intervention in any suit or proceeding related to or arising out of this License to which Utility is party, and Utility shall not oppose such intervention by City but shall in no way be deemed to have waived its rights to oppose the merits of the City's position following such intervention.

9.4 Right of Inspection of Records. Upon five (5) business days' prior written notice, City shall have the right to inspect all books, records, maps, plans, and other like material of Utility which is limited to and relates to this License, at any time during normal business hours at a location within the jurisdictional limits of the City

9.5 Proprietary Information. If Utility determines that in order to respond to City's request for documentation and inspection that it must reasonably provide proprietary information, Utility shall so designate such claim to proprietary treatment on documents provided to City. Proprietary information disclosed by Utility for the purposes hereunder shall mean any document or material clearly identified as confidential (hereinafter "Proprietary Information"). Proprietary Information shall not, however, include information provided by City to calculate the license fee or permits issued by City. Proprietary Information disclosed by Utility hereunder to City or its constituent departments shall be regarded as proprietary as to

third parties, and City shall take such steps as are reasonably necessary to keep such information confidential. The foregoing shall not apply to any information which is already in the public domain; however, if public domain information is included with proprietary information on the same document, City shall only disclose those portions within the public domain. If a third party ever challenges Utility's designation of information as Proprietary Information and Utility does not want the information disclosed, Utility will reimburse the City for any expenses incurred in responding to such challenge by the third party.

9.6 Public Records Acknowledgment. Notwithstanding any provision in this License, Utility acknowledges and understands that City is a political subdivision of the State of Arizona and is subject to the disclosure requirements of Arizona's Public Records Law (Ariz. Rev. Stat. Ann. §§ 39-121, *et seq.*).

9.7 Permission of Property Owner Required. A License granted hereunder shall not convey the right to install any Utility Facilities or other piece of equipment by Utility on private property.

9.8. Compliance with Laws. Utility shall comply with all Federal and State of Arizona laws, as well as all City ordinances, resolutions, rules and regulations heretofore or hereafter adopted or established as they pertain to the exercise of the rights and duties granted Utility under this License.

9.9 Non-Performance by City. Utility shall not be relieved of its obligation to comply with any of the provisions of this License by reason of any failure of the City, upon any one or more occasions, to insist upon or to seek compliance with any such terms and conditions.

9.10 Right to Secure Public Welfare. There is hereby reserved to City every right and power which is required to be herein reserved or provided by any ordinance or the City Code and Utility by its acceptance of this License, agrees to be bound thereby and to comply with any

actions. If Utility discovers a pre-existing environmental condition, Utility shall immediately notify City in writing.

9.14 Right of Cancellation. Utility acknowledges that this License is subject to cancellation by City pursuant to the provisions of Section 38-511, Arizona Revised Statutes.

9.15. Covenant Against Contingent Fees. Utility warrants that no person has been employed or retained to solicit or secure this License upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee; and that no member of the City Council, or any employee of City, has any interest, financially or otherwise, in this License or Utility. For breach or violation of this warranty, City shall have the right to annul this License without liability, or at its discretion to deduct from the License price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

9.16 Equal Opportunity/Affirmative Action. Utility shall comply with the provisions of this License pertaining to discrimination and accepting applications or hiring employees. Utility shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, gender, national origin, sexual orientation, age or disability nor otherwise commit an unfair employment practice. Utility will take affirmative action to ensure that applicants are employed, and employees are dealt with during employment, without regard to their race, color, religion, gender or national origin, sexual orientation, age or disability. Such action shall include but not be limited to the following: employment, promotion, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship as well as all other labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this License.

action or requirements of City in its exercise of such rights or power, heretofore or hereafter enacted or established. Neither the granting of this License nor any provision hereof shall constitute a waiver or bar to the exercise of any governmental right or power of City. No privilege or exemption shall be granted under this License except those specifically prescribed herein.

9.11 The License Document—Issuance and Acceptances. The License granted shall not become effective until all provisions required in this subsection are completed, all of such provisions being hereby declared to be conditions precedent to the effectiveness of any such License granted hereunder. In the event any of such provisions are not completed in the time and manner required, the License shall be null and void. Within thirty (30) days of the Effective Date of this License or within such extended period of time as the City Council in its discretion may authorize, Utility shall submit to City its written acceptance of the License, together with the insurance certificates required by the License, and its acknowledgment that it will be bound by and comply with everything which is required of Utility by the provisions of the License. Such acceptance shall be acknowledged by Utility.

9.12. Survival of Warranties. Utility's representations and warranties made under this License or any permit issued hereunder shall survive termination or revocation.

9.13. Hazardous Substances. Utility shall, at its own cost, be responsible for proper investigation and management of all Hazardous Substances under its control, including Hazardous Substances in which it uses, generates or disposes of, and shall comply with all Environmental Laws in carrying out its obligations under this License. In the event Utility releases to the environment Hazardous Substances under its control, to the extent that a governmental agency with jurisdiction requires reporting, investigation, cleanup or remedial measures to be taken, Utility shall, at its sole cost and expense, promptly undertake such required

9.17. Independent Contractor. Any provision in this License that may appear to give the City the right to direct Utility or Utility the right to direct City as to the details of accomplishing the work or to exercise a measure of control over the work means that the party shall follow the wishes of the other party as to the results of the work only. These results shall comply with all applicable laws and ordinances. The parties are each independent of each other and nothing in this License shall be construed as creating a joint venture relationship between the parties.

9.18. Compliance with Federal Laws. Utility understands and acknowledges the applicability of the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 to this License. Utility agrees to comply with these laws in performing this License and to permit City to verify such compliance.

9.19 Governing Law; Jurisdiction. It is mutually understood and agreed that this License shall be governed by the laws of the State of Arizona, both as to interpretation and performance. Any action at law, suit in equity or judicial proceeding for the enforcement of this License or any provision thereof shall be instituted only in the courts located within Pinal County, Arizona.

9.20 Delivery, Procedure of Notices and Communications. All notices, consent or other communication under this License shall be in writing and either delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, or deposited with any commercial air courier or express service and addressed as follows:

To: Global Water Resources, LLC
21410 North 19th Avenue, Suite 201
Phoenix, Arizona 85027
Attn: Trevor Hill
Fax: 623-580-9659

To the City: City of Maricopa
P.O. Box 610
Maricopa, Arizona 85239
Attn: City Manger
Fax: 520-568-9120

With a copy to: Fitzgibbons Law Offices, PLC
711 East Cottonwood Lane, Suite E
Casa Grande, Arizona 85222
Attn: Denis Fitzgibbons
Fax: 520-426-9355

Notice shall be deemed received at the time it is personally served or, on the day it is sent by facsimile transmission, on the second day after its deposit with any commercial air courier or express service or, if mailed, three (3) calendar days after the notice is deposited in the United States mail as above provided. Any time period stated in a notice shall be computed from the time the notice is deemed received unless noted otherwise. Any party may change its mailing address, fax number or the person to receive notice by notifying the other party as provided in this Section. Notices sent by facsimile transmission shall also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by facsimile transmission.

9.21. Organization/Employment Disclaimer. This License is not intended to constitute, create, give rise to, or otherwise recognize a joint venture, agreement, or relationship, partnership, or formal business organization of any kind, and the rights and obligations of the Parties shall be only those expressly set forth therein. Utility agrees that no persons working for Utility are City employees and that no rights of City Civil Service, Retirement or Personnel rules accrue to such persons. Utility shall have total responsibility for all salaries, wages, bonuses, retirement, withholdings, workmen's compensation, unemployment compensation, other benefits, and all taxes and premiums appurtenant thereto concerning such persons, and shall save and hold City harmless with respect thereto.

9.22 Entire Agreement; Amendment; Waivers. This License, and the below listed exhibits which are incorporated herein by this reference and are attached hereto and/or on file at City and available for inspection, constitute the entire agreement between City and Utility with respect to the transactions contemplated therein and supersede all prior negotiations, communications, discussions and correspondence, whether written or oral, concerning the subject matter hereof. No supplement, modification, or amendment of any term of this License shall be deemed binding or effective unless executed in writing by the Parties. No waiver of any of the provisions of this License shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

9.23. Right of Parties. Nothing in this License, whether express or implied, is intended to confer any right or remedies under or by reason of this License on any persons other than the Parties to this License and their respective successors and permitted assigns, nor is anything in this License intended to relieve or discharge any obligation or liability of any person who is not a Party to this License, nor shall any provision hereof give any persons not a Party to this License any right of subrogation or action over or against any Party to this License.

9.24. Construction. This License is the result of negotiations between the Parties, none of whom has acted under any duress or compulsion, whether legal, economic or otherwise. Accordingly, the terms and provisions of this License shall be construed in accordance with their usual and customary meanings. The Parties hereby waive the application of any rule of law that otherwise would be applicable in connection with the construction of this License that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney) prepared the executed License or any earlier draft of the same. Unless the context of this License otherwise clearly requires, references to the plural include the singular

and the singular the plural. The words "hereof," "herein," "hereunder" and similar terms in this License refer to this License as a whole and not to any particular provision of this License. All references to "Sections" herein shall refer to the sections and paragraphs of this License unless specifically stated otherwise. The section and other headings contained in this License are inserted for convenience of reference only, and they neither form a part of this License or are they to be used in the construction or interpretation of this License.

9.25. Severability. If any covenant, condition, term or provision of this License is held to be illegal, or if the application thereof to any person or in any circumstances shall to any extent be judicially determined to be invalid or unenforceable, the remainder of this License or the application of such covenant, condition, term or provision to persons or in circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each covenant, term and condition of this License shall be valid and enforceable to the fullest extent permitted by law.

9.26. Cooperation and Further Documentation. Each of the Parties agree to provide the other with such additional and other duly executed documents as shall be reasonably requested to fulfill the intent of this License.

9.27. Survival of Representations and Warranties. All representations and warranties made in this License shall survive the execution and delivery of this License.

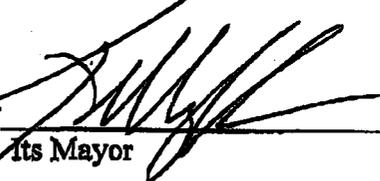
9.28. Force Majeure. For the purpose of any of the provisions of this License, neither Utility nor City, as the case may be, shall be considered in breach of or in default of their obligations under this License as a result of the enforced delay in performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God, acts of the public enemy, acts of the Federal Government, acts of Pinal County, acts of the State of Arizona or any of its departments or

commissions, acts of any railroad, fire, floods, epidemics, strikes, lock outs, freight embargoes and unusually severe weather; it being the purpose and intent of this provision that in the occurrence of any such enforced delay, the time for performance of Utility's and City's obligations, as the case may be, shall be extended for the period of the enforced delay, provided that the party seeking the benefit of this provision shall have notified the other party thereof in writing of the cause or causes thereof, and requested an extension for the period of the enforced delay. If notice by the party claiming such extension is sent to the other party more than thirty (30) days after commencement of the cause, the period of delay shall be deemed to commence thirty (30) days prior to the giving of such notice.

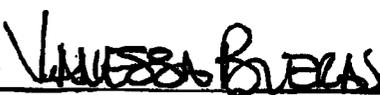
9.29. Recitals. The Parties represent and warrant that the recitals as stated above are accurate, current and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have caused this License to be executed as of the date first set forth above.

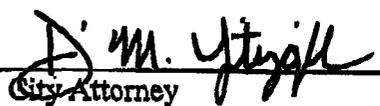
CITY OF MARICOPA

By 
 Its Mayor

Attest:

By 
 Its City Clerk

Approved as to form:

By 
 City Attorney

UTILITY

Palo Verde Utilities Company, LLC/Global Water-Palo Verde Utilities Company

By [Signature]
Its PRESIDENT

Santa Cruz Water Company, LLC/Global Water-Santa Cruz Water Company

By [Signature]
Its PRESIDENT

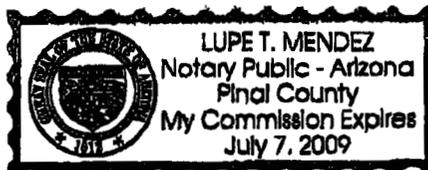
STATE OF ARIZONA)
) ss.
County of Pinal)

On this 4th day of Dec. 2006, before me, the undersigned officer, personally appeared Kelly Anderson, who acknowledged himself to be the Mayor of the City of Maricopa, an Arizona municipal corporation, and that he/she, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHERE, I hereunto set my hand and official seal.

[Signature]
Notary Public

My Commission Expires: July 7, 2009



STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 10th day of November 2006, before me, the undersigned officer, personally appeared TREVOR T. HILL, who acknowledged himself to be the President of Palo Verde Utilities Company, LLC/Global Water-Palo Verde Utilities Company and that he, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHERE, I hereunto set my hand and official seal.

Dolly Figueroa
Notary Public

My Commission Expires: Aug 7, 2010



STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 10th day of November 2006, before me, the undersigned officer, personally appeared TREVOR T. HILL, who acknowledged himself to be the President of Santa Cruz Water Company, LLC/Global Water-Santa Cruz Water Company and that he, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHERE, I hereunto set my hand and official seal.

Dolly Figueroa
Notary Public

My Commission Expires: Aug 7, 2010

