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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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COMMISSIONERS

SUSAN BITTER-SMITH- Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

IN THE MATTER OF THE PETITION OF ARIZONA WATER COMPANY FOR INCREASE OF AREA TO BE SERVED AT CENTRAL HEIGHTS, ARIZONA

DOCKET NO. W-01445A-14-0305

NOTICE OF FILING DIRECT TESTIMONY OF ROBERT PATE AND ERNEST JOHNSON

The City of Globe files herewith the Direct Testimony of Robert Pate and Ernest Johnson in the above captioned docket

RESPECTFULLY submitted this 10th day of July, 2015.

Garry D. Hays
The Law Offices of Garry D. Hays, PC
1702 East Highland Avenue, Suite 204
Phoenix, Arizona 85016
ghays@lawgdh.com
Attorney for City of Globe

Arizona Corporation Commission
DOCKETED
JUL 10 2015
DOCKETED by BRU

ORIGINAL and thirteen (13) copies of the foregoing filed this 10th day of July, 2015, with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Copy of the foregoing hand-delivered/mailed/emailed
This 10th day of July, 2015, to:

Dwight Nodes, Chief Administrative Law Judge
Hearing Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Janice Alward, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
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BEFORE THE ARIZONA CORPORATION COMMISSION

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SUSAN BITTER-SMITH – Chairman
BOB STUMP
BOB BURNS
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IN THE MATTER OF THE PETITION OF ARIZONA WATER COMPANY FOR AN INCREASE OF AREA TO BE SERVED AT CENTRAL HEIGHTS, ARIZONA.	DOCKET NO. W-01445A-14-0305

DIRECT

TESTIMONY

OF

ROBERT PATE

ON BEHALF OF

CITY OF GLOBE

JULY 10, 2015

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. Robert Pate

4 19829 West Minnezona Avenue, Litchfield Park, AZ 85340

5

6 **Q. By whom are you employed and in what capacity?**

7 A. I am self-employed but regularly contract with Tierra Right of Way Service, Limited

8 ("Tierra").

9

10 **Q. Could you please describe Tierra?**

11 A. They provided a full range of turn-key real estate services for various government and

12 private entities.

13

14 **Q. How long have you contracted with Tierra?**

15 A. 8 years, 8 months

16

17 **Q. Prior to contracting with Tierra, by whom were you employed and in what capacity?**

18 A. City of Phoenix, as a right of way agent and property specialist

19

20 **Q. Please elaborate on your roles and responsibilities at Phoenix**

21 A. Over my 27 year tenure at Phoenix, I worked in Real Estate Property Management, as a

22 Leasing Agent at Sky Harbor Airport, City Clerk Property Records, and the majority of

23 years, 19 + in The Real Estate Title Section as a land title examiner.

24

25 **Q. Please describe your responsibilities as land title examiner.**

26 A. I prepared land title reports for direct purchase, donation or condemnation. I had oversight

27 on land title contract services and was lead title agent for the City of Phoenix light rail

project phase one during the years 2003-2006 and until my retirement. These were among many other duties.

Q. Please summarize your educational background and other professional experience.

A. BA 1975 Western Washington State University (History)

Worked on an MA at A.S.U. during the years 1982-1983 (Urban Studies and History)

Various Real Estate classes at the Arizona School Of Real Estate in Scottsdale (Title, Appraisal, Negotiations, U.S.A.P. Certification (2004-2010)

Q. You stated that you have been involved in your industry since 1980, is that correct?

A. Yes, that is correct.

Q. Could you please estimate the approximate number of cases that you have participated in since 1980?

A. I prepared hundreds of condemnation title reports outlining City of Phoenix interest or required interest. Since retirement from Phoenix, I have worked on dozens of prior rights issues with a varied client list.

Q. Could you please elaborate on your areas of experience and expertise in title and land issues?

A. I started my career as preparing simple purchase reports for Phoenix, which lead to condemnation and eminent domain issues. Currently I do research on right of way prior rights cases involving numerous rights located within easement or fee right of way. I have prepared forensic title reports for both Tierra Right of Way clients as well as my own client base.

Q. During your tenure as at the City of Phoenix, did you participate in condemnation proceedings?

A. Yes.

Q. Have you ever testified at the Arizona Corporation Commission?

A. No.

Q. Have you ever testified in any court? If so, where?

A. Yes, various witness statements were used in proceedings in Maricopa County Superior Court and Pima County Superior Court. There have been various witness statements and depositions which may or may not have been used in other judicial locations.

Q. On whose behalf are you testifying today?

A. I have been retained by the Applicant, the City of Globe, Arizona. (Applicant, City)

II. PURPOSE

Q. What is the purpose of your Direct testimony in this proceeding?

A. The purpose of my Direct testimony is to provide testimony in support of the idea that the City was providing water service in the area at dispute in this case before Arizona Water Company (AWC) was granted a certificate of convenience and necessity (CC&N) in Decision No. 33424 which was granted on September 20, 1961, which is attached as Exhibit A.

Q. Is your testimony in this proceeding focused on and limited to research you conducted or items that you have seen that are historical in nature and relate to the disputed area?

A. Yes, that is correct.

Q. **Please describe the research you conducted when you were gathering information for your report.**

A. I conducted research at various government agencies that involved searches of both public and private records. I have performed this type of research hundreds of times throughout my career.

III. SERVICE WAS BEING PROVIDED AT THE TIME OF THE INITIAL CC&N

Q. Mr. Pate, what is your understanding of the issues raised by the Applicant in this proceeding?

A. It is my understanding that the City of Globe is requesting that the Commission correct an alleged error contained in Decision No. 33424 because the City was providing service to two areas prior to 1961 when AWC was granted a Certificate of Convenience and Necessity ("CC&N"). These two areas have now been commonly referred to as the Northern Area and the Southern Area. Attached to my testimony, and incorporated by reference, as Exhibit B is a copy of a report I prepared for the City that in greater detail describes the boundaries of the disputed areas.

Q. **What is the alleged error that you referenced above?**

A. This is not a legal opinion since I am not a lawyer but it is my understanding that the decision granting AWC's CC&N contained language that no one was providing similar service to the disputed area. My research focused on determining if there were sufficient historical documents that could prove whether water service was being provided in the disputed areas prior to the issuance of the CC&N.

Q. Do you agree with the Applicant's assertions that service was being provided by the Applicant in the disputed area before Decision 33424 was granted?

A. Yes.

Q. Why do you believe that the Applicant is correct?

A. Various historical documents that I was able to locate in my research which I will explain in greater detail below allow me to make the statement that the City was providing service in the disputed areas before 1961. Exhibit 1 to my testimony contains almost all of the historical documents that my testimony will reference. When a document is not included in Exhibit 1, it will be attached to my testimony as a separate exhibit.

IV. SOUTHERN AREA

Q. As it relates to the Southern Area, please describe your findings.

A. Certainly. In the Southern Area, I found historical documents dating back to the early 20th century. The Southern area is commonly known in the Globe area as Arlington Heights and is currently outside the city limits of Globe. I was able to find references in historic City Council minutes from 1924 that discussed installations of larger water mains in the area of Arlington Heights.[1] I was also able to find a waterline map from 1930 showing 11 structures existing within Arlington Heights and at least 5 of them receiving water service.[2] This map contained names of the people receiving service. I was then able to trace the chain of title, through Gila County property records, back to those same names that appear on the 1930 map.[3]

Q. What else did you find in your research?

A. I looked at United States Geographical Survey ("USGS") maps from 1945 and 1961[4]. The 1961 USGS map is dated May 19, 1961, a full four months before Decision 33424 was

[1] Exhibit A, Item 3 of the report.
[2] Exhibit A, Item 5 of the report.
[3] Exhibit A, Item 6 of the report.
[4] Exhibit A, Item 8 of the report.

granted. These two maps show continued development in the Southern disputed area. In fact the 1961 map shows at 22 structures in the area of the Southern disputed area.

Q. Your report references a map dated September 1957 that is titled "Globe Report Water Systems and Improvements. Can you discuss that map?

A. Certainly. I first discovered this map and only this map in my initial research.[5] The map was certainly very helpful in determining where the City was serving but I could not ascertain why the map was created. During the course of this case, it was discovered that a long tenured former elected official was in possession of several documents that might be beneficial to both parties and the Commission as it relates to this matter. It is my understanding that after some convincing by the parties, this former elected official allowed representatives from both parties to review the documents in his possession. During this review, a document entitled "Water Report Globe Arizona 1957" was discovered, which is attached as Exhibit C. This document, prepared by John Carollo, was an engineer's estimate of how best to expand the City's system and at what cost. The map I referenced above was a part of that report.

Q. Now that we understand the context of the 1957 map, what does it prove?

A. This document shows exactly where Globe was serving in 1957 and that Globe was looking at expanding its service area four years before AWC filed for a CC&N. In the Southern Area, a six inch line and four inch line covers almost the entirety of the disputed area.[6] It also shows, which will be discussed in greater detail below, that City was operating in the northerly area of study.

V. NORTHERN AREA

Q. Lets discuss the Northern Area. What did your research find?

---

[5] Exhibit B, Item 8 of the report.
[6] Id.

A. The City has been active in this area since at least 1918. I was able to find construction plans for a sewer treatment plant labeled "sludge beds and chlorination house." As you can imagine, these are pretty primitive documents and very fragile. Additionally, I found an Arizona State Highway Department[7] ("ASHD") as built construction plans from 1957 that covers this area.[8]

Q. Can you discuss the ASHD plans that you found?

A. The ASHD plans were done as part of road improvements to the US 60. These plans show waterlines located along the south side of the highway in the State right of way. There is a 4-inch water line plus three fire hydrants on the shown on the plan. The plans also depict Blakely Gas Station, which is now Globe Auto Sales as well as the building labeled on the plans as Globe Radio Station.[9]

Q. **What else were you able to learn from the ASHD plans?**

A. The ASHD plans show a double curb cut-out on the north side of the US 60 which is the site of the current Globe Mobile Home Park ("GMHP"). While there is some ambiguity as to whether the GHMP existed in 1957, the USGS map from 1961 shows construction underway at GHMP.[10]

Q. What else were you able to learn about the water situation at GHMP?

A. Interestingly enough, I was able to find a reference in Globe City Council minutes from 1968 where there was discussion about replacing the water lines at GMHP.[11] Understanding that this occurred after the issuance of the CC&N, I found this to be

[7] The Arizona State Highway Department is the predecessor to the Arizona Department of Transportation. Any reference to ADOT or ASHD is a reference to the same agency. Current right of way is controlled by ADOT.
[8] Exhibit B, Item 2 of the report.
[9] Exhibit B, Item 3 of the report.
[10] Id.
[11] Exhibit B, Item 4 of the report.

significant because the discussion was not about installation but rather about REPLACING lines in the GMHP just seven years after the issuance of the CC&N.

Q. Is there anything else you would like to discuss regarding the Northern Area?

A. Yes. The Water system from 1957 shows that the City was active in the northernly area of study and considered it part of its service territory. Additionally, I was able to find in a file labeled 1955-1970 that contained an engineering sketch for Larry Allen's Tire Shop which showed a six inch line on the south side of US 60 in the ASHD right of way.[12] While we cannot determine an exact date of this sketch, it is helpful to establish Globe's presence in this area. I also included in my report newspaper articles from 1961 discussing the need for a new wastewater treatment plant in the disputed area.[13] While this information is almost anecdotal in nature, it does show the City was involved and active in the area before the issuance of the CC&N.

VI. NOTICE TO THE CITY

Q. Did you do any research on whether the City received notice of this decision?

A. Yes I did.

Q. What did you find in your research?

A. I searched the various newspapers of the area to see if there was a notice put out about the CC&N. I was unable to find anything that was responsive. I also looked at the hand written service list written on the decision and did not see the City of Globe.

Q. Did you see the information docketed by the Hearing Division on April 29, 2015? If so, did you see anything that would leave you to believe that the City was notified?

---

[12] Exhibit B, Item 6 of the report.
[13] Exhibit B, item 7 of the report.

A. I have reviewed that information and there was no mention of the City. I did see other cities listed, such as the City of Phoenix but nothing that I could tell as it relates to Globe.

Q. Is there anything else you would like to add about notice?

A. Yes. It was recently discovered by the City of Globe that it owned property in the Southern Disputed Area at the time of the CC&N expansion (and still owns to this day). There is no indication that the City was notified as the municipality or as a property owner in the disputed area. Attached as Exhibit D are the deeds showing title to the property and a plat map with the Globe owned parcels highlighted.

VII. CONCLUSION

Q. Based upon your research, do you believe that the City of Globe was providing service to the disputed areas before the grant of the CC&N in 1961?

A. Yes.

Q. Does that conclude your testimony?

A. Yes, it does.

EXHIBIT A

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE PETITION OF ARIZONA WATER COMPANY FOR INCREASE OF AREA TO BE SERVED AT CENTRAL HEIGHTS, ARIZONA DESCRIBED AS BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 1 NORTH, RANGE 15 EAST; THENCE WESTERLY TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, SECTION 28, TOWNSHIP 1 NORTH, RANGE 15 EAST; THENCE NORTHERLY TO THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SEC. 16, TOWNSHIP 1 NORTH, RANGE 15 EAST; THENCE EASTERLY TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER SECTION 14, TOWNSHIP 1 NORTH, RANGE 15 EAST; THENCE SOUTHERLY TO THE POINT OF BEGINNING, ALL G&SRB&M., MARICOPA COUNTY, ARIZONA.

DOCKET NO. U-1445 DECISION NO. 23424

DOCKETED SEP 20 1961 DOCKETED BY

OPINION AND ORDER

BY THE COMMISSION:

Notice having been given as provided by law, the above entitled matter came on for hearing before the Commission sitting in Phoenix, Arizona on September 11, 1961.

Applicant was represented by its attorney, Arthur M. Johnson, of the law firm, Fennemore, Craig, Allen & McClennen. Appearance in opposition was made by Robert Moore, for and on behalf of the Salt River Valley Water Users Association.

Testimony was presented, both oral and documentary, and from the testimony, files and records in the matter the Commission is of the opinion that applicant has complied with the statutes of Arizona and with the rules and regulations of the Commission for the issuance of a certificate of convenience and necessity.

It further appears that the application does not conflict with any other person or corporation furnishing a service of like character within the additional area sought to be certificated and that a need and demand has been established and exists for the proposed service supporting a finding of convenience and necessity therefore.

WHEREFORE, IT IS ORDERED that the application be, and it is hereby, approved and this order shall constitute and be a certificate of convenience and necessity as contemplated by the provisions of Section 40-281, A. R. S., authorizing applicant herein to construct, operate and maintain a public water system within the additional area described as beginning at the Southeast corner of the Southwest Quarter (SW¼) of Section 26, Township 1 North, Range 15 East; thence westerly to the Southwest corner of the Southeast Quarter of the Southwest Quarter (SW¼), of Section 28, Township 1 North, Range 15 East, thence Northerly to the

DOCKET NO. U-1445 DECISION NO. 33424

Northwest Corner of the Northeast Quarter (NE¼) of the Southwest Quarter (SW¼) of Section 16, Township 1 North, Range 15 East; thence easterly to the Northeast corner of the Southwest Quarter (SW¼) of Section 14, Township 1 North, Range 15 East; thence southerly to the point of beginning, all G&SRB&M., Gila County, Ariz.

The rates and charges heretofore approved for this Company, shall be in full force and effect for this area.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

IN WITNESS WHEREOF, I, FRANCIS J. BYRNES, Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of this Commission, to be affixed at the Capitol in the City of Phoenix, this 26th day of September 1961.

Francis J. Byrnes
FRANCIS J. BYRNES
SECRETARY

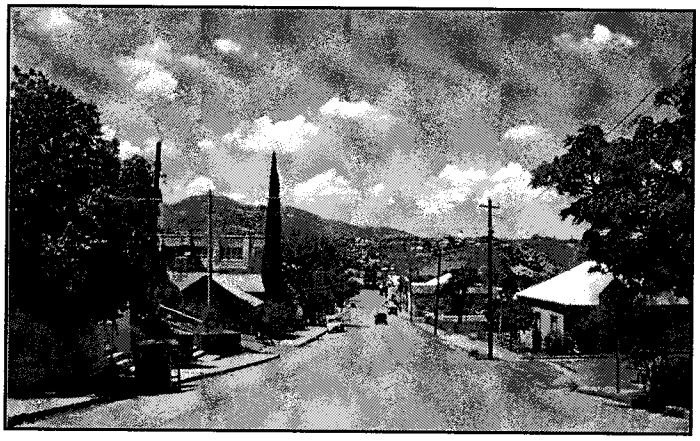
CHAIRMAN COMMISSIONER COMMISSIONER

EXHIBIT B

Tierra Right of Way™

A Land Services Company

Prior Rights Research for City of Globe



Arlington Heights and Globe Mobile Home Park designated areas

(Effective: 6/11/14)

Prepared for:
City of Globe, Water Department

Prepared by:
Tierra Right of Way Services, Ltd.
602-682-0000 or 800-887-0847

Tierra Right of Way™
A Land Services Company

City of Globe – Water Department
Prior Rights Research

(Effective: June 11, 2014)

As located in the West ½ of Section 23, Township 1 North, Range 15 East of the GSRB&M, (the northern area - locations in and near Globe Mobile Home Park); and, As located in the West ½ of Section 26, Township 1 North, Range 15 East of the GSRB&M, (the southern area - Arlington Heights).

A condition of right-of-way study for City of Globe Water Department prior rights as located within an Arizona Water Company service area granted by the Arizona Corporation Commission on 9/20/1961, as Decision No. 33424.

Scope of Work:

The purpose of this report is to ascertain and document the history of City of Globe ("City") waterlines in the areas of question, and define City rights located within or contiguous to Arizona Water Company service areas, as located within or contiguous to the Corporate City Limits. There are two specific locations detailed and reported, as follows:

1. Southern Area - This is defined as the Town Site of Arlington Heights, according to the plat of record in the office of the Gila County Recorder at Book 31 of Maps recorded on 1-20-1911, at the request of pioneer developer J.W. Wentworth. It is designated as the west ½ of Section 26, Township 1 North, Range 15 East of the GSRB&M. In 1915, this plat was further substantiated with ownership vesting to J.W. Wentworth in fee, as revealed by Book 21 of Deeds, Page 535 in the records of Gila County, Arizona.

2. Northern Area - This is defined as the area along US Hwy 60, near its intersection with Pinal Creek Road, westerly to the present day Globe Mobile Home Park. It is designated as the west ½ of Section 23, Township 1 North, Range 15 East of the GSRB&M.

Research was performed at various government agencies and involved searches of both public and private records. The area of study includes City of Globe Water Department infrastructure, as located in or contiguous to an Arizona Water Company service area, as granted on 9-20-1961 by the Arizona Corporation Commission in Decision No. 33424, records of the Docket Secretary.

I. City involvement within the "historic" Townsite of Arlington Heights, (Southern Area)

The following details City involvement within the historic Townsite of Arlington Heights region, located west of the current City of Globe limits, with access along Blake, Pima, and Snell Streets running east to west and Silicate and Maple Streets running north to south. It should be noted that there are major differences in the street alignments depicted on the 1911 recorded plat of the Townsite of Arlington Heights and the current Gila County Assessor records depicting said streets as they exist in 2014. Sets of both maps are included in this report for review. Prior Rights claimed by the City of Globe within the Arlington Heights area of study are as follows:

a. Globe City Council minutes, from 4-7-1924. The Globe Fire Chief requested that larger water mains be installed on West Blake Street, Hackney Street, and Euclid Street to ensure proper fire service in the area. West Blake Street is currently the main arterial into the Arlington Heights region. These areas are "uphill" from the Central Business District and water pressure concerns affecting public safety could have been the reason for this request.

b. Globe City Council minutes, from 2-1-1926. Approval was given for a bond election to raise $150,000 to pave numerous streets within the City, including West Blake Street to its intersection with present day Moore Street. The official ballot was subsequently posted to the Globe Record for notice of election and proposed public indebtedness.

c. Globe Waterline Map #8, located in an historic 1930 water service map book. Handwritten notes on this historic map indicate eleven (11) structures existing within Arlington Heights at this time, with water services connected to at least five (5) of the homes in Arlington Heights west of the City limits. Map notes also indicate that the subject water service dates to 1928 and was constructed in various size for delivery from 1-inch to 6-inch lines.

d. Individual property ownerships, starting from 1917. Property ownerships were title chained from present day back to the original Patent issued to developer J.W. Wentworth in 1911 (vesting deed recorded in 1915). These parcels were then title chained forward to the platted individual properties (lots and blocks) within the Townsite of Arlington Heights. Certain names depicted on maps in the above referenced 1930 water map book can be found in the Gila County Grantor / Grantee indexes and ledger books as early as 1917 and throughout the 1920s.

Copies of the Gila County ledger records are provided referencing certain surnames indicated on City of Globe water records and maps. See the names Medlin, McNeil, and Masse (Massey sic*) along Blake Street west from the Globe City limits, and at a later date (1935) the surname Summerfield as located on the far end of Pima Street.

e. U.S. Geographical Surveys, 1945. Continued development in the platted Townsite of Arlington Heights can be documented during the period from 1930 until 1945 by the United States Geographical Survey (USGS) "Globe Quadrangle" subject map, dated 1945 (copy provided). This government survey map depicts 14 existing structures in the area granted by the Arizona Corporation Commission to the Arizona Water Company in 1961. Unfortunately, both ADOT and USGS aerial maps from the 1950s are of poor quality and, as such, no detail is possible. - *See the 1953 aerial map provided.*

f. U.S. Geographical Map, 1961. - A high resolution USGS aerial map, dated 5-19-1961, depicts development in the Arlington Heights area during the timeframe just prior to issuance of the Certificate of Convenience and Necessity to Arizona Water Company by the Arizona Corporation Commission on 9-20-1961. **There are at least 22 structures located west of the intersection of Blake and Moore Streets at the western City limits of Globe at that time.** - *See labeled exhibit and digital "TIFF" file provided with referenced map.*

II. City involvement in the area of the present Globe Mobile Home Park, (Northern Area)

The following details City involvement within the West ½ of Section 23, Township 1 North, Range 15 East of the GSRB&M. The City of Globe claimed prior rights to the area in and around the present day Globe Mobile Home Park and Globe Wastewater Treatment Facility, as follows:

a. Available City records in the Northern Area of study can be traced back as early as Town of Globe construction plans dated 1918 for a sewer treatment plant labeled "Sludge Beds and Chlorination House". This historic and somewhat primitive facility was located along the banks of Pinal Creek in an area just north of the present day Globe Mobile Home Park. This facility was used by the citizens of Globe until a modern wastewater treatment facility was constructed and dedicated to the public in 1983 on property located northwesterly from the 1918 location, on lands leased from the Miami Copper Company.

b. The historic Rivera Ranch is located on the banks of Pinal Creek to the north of the Globe Water Treatment Plant, as revealed in the 1918 construction plans. Oral interviews with Rivera family members by Christopher J. Collopy (the current Globe Development Services Director) reveal that water services were supplied to the ranch at a very early date, possibly the 1920s, certainly before Arizona Water Company was granted water service franchise rights to this area in late 1961.
**** It is suggested that City of Globe, Legal staff obtain a witness statement from the elder remaining member of the Rivera ranching family.**

c. ADOT archived as-built construction plans, dated 7-11-1957, for Arizona State Highway Department Project FA022-3(57)B; U.S. 60 (see sheets 3, 4 and 5 of 32). These historic improvements to US-60 depict waterlines located on the south side of State right-of-way. A 4-inch line plus three (3) detailed fire hydrants are included in the highway plans. There are two commercial buildings located westerly along US-60 in the area later granted to Arizona Water Company by the 1961 CC&N, as depicted on Sheet 3 of 32 of the Arizona Highway Department as-built plans.

The plans also depict a 5-pump Blakely Gas Station, as well as a building labeled Globe Radio Station. The gas station is the present site of Globe Auto Sales, where the no longer used gas pumps can still be viewed to the south of current US-60 right-of-way. The old building once housing the radio station is still located to the west and above of the present Big O Tire Store. - *See 1961 digitally enhanced and site labeled USGS aerial of the area referenced in the 1957 Arizona Highway Department as-builts and construction plans.*

d. Depicted on the 1957 highway plans is a double curb cut-out on the north side of US-60, located at the site of the present Globe Mobile Home Park and AutoZone locations. The curb cut is labeled "Park" on the 1957 construction plans. City staff have verbally advised that, in the late 1950s, there was a State of Arizona auto rest stop at this location. Official records to prove or disprove this information could not be located. However, the USGS aerial map from late 1961 (provided as an exhibit to this report) shows construction at the present Globe Mobile Home Park site.

e. On the above mentioned 1961 USGS aerial map of the Globe region, certain construction and site preparation for the Globe Mobile Home Park can clearly be seen. The highway curb cut-outs depicted on the 1957 State Highway plans at the location of the present AutoZone are crosscut with construction scars and obvious grading activities. The mobile home property has site preparation underway, and grading and flood control berms on the north and east property lines can be viewed. It could be speculated that waterlines were at this time being installed. On the USGS aerial map dated 5-19-1961, there is no construction shown, but clearly on the later 1961 aerial map, site preparation and grading are well underway.

f. In the Globe City Council meeting minutes from 12-2-1968 (provided as an exhibit to this report), the Globe Water Department reports:
Have been busy replacing line at the Globe Mobile Home Park.

With the replacement of waterlines in 1968, it becomes clear that the Globe Mobile Home Park may well date to the construction visible in the 1961 USGS enhanced aerial map download. Unfortunately, there appear to be no clear aerials of the Globe Mobile Home Park subsequent from the late 1961 USGS aerial until 3-5-1965 in an aerial entitled Pinal Creek, possibly a flood control project aerial map. The park is well established at that time and, as the Council minutes from 1968 state, water lines are being replaced by the City.

g. An engineering sketch from a Globe Water Department file labeled 1955-1970: Waterline improvements to Larry Allen's Tire Shop (a building now housing Big O Tires), depicts an existing 6-inch waterline located on the south right-of-way line of US-60. There is a 10-inch sleeve located under ADOT right-of-way granted by permit to the City of Globe. This crossing of the roadway is directly to the south of the current Globe Mobile Home Park. Christopher J. Collopy, of City of Globe staff, attempted to contact Larry Alvino Jr. who worked for his father at Larry Allen's Tire Shop to further define this information; however, Mr. Alvino was not available at the time of the call.

As the Water Department engineering notes are from a rather vaguely labeled file with dates covering the years 1955-1970, the actual year of waterline improvements to the tire shop would be helpful to the historic condition of Globe prior rights superior to Arizona Water Company's CC&N.
**** It is suggested that City of Globe Legal staff obtain a witness statement from Larry Alvino, Jr., regarding the history of his father's business, "Larry Allen's Tire Shop".**

h. By the early 1960s, the Globe Wastewater Treatment facility on Pinal Creek was experiencing serious environmental and design problems surrounding the outdated plant built in 1918. In an Arizona Record newspaper article dated 7-20-1961, City officials mandated that the only solution to the serious health hazards in and around Pinal Creek at the treatment facility was the construction of a new treatment plant. By 1961, the City had grown too large to use the antiquated sludge ponds. With massive amounts of chlorine being dumped into the ponds, the treatment activity was both costly and environmentally dangerous. On 9-21-1961, it is announced by City Manager Jack Phillips that Miami Copper Company would lease additional land to the City of Globe for $1.00 per year on mining company property located contiguous to and north of the 1918 sludge ponds for construction of a modern wastewater treatment facility.

i. At the same time as the City of Globe's expansion into the West half of Section 23, Township 1 North, Range 3 East of the GSRB&M; Arizona Water Company was rapidly expanding their presence in the Globe-Miami area. From an Arizona Silver Belt newspaper article dated 9-28-1961, Arizona Water announced that they were planning to drill a new well in the Central Heights area to supply the Town of Miami an adequate and reliable water supply. This announcement came on the heels of the expanded areas of service granted to Arizona Water Company the week prior on 9-20-1961 by Arizona Corporation Commission Decision No. 33424.

j. In 1983, the current Globe Wastewater Treatment facility was completed and dedicated to the public. From local accounts in the Arizona Record and Arizona Silver Belt newspapers, it is obvious that the City of Globe was actively involved in the region identified as the West half of Section 23, Township 1 North, Range 15 East of the GSRB&M. It is also obvious that City waterlines served the public infrastructure along Pinal Creek to the north and contiguous to the present day Globe Mobile Home Park community.

III. Conclusions & Observations

1. The grant of geographically expanded rights to Arizona Water Company to provide water service in the areas of question was granted with certain provisions. "***It appears that the application does not conflict with any other person or corporation furnishing a service of like character within the additional area sought to be certified and that need and demand has been established and exists for the proposed service supporting a finding of convenience and necessity.***"

2. The Arizona Corporation Commission Docket Secretary in 1961 attached a notification list, pursuant to guidelines outlined in Commission regulations. The list includes:

   Walter Craig – attorney and founding member of the Phoenix law firm, Fennemore Craig (legal counsel for Arizona Water Company)

   Arizona Water Company – attention of Carl Schmidt

   The Pinal County Board of Supervisors

   The Gila County Board of Supervisors

   The Bureau of Indian Affairs (San Carlos)

   Salt River Water Users Association – (SRP) – attention Robert Moore

   Docket Secretary – (Arizona Corporation Commission)

3. Legal publications have been searched as part of the due diligence for this report. This includes the "Globe Record" (now defunct), Arizona Silver Belt (Miami newspaper), and The Weekly Business Gazette (Phoenix legal publication predating the current Arizona Business Journal). Legal notices were searched for the two months prior and two months following the date of decision and grant of CC&N on 9-20-1961 to Arizona Water.

4. Various notifications regarding granted water service rights were located during the timeframe of this research. An example of public notice was located in a publication dated 10-26-1961 and 11-9-1961. (Franchise granted by Gila County Board of Supervisors), published in the Arizona Silver Belt and notes retained by Gila County Recorder. If Arizona Water had notified the public of their intentions regarding the newly granted service areas, the Town Clerk of Globe would have clipped the legal notification and attached it to City records and Council notes. There are numerous legal notices clipped from local newspapers and attached to official City records from the time in question; City budgets, notice of Council expenditures, notice to pave or upgrade streets, etc.

5. The statement by Arizona Water Company legal staff that the City of Globe "***clearly began providing water service to the subject area after 1980***" is in odd contrast to the information provided in this report. The ADOT as-builts for US-60 (1957); City Council minutes from 1968 stating the City was **replacing** waterlines in Globe Mobile Home Park; water service and connections at Larry Allen's Tire Shop in a building that Big O Tire remodeled and now conducts business (engineering sketch from a water department file dated 1955-1970); historic documents that show City involvement on Miami Copper Company lands along Pinal Creek dating as early as 1918.

6. Arizona Water Company's two main arguments, contained in the two Notice of Claims served on the City of Globe, seem to be based on a Globe Water System map dated 12-5-1980. This map depicts areas of Globe located to the south of historic Cobre Valley Motors. This area is well to the south of the area in question (Globe Mobile Home Park and vicinity). In a discussion with Globe City Engineer Larry B. Hansen, it appears that the digitized and scanned map may have simply cut off the north side of the City in the scanning process. City staff feel that this map was created through a copy error and is not conclusive in depicting the northerly "end of the line".

   A City of Globe Water System map from a file dated September 1957 "Globe Water Report Water Systems and Improvements" is attached herein. This 1950s water system map depicts water service to the City's northerly area of study. The prior discussed Blakely Gas Station (current Globe Auto Sales), which is in the northern location, is also shown on the ADOT construction as-builts from 1957 which clearly outlines a 4-inch waterline in the questioned area, along with three fire hydrants.

7. The enhanced 1961 download map from United States Geographic Survey aerial files clearly outlines construction activities at the site of the future Globe Mobile Home Park and depicts the Blakely Gas Station located the south-side of US-60, along with the Radio Station building shown on the 1957 ADOT US-60 construction as-builts; (See plans FA-022-3(57)B). The questioned northern area of this study had at least two (2) businesses therein, along with the City wastewater sludge ponds and chlorination house and the historic Rivera Ranch, all located in the "non-conflicting grant of CC&N to the Arizona Water Company on 9-20-1961".

8. The 1965 aerials labeled "PINAL CREEK" show an established Globe Mobile Home Park. Arizona Department of Water Resources records were searched for possible water wells in the area. The four reported wells were brought online subsequent to 1990. Certainly the 1965 Park had water service, and only a short three years later, City records indicate that the subject waterlines were being replaced by City staff.

9. City of Globe correspondence from 12-5-2000 with Mr. Udon McSpadden discusses a proposed Ford car dealership to be located on the crest of the hill above the Globe Mobile Home Park, on a large parcel to the south from Hilltop Motors, a business served by Arizona Water Company. Certainly and clearly the McSpadden parcel is geographically contiguous to the Central Heights neighborhood and the location of other modern car dealerships within the referenced Arizona Water CC&N franchise area. The McSpadden parcel is **isolated** from current City water facilities and is located a substantial elevation uphill from the present Arizona Water / Globe Water "tie-in" near the Enterprise Car Sales and Sturgeon Electric. This inter-system "tie-in" is also the end of the line for current City Water service, (see current City of Globe water service map).

10. The 4-28-2010 written request from Globe City Manager Kane Graves to William M. Garfield of Arizona Water Company appears to have been driven by economic considerations rather than an applied consultation of engineering or standard right-of-way practices. As a detached third party, this documented letter request is the one point that is difficult to argue in defending the City's position regarding the unusual request of Arizona Water located in the northern area of study. The question remains as to why the City Manager would request entrance into the Arizona Water Company service area.

11. In Arlington Heights (southern area) and located to the west of the present Globe City limits, City involvement can be traced to as early as the 1920s, per various City and County records provided. The most damaging aspect of the Arizona Corporation Commission granting of the CC&N to Arizona Water Company on 9-20-1961 is the fact that between 20 and 25 structures can be noted in the high resolution download obtained from the U.S. Geographic Survey on an aerial map dated 5-19-1961. The verbiage in the body of the CC&N states that the Corporation Commission decision is not in conflict with other interests. This statement appears to conflict with evidence provided in this report documenting City of Globe water involvement in the historic Townsite of Arlington Heights region as dedicated and recorded in 1911.

Areas of research included in this Prior Rights report:

Documents cited in this report are included as attachments to this report, as well as in electronic disk format. USGS high resolution maps are also provided in electronic format, due to loss of detail when printing and the size of maps. Digital maps show much greater and minute detail.

ADOT construction plans (dated 1957) and as-builts were obtained from research performed at the ADOT Engineering Records Archives in Phoenix. Grantor / Grantee land title indexes were obtained through research at the Gila County Recorder and Assessor offices. Private Insured Land Title Records were obtained per interview with Pioneer Title Agency located on Ash Street in Globe. High Resolution aerial maps were obtained through subscription to "Earth Explorer" as a service of the United States Geographical Survey. Other documentation was located at the City of Globe through on-site research at the Clerk's Office, Development Services office, and Water Services Engineering Department.

The scope of work for this research was outlined by the Globe City Manager, in conjunction with the City Finance Director. Anecdotal information was gleaned from phone calls made to certain citizens of the City of Globe by Development Services staff, (Rivera Ranch regarding water service predating the 1961 CC&N and Larry Alvino, Jr. regarding Larry Allen's Tire Shop historic location and building now housing Big O Tires). It is suggested that City of Globe legal counsel obtain statements from these parties as well.

Prepared by: Tierra Right of Way Services, Ltd.
Prepared for: City of Globe
Report Date: June 11th, 2014

DISCLAIMER: *This is an informational land report based on research of public and private records currently available. This information should not be viewed or deemed as a legal opinion. This is not a title guarantee or a commitment for an insured title policy. Tierra Right of Way Services, Ltd., is not responsible for any errors contained in public or private records. Any and all liability is limited to the fee paid for the subject report.*

Attachments

Exhibit A –

Townsite of Arlington Heights: identified as the southern area

Maps and various documentation, plus a High resolution USGS aerial dated 5-19-1961 (on disk only)

Exhibit B –

Area along U.S. 60 at and near the Globe Mobile Home Park: identified as the northern area

ADOT Right of Way History and 1957 construction plans, various maps and documents, High resolution USGS aerial map with a generic date of 1961 subsequent to the USGS aerial dated 5-19-1961 (on disk only)

Exhibit C –

Miscellaneous documentation and map exhibits

EXHIBIT (A)

CONTENTS for EXHIBIT "A"

Townsite of Arlington Heights (Southern Area)

1. **Original Plat for the Townsite of Arlington Heights (1911)**

2. **Current Gila County Assessor's Maps depicting 2014 street alignments within Arlington Heights**

3. **City Council Minutes dated 4-7-1924 / Water Mains request**

4. **City Council Minutes dated 2-1-1926 / Bond Election approval**

5. **Historic Globe Water System Map #8 located in Map Book dated 1930**

6. **Gila County Recorder's Office, Grantor / Grantee indexes for certain properties located in Arlington Heights**

7. **1945 U.S.G.S. "Globe Quadrangle Map"**

8. **Various Aerials from the years 1943 – 1960s, (with City staff notations)**

9. **High Resolution Download from U.S.G.S. "EarthExplorer" dated 5-19-1961. Electronic copy provided in digital "TIFF" format, capable of manipulation and site detail viewing.**

EXHIBIT (B)

CONTENTS for EXHIBIT "B"

In & around Globe Mobile Home Park along US-60 (Northern Area)

1. **1918 construction plans for the Historic Town of Globe Sludge Beds and Chlorination House. - Subject plans are very fragile and will require professional copy services. Located with Larry Hansen in the Engineering Department.**

2. **ADOT As-Builts from US-60 (1957) , Sheets 3, 4 & 5 + Cover Sheet**

3. **Enhanced Resolution Download of USGS 1961 Aerial map depicting the area of study. - This large file is provided in electronic format "TIFF" file for enhanced detail and manipulation.**

4. **Globe City Council Minutes from 1968 detailing replacement of waterlines at the Globe Mobile Home Park**

5. **1965 Aerial labeled as Pinal Creek, depicting a built out Globe Mobile Home Park**

6. **Engineering sketch from City of Globe records (file name 1955-1970), depicting service for Larry Allen's Tire Shop**

7. **1961 newspaper articles regarding a proposed and needed NEW City Wastewater Treatment Plant, and announcement from Arizona Water Company of a new well to serve the Miami area**

8. **Waterline Map from a City file labeled 1957 water system**

EXHIBIT (C)

CONTENTS for EXHIBIT "C"

Miscellaneous Documentation

1. City of Globe initial Prior Rights Research, sent to Arizona Water on 2-6-2013
2. Arizona Water first Notice of Claim to City 4-7-2014
3. Arizona Water second Notice of Claim to City 6-3-2014
4. Arizona Corporation Commission "Rules on Water" and general guidelines for issuance of a CC&N
5. Various Globe City Council Minutes from the 1920s
6. 1930 Water System Map – Book 8
7. Historic correspondence between City of Globe and Arizona Water Company
8. Arizona Water Company expansion of service area subsequent to the 9/20/1961 Decision. Expansion Decision #39280 dated December 1967.
9. Additional 1965 Aerials of Pinal Creek
10. Incidental list of Blakely Gas Station located throughout Arizona during the 1950s and 1960s. Blakely Gas Station located on the "Globe-Miami Highway"
11. 1980 Globe Water System Map with possible top portion cut off when scanned to a digital format. - (The document that Arizona Water Legal staff has continually made citation of in their damage claims.)
12. Various historic vesting documents for Globe Mobile Home Park
13. Current City of Globe Water System maps for both Arlington Heights and the area in and around Globe Mobile Home Park
14. Enlargement of the City of Globe 1957 Water Service Areas
15. Current Gila County Assessor tax parcel maps for the areas in and around the Globe Mobile Home Park
16. City of Globe Engineering Department produced Aerial Overlay of the Arizona Water Company's CC&N area as granted in 1961. The map also depicts the current Globe City Limits in comparison to Arizona Water CC&N area.
17. A copy of the most current State of Arizona Land Use Map dated 6-11-2009 (GLOBEW). Also provided is an enlargement of the Arizona Land Use Map depicting the areas of study with labels for Sections / Township and Range.

EXHIBIT (A)

CONTENTS for EXHIBIT "A"

Townsite of Arlington Heights (Southern Area)

1. **Original Plat for the Townsite of Arlington Heights (1911)**

2. **Current Gila County Assessor's Maps depicting 2014 street alignments within Arlington Heights**

3. **City Council Minutes dated 4-7-1924 / Water Mains request**

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6. **Gila County Recorder's Office, Grantor / Grantee indexes for certain properties located in Arlington Heights**

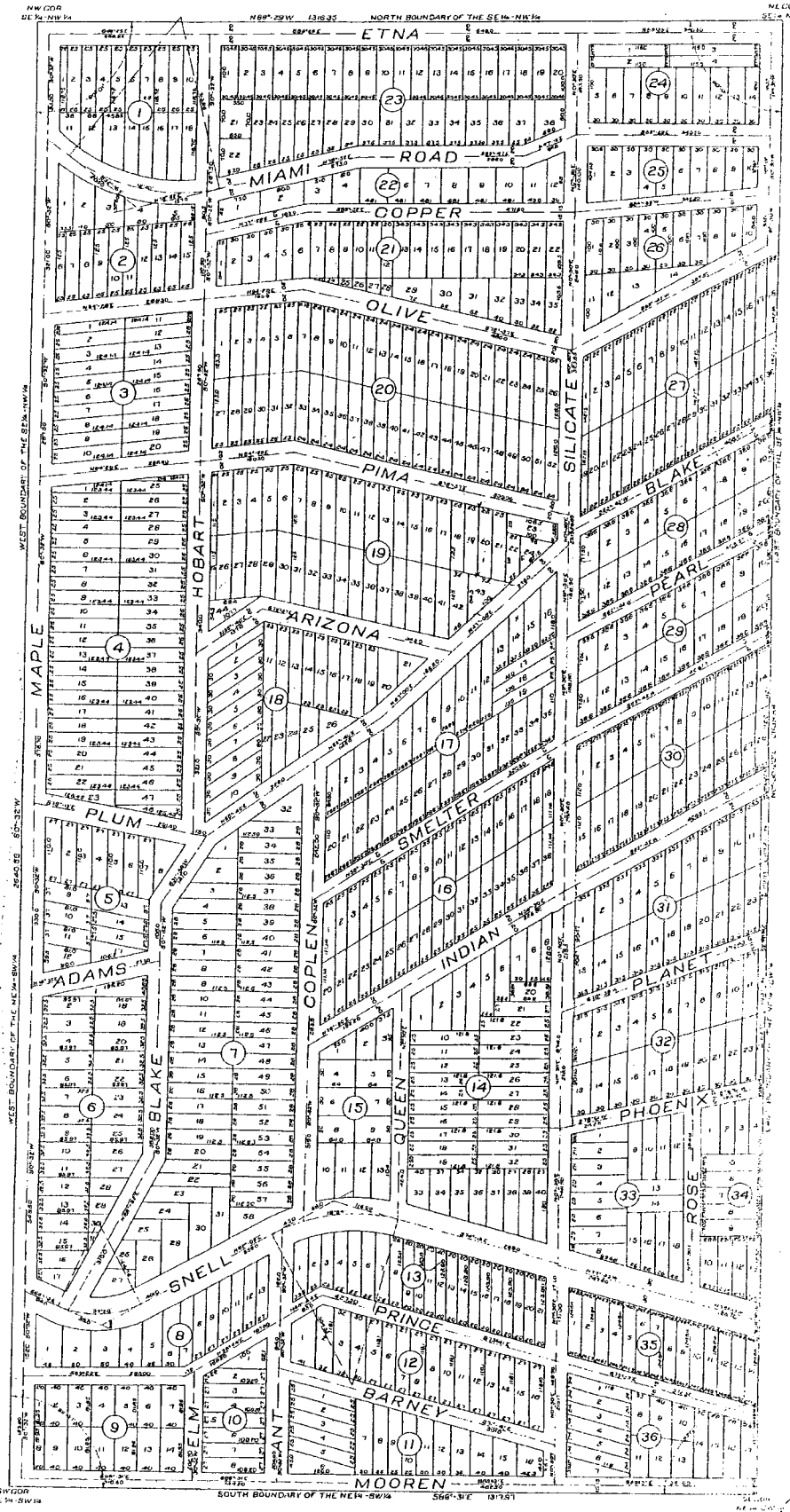
7. **1945 U.S.G.S. "Globe Quadrangle Map"**

8. **Various Aerials from the years 1943 – 1960s, (with City staff notations)**

9. **High Resolution Download from U.S.G.S. "EarthExplorer" dated 5-19-1961. Electronic copy provided in digital "TIFF" format, capable of manipulation and site detail viewing.**

Exhibit A, Item 1

Original Plat
for the Townsite of
Arlington Heights
(1911)



ed at the request of J.W. Wentworth on the 20 day of January, A.D.
minutes past 10 o'clock A.M.

E.T. Stewart
County Recorder

esented to the Board of Supervisors of Gila Co. Jan'y 20th 1911.
ed

F.L. Dutes
Clerk.

ntographed from the original map and the scale reduced from
ch to 120 feet = 1 inch on the 28 day of November A.D. 1915.

E.T. Stewart
County Recorder

L CENTER LINES PARALLEL TO BLOCK LINES AND EQUIDISTANT
M

TOWNSITE OF

NGTON HEIGHTS

TION 28, T.P.IN, R.15 E. G.& S.R.B.& M.

ATCHELL-VAN WAGENEN & CO ENGINEERS

31

Filed at the request of J.W. Wentworth on the 20 day of January, A.D. 1911 at 30 minutes past 10 o'clock A.M.

E.T. Stewart
County Recorder

Presented to the Board of Supervisors of Gila Co. Jan'y 20th 1911, and approved.

F.L. Gutye
Clerk.

Photographed from the original map and the scale reduced from 60 feet = 1 inch to 120 feet = 1 inch on the 28 day of November A.D. 1912

E. J. Stewart
County Recorder

ALL CENTER LINES PARALLEL TO BLOCK LINES AND EQUIDISTANT FROM THEM

TOWNSITE OF

ARLINGTON HEIGHTS

SECTION 28, T.P.I.N., RISE G & S R B & M.

BATCHELL-VAN WAGENEN & CO ENGINEERS

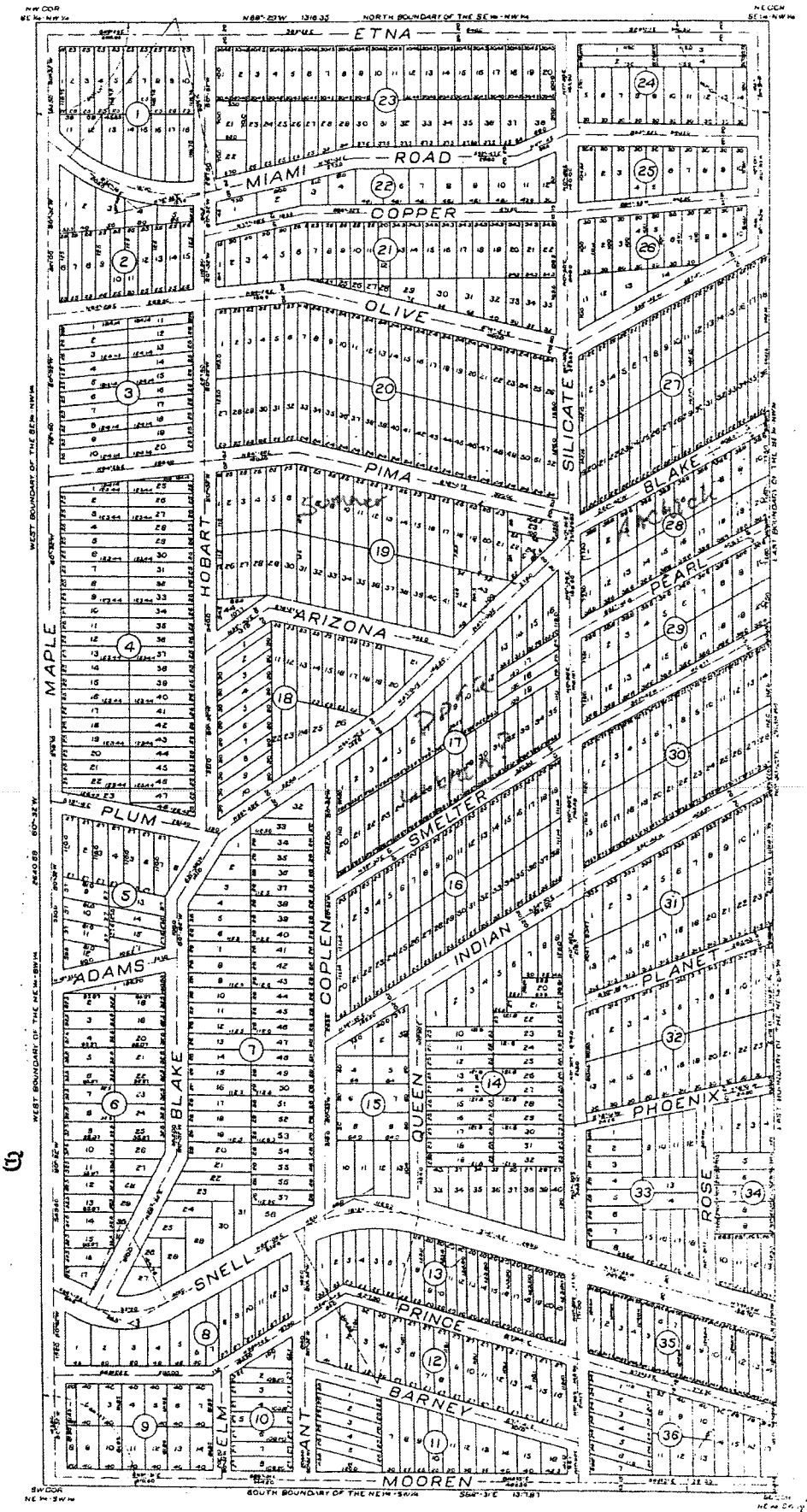


Exhibit A, Item 2

Gila County
Assessor Maps

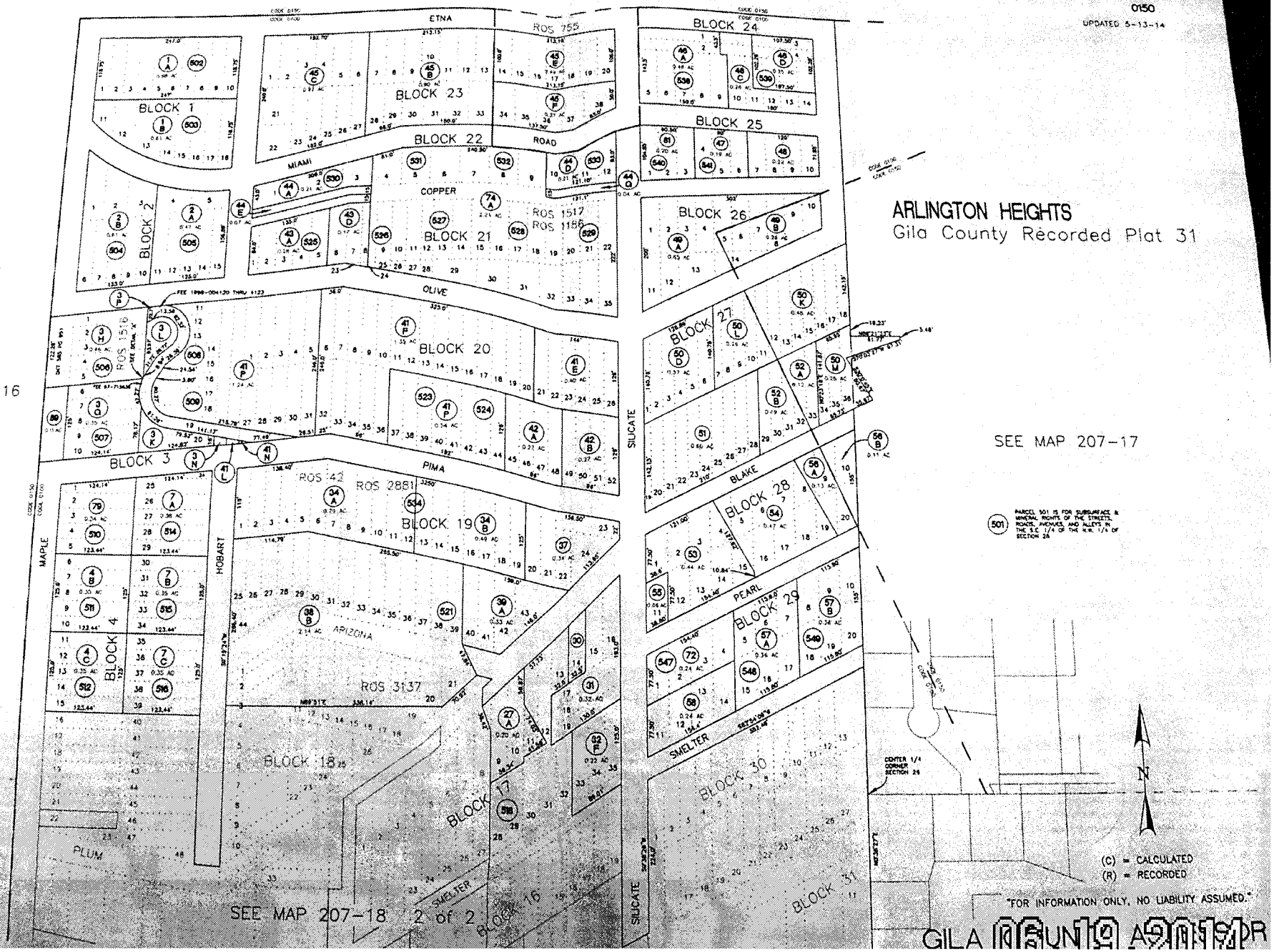
Current maps depicting the 2014 street alignments within Arlington Heights

(as differs from the original 1911 Plat)

SE 1/4 NW 1/4 SECTION 26
T1N R15E

207-18
1 of 2
CODE 0100
0150
UPDATED 5-13-14

SEE MAP 207-16



ARLINGTON HEIGHTS
Gila County Recorded Plat 31

(501) PARCEL 501 IS FOR SUBSURFACE & MINERAL RIGHTS OF THE STREETS, ROADS, AVENUES, AND ALLEYS IN THE S.E. 1/4 OF THE N.W. 1/4 OF SECTION 26

(C) = CALCULATED
(R) = RECORDED

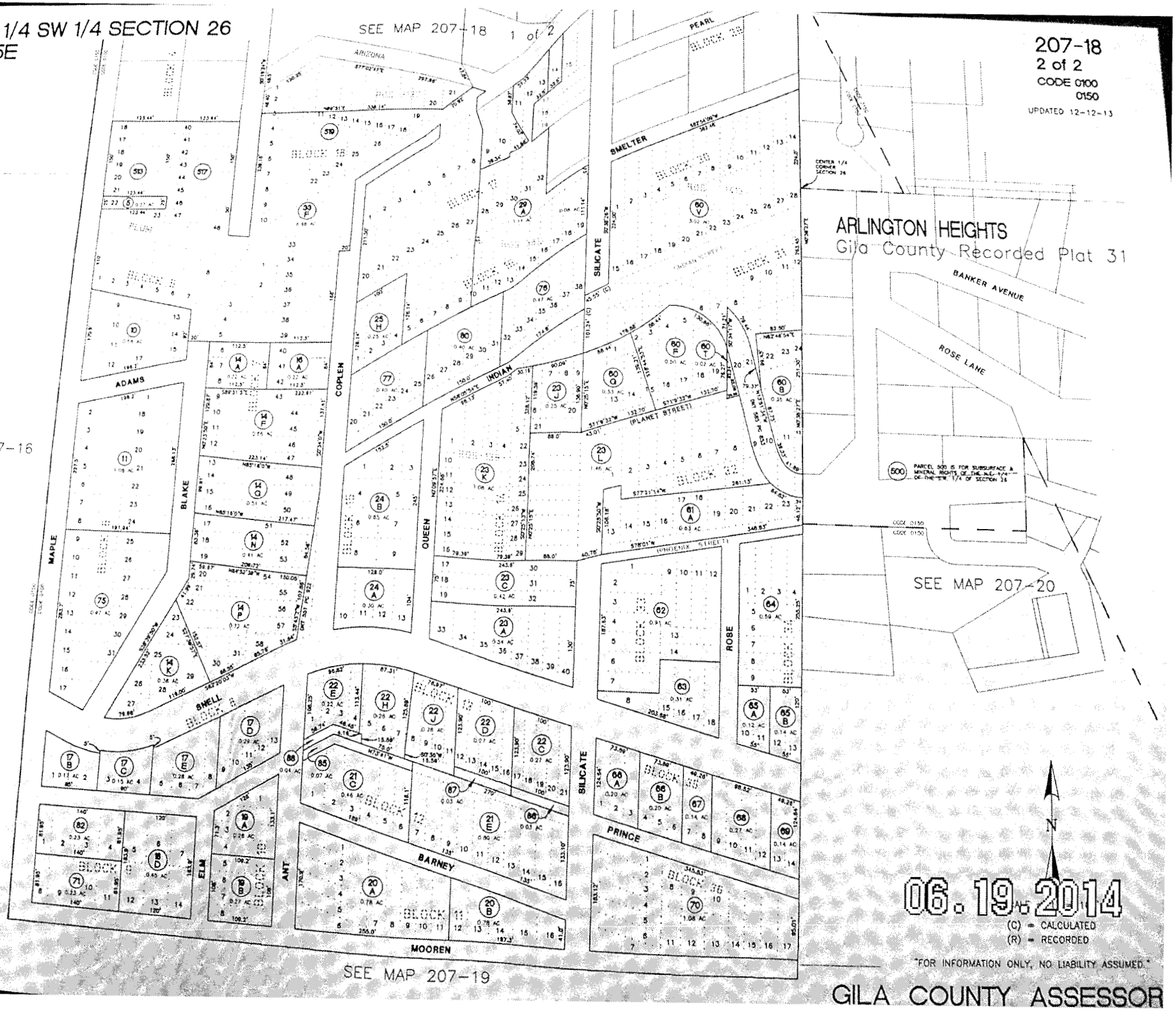
"FOR INFORMATION ONLY, NO LIABILITY ASSUMED."

GILA COUNTY ASSESSOR

PT NE 1/4 SW 1/4 SECTION 26
T1N R15E

SEE MAP 207-18 1 of 2

207-18
2 of 2
CODE 0100
0150
UPDATED 12-12-13



SEE MAP 207-16

SEE MAP 207-20

SEE MAP 207-19

06.19.2014

(C) = CALCULATED
(R) = RECORDED

"FOR INFORMATION ONLY, NO LIABILITY ASSUMED."

GILA COUNTY ASSESSOR

Exhibit A, Item 3

Globe
City Council Minutes
dated 4-7-1924

Showing the request from the Globe Fire Chief to install larger water mains along streets in the Arlington Heights region for fire service in the area

MINUTES OF A REGULAR MEETING OF THE MAYOR
AND COMMON COUNCIL, HELD IN THE COUNCIL CHAMBERS
CITY HALL, GLOBE, ARIZONA, ON THE 7TH DAY OF
APRIL, 1924, AT 7,30 P. M.

The mayor called the meeting to order and the following alderman responded to the
ll call: Alderman Middleton, Carson, Wills, Greer, Giacoma and Ponkey.

The minutes of the previous regular meeting were read and approved.

A letter from the attorney general of the state of Arizona was read relative to
e matter of payment of salaries to the mayor and members of the council, in which it
s stated that in the opinion of the attorney general such payment could be legally made
the succeeding mayor and aldermen, but in his opinion no such payment could be le-
lly made to the mayor and council that made provision for such payment during the term
office that such provision was made.

The following rport from the street committee was read:

His Honor the Mayor and Common Council,
f the city of Globe, Arizona.

entlemen:

The following is the report of your street committee on sidewalks.

ur opinion is that the sidewalks go in as reccommended, we dont see any essential need
aising the grade on Monroe Street. Fegan Street, we reccommend no sidewalks be put in
etween Monroe and South Street.. We reccommend no sidewalks be put in on Monroe Street,
rom Fourth to Fifth Street. We reccommend that no action be taken by the city in regar
rs. McCormack's complaint about water overflow on her lot.

(Signed) W. P. Greer

A Motion was made by alderman ponkey and seconded by alderman Wills that the street
ommittee be taken up seriatim. Motion put by the mayor. Carried.

After the several reccommendations were discussed, the mayor directed that the report
referred back to the committee for further investigation and report relative to the side-
walks in East Globe, on Fegan and Monroe Streets.

Alderman Greer submitted a verbal report that he had interviewed Mr. Owen McKivett rel
to ground for the completion of the proposed North Globe road and that McKivett had refu
allow the city to have any portion of the corner upon which was is constructed a cement
taining wall on Pinal Creek at the White House rooms.

The reports of the various departmental officers for the month of March, 1924 were re
ordered filed.

Dr. Horst addressed the council and stated that he desired a date set for the annual
up for the city of Globe, and suggested that April 25th and 26th be set as the dates for
After Some dicsussion, a motion was made by alderman Wills and Seconded by alderman ponk
that the dates be set for April 14th to April 19th, to be known as "Clean Up Week". Moti
put by the mayor.Carried.

Fire Chief Suter addressed the council, relative to better water service, by enlarg
the mains, on west Hackney, Ave., Blake Street and Euclide Ave. to insure better fire pro
tection. The matter was referred to the Fire Commission and Fire chief for investigation
report.

An agreement between the city of Globe and Meyers and Peters was read relative to
and protection to the property of Meyers and Peters for the proposed Yuma Street extensi
The agreement was referred to the street committee for estimates as to cost and report.

Alderman Greer, chairman of the street committee reported that he had investigated
matter brought to the attention of the council by Mr. Fauber, of the Rio Grande Oil Comp
and stated that he would reccommend that road to the property in question be repaired by
placing some surfacing material on the rough places.

Alderman Carson spoke of the dangerous condition of the bridge across Pinal Creek,
the rail road court and suggested that hand rails be placed thereon. The matter was ref
by the mayor to the city Engineer.

It was called to the attention of the council that no action had been taken relati
allowing the fire chief to attend the state convention of fire chiefs, to be held in Tuc
na, on the 1, 2, and 3d days of May, 1924. Motion made by alderman Wills and seconded by
man Giacoma that the matter be referred to the Fire Commission with full power to act. M
put by the mayor. Carried.

A motion was made by alderman Ponkey and seconded by alderman Greer that the mate
collected during "Clean up Week" be dumped in the hole near the Kitzmiller bridge and th
same be kept covered up with dirt or sand. Motion put by the mayor. Carried.

Motion made by alderman Ponkey and seconded by alderman Giacoma that the building
sewer permits be approved. Motion put by the mayor. Carried. The permits follow:

2711 Permit to F. W. Hoar to construct Iron room with iron roof, Pine and Oak St. Est.
Cost $50,00
2712 Permit to F. L. Jones to remodle building, Broad and Oak Street. Estimated Cost $5,
2713 Permit to Mrs. Dolph Bates Galv. Iron Garage, Cedar and Mesquite St. Est. Cost. $50
2714 Permit to Thomas J. Hocking to construct Screen Porch, Hill and High St. Est. Cost
2715 Permit to Harry MacGorton to install gasolene tank Broad and Kline St. Est. cost $2
734 Permit to C. C. Hawk to connect with sewer lot 5, block 43, E. G. T.
735 " " Arthur S. Gifford " " " " 6 " 10 " " "
736 " " C. W. Davis " " " " 2, " 9 " " "
737 " " Jos. Faul " " " " 3, " 6 " " "
" " " " " " "24 " 24 " " "

Exhibit A, Item 4

Globe
City Council Minutes
dated 2-1-1926

Showing approval for a Bond election to allot City of Globe funds for paving of streets in the Arlington Heights region

MINUTES OF A REGULAR MEETING OF THE MAYOR AND COMMON COUNCIL, HELD ON THE 1stDAY OF FEBRUARY, 1926. (CONTINUED)

20	O. K. Lumber Company, January Supplies,	9.60
21	Dea Gin Foo, January Meals to prisoners	18.29
22	Arizona Steam Laundry, January laundry.	5.95
23	Cullen A. Little Steno Services	8.85
24	Standard Oil Company, January Supplies	117.44
25	Palace Garage, January Supplies	4.65
26	J. C. Bruner, January Supplies	2.50

A motion was made by alderman Willsand seconded by alderman Greer that we do adjourn untill Friday the 5th day of February, at the hour of 7.30 P. M. Motion put by the mayor. Carried.

Mayor.

Attest:
Wilson T. Wright
City Clerk.

MINUTES OF AN ADJOURNED MEETING OF THE MAYOR AND COMMON COUNCIL, HELD IN THE COUNCIL CHAMBERS, CITY HALL, GLOBE, ARIZONA ON THE 5TH DAY OF FEBRUARY, 1926 AT THE HOUR OF 7.30 P. M.

INThe absence of Mayor D. L. Meloy, a motion was made by alderman Greer and seconded by alderman Giacoma that alderman Wills act as mayor untill the return of Mayor Meloy. Motion put by the city Clerk. Carried. Acting mayor Wills called the meeting to order and the following aldermen responded to the roll call: Alderman Leach, Keegan, Greer and Giacoma, Alderman Depaoli being absent.

Inas much as this date had been designated as Arbor Day by the Governor of the state of Arizona and , therefore, was a holiday. A motion was made by alderman Greer and seconded by alderman Giacoma that we do adjourn untill Saturday the 6th day of February, 1926 at the hour of 10 A. M. Motion put by the mayor. Carried.

William Wills
Acting Mayor.

Attest:
Wilson T. Wright
City Clerk.

MINUTES OF AN ADJOURNED MEETING OF THE MAYOR AND COMMON COUNCIL HELD IN THE COUNCIL CHAMBERS, CITY HALL, GLOBE, ARIZNA, ON SATURDAY THE 6TH DAY OF FEBRUARY, 1926, AT THE HOUR OF 10 O'CLOCK A. M.

STATE OF ARIZONA,)
COUNTY OF GILA) ss.
CITY OF GLOBE)

The Common Council of the city of Globe, Gila County, State of Arizona, met in adjourned regular session at the council chambers in the city hall, in said city, the regular meeting place in said city, on Saturday, the sixth day of February, A. D. 1926, at the hour of ten (10;00) o'clock A. M., pursuant to due notice and the rules and regulations of said council. Upon roll call the following were present: Councilmen E. M. Leach, W. E. Keegan, William Wills, W. P. Greer, C. Giacoma and Frank J. Depaolio, Jr., Also present: Wilson T. Wright, City Clerk. Absent: D. L. Meloy, Mayor.

Mayor D. L. Meloy being absent, Councilman William Wills, by unanimous consent of all members of the council, was appointed Acting Mayor during the absence of the mayor. Thereupon, the following resolution and order was passed and adopted by the following vote: Those voting "AYE" William E. Keegan, E. M. Leach, William Wills, C. Giacoma, Frank J. Depaolio, Jr., W. P. Greer. Those Voting "NAY" NONE.

RESOLUTION NO. 267 AND ORDER
AND
NOTICE OF ELECTION.

WHEREAS, in the opinion of the common council of the City of Globe, County of Gila, State of Arizona, the interest of the city require that bonds of the city be issued for the purpose of paving Hackney Avenue, from Broad street to the city limits, Willow street, from Bankers Garden to Broad Street, via Oak Street, Blake Street, from Broad street to city Limits, Haskins Road from Broad street to Kitsmiller Bridge via North Street, Devereux Street from Sycamore Street to city limits via Tonto Street, Sycamore Street from Broad street to Fourth Street, Maple street from Hill Street to Fifth Street, South Broad Street from Cottonwood Street to Ash Street via Carrico and Hill Streets, West Maple Street from Pinal Creek bridge to city limits, Hill Street from Oak Street to Devereux Street via Baily Street, Mesquite Street from Broad Street to Fourth Street, Cedar Street from Broad Street to Sutherland Street, Globe Street from Broad street to Old Dominion Library, Oak Street from Hill Street to Sutherland street, and other streets or portions thereof within said city of Globe; and

WHEREAS, it is provided by Chapter 11 of Title 52 of the Revised Statutes of Arizona , 1913, Civil Code, that prior to the creation of such indebtedness and the issuance of such bonds therefor, the question shall be submitted by the Common Council to the vote of the property taxpayers, who, in all other respects shall be qualified electors in said city, for their determination.

NOW THEREFORE BE IT RESOLVED AND ORDERED, and it is hereby ordered by the Common Council of the city of Globe, Arizona:

1. That a special election by the property taxpayers, who, in all other respects, shall be qualified electors in said city, be and the same is hereby called for Monday the 22d day of March, A. D. 1926, for the purpose of determining whether such indebtedness shall be authorized.

2. That at said election, the following question shall be, and the same is hereby, submitted to the property taxpayers of Globe, Arizona, who, in all other respects, shall be qualified electors in such city, for their determination, to wit:

MINUTES OF AN ADJOURNED MEETING OF THE MAYOR AND COMMON COUNCIL HELD ON THE 6TH DAY OF FEBRUARY, 1926 (CONTINUED)

"Shall the common council of the city of Globe, Arizona, be authorized to create and indebtedness on behalf of the city and upon the credit thereof, by issuing the bonds of the city in the aggregate amount of One Hundred Fifty Thousand Dollars ($150.000.00), for the purpose of paving the streets mentioned in the Order and Notice of Election; said bonds to be due and payable Seven Thousand Five Hundred Dollars ($7.500) in each of the years 1927 to 1946 inclusive, and to bear interest at the rate of five and one half per centum (5½%) per annum, payable semiannually"?

3. Such election shall be held in conformity with the provisions of the general election laws of the State and by the officers of election provided to be appointed by and who shall qualify under the laws. No person shall be entitled to vote unless he is a property taxpayer of said city and, in all respects, a qualified elector thereof.

4. That a registration of all persons who possess the above qualifications is hereby provided for and required and will be had and taken according to the provisions of Chapter VII of Title 7, Revised Statutes of Arizona, 1913, and amendents thereof. Said registration shall be open on the 10th day of February, A. D. 1926, and shall remain open untill and including the 11th day of March, A. D. 1926 , and shall be held in the office of the City Clerk in Globe, Arizona, who shall be and he is hereby appointed the registration officer for said registration. The said registration officer must be present in the office aforesaid, for the purpose of registering any applicant on each and every day that such registration may be open (Sundays and legal holidays excepted) from nine (9) o'clock in the morning until thelve (12) o'clock noon and from one (1) o'clock untill five (5) o'clock in the afternoon, either in person or by deputy. The City Marshall shall be deputy registration officer for said registration and shall have the same power of registration in administering oaths as the said registration officer. Applicants shall make oath that they are qualified electors of the city of Globe, Arizona, in the same form as required by a regular city election and, in addition, that they are property taxpayers of the said city of Globe. In all other matters, not otherwise herein provided for, wherever the same are applicable, the general laws of the State of Arizona in regard to registration shall be followed. After said registration shall be completed, it shall remain in the office of the city clerk.

5. That the question so submitted shall be voted on at said election by the electors qualified, as aforesaid, at the regular voting places in the six (6) respective voting wards in said city, herein after named, and the following named persons are hereby appointed as inspectors, judges, clerks and marshalls of election for the purpose of conducting such election in the six (6) respective voting wards of said city, to wit:

FIRST WARD

Voting Place: East Globe Garage
Inspector: Mrs. Fred McCormack

Judges: Mrs. R. H. Simmons
J. A. Dandaurand
Clerks: Mrs. Emma Berry
Elsie Glenn
Marshall: James E. Nash.

SECOND WARD

Voting Place: Globe High School Building, East Entrance.
Inspector: William McFadden

Judges: George E. Shute,
G. W. M. Carvil

Clerks: Mrs. M. O. Young
F. E. Webb

Marshall: Guy M. Smith.

THIRD WARD

Voting Place; Office of City Marshall.
Inspector: W. T. McNelly
Judges: T. B. Lightle
Mrs. J. K. Symonis.

Clerks: Mrs. Jennie Curnutt.
Ward W. Crawford.

Marshall: George Prynn, Sr.

FOURTH WARD

Voting Place, 339 No. Broad street.
Inspector; R, M. Coffee

Judges; William Ryan
Mrs. N. T. Wearne

Clerks, Mrs. Fannie Clark
Mrs. Clara E. Lowe.

Marshall: Paul Whalen.

FIFTH WARD

Voting Place, Bridge Garage , On Broad Street.
Inspector, A. M. Lockwood

Judges; Margaret Rice.
B. F. Crawford

Clerks. Mrs F. Neymeyer
Mrs. Hugh Carter

Marshall: Tom B. Smith

Inspector: H. L. Rice

Judges: Bertha Maurel
Mrs. O. J. Tuschka.

Clerks. Mrs. Emma Patton
Mrs. J. C. Frick

Marshall: William Rawlings.

6. The polls shall be kept open from 6 (6) o'clock in the morning untill six (6) o'clock in the evening on the day of the election.

7. Such election shall be by ballot. The ballots shall be printed with balck ink on white paper of sufficient thickness to prevent the printing thereon from being discernable from the back. The ballots shall be headed "OFFICIAL BALLOT" in heavy faced plain letters, not smaller than long primer nor larger than great primer, with a heavy rule above and below the same. The ballots for said election shall be provided by the common council of said city and shall be in substancially the following form:

OFFICIAL BALLOT

BOND ELECTION MARCH 22, A. D. 1926.

Globe, Arizona.

QUESTION SUBMITTED:

"Shall the Common Council of the City of Globe, Arizona, be authorized to create an indebtedness on behalf of the city and upon the credit thereof, by issuing the bonds of the city in the aggregate amount of One Hundred Fifty Thousand Dollars ($150.000), for the purpose of paving the streets mentioned in the Order and Notice of Election; said bonds to be due and payable Seven Thousand Five Hundred Dollars ($7.500) in each of the years 1927 to 1946 inclusive, and to bear interest at the rate of five and one half per centum (5½%) per annum, payable semiannually?"

FOR THE BONDS	
AGAINST THE BONDS	

(Each elector shall indicate his approval or disapproval of the proposition submitted by placing a cross(X) opposite the group of words on his ballot which expresses his choice, and then deposit his ballot in the ballot box)

8. The Common Council shall cause the ballots to be printed and shall send a suffecient number to the judges appointed to conduct the said election.

9. No ballot for or against said question shall be received by the judges unless the person offering the same shall be a property taxpayer of the city; and also in all respects a qualified elector therein.

10 The return of such election shall be submitted to the Common Council of the city of Globe, Arizona, within twelve (12) days from date of such election, whereupon, said common Council shall hold a special meeting on the first Monday succeeding said twelfth (12) day, for the purpose of canvassing the vote cast at said election; and they shall immediately thereafter, by certificate, declare the result of such election and said certificate of the result of the election so made shall be prima facie evidence of the complete performance of allthe conditions and requirements precedent to the holding of such election.

11. If a majority of the property taxpayers in said city, who must also, in all respects, be qualified electorstherein, voting at said election, shall vote in favor of the creation of such indebtedness and the issuing of bonds for the purpose aforesaid, it shall be the duty of the Common Council immediately upon canvassing the vote cast at said election, as above provided, to file and record in the office of the County Recorder of Gila County, a certificate showing the object of such electio n the total number of votes cast thereat, the total number of votes cast against the creation of such indebtedness and the total number of votes cast in favor of the creation of such indebtedness; and such certificate shall contain a further statement that the creation of such indebtedness is ordered; and, thereupon, it shall become the duty of such Common Council to take such steps as are required by law, to carry out the object of such election.

12. If the indebtedness contemplated by this resolution and order, for the purpose aforesaid, shall be authorized at the election hereby called, then, and in such event, the aggregate amount of bonds to be issued under such authority shall be as hereinabove spacified; said bonds to be due and payable Seven Thousand Five Hundred Dollars ($7.500) in each of the years 1927 to 1946 inclusive, and to bear interest at the rate of five and one half per centum (5½%) per annum, payable semi-annually. Said bonds, if authorized, will be negotiable in form.

13. The City Clerk is hereby authorized and directed to cause to be posted at least five (5) copies of this order in public places within the city of Globe, at least twelve days prior to the date of election hereby called, and shall have posted a copy of such notice at each of said polling places in said city; provided that, in addition to the posting of such notice, publication of a copy thereof shall be made in ARIZONA RECORD, a newspaper designated by the council, being a newspaper published and of general circulation in said city, for at least thirty (30) days prior to the date of the election hereby called.

14 This resolution shall become immediately operative for the

Exhibit A, Item 5

Globe
Water System Map #8

Historic document located in
Map Book, dated 1930

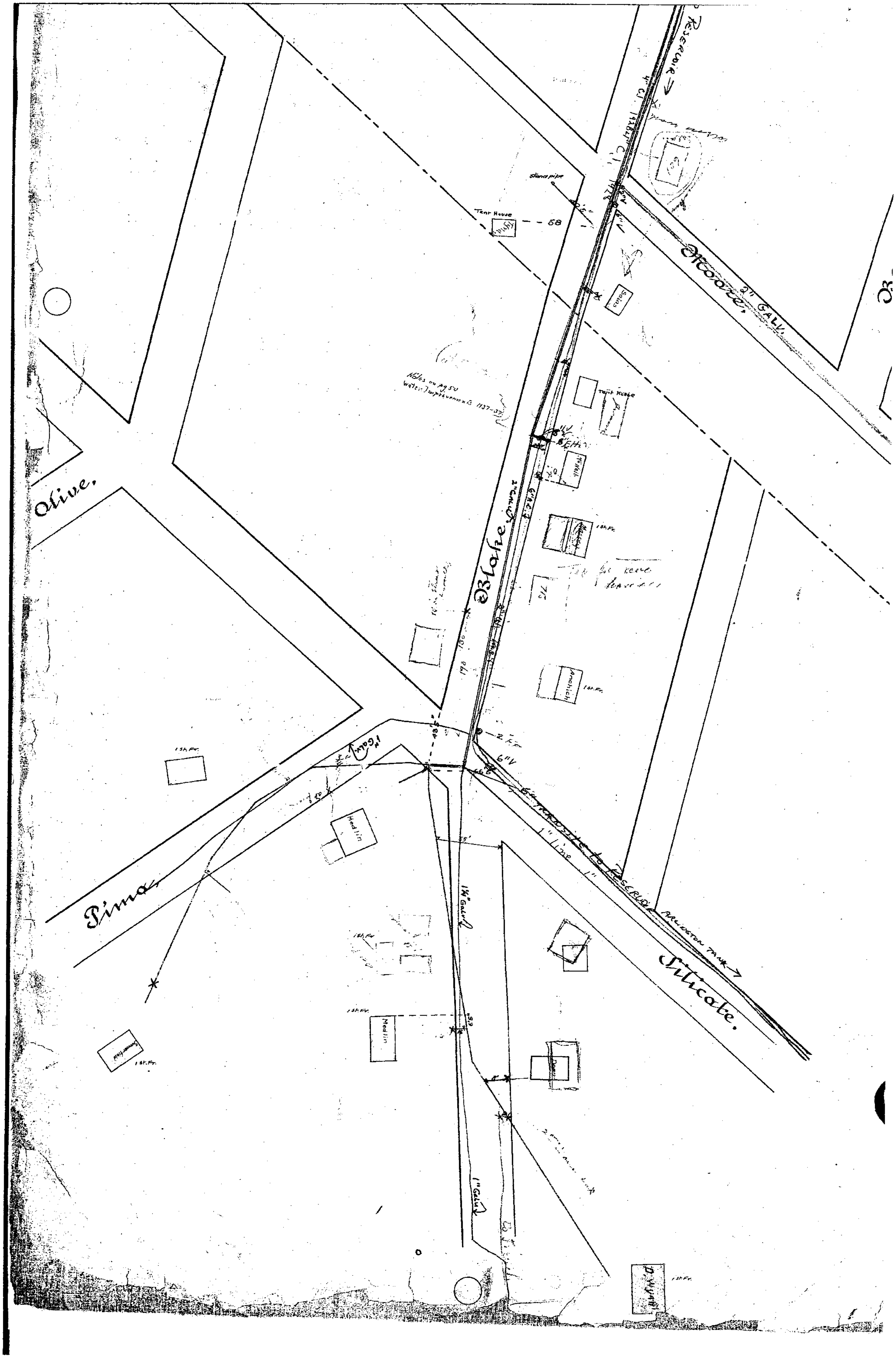

Reservoir →
Stand pipe
Tank House
Tank House
Moore.
2" GALV.
Olive.
Blake
Pima
Silicate.
Medlin
Medlin
1¼" Galv
1" Galv
6"V
Ralston Tank →

Exhibit A, Item 6

Gila County Recorder's Office, Grantor / Grantee indexes

For certain properties located within the Arlington Heights region

Township _____ Range _____ Townsite Arlington Heights Block 28

DESCRIPTION	Lot	Blk.	Sec.	Twp.	Range	ASSESSED TO	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935
	7	28				John T. Corn	✓	✓																	
						Louise L. Masse 33/161			✓	✓	✓														
Part						Mrs. Mary McNeil						✓	✓												
						L. J. Masse								✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part						L. J. Masse	✓					✓													
	8	28				John T. Corn	✓	✓																	
						Louise L. Masse 33/161			✓	✓															
East part						Dan & Mary McNeil 35/23					✓	✓	✓	✓	✓	✓	✓	✓	✓						
						Dan McNeil	✓													✓	✓	✓	✓	✓	✓
West part						Henry L. Masse					✓	✓													
						L. J. Masse	✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	9	28				John T. Corn	✓	✓																	
						Louise L. Masse 33/161			✓	✓															
						Dan & Mary McNeil 35/23					✓	✓	✓	✓	✓	✓	✓	✓	✓						
						Dan McNeil	✓													✓	✓	✓	✓	✓	✓

Township _____ Range _____ Townsite Arlington Heights Block 19

DESCRIPTION	Lot	Blk.	Sec.	Twp.	Range	ASSESSED TO	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935
	39	19				H V Snell 27-10 o.k.	✓	✓	✓	✓	✓														
						Southwestern Leasing & Dev Co 37-170 o.k.						✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	40	19				H V Snell 27-10 o.k.	✓	✓	✓	✓	✓														
						Southwestern Leasing & Dev Co 37-170 o.k.						✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	41	19				Winnie Medlin	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	42	19				Winnie Medlin	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	43	19				Winnie Medlin	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	~~44~~	~~19~~																							

Township _____ Range _____ Townsite Arlington Heights Block 19

DESCRIPTION	Lot	Blk.	Sec.	Twp.	Range	ASSESSED TO	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935
	16	19				H V Snell	✓	✓	✓	✓	✓														
						Southwestern Leasing & Dev Co 37-170						✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
South 50 ft of	17	19				Winnie Medlin	✓	✓																	
						Mabel M Mc Laughlin			✓	✓	✓														
						Mr & Mrs Jas M Laughlin							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
North 75 ft of	17	19				Mabel M Mc Laughlin	✓	✓	✓	✓	✓														
						Mr & Mrs Jas M Laughlin							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
South 50 ft of	18	19				Winnie Medlin	✓	✓																	
						Mabel M Mc Laughlin			✓	✓	✓														
						Mr & Mrs Jas M Laughlin							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
North 75 ft of	18	19				Mabel M Mc Laughlin	✓	✓	✓	✓	✓														
						Mr & Mrs Jas M Laughlin							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
South 50 ft of	19	19				Winnie Medlin	✓	✓																	
						Mabel M Mc Laughlin			✓	✓	✓														
						Mr & Mrs Jas M Laughlin							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
North 75 ft of	19	19				Mabel M Mc Laughlin	✓	✓	✓	✓	✓														
						Mr & Mrs Jas M Laughlin							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Township _____ Range _____ Townsite Arlington Heights Block 17

DESCRIPTION	Lot	Blk.	Sec.	Twp.	Range	ASSESSED TO	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	53
	13	17				Lester B. Doane	✓																		
						State of Arizona 50/345	✓	O.K.																	
					✓	Rojas, (Children)			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
						Doan, Mrs. Lester														✓					
						J. R. Heron 50/345																			✓
	14	17				Lester B. Doane 60/	✓																		
						State of Arizona 50/345		O.K.																	
					✓	Rojas, (Children)			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
						Doan, Mrs. Lester														✓					
						J. R. Heron 50/345																			✓
	15	17				Wallace Ferrell ✓	✓	✓																	✓
Undivided ½ Int					✓	" "			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
" " "					✓	Lucy Brown 57/	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
	16	17				Wallace Ferrell ✓	✓	✓	✓																✓
Undivided ½ Int.					✓	" "			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓					
" " "					✓	Lucy Brown ✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
	17	17				Wallace Ferrell ✓	✓	✓											✓						✓
Undivided ½ "					✓	" "			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓					
" " "					✓	Lucy Brown ✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
	18	17				Wallace Ferrell ✓	✓	✓																	✓
Undivided ½ Int					✓	" "			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓					
" " "					✓	Lucy Brown ✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
																									61

Township _____ Range _____ Townsite Arlington Heights Block 19

DESCRIPTION	Lot	Blk.	Sec.	Twp.	Range	ASSESSED TO	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	53
	8	19			✓	S W Leasing & Dev. Co. 37/170	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					
						Thos. A. & Laura M. Williams																			✓
Sub Surface rights only						MIAMI COPPER CO.																			✓
	9	19				Mrs. Esther Summerfield	✓	✓	✓	✓	✓														
					✓	T. W. & L. M. Williams min 9/2 38						✓	✓	✓	✓	✓	✓	✓	✓	✓					✓
Sub Surface rights only						MIAMI COPPER CO.																			✓
	10	19				Mrs. Ester Summerfield	✓	✓	✓	✓	✓														
					✓	T. W. & L. M. Williams						✓	✓	✓	✓	✓	✓	✓	✓	✓					✓
Sub Surface rights only						MIAMI COPPER CO.																			✓
	11	19				Mrs. Esther Summerfield	✓	✓	✓	✓	✓														
					✓	T. W. & L. M. Williams						✓	✓	✓	✓	✓	✓	✓	✓	✓					✓
Sub Surface rights only						MIAMI COPPER CO.																			✓
	12	19				Mrs. Ester Summerfield	✓	✓	✓	✓	✓														
					✓	T. W. & L. M. Williams						✓	✓	✓	✓	✓	✓	✓	✓	✓					✓
Sub Surface rights only						MIAMI COPPER CO.																			✓
	13	19				Esthel Summerfield 34/298	✓	✓	✓	✓	✓														
					✓	T. W. & L. M. Williams						✓	✓	✓	✓	✓	✓	✓	✓	✓					✓
Sub Surface rights only						MIAMI COPPER CO.																			✓
	14	19				Esthel Summerfield 34/298	✓	✓	✓	✓	✓														
					✓	T. W. & L. M. Williams						✓	✓	✓	✓	✓	✓	✓	✓	✓					✓
Sub Surface rights only						MIAMI COPPER CO.																			✓

Township _____ Range _____ Townsite Arlington Heights Block 19

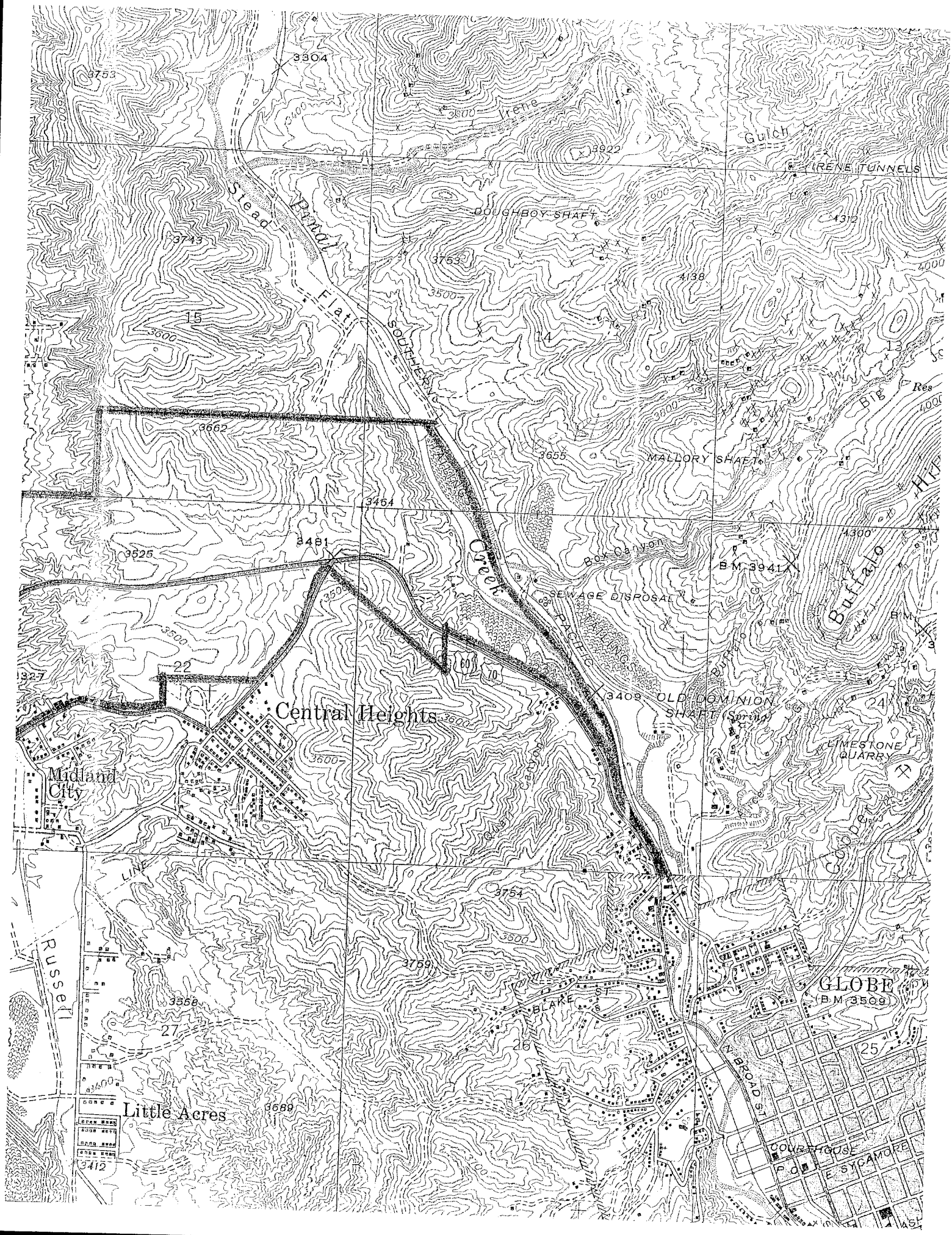
DESCRIPTION	01	02	03	04	05	Lot	Blk.	Sec.	Twp.	Range	ASSESSED TO	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	68
						15	19				S. W. Leasing & Dev. Co. 37/170				✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
1963 Laura	✓										Thos. W. & Laura M. Williams				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
											Miami Copper Co.				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sub-surface rights only	✓								278	814	Cities Service Co.																			
						16	19				S. W. Leasing & Dev. Co.																			
1963 Laura	✓										Thos. W. & Laura M. Williams				✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
											Miami Copper Co.				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sub-surface rights only	✓								278	814	Cities Service Co.																			
						17	19				Mr. & Mrs. J. W. McLaughlin																			
South 50 ft. of											~~State of Arizona~~ 50/447																			
1963 Laura	✓										T. W. Williams				✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
											Miami Copper Co.				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sub-surface rights only	✓								278	814	Cities Service Co.																			
						18	19				Mr. & Mrs. J. W. McLaughlin																			
North 75 ft.											State of Arizona																			
1963 Laura	✓										T. W. Williams				✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
											Miami Copper Co.				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sub-surface rights only	✓								278	814	Cities Service Co.																			

Township _____ Range _____ Townsite Arlington Heights Block 28

71	72	73	74	75	DESCRIPTION	Lot	Blk.	Sec.	Twp.	Range	ASSESSED TO	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	Cap
					Small fraction in SW Corner	5	28				D. N. & Victoria Valerio				✓	✓	✓		✓											
											Dominica Valerio									✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
✓											Victoria Valerio																			
					Part of about 3/4 of	5	28				Ignace Masse																			
											State of Arizona																			
											I. J. Masse																			
											Jean Derosier 58/213																			
✓											Nathan P. Guttry 69/136				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
					Small fraction in NE Corner	5	28				I. J. Masse																			
											State of Arizona																			
											I. J. Masse																			
											Jean Derosier																			
✓											Nathan P. Guttry 69/136				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Exhibit A, Item 7

U.S. Geographical Survey
"Globe Quadrangle Map"
from 1945



3304
3753
Irene
Gulch
3922
IRENE TUNNELS
Stead
Pinal
DOUGHBOY SHAFT
3900
4312
3743
3753
4138
Flat
SOUTHERN
15
14
13
3600
3662
3655
MALLORY SHAFT
Big
Res
3464
3481
3525
Creek
Box Canyon
B M 3941
4300
SEWAGE DISPOSAL
PACIFIC
Buffalo
22
60
70
3409
OLD DOMINION SHAFT (Spring)
24
Central Heights
LIMESTONE QUARRY
Midland City
Quail Canyon
Copper
LINE
3754
3600
Russell
3759
GLOBE
(B M 3509)
BLAKE ST
3558
27
26
25
N BROAD ST
Little Acres
3689
COURTHOUSE
E SYCAMORE
3412

Exhibit A, Item 8

Various Aerials
from 1943 - 1960's
(with City staff notations)

1943

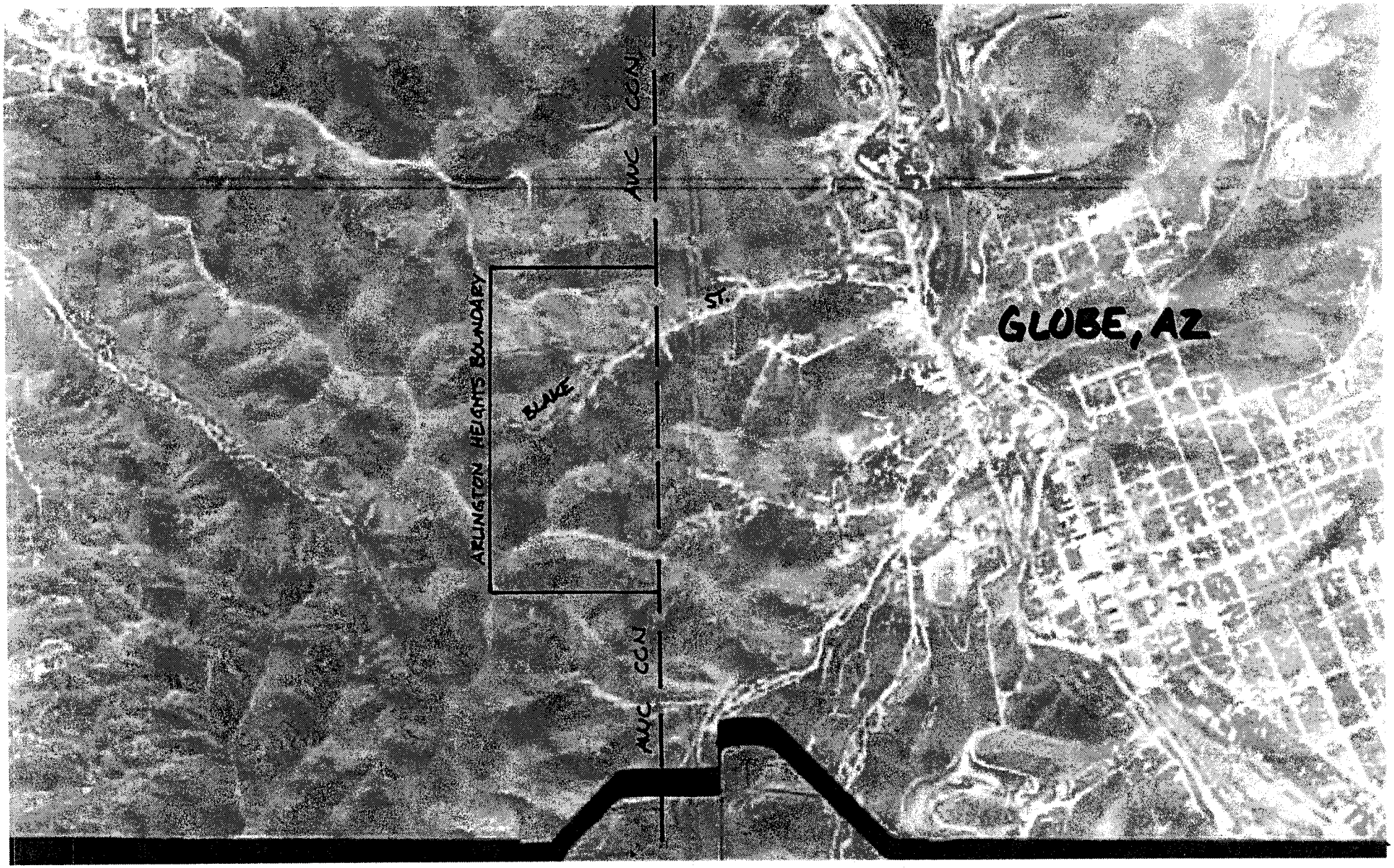
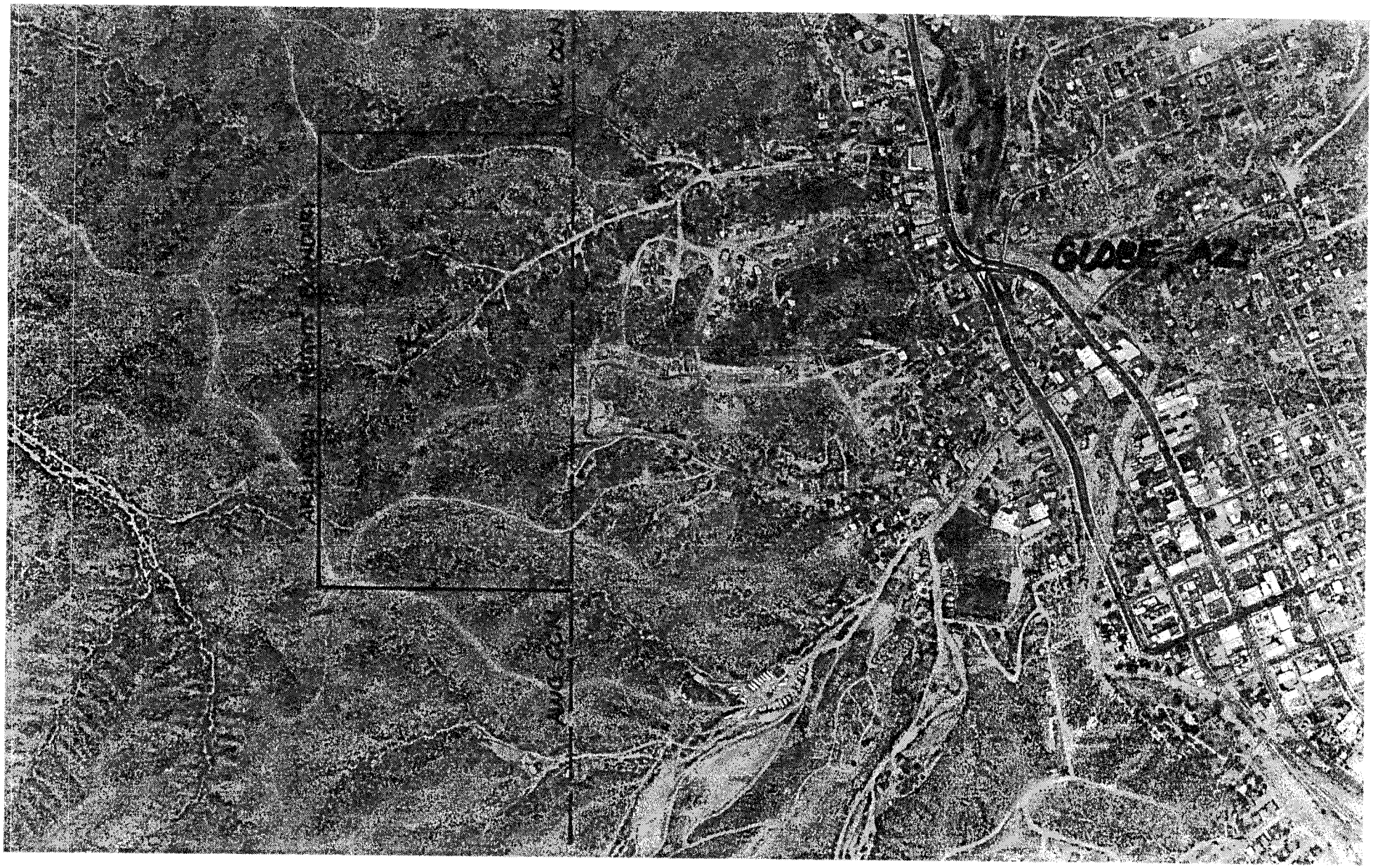


IMAGE QUALITY IS POOR. NO DETAIL POSSIBLE

1953



1961

GLOBE, AZ
1969
Landiscor
AERIAL INFORMATION

ARIZONA WATER COMPANY

PRELIMINARY COST ESTIMATE

DATE PREPARED: 01-30-2013			
PREPARED BY: RDH	APPROVED BY:	SYSTEM: MIAMI	DIVISION: SUPERSTITION
PROJECT LOCATION: SW1/4 SEC26 T1N R15E		PROJECT NUMBER:	REFERENCE MAP:

PROJECT DESCRIPTION:

CONSTRUCT BOOSTER PUMP STATION AND PIPELINES TO SERVE CUSTOMERS IN ARLINGON HEIGHTS (MIAMI-GLOBE CCN)

MATERIALS AND LABOR

QUANTITY	UNIT	$/UNIT	DESCRIPTION	ESTIMATED ITEM COST
1	Lot	$ 80,000	Install Booster Station (1-40hp & 1-5hp booster pump)	$ 80,000
440	LF	$ 75	Install 6" DIP to join AWC Tank to Existing System	$ 33,000
660	LF	$ 75	Install 6" DIP to Serve Customers on Miami Road	$ 49,500
1800	LF	$ 75	Install 6" DIP to join Globe Tank to Exist Globe System	$ 135,000
1	Lot	$ 110,000	Install On-site Electrical	$ 110,000
10	EA	$ 850	Install Service Tie-Overs	$ 8,500
				$ -
				$ -
				$ -
				-
				-
				-

(1) **SUBTOTAL - MATERIALS AND LABOR**	416,000
(2) PERFORMANCE BOND	6,000
(3) SURVEY, R.O.W. PERMITTING, TESTING AND FIELD INSPECTION	10,000
(4) SUBTOTAL - LINES (1), (2) AND (3)	**$ 432,000**
(5) OVERHEAD	43,000
SUBTOTAL - LINES (4) and (5)	**$ 475,000**
ESTIMATED COST OF CONSTRUCTION	**$ 475,000**

AFH

1943

1961

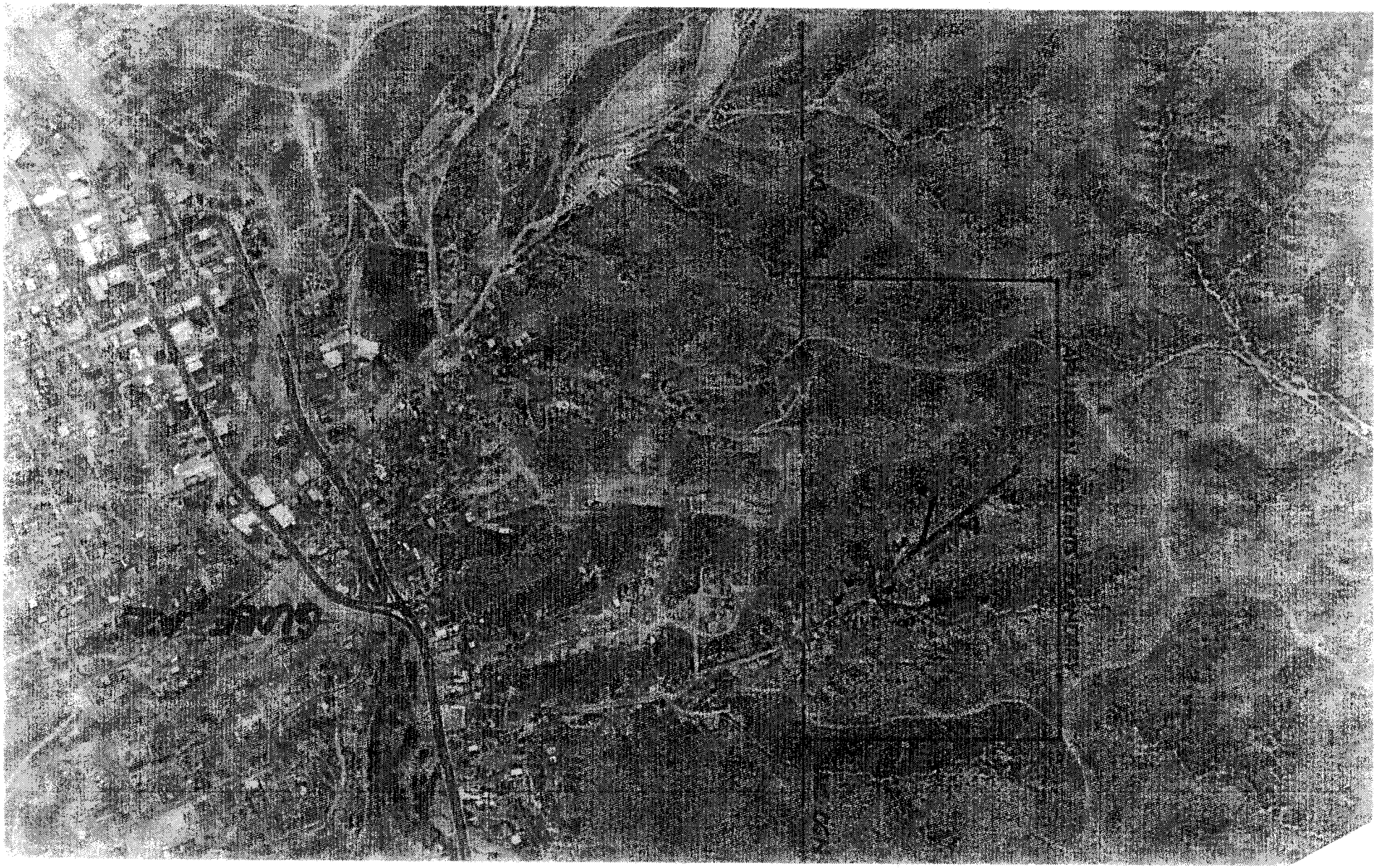
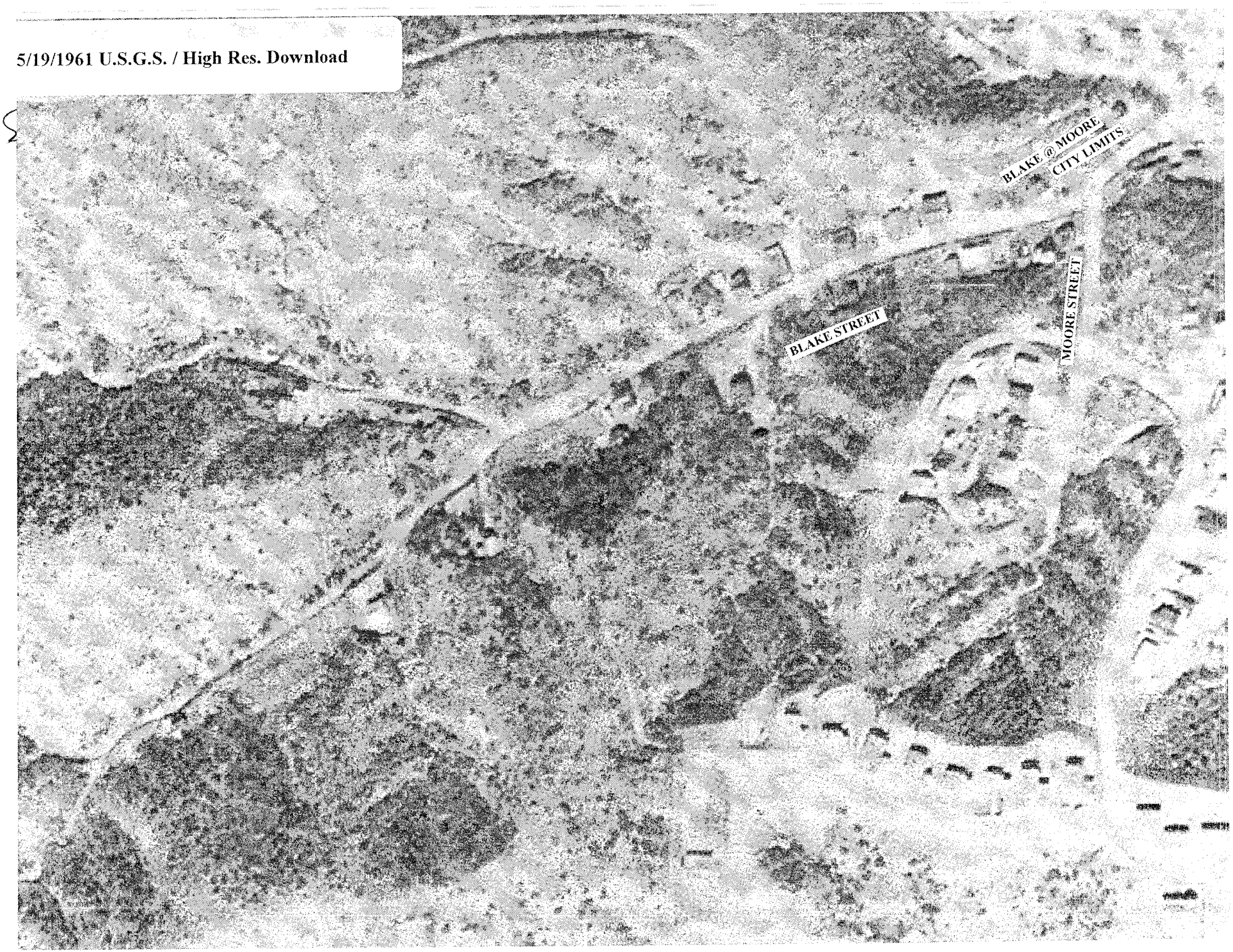


Exhibit A, Item 9

USGS "Earth Explorer"
High Resolution Download
dated 5-19-1961

Map provided in electronic copy,
as a digital TIFF format capable of manipulation and
viewing of minute site details not seen if printed

5/19/1961 U.S.G.S. / High Res. Download



-61
11-050
GS-M
CA-14
LENS SER. NO.
DF 559

EXHIBIT (B)

CONTENTS for EXHIBIT "B"

In & around Globe Mobile Home Park along US-60 (Northern Area)

1. **1918 construction plans for the Historic Town of Globe Sludge Beds and Chlorination House. - Subject plans are very fragile and will require professional copy services. Located with Larry Hansen in the Engineering Department.**

2. **ADOT As-Builts from US-60 (1957) , Sheets 3, 4 & 5 + Cover Sheet**

3. **Enhanced Resolution Download of USGS 1961 Aerial map depicting the area of study. - This large file is provided in electronic format "TIFF" file for enhanced detail and manipulation.**

4. **Globe City Council Minutes from 1968 detailing replacement of waterlines at the Globe Mobile Home Park**

5. **1965 Aerial labeled as Pinal Creek, depicting a built out Globe Mobile Home Park**

6. **Engineering sketch from City of Globe records (file name 1955-1970), depicting service for Larry Allen's Tire Shop**

7. **1961 newspaper articles regarding a proposed and needed NEW City Wastewater Treatment Plant, and announcement from Arizona Water Company of a new well to serve the Miami area**

8. **Waterline Map from a City file labeled 1957 water system**

Exhibit B, Item 1

1918 Construction Plans for historic Town of Globe Sludge Beds & Chlorination House

Subject plans are very fragile and will require professional copy services. Documents are located with Larry Hansen in the Engineering Department.

Exhibit B, Item 2

ADOT As-Builts for US-60
Sheets 3, 4, 5 + Cover
(1957)

STATE OF ARIZONA
STATE HIGHWAY DEPARTMENT

#266

PLAN AND PROFILE OF PROPOSED

PLANS DIVISION

FILE COPY

STATE HIGHWAY Non FA 022-3(57)B As Built
PHOENIX - GLOBE
GILA COUNTY
PROJECT

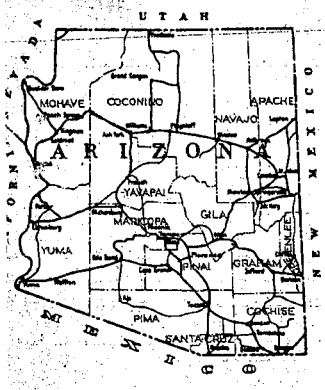
FED. ROAD DIV. NO.	STATE	PROJECT NO.	SHEET NO.	TOTAL SHEETS	AS BUILT
7	ARIZ.	U-91 (7)	1		
7	ARIZ.	F-91 (8)	1	33	
7	ARIZ.	Non F.A. 91-C (1957)	1	12	
7	ARIZ.	Non F.A. 91-B (1956)	1	10	
7	ARIZ.	Non F.A. 91-B (1956) UNIT II	1	5	
7	ARIZ.	Non F.A. 022-3(57)B	1	32	
7	ARIZ.	Non F.A. 91-C (1957)A	1	17	
7	ARIZ.	Non F.A. 91-C (1957)B	1	4	
7	ARIZ.	F-022-3(1)	1	17	
7	ARIZ.	F.022-3(2)	1		
7	ARIZ.	Non F. 022-3(58)D	1	5	

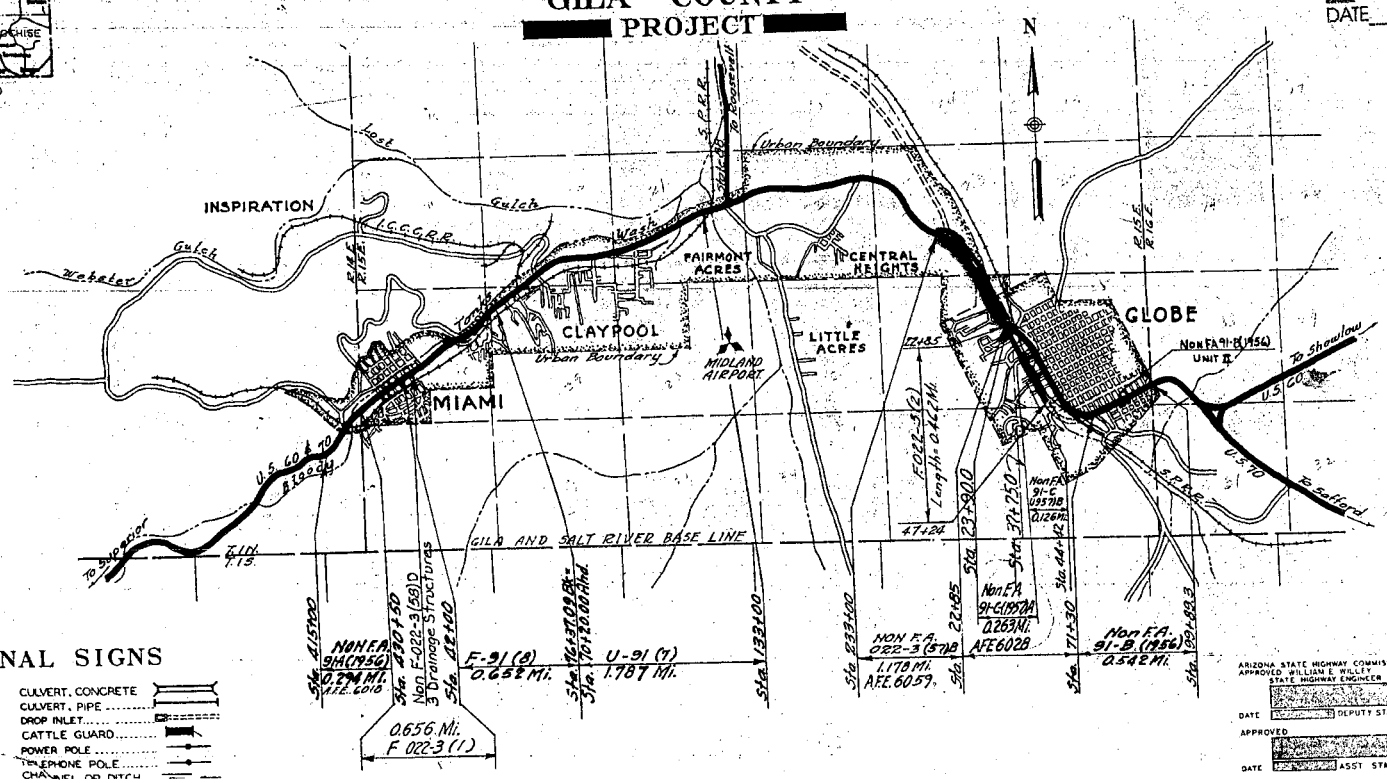
PDF
DATE 12-07 DISK 16B

Just these two pages

PLANS DIVISION

FILE COPY



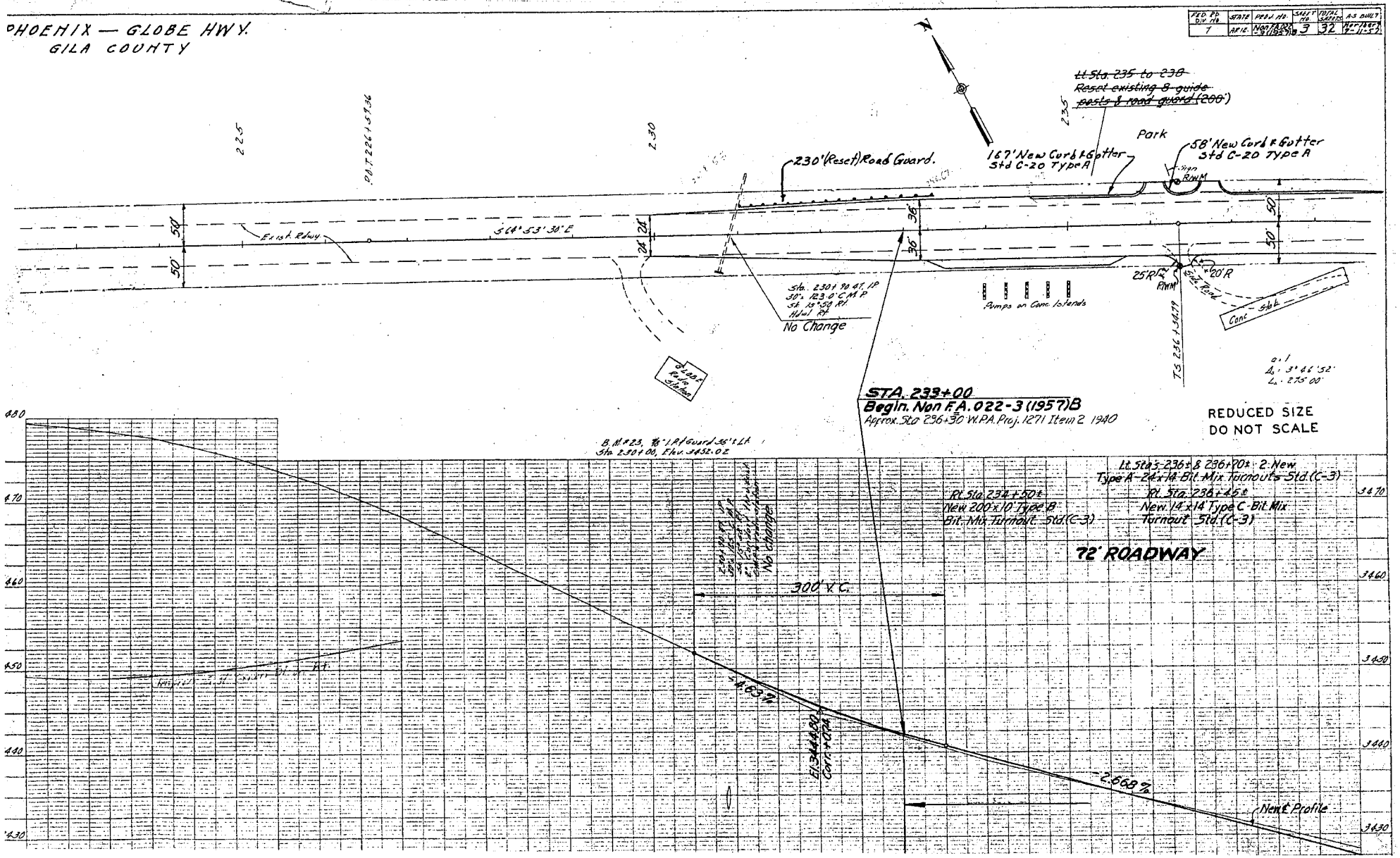


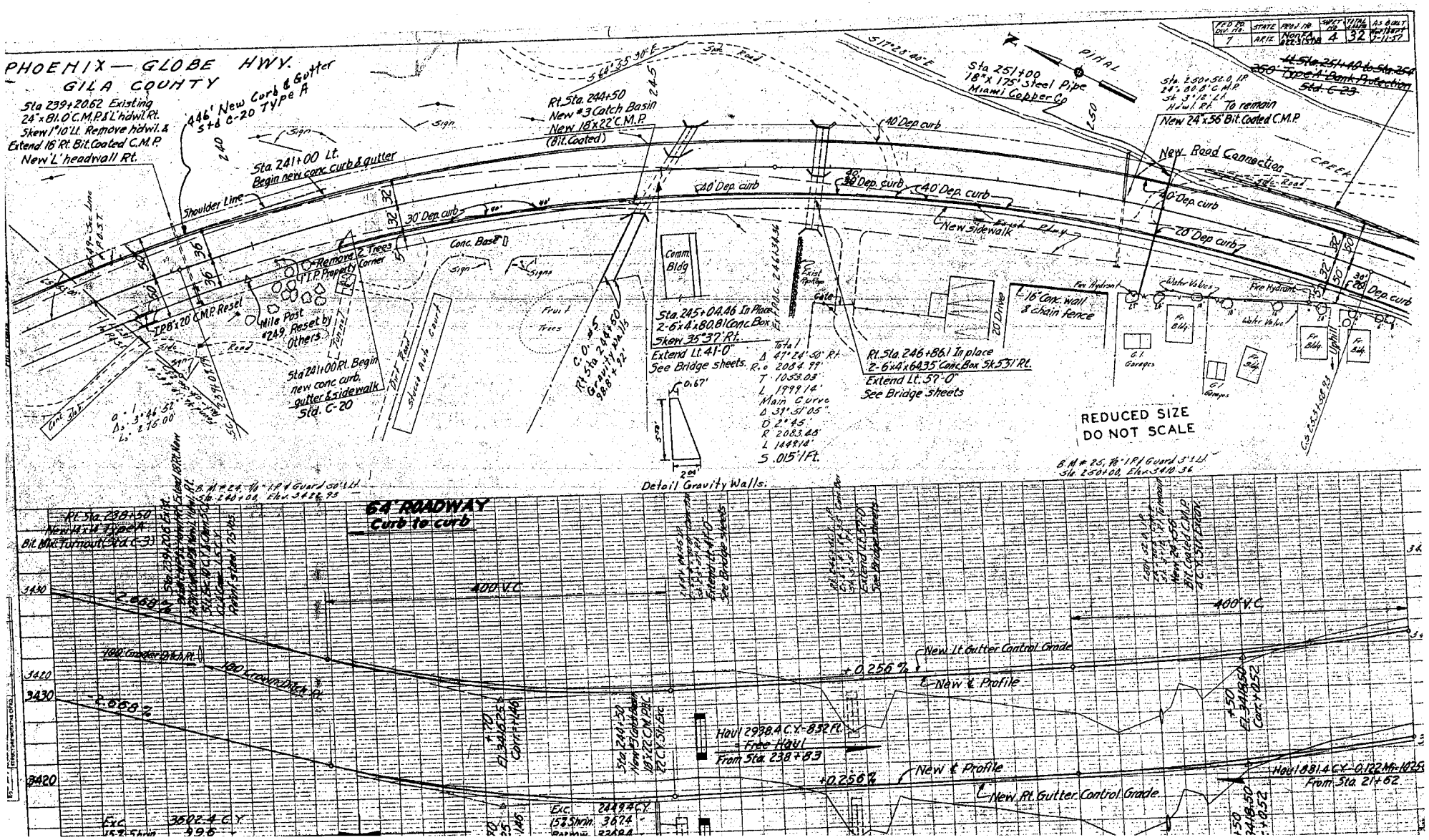
CONVENTIONAL SIGNS

STATE AND NATIONAL LINE
COUNTY LINE
CITY, VILLAGE OR BOROUGH
TOWNSHIP LINE
SECTION LINE
GRANT LINE
CULVERT, CONCRETE
CULVERT, PIPE
DROP INLET
CATTLE GUARD
POWER POLE
TELEPHONE POLE
CHANNEL OR DITCH

ARIZONA STATE HIGHWAY COMMISSION
APPROVED WILLIAM E. WILLEY
STATE HIGHWAY ENGINEER
DATE DEPUTY STATE ENGINEER
APPROVED
DATE ASST. STATE ENGINEER

DEPARTMENT OF COMMERCE
BUREAU OF PUBLIC ROADS
RECOMMENDED FOR APPROVAL DATE
DIVISION ENGINEER


PHOENIX — GLOBE HWY.
GILA COUNTY
FED. RD. DIV. NO. 7
STATE ARIZ.
PROJ. NO. NON F.A. 022-3 (1957) B
SHEET NO. 3
TOTAL SHEETS 32
AS BUILT
Lt. Sta. 235 to 238
Reset existing 8 guide posts & road guard (200')
Park
58' New Curb & Gutter Std C-20 Type A
167' New Curb & Gutter Std C-20 Type A
230' (Reset) Road Guard.
Exist. Rdwy.
S 64° 53' 30" E
Sta. 230+90.47 I.P.
30° 123.0' C.M.P.
Sta. 15+50 Rt.
Hdwl. Rt.
No Change
Pumps on Conc. Islands
25' R
20' R
Conc. Slab
TS 236+34.79
STA. 233+00
Begin. Non F.A. 022-3 (1957) B
Approx. Sta 236+30 W.P.A. Proj. 1271 Item 2 1940
REDUCED SIZE
DO NOT SCALE
B.M. #23, 7/8" I.P. & Guard 35' ± Lt.
Sta. 230+00, Elev. 3452.02
Lt. Sta's 236± & 236+70± 2 New Type A-24'x14' Bit. Mix Turnouts Std. (C-3)
Rt. Sta. 234+50± New 200'x10' Type B Bit. Mix Turnout Std. (C-3)
Rt. Sta. 236+45± New 14'x14' Type C Bit. Mix Turnout Std. (C-3)
72' ROADWAY
300' V.C.
-4.63%
-2.668%
El. 3444.80 Corr. +0.74
New ℄ Profile
3470
3460
3450
3440
3430


PHOENIX — GLOBE HWY.
GILA COUNTY
Sta 239+20.62 Existing 24"x81.0' C.M.P. & L'hdwl. Rt. Skew 1°10' Lt. Remove hdwl. & Extend 16' Rt. Bit. Coated C.M.P. New 'L' headwall Rt.
446' New Curb & Gutter Std C-20 Type A
Sta. 241+00 Lt. Begin new conc. curb & gutter
Shoulder Line
Remove 2 Trees
I.P. Property Corner
Mile Post #249 Reset by Others
Sta 241+00 Rt. Begin new conc. curb, gutter & sidewalk Std. C-20
Rt. Sta. 244+50 New #3 Catch Basin New 18"x22' C.M.P. (Bit. Coated)
Sta 251+00 18"x175' Steel Pipe Miami Copper Co.
PINAL
Sta. 250+52.0 I.P. 24"x80.8' C.M.P. Sk 3°12' Lt. Hdwl. Rt. To remain
New 24"x56' Bit. Coated C.M.P.
New Road Connection
CREEK
40' Dep. curb
30' Dep. curb
20' Dep. curb
New sidewalk
Conc. Base
Comm. Bldg
Sta. 245+04.46 In Place 2-6'x4'x80.81 Conc. Box Skew 35°37' Rt. Extend Lt. 41'-0" See Bridge sheets.
Rt. Sta. 246+86.1 In place 2-6'x4'x64.35' Conc. Box Sk 5°31' Rt. Extend Lt. 57'-0" See Bridge sheets
16' Conc. wall & chain fence
20' Drive
Fire Hydrant
Water Valves
Fr. Bldg.
G.I. Garages
Uphill
Fruit Trees
Stucco Auto Court
Dirt Road
Conc. Slab
Sign
Signs
Detail Gravity Walls.
REDUCED SIZE
DO NOT SCALE
64' ROADWAY
Curb to curb
Rt. Sta. 238+50 New 14'x14' Type A Bit. Mix. Turnout Std. C-3
400' V.C.
-2.668%
+0.256%
New Lt. Gutter Control Grade
New ℄ Profile
New Rt. Gutter Control Grade
Haul 2938.4 C.Y. - 8.32 Ft. Free Haul From Sta. 238+83
Haul 881.4 C.Y. - 0.122 Mi. - 107.5 From Sta. 21+62
Exc. 3602.4 C.Y.
Exc. 2449.4 C.Y.
15% Shrin. 367.4
Rt. Sta. 244+50 New #3 Catch Basin 18"x22' C.M.P. & C.Y. Str. Exc.
Extend Lt. 41'-0" See Bridge sheets
Extend Lt. 57'-0" See Bridge sheets
Sta. 250+00, Elev. 3410.36
3430
3420

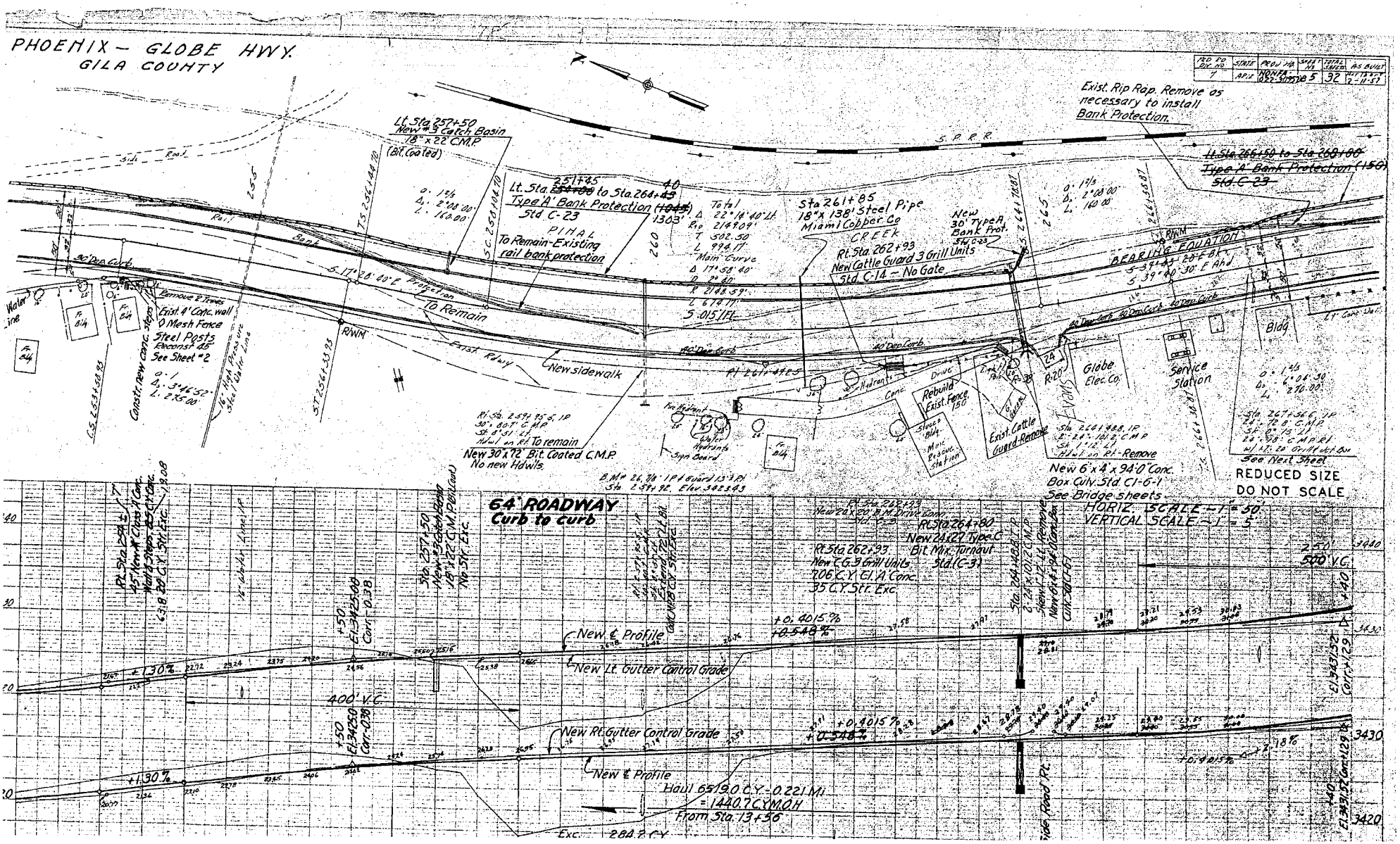
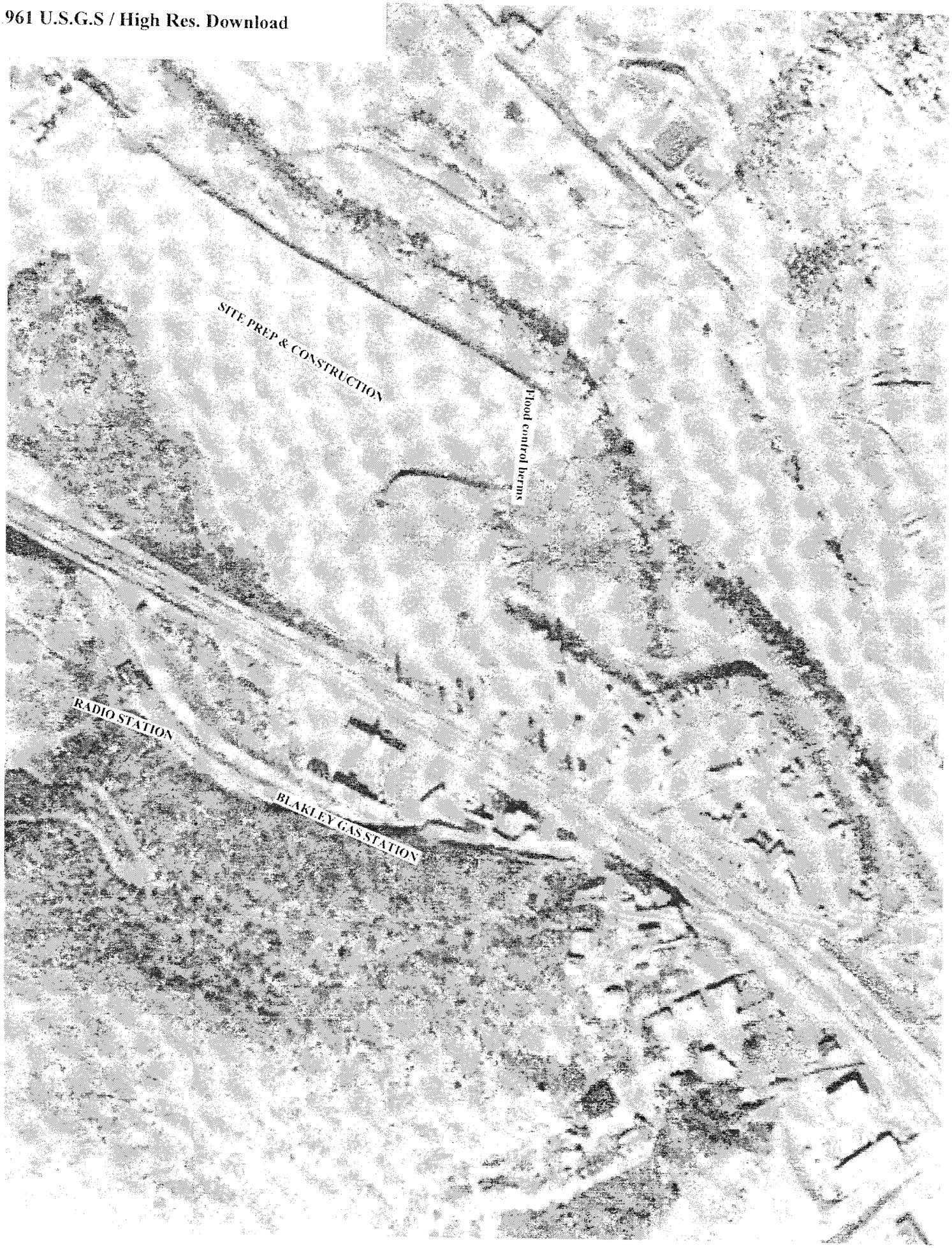

PHOENIX – GLOBE HWY.
GILA COUNTY
FED. RD. DIV. NO. 7
STATE ARIZ.
PROJ. NO. NDHPA 022-3(7)78
SHEET NO. 5
TOTAL SHEETS 32
AS BUILT
Exist. Rip Rap. Remove as necessary to install Bank Protection.
S. P. R. R.
Lt. Sta. 257+50 New #3 Catch Basin 18" x 22' C.M.P. (Bit. Coated)
Lt. Sta. 251+45 to Sta. 264+40 Type 'A' Bank Protection Std. C-23
PINAL To Remain-Existing rail bank protection
Total 22°14'40" Lt. Δ 214+09 R 502.50 L 994.17 Main Curve Δ 17°58'40" D 2°40' R 2148.59' L 674.11' S.015 ft.
Sta 261+85 18" x 138' Steel Pipe Miami Copper Co CREEK
Rt. Sta 262+93 New Cattle Guard 3 Grill Units Std. C-14 – No Gate
New 30' Type A Bank Prot. Std. C-23
Lt. Sta. 266+50 to Sta. 268+00 Type 'A' Bank Protection (150) Std. C-23
BEARING EQUATION S 39°40'30" E Ahd = S 39°40'30" E Ahd
To Remain
Exist. Rdwy.
New sidewalk
Rt. Sta. 259+75.5 IP 30° 00'0" C.M.P. St. 8'51" Lt. Haul on Rt. To remain
New 30 x 72' Bit. Coated C.M.P. No new Hdwls.
64' ROADWAY Curb to curb
Rt. Sta. 262+93 New 24 x 20' B.M. Drive Conc. Std. C-3
Rt. Sta. 264+80 New 24 x 27' Type C Bit. Mix. Turnout Std. (C-3)
Rt. Sta. 262+93 New 2 C.G.9 Grill Units 706 C.Y. Cl. A Conc. 35 C.Y. Str. Exc.
Rebuild Exist. Fence 150
Exist. Cattle Guard-Remove
Globe Elec. Co.
Service Station
Bldg.
New 6' x 4' x 94'0" Conc. Box Culv. Std. C1-6-1 See Bridge Sheets
See Next Sheet
REDUCED SIZE DO NOT SCALE
HORIZ. SCALE – 1" = 50'
VERTICAL SCALE – 1" = 5'
New ℄ Profile
New Lt. Gutter Control Grade
New Rt. Gutter Control Grade
+0.4015 %
+0.548 %
+1.30 %
400' V.C.
500' V.C.
Haul 6519.0 C.Y. – 0.221 Mi = 1440.7 CYMOH From Sta. 13+56
Exc. 280.2 CY

Exhibit B, Item 3

USGS Aerial Map
Enhanced Resolution Download
dated 1961

Map provided in electronic copy,
as a digital TIFF format capable of manipulation and viewing of minute site details not seen if printed

961 U.S.G.S / High Res. Download



22,000'ASL 153.035MM V AF-61-40(VA10) R-8

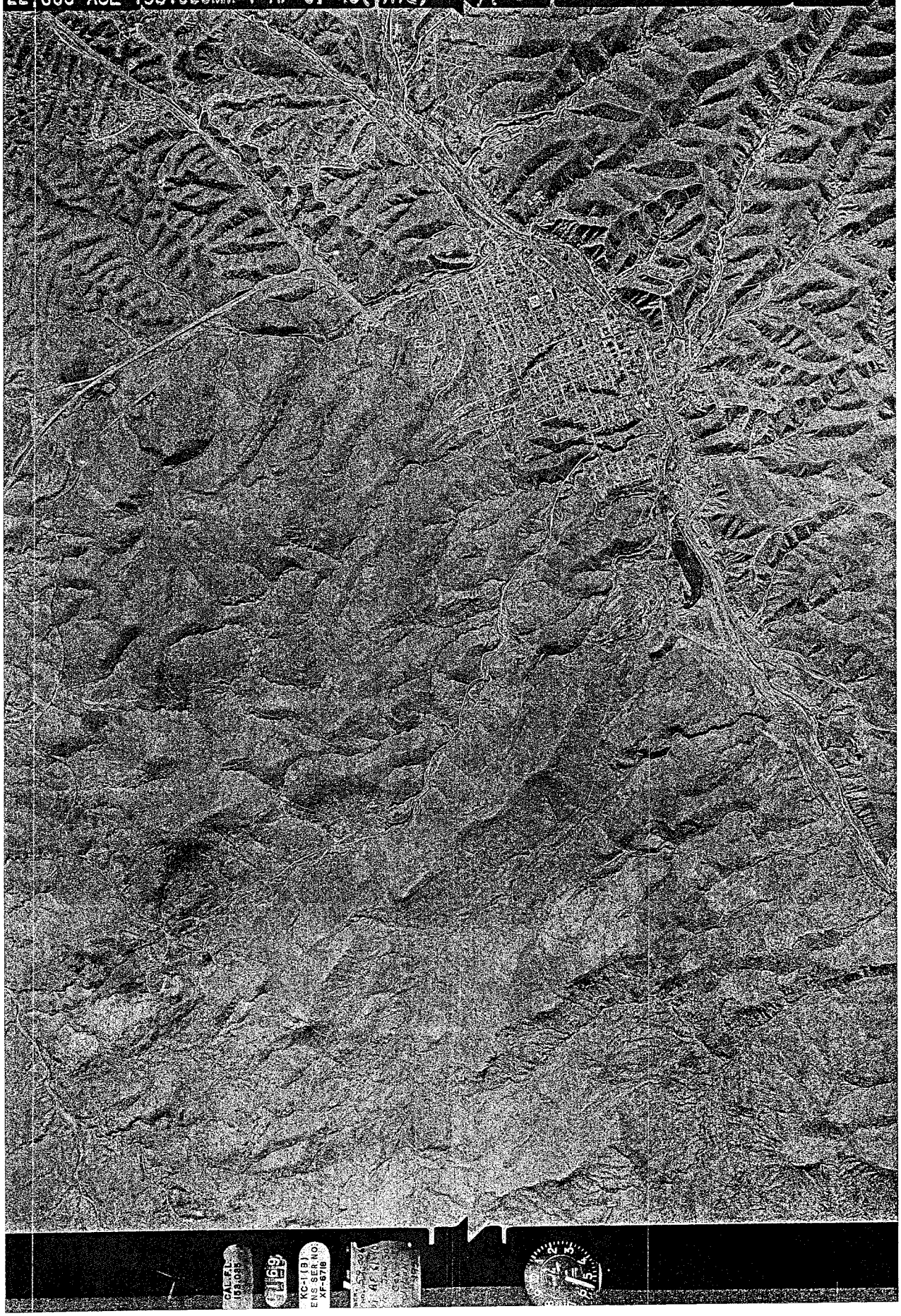


Exhibit B, Item 4

Globe
City Council Minutes
from 1968

Detailing replacement of waterlines by the City of Globe at the Globe Mobile Home Park, and confirming existence

CON'T DEMANDS PAID November 20, 1968

38377	Faust Insurance	61.00
38378	" "	379.00
38379	" "	5,000.00
*38380	Hawkinson Tire	1.50
38380	" "	362.11
*38381	Mine Supply Co.	23.43
38381	" " "	36.57
*38382	Xerox	10.00
38382	"	69.31
*38383	Pacific Motors	51.09
38384	Rodney J. Weinberg	110.00
38385	Al O. Fritz	52.50
38386	Valley Nat'l Bank	93.75
38387	Globe Fire Club	20.00
38388	Firemen's Rel/Pen.	605.98
*38389	Payroll Account	2,588.77
38389	" "	9,690.35

BUILDING PERMITS ISSUED MONTH OF NOVEMBER, 1968

NO:				
1475	210 W. Maple	Repair/Additions	3500.00	Willie Rosa
1476	201 Mesa	Additions	2,000.00	C. L. Moore
1477	84 Blazier	Additions	1,000.00	B. Taylor
1478	386 N. Broad	Repair	1,000.00	Cubitto
1479	610 Oak. St.	Repair	500.00	A. C. Manning
1480	610 N. Broad	Alter/Repair	5,500.00	Jim's Auto Supply
1481	5th & Oak St.	Alter	2,000.00	Pete Oddoneto
1482	350 W. Bailey	Storage Room	100.00	C. F. Commons
1483	222 Blake St.	Carport	160.00	G. R. Oviedo
1484	104 Pioneer Rd.	Beauty Shop	1,500.00	Helen Conchola
			17, 260.00	

MINUTES OF COUNCIL MEETING OF DECEMBER 2, 1968

Meeting was called to order at 7:30 P.M. by Mayor Bittner.

The Invocation was given by Councilwoman Cline.

The Pledge of allegiance to the Flag was given.

ROLL CALL: All answered present.

Minutes of the previous meeting were approved with one correction. (There were only 24 lots instead of 28 in the West Townsite area).

Four girls from the Junior Class of the Globe High School were present, Colleen Gauthieu , Nancy Mariscal, Tamara E. Ledbetter and Vikkie Sorsen. They are to make a study for their English class. Everyone was pleased to have them present.

FIRE DEPT: Report for month of November was presented. They are now working on the Chirstmas Decorations.

POLICE DEPT: Mostly routine activities; have made several arrests for Marijuana, expect to make several more soon.

STREET DEPT: Have completed the cement work in Ruiz Canyon. Are now doing general maintenance work and Flood control projects.

WATER DEPT: Have been busy replacing line at Globe Mobil Home Park; are still working at the Pioneer Pump Station, all other work routine maintenance.

Reports:

Engineer Sparks wishes to meet with the local Committee first before going ahead with any plans for the Flood control. City Manager is to set up meeting date.

Airport: The Final Contract with Mr. Mace will soon be executed. The Final amount of Money from the Federal Grant will also soon be received. The City has been doing blading and the County is to pave a strip.

The Parks and Recreation Committee are now having a meeting this evening.

Engineer Earl Sparks is soon to give a report on the proposed Park on E. Cedar.

1 Councilman Ted Lake presented maps to each Councilman on City owned property. There are still 56 lots in The Arlington Heights area for which the City will receive the money when they are sold.
The area of the Central Park Addition was discussed and motion made by Councilman Harbison, seconded by Councilman Ollson that Engineer Sparks look the area over for the Part which has been set aside for a Park. Motion carried and so ordered.
Some blading and fill work is needed at the Cemetery.

OLD BUSINESS:

The Petition which has been presented from the residents of the South Skyline area was discussed briefly. A letter regarding valuations has been received from the County Assessor and a break down of possible costs and income has been made. Mayor Bittner then appointed the following a committee to study the matter and make a full report to the Council in two weeks; Councilman Harbison, Councilman Puhara and Councilwoman Cline.

The matter of the street change on Globe street was discussed. Engineer Sparks has the preliminary work done on this matter and it will be presented as soon as possible.

The matter of the letter regarding the easement from the Church for the access road into the Eastridge Subdivision was discussed. This has not as yet been presented to the City. Motion was made by Councilman Ollson, seconded by Councilman Guerrero, that Mr. Matthews not be granted a building permit for this subdivision until such time as this letter is presented. Motion carried and so ordered.

The new Humane Officer is doing very fine work and improving conditions in the City.

The Guard Rail on Hackney at Willow has been repaired and the Ariz. P. Service will raise their gas line there as soon as possible.

2 The Fence has been completed at the Garbage Dump and the Cattle Guards, etc., will soon be in.

Mr. Weaver is to contact the St. Highway regarding the drainage at Ash and High Streets and also register a complaint on the type of material being used on Ash Street where they have been putting on additional oil.

3 NEW BUSINESS: Call for Bids for the Following Items for the year 1969 will be published in the Arizona Record: Prisoner Meals, Paving Oils, Gasoline and Greases, and Cement. Bids will be opened 2:30 P.M. Dec. 23, 1968 and awarded December 30, 1968. Motion to allow this was made by Councilman Ollson, seconded by Councilman Harbison. Carried and so ordered.

Exhibit B, Item 5

1965 Aerial, labelled as Pinal Creek

Depicts a built out Globe Mobile Home Park, at this time in 1965

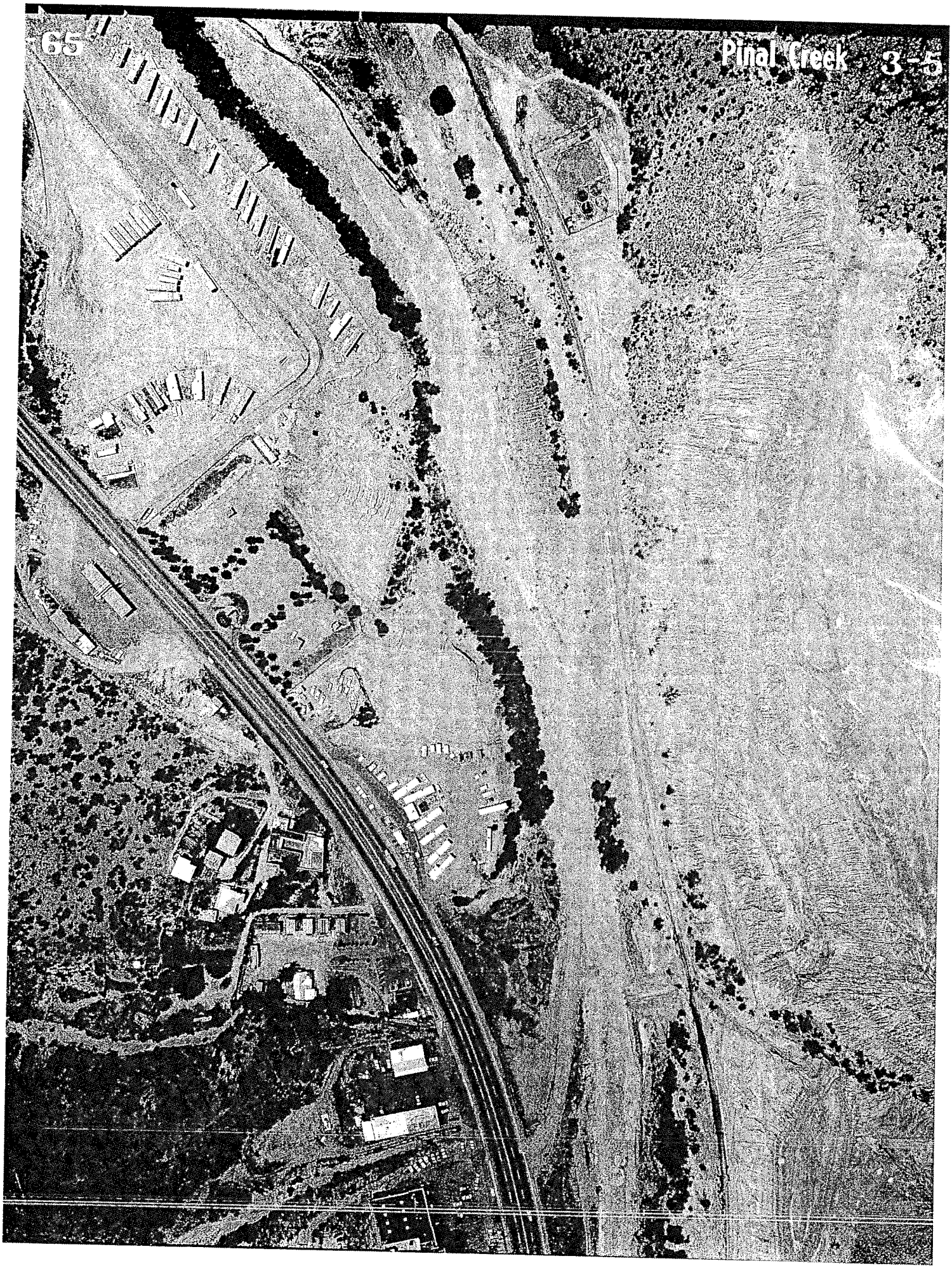
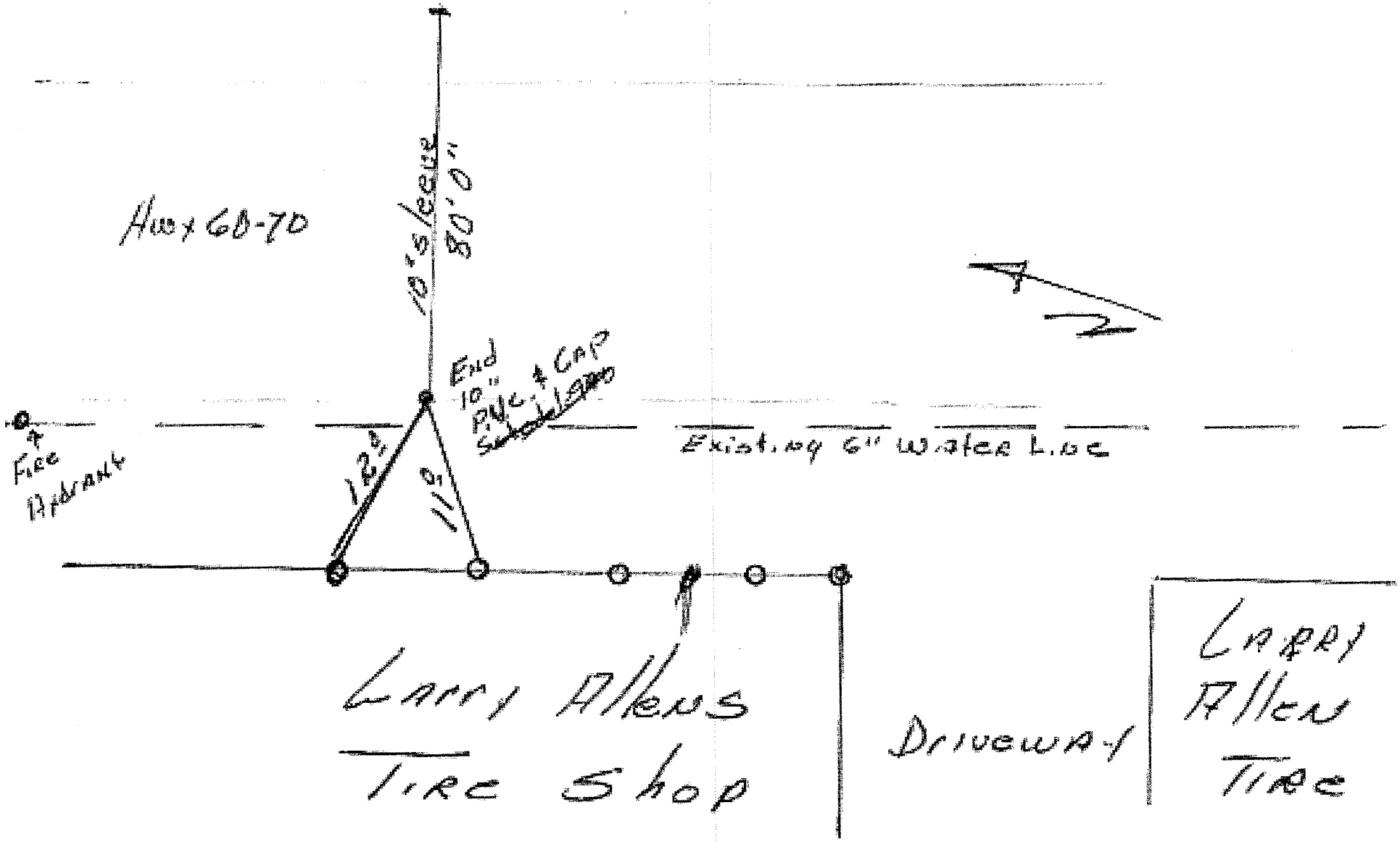

65
Pinal Creek 3-5

Exhibit B, Item 6

Engineering Sketch, from City of Globe records (file name 1955-1970)

Depicts service for Larry Allen's Tire Shop, now Big O Tires



Hwy 60-70
10" sleeve
80'0"
End
10"
PVC & CAP
Fire
Hydrant
12°
11°
Existing 6" Water Line
Larry Allens
Tire Shop
Driveway
Larry
Allen
Tire

Exhibit B, Item 7

Newspaper Articles
from 1961

Regarding a proposed and needed NEW City Wastewater Treatment Plant as of July 1961, with intention to build as of 9/21/1961

And

Announcement by Arizona Water Company on 9/28/1961 for a new well to service the Miami area

VOLUNTEERS FIGHT FIRE AT PERIDOT SAWMILL
. . . Important Gila County industry goes up in smoke

7-20-1961

New pond 'only answer' in Globe sewer problem

The city's hassle with County Sanitarian Louis Schmerber over the Globe sewage plant came to a head Monday in a two hour meeting of the county board of health.

City officials heard their sewage plant called a "health hazard" and were told that a secondary sewage treatment plant was the only answer to the problem.

THIS RECOMMENDATION posed by Schmerber and backed by state health department representative A. E. Watson caught Mayor Bill Hardt and City Manager Jack Phillips by surprise as it cropped up in the midst of a discussion over chlorination.

In a letter to the city council last week which kicked off the controversy, Schmerber emphasized the need for more chlorination of the city sewer plant.

After reiterating his argument that the sewer is being operated the same way it was operated when Schmerber was city sanitarian, Phillips said, "We'll be glad to install a chlorinator at the plant . . . how much chlorine would it take to do the job?"

Schmerber answered: "It would take more chlorine than the city of Globe could afford, and it wouldn't do the job that needs doing."

INSTEAD, THE county sanitarian said, the city should add a secondary system—a "lagoon" system in which effluent sewage from the present plant would be piped into a large pond where a natural sunshine-bacteria-algae process would destroy all raw sewage.

At present, health officials told Hardt and Phillips, the sewage plant is removing only 25 to 40 per cent of the city's raw sewage.

"IT'S THE SAME as if 3000 to 4000 people were putting untreated sewage into Pinal Wash," Watson said. "And this creek is accessible to people and animals."

Schmerber and Watson explained that chlorine is only a disinfectant and not a sewage treatment cure-all.

A combination chlorinator-lagoon operation is what the city needs for maximum efficiency at the sewage plant, the health official said.

Schmerber and Phillips drew a reprimand from board chairman J. J. McGoey during their table debate. "The mistakes of the past, we can't solve here," McGoey said. "We're working for cooperation, we don't need any finger-pointing."

Phillips told the Record after the meeting: "The city has definite plans for installing a chlorinator at the sewage plant. The city engineer will be conferring with Mr. Watson on tentative plans for a secondary plant.

"The main thing we need to find out now," Phillips said, "is how much land the secondary plant would require."

Pennies from Heaven

	Hi	Lo	Prec.
Wednesday	102	70	
Thursday	103	77	
Friday	105	72	.37
Saturday	103	62	.03
Sunday	105	69	.02
Monday	104	70	.02
Tuesday	105	78	tr.

—Walter Kyle

On its way--hurricane relief

9/21/61

Operation Hurricane Carla is in action in Globe this week. Week-long, Globe Lions have been collecting money, old clothes and canned goods to send to the disaster area of Texas. Tonight (Thursday), they will conduct a house-to-house canvass for the stricken families of the area. Other donations may be t en to Frank's Jewel Box at 228 N. Broad s or transportation will be provided for iter Murry Schein is serving as chairman of t project. Here he and H. F. (Mike) Wood ta stock.

City gets land for sewage pond

City Manager Jack Phillips announced this week that Miami Copper Co. will lease land to the city for a new secondary sewage-treatment pond.

Phillips said the copper company has agreed to lease the land for $1 a year, renewable annually.

THE CITY COUNCIL Monday night authorized Phillips to follow through on final plans and purchasing for the project to bring the controversial sewage plant up to state and county specifications.

Phillips is to authorize City Engineer Earl Sparks to draw final plans for the sewage system extension, and purchase approximat 2500 ft. of 10-inch pipe required.

SPARKS HAS completed preliminary pla for the secondary pond, Phillips said, a these plans were discussed last week w State Health Engineer Eugene Watson.

Phillips said the city will try to purcha used pipe for the project, but that if none available the city will have to pay $4925 f new pipe. Fencing for the pond area will another expense, Phillips said, but this c can be kept down if a barbed-wire fence is a ceptable.

AFTER HEARING Monday night's repo councilmen commended Miami Copper Co. f its action and voted to send a letter of than to Ben Coil, vice-president and general man ger, for his cooperation with city officials securing the land needed.

Two-lady contest looms in school board election

The annual school board election of Globe District 1 will be held from 6 a.m. to 6 p.m. Oct. 3 at Hill Street School.

THERE WILL BE one seat to be filled. Mildred Sowden, the incumbent, plans to seek reelection, and Mrs. Betty Shew has filed petitions to oppose her. The deadline for filing is Saturday.

Other members of the board are Paul Kennedy, chairman, and Frank Healy.

Any registered elector who is a resident of the district is eligible to vote in the impending election.

Notice

The annual meeting of Globe Community Center, Inc., will be held at 7:30 p.m. Tuesday, Oct. 3, in the Visual Aids Room of Globe High School.

Annual reports will be presented, five board members elected and other business transacted. Anyone who has given time, service, funds, or any assistance to the community center project qualifies as a member.

Solution seems on way in I.C.C. work stoppage

Picket line

9/28/1961

ing early Wednesday Consolidated Copper ssociation of Machin- 161 men from their jobs. The strike was expected to idle some 1200 workers as other unions honored the picket lines. Meanwhile in Globe and Miami, idle men stood huddled on street corners.

New water well to supply Miami

The proposed water well in the Central Heights area, calculated to bring a new water supply to Miami, is going to become a reality.

Successful bidder for the project is Earl Lohn, of Wilcox. The total contract price is $11,735. Drilling is to commence sometime after Nov. 1, and the well must be completed by Jan. 1.

Specifications call for a minimum depth of 700 feet, though George Ihrig, district manager of Arizona Water Co., said the depth may be greater if a promising source of water is indicated at a lower level. The well is to have 16-inch casing.

It was originally hoped the well might become the sole source for Miami's water, in which case the present wells would be maintained only on a standby basis. Ihrig said, however, the new well will be operated in conjunction with Miami's present wells, at least in the beginning. Whether it will become the source of all Miami's water depends upon the volume it is able to produce, he said.

If successful, the well will feed a pipe line to be constructed from Central Heights to Miami, conveying the water from the well to the processing plant.

Ihrig said the project stems directly from difficulties encountered last summer, when Miami's water had discoloration problems because of high mineral content in the soil. A means was found to correct the problem by adding activated carbon, but it was decided a new supply would provide the best possible solution.

The new well is to be located near a well already producing, and Ihrig said there is every reason to believe the project will be successful.

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company.
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dents in August,
Safety Division
Highway Dept.
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August, bringing
death rate to 335
tal of 1286 were i
August.

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ty Division said.

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jured in traffic acc

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Concert campaign

DOCKET NO. U-1445 DECISION NO. 33424

Northwest Corner of the Northeast Quarter (NE¼) of the Southwest Quarter (SW¼) of Section 16, Township 1 North, Range 15 East; thence easterly to the Northeast corner of the Southwest Quarter (SW¼) of Section 14, Township 1 North, Range 15 East; thence southerly to the point of beginning, all G&SRB&M., Gila County, Ariz.

The rates and charges heretofore approved for this Company, shall be in full force and effect for this area.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

IN WITNESS WHEREOF, I, FRANCIS J. BYRNES, Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of this Commission, to be affixed at the Capitol in the City of Phoenix, this 20th day of September 1961.

Francis J. Byrnes
FRANCIS J. BYRNES
SECRETARY

Copies Mailed 9-20-61 to
Walter E. Craig
Arizona Water Co. - att. Carl Schmitt
Pinal Co. Bd. Sup.
Gila Co. Bd. of Sup.
Bureau Sam.
Salt River Water Users - att. Chas. Moore
Secretary
Docket

C.C.
Docket
Secretary
MAILING LIST
9-20-1961

GILA

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE PETITION OF ARIZONA WATER COMPANY FOR INCREASE OF AREA TO BE SERVED AT CENTRAL HEIGHTS, ARIZONA DESCRIBED AS BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 1 NORTH, RANGE 15 EAST; THENCE WESTERLY TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, SECTION 28, TOWNSHIP 1 NORTH, RANGE 15 EAST: THENCE NORTHERLY TO THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SEC. 16, TOWNSHIP 1 NORTH, RANGE 15 EAST; THENCE EASTERLY TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER SECTION 14, TOWNSHIP 1 NORTH, RANGE 15 EAST; THENCE SOUTHERLY TO THE POINT OF BEGINNING, ALL G&SRB&M., GILA COUNTY, ARIZONA.

DOCKET NO. U-1445 DECISION NO. 33424

OPINION AND ORDER

SEP 20 1961

BY THE COMMISSION:

Notice having been given as provided by law, the above entitled matter came on for hearing before the Commission sitting in Phoenix, Arizona on September 11, 1961.

Applicant was represented by its attorney, Arthur M. Johnson, of the law firm, Fennemore, Craig, Allen & McClennen. Appearance in opposition was made by Robert Moore, for and on behalf of the Salt River Valley Water Users Association.

Testimony was presented, both oral and documentary, and from the testimony, files and records in the matter the Commission is of the opinion that applicant has complied with the statutes of Arizona and with the rules and regulations of the Commission for the issuance of a certificate of convenience and necessity.

It further appears that the application does not conflict with any other person or corporation furnishing a service of like character within the additional area sought to be certificated and that a need and demand has been established and exists for the proposed service supporting a finding of convenience and necessity therefore.

WHEREFORE, IT IS ORDERED that the application be, and it is hereby, approved and this order shall constitute and be a certificate of convenience and necessity as contemplated by the provisions of Section 40-281, A. R. S., authorizing applicant herein to construct, operate and maintain a public water system within the additional area described as beginning at the Southeast corner of the Southwest Quarter (SW¼) of Section 26, Township 1 North, Range 15 East; thence Westerly to the Southwest corner of the Southeast Quarter of the Southwest Quarter (SW¼), of Section 28, Township 1 North, Range 15 East; thence Northerly to the

ı A.S.U. He found him-
ıg through a mental tug
one part of him wanted
) beat, and then again,
of the Wildcats, an-
rt wanted them to be

**Neal, who is attending
ern Arizona School for
Tucson, visited his par-
and Mrs. A. H. Neal
weekend.**

l Mrs. W. F. Mason
ned from a two week
n El Paso, Texas,
y found the weather
varm during the days,
chilly in the early
and evenings.

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d for them.

mes from Houston,
Thomas J. Rosser,
lter, is recuperating
recent surgery.

**n employees wish to
r sympathy to the
George and Robert
ı the death of their
s W. Campbell, who
r 11.**

happy

BOARD OF SUPERVISORS,
By Louise C. Rothengatter,
Clerk.
1st pub.: 10/12/61.
last pub.: 11/2/61. BELT

NOTICE OF INTENTION TO GRANT FRANCHISE

PUBLIC NOTICE IS HEREBY GIVEN that STANFORD B. ROPER, doing business as VERDE GLENN WATER COMPANY, has filed an application with the Board of Supervisors of Gila County, State of Arizona, for a Public Service Franchise to construct, maintain and operate pipe lines and a water distribution system for a period of twenty-five years, for the transmission and delivery of water for domestic use along, upon, under and across public highways, roads, alleys and thoroughfares (excepting State Highways) within the following parcel of land, to-wit:

That part of the N½ of the SW¼ of Section 26 situated West of the East Verde River, and that part of the S½ of the NW¼ of Section 26 situated West of the East Verde River, EXCEPT the E½ of the SE¼ of the NW¼ of Section 26, Township 12 North, Range 10 East, G & S R B & M, Gila County, Arizona

all within the County of Gila, State of Arizona, and not within the confines of any incorporated city or town.

PUBLIC NOTICE IS FURTHER GIVEN that MONDAY, NOVEMBER 13, 1961, at the hour of 10:00 A.M. is hereby fixed as the time when said matter will be taken up for consideration by the said Gila County Board of Supervisors.

PUBLIC NOTICE IS FURTHER GIVEN that upon the hearing of said application the said Board will grant the said application, unless, on or before the said date of hearing, more than fifty per cent of the qualified electors of the County of Gila shall petition the said Board to deny said application.

Dated this 23rd day of October, 1961.

GILA COUNTY BOARD OF SUPERVISORS,
By /S/ Louise C. Rothengatter
Clerk

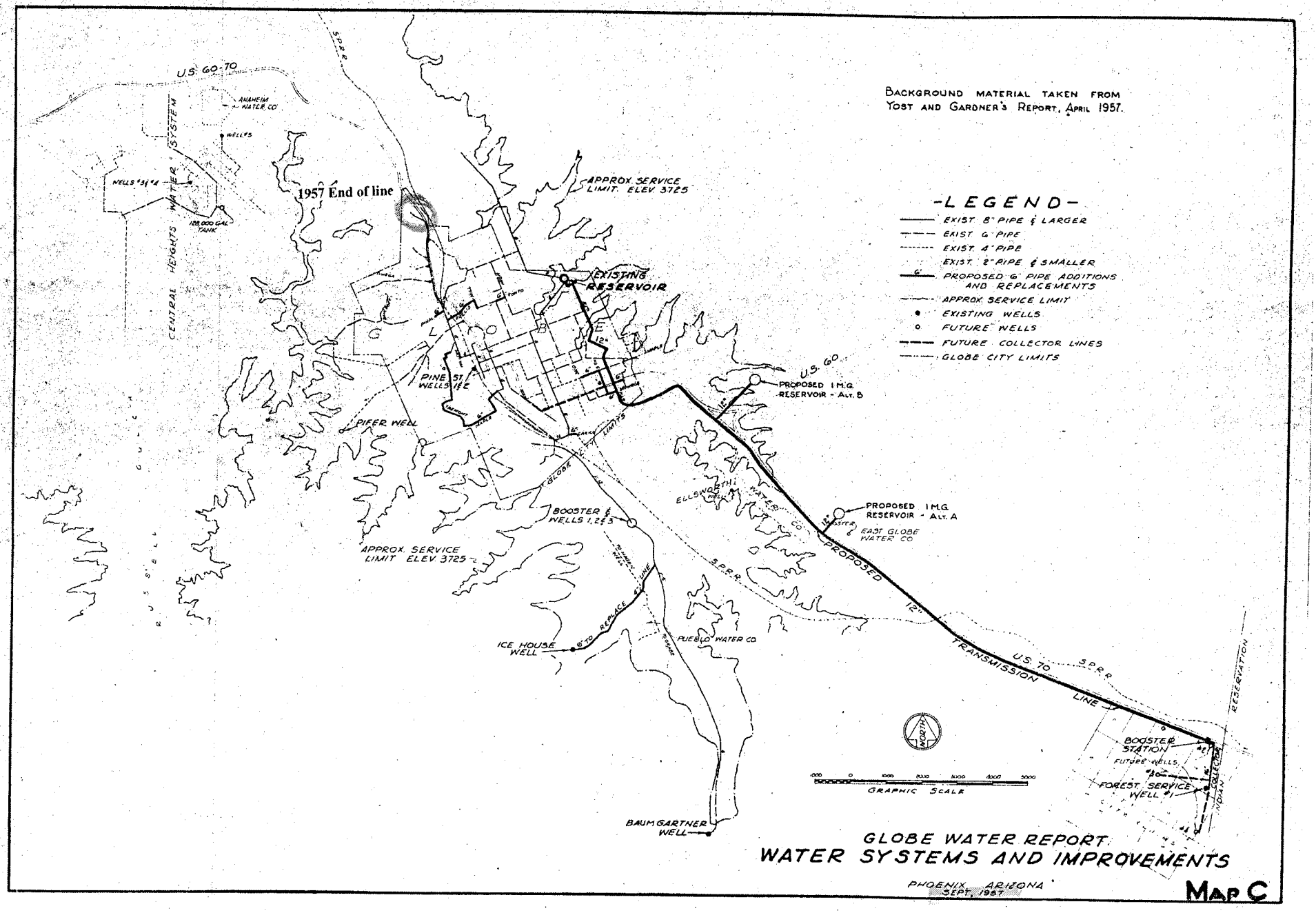
First Pub: 10/26/61
Last Pub: 11/9/61 Belt

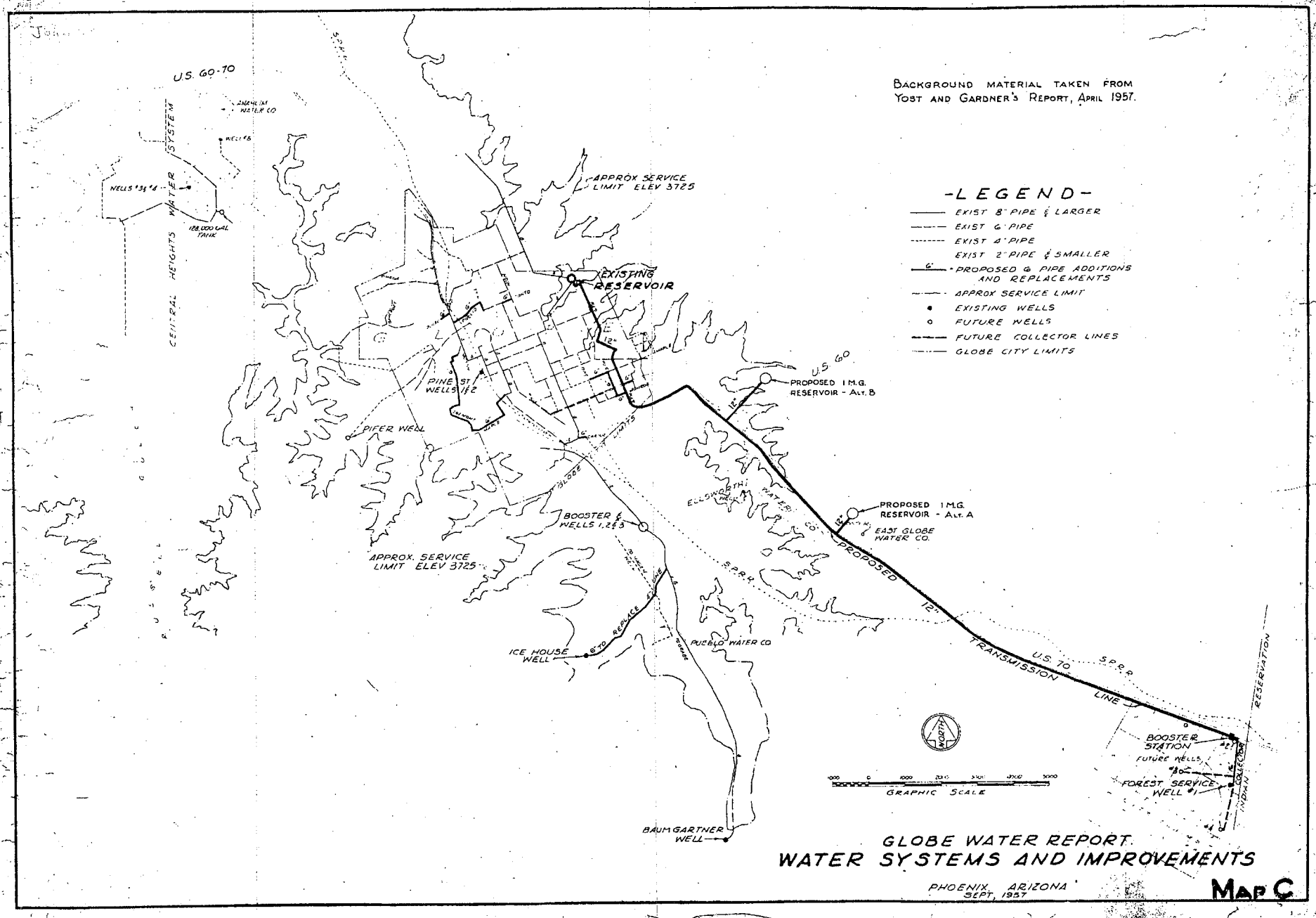
Arizona Silver Belt

A Example of notice to water franchise

Exhibit B, Item 8

Waterline Map
from a City file labelled
"1957 Water System"


BACKGROUND MATERIAL TAKEN FROM YOST AND GARDNER'S REPORT, APRIL 1957.
-LEGEND-
EXIST. 8" PIPE & LARGER
EXIST. 6" PIPE
EXIST. 4" PIPE
EXIST. 2" PIPE & SMALLER
PROPOSED 6" PIPE ADDITIONS AND REPLACEMENTS
APPROX. SERVICE LIMIT
EXISTING WELLS
FUTURE WELLS
FUTURE COLLECTOR LINES
GLOBE CITY LIMITS
1957 End of line
U.S. 60-70
ANAHEIM WATER CO
WELLS #5
WELLS #3 & #4
128,000 GAL TANK
CENTRAL HEIGHTS WATER SYSTEM
S.P.R.R.
APPROX. SERVICE LIMIT. ELEV. 3725
EXISTING RESERVOIR
PINE ST. WELLS 1 & 2
PIFER WELL
GLOBE CITY LIMITS
U.S. 60
PROPOSED 1 M.G. RESERVOIR - ALT. B
PROPOSED 1 M.G. RESERVOIR - ALT. A
EAST GLOBE WATER CO
ELLSWORTH WATER CO
BOOSTER & WELLS 1, 2 & 3
APPROX. SERVICE LIMIT ELEV. 3725
PROPOSED 12" TRANSMISSION LINE
U.S. 70
ICE HOUSE WELL
6" TO REPLACE 4" LINE
PUEBLO WATER CO
BAUM GARTNER WELL
NORTH
GRAPHIC SCALE
BOOSTER STATION
FUTURE WELLS
FOREST SERVICE WELL #1
COLLECTOR
INDIAN RESERVATION
GLOBE WATER REPORT
WATER SYSTEMS AND IMPROVEMENTS
PHOENIX, ARIZONA
SEPT. 1957
MAP C


BACKGROUND MATERIAL TAKEN FROM
YOST AND GARDNER'S REPORT, APRIL 1957.
-LEGEND-
EXIST 8" PIPE & LARGER
EXIST 6" PIPE
EXIST 4" PIPE
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FUTURE COLLECTOR LINES
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PROPOSED 1 M.G. RESERVOIR - ALT. A
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ELLSWORTH WATER CO.
BOOSTER & WELLS 1,2 & 3
APPROX. SERVICE LIMIT ELEV 3725
S.P.R.R.
PROPOSED 12" TRANSMISSION LINE
U.S. 70
ICE HOUSE WELL
6" TO REPLACE 4"
PUEBLO WATER CO.
BAUMGARTNER WELL
BOOSTER STATION
FUTURE WELLS
FOREST SERVICE WELL #1
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COLLECTOR
NORTH
GRAPHIC SCALE
GLOBE WATER REPORT.
WATER SYSTEMS AND IMPROVEMENTS
PHOENIX, ARIZONA
SEPT, 1957
MAP C

EXHIBIT (C)

CONTENTS for EXHIBIT "C"

Miscellaneous Documentation

1. City of Globe initial Prior Rights Research, sent to Arizona Water on 2-6-2013
2. Arizona Water first Notice of Claim to City 4-7-2014
3. Arizona Water second Notice of Claim to City 6-3-2014
4. Arizona Corporation Commission "Rules on Water" and general guidelines for issuance of a CC&N
5. Various Globe City Council Minutes from the 1920s
6. 1930 Water System Map – Book 8
7. Historic correspondence between City of Globe and Arizona Water Company
8. Arizona Water Company expansion of service area subsequent to the 9/20/1961 Decision. Expansion Decision #39280 dated December 1967.
9. Additional 1965 Aerials of Pinal Creek
10. Incidental list of Blakely Gas Station located throughout Arizona during the 1950s and 1960s. Blakely Gas Station located on the "Globe-Miami Highway"
11. 1980 Globe Water System Map with possible top portion cut off when scanned to a digital format. - (The document that Arizona Water Legal staff has continually made citation of in their damage claims.)
12. Various historic vesting documents for Globe Mobile Home Park
13. Current City of Globe Water System maps for both Arlington Heights and the area in and around Globe Mobile Home Park
14. Enlargement of the City of Globe 1957 Water Service Areas
15. Current Gila County Assessor tax parcel maps for the areas in and around the Globe Mobile Home Park
16. City of Globe Engineering Department produced Aerial Overlay of the Arizona Water Company's CC&N area as granted in 1961. The map also depicts the current Globe City Limits in comparison to Arizona Water CC&N area.
17. A copy of the most current State of Arizona Land Use Map dated 6-11-2009 (GLOBEW). Also provided is an enlargement of the Arizona Land Use Map depicting the areas of study with labels for Sections / Township and Range.

Exhibit C, Item 1

Initial
Prior Rights Research

Performed by City of Globe staff,
and sent to Arizona Water Company on 2-6-2013

SIMS MURRAY

2020 North Central Avenue
Suite 670
Phoenix, Arizona 85004
P: 602-772-5500 F: 602-772-5509

William J. Sims III
Direct Line: 602-772-5501
wjsims@simsmurray.com

CONFIDENTIAL

February 6, 2013

Via E-Mail

Robert W. Geake
Vice President and General Counsel
Arizona Water Company
PO Box 29006
Phoenix, Arizona 85038-9006

Re: Globe Historical Documents

Dear Bob:

Yesterday, I promised to provide some of the historical information uncovered following the City's search of its files. The documents seem to show that the City was servicing its water customers as early as the oldest records that the City could find (Council Meeting minutes dated April 7, 1924). The minutes refer to water mains on Hackney Avenue, Blake Street and Euclid Street, some of the streets that are in the area that is the subject of the current dispute. I acknowledge, however, that this 1924 document alone is not determinative given that these streets span the eastern border of Arizona Water Company's CCN.

I also enclose two documents from the Arizona Corporation Commission, one dated September 20, 1961 (ACC Option and Order) and the other dated October 10, 2001 (ACC Opinion and Order). The 1961 document states that "[i]t appears that the application [to increase AWC's certificated area into Central Heights and other areas] does not conflict with any other person or corporation furnishing a service of like character within the additional area sought to be certified. . . ." As the maps we provided yesterday show, the City was providing water in this service area well before 1961.

In 2001, when the Corporation Commission further expanded AWC's CCN, the Corporation Commission required AWC to "file a copy of the associated City and County franchise agreements within 365 days of the effective date of the Decision in this matter."

I thought yesterday's meeting was very constructive as we explore options for settling the current dispute and preparing a Franchise Agreement for submission to the citizens of the City of Globe.

We look forward to working cooperatively with you on this matter.

Sincerely,

William J. Sims III
City Attorney

Cc: Terence Wheeler, Mayor
Mike Humphrey, Council Member
Brent Billingsley, City Manager

MINUTES OF A REGULAR MEETING OF THE MAYOR
AND COMMON COUNCIL, HELD IN THE COUNCIL CHAMBERS
CITY HALL, GLOBE, ARIZONA, ON THE 7TH DAY OF
APRIL . 1924, AT 7,30 P. M.

The mayor called the meeting to order and the following alderman responded to the
ll call: Alderman Middleton, Carson, Wills, Greer, Giacoma and Ponkey.

The minutes of the previous regular meeting were read and approved.

A letter from the attorney general of the state of Arizona was read relative to
e matter of payment of salaries to the mayor and members of the council, in which it
s stated that in the opinion of the attorney general such payment could be legally mad
the succeeding mayor and aldermen, but in his opinion no such payment could be le-
lly made to the mayor and council that made provision for such payment during the ter
office that such provision was madd.

The following report from the street committee was read:

His Honor the Mayor and Common Council,
f the city of Globe, Arizona.

entlemen:

The following is the report of your street committee on sidewalks.

ur opinion is that the sidewalks go in as recommended, we dont see any essential need
aising the grade on Monroe Street. Fegan Street, we recommend no sidewalks be put in
etween Monroe and South Street.. We recommend no sidewalks be put in on Monroe Street,
rom Fourth to Fifth Street. We recommend that no action be taken by the city in regar
rs. McCormack's complaint about water overflow on her lot.

(Signed) W. P. Greer

A Motion was made by alderman ponkey and seconded by alderman Wills that the stree
committee be taken up seriatim. Motion put by the mayor. Carried.

After the several recommendations were discussed, the mayor directed that the report
referred back to the committee for further investigation and report relative to the sid
walks in East Globe, on Fegan and Monroe Streets.

Alderman Greer submitted a verbal report that he had interviewed Mr. Owen McKivett re
to ground for the completion of the proposed North Globe road and that McKivett had refu
allow the city to have any portion of the corner upon which ~~xxx~~ is constructed a cement
taining wall on Pinal Creek at the White House rooms.

The reports of the various departmental officers for the month of March, 1924 were re
ordered filed.

Dr. Horst addressed the council and stated that he desired a date set for the annual
up for the city of Globe, and suggested that April 25th and 26th be set as the dates for
After some discussion, a motion was made by alderman Wills and Seconded by alderman Pon
that the dates be set for April 14th to April 19th, to be known as "Clean Up Week". Mot
put by the mayor. Carried.

Fire Chief Suter addressed the council, relative to better water service, by enlarg
the mains, on west Hackney, Ave., Blake Street and Euclide Ave. to insure better fire pr
tection. The matter was referred to the Fire Commission and fire chief for investigation
report.

An agreement between the city of Globe and Meyers and Peters was read relative to
and protection to the property of Meyers and Peters for the proposed Yuma Street extens
The agreement was referred to the street committee for estimates as to cost and report.

Alderman Greer, chairman of the street committee reported that he had investigated
matter brought to the attention of the council by Mr. Fauber, of the Rio Grande Oil Comp
and stated that he would recommend that road to the property in question be repaired by
placing some surfacing material on the rough places.

Alderman Carson spoke of the dangerous condition of the bridge across Pinal Creek
the rail road court and suggested that hand rails be placed thereon. The matter was ref
by the mayor to the city Engineer.

It was called to the attention of the council that no action had been taken relati
allowing the fire chief to attend the state convention of fire chiefs, to be held in Tuc
na, on the 1, 2, and 3d days of May, 1924. Motion made by alderman Wills and seconded b
man Giacoma that the matter be referred to the Fire Commission with full power to act. M
put by the mayor. Carried.

A motion was made by alderman Ponkey and seconded by alderman Greer that the mate
collected during "Clean up Week" be dumped in the hole near the Kitzmiller bridge and th
same be kept covered up with dirt or sand. Motion put by the mayor. Carried.

Motion made by alderman Ponkey and seconded by alderman Giacoma that the building
sewer permits be approved. Motion put by the mayor. Carried. The permits follow:

2711 Permit to F. W. Hoar to construct Iron room with iron roof, Pine and Oak St. Est.
Cost $50,00
2712 Permit to F. L. Jones to remodle building, Broad and Oak Street. Estimated Cost $5,
2713 Permit to Mrs. Dolph Bates Galv. Iron Garage, Cedar and Mesquite St. Est. Cost. $50
2714 Permit to Thomas J. Hocking to construct Screen Porch, Hill and High St. Est. Cost
2715 Permit to Harry MacCorton to install gasolene tank Broad and Kline St. Est. cost $
734 Permit to C. C. Hawk to connect with sewer lot 5, block 43, E. G. T.
735 " " Arthur S. Gifford " " " " 6 " 10 " " "
736 " " C. W. Davis " " " " 2, " 9 " " "
737 " " Jos. Paul " " " " 3, " 6 " " "
" " " " " "24 " 34 " " "

August _____, A. D., 1940, by and between the CITY OF GLOBE, a municipal corporation in Gila County, State of Arizona, hereinafter called the "City", party of the first part, and the MIAMI COPPER COMPANY, a Delaware corporation authorized to transact and transacting its corporate business in Gila County, State of Arizona, hereinafter called the "Company", party of the second part,

W I T N E S S E T H:

WHEREAS, the City is engaged in the business of selling and furnishing water to the residents of the City of Globe, and desires to purchase and obtain such water from the Company; and

WHEREAS, the Company is willing to accomodate the City by pumping water from its mining property, known as the Old Dominion Mine, located near the said City of Globe, to the present storage reserrvoir of the City; and

WHEREAS, it is to the interest and benefit of the City to secure and purchase from the Company the water requirements of the residents of the City of Globe:

NOW, THEREFORE, THIS AGREEMENT FURTHER WITNESSETH:

That for and in consideration of the covenants, conditions and agreements hereinafter set forth to be kept and performed by each of the parties hereto, the parties hereto have covenanted and agreed, and by these presents do covenant and agree, as follows, to-wit:

The Company shall sell and deliver to the City, for and at the price, and subject to the terms and conditions hereinafter set forth, water suitable for domestic purposes from its said Old Dominion Mine, and the City agrees to purchase, receive and pay for water so delivered as hereinafter provided.

at the sole cost and [illegible]

the Company free and harmless against any and all damages or claims for damages for injuries to persons or property by reason of the existence or use of said pipe line for carrying water delivered by the Company.

The place of measurement of all said water delivered by the Company shall be at the discharge pipe of the Company's pump near the collar of the Company's "A" shaft of the said Old Dominion Mine, which discharge pipe is now connected with the City's said pipe line.

The City shall have the right at all reasonable times to inspect the Company's meters or records from which the measurements of water furnished hereunder shall be made.

The City shall pay to the Company, monthly, during the life of this agreement, on or before the 10th day of each month, commencing on the 10th day of October, 1940, the sum of TWENTY TWO HUNDRED DOLLARS ($2200.00), and for which minimum payment, the Company shall deliver as requested by the City, water in an amount not to exceed ten million (10,000,000) gallons in any one month.

Should the City request the delivery of water in any one month in excess of ten million (10,000,000) gallons, and the Company be able to furnish it, the City shall pay to the Company, in addition to the above monthly minimum charge of TWENTY TWO HUNDRED DOLLARS ($2200.00), twenty-two cents (22¢) per thousand for each additional one thousand gallons of water furnished in any one month in excess of the said ten million

Payment for such additional water [illegible] times the minimum payment of TWENTY TWO HUNDRED DOLLARS ($2200.00) is paid for water delivered during the preceding month.

The City shall assume and pay any and all sales taxes or any other tax, taxes or imposts levied or applied to or resulting from the sale and delivery of water sold and furnished the City by the Company.

The City shall provide and maintain at its sole cost and expense a satisfactory signal system for the purpose of advising the Company at its pumping plant as to the amount of water in the storage reservoir, in order that the Company may govern its pumping accordingly.

It is understood and agreed that the Company shall deliver water into the storage reservoir at its convenience, having in mind, however, the desire of the City to maintain at all times the maximum amount of water in said storage reservoir.

It is expressly understood by the parties hereto that the water furnished to the City by the Company is stored and pumped from the 1800 foot level of the Company's property, known as the Old Dominion Mine.

It is further understood by the parties hereto that the Old Dominion Mine, below the said 1800 foot level, is filled with water unsuitable for City purposes. It is expressly agreed that in the event the unsuitable water in the lower levels of the Old Dominion Mine should rise to a point to endanger the supply of water on the 1800 foot level, the City may forthwith terminate this contract, or at its option request the Company to endeavor to maintain the water level of said unsuitable water below the 1800 foot level by pumping or other means, at the sole cost and expense of the City, and in addi-

It is understood that the Company does not guarantee or obligate itself to keep or maintain such unsuitable water below the 1800 foot level, or from contaminating the water in the 1800 foot level, and the Company, at its election, may notify the City of its inability to safeguard the water in the 1800 foot level, and immediately upon giving written notice to the City, terminate this agreement.

It is distinctly understood and agreed that the Company is not engaged in the business of selling or supplying water, and that it has entered into this agreement solely as a matter of accomodation to the City.

It is further understood and agreed that the Company does not bind or obligate itself to furnish any definite quantity or quality of water to the City. However, the Company agrees to make every reasonable effort to supply the City's full requirements of water and use reasonable care and precaution to avoid interruptions in the service, it being expressly understood that the obligations of each party hereto toward the other being the exercise of good faith, but no liability shall attach to the Company, and the City expressly agrees to save the Company harmless for failure to supply water for any cause or reason whatsoever.

In addition to the other method provided herein for the termination of this agreement, either party may terminate this agreement upon giving the other one hundred and twenty (120) days' written notice to that effect, subject, however, to the right of the City to terminate this agreement forthwith upon written notice if the quality of water being supplied is not satisfactory to the City.

mean, as the case may be, and was [illegible]

notice shall commence from the date such notice is placed in the registered mails aforesaid.

This agreement shall become effective on the 1st day of September, 1940, and shall remain in full force and effect until terminated by either of the parties hereto as hereinbefore provided.

IN WITNESS WHEREOF, the party of the first part has caused its corporate name to be hereunto subscribed by its Mayor and the Seal of the City to be hereunto affixed and attested by the City Clerk, both acting on behalf of said City by and under the authority of the Common Council thereof, and the party of the second part has caused these presents to be executed by its proper officers thereunto first duly authorized the day and year first above written.

CITY OF GLOBE

By William A. Sullivan

Its Mayor.

ATTEST: [illegible]

City Clerk.

MIAMI COPPER COMPANY

By [illegible]

Its Vice-President.

ATTEST: [illegible]

Its Secretary.

going instrument for and on behalf of the City of Globe, a municipal corporation, as Mayor and City Clerk, respectively, of said City of Globe, and that they were duly authorized to so do by order of the Common Council of said City.

My commission expires Nov. 20, 1943.

Lucy V. Lassae

Notary Public in and for Gila County,
State of Arizona.

STATE OF NEW YORK, }
COUNTY OF NEW YORK. } SS.

This instrument was acknowledged [illegible] of August, A. D., 1940, by John G. Greenburgh and Henry Kaufman, as Vice President and Secretary, respectively, of [illegible] COMPANY, a corporation.

My commission expires [illegible].

[illegible]

Notary Public.

GILA

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE PETITION OF ARIZONA WATER COMPANY FOR INCREASE OF AREA TO BE SERVED AT CENTRAL HEIGHTS, ARIZONA DESCRIBED AS BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 1 NORTH, RANGE 15 EAST; THENCE WESTERLY TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, SECTION 28, TOWNSHIP 1 NORTH, RANGE 15 EAST: THENCE NORTHERLY TO THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SEC. 16, TOWNSHIP 1 NORTH, RANGE 15 EAST; THENCE EASTERLY TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER SECTION 14, TOWNSHIP 1 NORTH, RANGE 15 EAST; THENCE SOUTHERLY TO THE POINT OF BEGINNING, ALL G&SRB&M., GILA COUNTY, ARIZONA.

DOCKET NO. U-1445 DECISION NO. 33424

SEP 20 1961

OPINION AND ORDER

BY THE COMMISSION:

Notice having been given as provided by law, the above entitled matter came on for hearing before the Commission sitting in Phoenix, Arizona on September 11, 1961.

Applicant was represented by its attorney, Arthur M. Johnson, of the law firm, Fennemore, Craig, Allen & McClennen. Appearance in opposition was made by Robert Moore, for and on behalf of the Salt River Valley Water Users Association.

Testimony was presented, both oral and documentary, and from the testimony, files and records in the matter the Commission is of the opinion that applicant has complied with the statutes of Arizona and with the rules and regulations of the Commission for the issuance of a certificate of convenience and necessity.

It further appears that the application does not conflict with any other person or corporation furnishing a service of like character within the additional area sought to be certificated and that a need and demand has been established and exists for the proposed service supporting a finding of convenience and necessity therefore.

WHEREFORE, IT IS ORDERED that the application be, and it is hereby, approved and this order shall constitute and be a certificate of convenience and necessity as contemplated by the provisions of Section 40-281, A. R. S., authorizing applicant herein to construct, operate and maintain a public water system within the additional area described as beginning at the Southeast corner of the Southwest Quarter (SW¼) of Section 26, Township 1 North, Range 15 East; thence Westerly to the Southwest corner of the Southeast Quarter of the Southwest Quarter (SW¼), of Section 28, Township 1 North, Range 15 East; thence Northerly to the

DOCKET NO. U-1445 DECISION NO. 33424

Northwest Corner of the Northeast Quarter (NE¼) of the Southwest Quarter (SW¼) of Section 16, Township 1 North, Range 15 East; thence easterly to the Northeast corner of the Southwest Quarter (SW¼) of Section 14, Township 1 North, Range 15 East; thence southerly to the point of beginning, all G&SRB&M., Gila County, Ariz.

The rates and charges heretofore approved for this Company, shall be in full force and effect for this area.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

IN WITNESS WHEREOF, I, FRANCIS J. BYRNES, Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of this Commission, to be affixed at the Capitol in the City of Phoenix, this 20th day of September 1961.

Francis J. Byrnes
FRANCIS J. BYRNES
SECRETARY

Copies mailed 9-20-61 to
Walter E. Craig
Arizona Water Co. - att. Carl Schmitt
Pinal Co. Bd. Sups.
Gila Co. Bd. of Sups.
Bureau Law.
East Line Water Users - att. Chas. Moore
Secretary
Docket

0000039619

Arizona Corporation Commission
DOCKETED

BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

DEC 0 4 2001

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY TO EXTEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY AT MIAMI, GILA COUNTY, ARIZONA.

DOCKET NO. W-01445A-01-0546

DECISION NO. 64251

OPINION AND ORDER

DATE OF HEARING: October 10, 2001

PLACE OF HEARING: Phoenix, Arizona

ADMINISTRATIVE LAW JUDGE: Philip J. Dion III

APPEARANCES: Mr. Robert W. Geake, on behalf of Arizona Water Company; and

Mr. Jason Gellman, Staff Attorney, Legal Division, on behalf of the Utilities Division of the Arizona Corporation Commission.

BY THE COMMISSION:

On July 10, 2001, Arizona Water Company ("AWC" or "Applicant") filed with the Arizona Corporation Commission ("Commission") an application for approval to extend its Certificate of Convenience and Necessity ("Certificate") to provide water service to an additional area in Gila County, Arizona.

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes and orders that:

FINDINGS OF FACT

1. AWC is an Arizona corporation that provides water utility service to portions of Gila, Navajo, Cochise, Maricopa, Pima, Yavapai, Coconino and Pinal counties in Arizona. AWC was granted its Certificate in Decision No. 28794 (March 1955).

2. On July 10, 2001, AWC filed an application for an extension of its existing Certificate to provide water service to approximately 6,400 acres of property, which is more accurately

described in Exhibit A, attached hereto and included herein by reference. The area includes approximately 10 sections of land near the area of from Miami towards Roosevelt Lake along State Highway 88.

3. On July 18, 2001, the Commission's Utilities Division Staff ("Staff") filed a sufficiency letter indicating that AWC's application has met the sufficiency requirements per Commission rules.

4. On August 6, 2001, a Procedural Order was issued setting the matter for hearing on October 10, 2001.

5. On September 11, 2001, AWC filed an Affidavit of Mailing indicating that all property owners in the proposed extension area were notified of the application and hearing date.

6. No intervention requests or objections to the application were filed.

7. On August 31, 2001, Staff filed its Staff Report in this matter recommending approval of the application. The Staff Report recommends approval of the application subject to the conditions that:

a) AWC charge its existing rates and charges in the proposed extension area; and

b) AWC file a copy of the associated City and County franchise agreements within 365 days of the effective date of the Decision in this matter.

8. A hearing was held on October 10, 2001, pursuant to the Procedural Order dated May 30, 2001. Michael Whitehead testified on behalf of AWC and Jim Fisher testified on behalf of Staff. AWC agreed to abide by the recommendations in the Staff Report.

9. AWC currently has an eight-inch pipeline that runs along State Highway 88. The pipeline was established in the early 1970s.

10. AWC is currently providing service from the eight-inch pipeline to approximately 50 residential customers in the requested extension area.

11. Although AWC indicated that it does not know of any future or anticipated developments in the area for which AWC is requesting a Certificate, it estimates that it will serve approximately 100 customers in the next five years.

12. AWC has not received any additional requests for service within the proposed extension area.

13. There are no other public service corporations or municipality owned water systems authorized to provide or providing service in the proposed extension area.

14. AWC has adequate production and storage facilities to serve its existing customers and the anticipated additional customers in the extension area, and is financially capable of constructing, operating and maintaining any additional facilities necessary to provide service to the extension area.

15. AWC is current on its property and sales taxes.

16. AWC is current on all of its filings with the Commission.

17. AWC is in compliance with ADEQ and is delivering water that does not exceed any maximum contaminant levels. In addition, according to ADEQ, AWC currently delivers water that meets the water quality standards of the Safe Drinking Water Act.

18. Staff testified that approval of the application would serve the public interest.

CONCLUSIONS OF LAW

1. AWC is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. § 40-281 *et seq*.

2. The Commission has jurisdiction over AWC and the subject matter of the application.

3. Notice of the application was provided in accordance with law.

4. There is a public need and necessity for water utility services in the proposed extension area.

5. AWC is a fit and property entity to receive an extension of its water Certificate which encompasses the area more fully described in Exhibit A attached hereto.

6. Staff's recommendations in Findings of Fact No. 7 are reasonable and should be adopted.

ORDER

IT IS THEREFORE ORDERED that the application of Arizona Water Company for an extension of its Certificate of Convenience and Necessity to include the area described in Exhibit A

attached hereto and incorporated herein by reference be, and is hereby granted.

IT IS FURTHER ORDERED that Arizona Water Company shall charge its existing rates and charges in the extension area until further Order of the Commission.

IT IS FURTHER ORDERED that Arizona Water Company shall file a copy of its City and County franchises within 365 days of the effective date of this Decision.

IT IS FURTHER ORDERED that in the event Arizona Water Company fails to meet the above conditions within the time specified, then such area for which it has applied for an extension of its Certificate of Convenience and Necessity shall be deemed to be denied, without further Order of the Arizona Corporation Commission.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN COMMISSIONER COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 4TH day of December 2001.

BRIAN C. McNEIL
EXECUTIVE SECRETARY

DISSENT _____
PJD:mlj

SERVICE LIST FOR: ARIZONA WATER COMPANY

DOCKET NO.: W-01445A-01-0546

Robert W. Geake
ARIZONA WATER COMPANY
P.O. Box 29006
Phoenix, Arizona 85007

Christopher Kempley, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Ernest G. Johnson, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

PARCEL 1

Sections 4, 5, 8, 9, the North half and the SW¼ of Section 16, 17, the East half of the West half of Section 21, all in Township 1 North, Range 15 East of the Gila and Salt River Base and Meridian, Gila County, Arizona.

PARCEL 2

Sections 28, 29, 32 & 33, all in Township 2 North, Range 15 East of the Gila and Salt River Base and Meridian, Gila County, Arizona.

EXHIBIT A

DECISION NO. 64251

-END -

CAP SHEET

Name of Company: **ARIZONA WATER COMPANY** Docket Number: **W-1445**

GILA COUNTY	WATER				

Decision Number	Date	Reference Original - Extended - Transferred to Area: Deleted - Sold - Cancelled - Etc.
28794	23 MAR 1955	ORIGINAL AREA TRANSFERRED FROM TRIANGLE DEVELOPMENT CORPORATION (U-1934)
31529	30 APR 1959	EXTENDED AREA
33421	20 SEP 1961	EXTENDED AREA
33424	20 SEP 1961	EXTENDED AREA
33496	07 NOV 1961	DELETED AREA
39280	27 DEC 1967	TRANSFERRED FROM CENTRAL HEIGHTS WATER COMPANY (9960-E-1030)
38862	15 NOV 1967	TRANSFERRED FROM CITIZENS UTILITIES COMPANY (9962-E-1032)
41258	28 APR 1971	TRANSFERRED FROM STRAWBERRY KNOLLS WATER COMPANY (U-1696)
57310	03 APR 1991	PARTIAL TRANSFER TO UNITED UTILITIES (U-1993)
64251	04 DEC 2001	EXTENDED AREA

ARIZONA
CORPORATION COMMISSION
MAPPING DIVISION

NAME OF COMPANY: Arizona Water Co.

DOCKET NUMBER: U-1445

GILA COUNTY	PLATTED NOV 21 1962 BY H. HARRIS	REVIEWED APR 4 1967 BY H. HARRIS			

DECISION NO.	DATE	REFERENCE TO AREA: ORIGINAL - EXTENDED - TRANSFERRED DELETED - SOLD - CANCELLED - ETC.
28794	MAR 23 1955	ORIGINAL AREA — In this County Winkelman & Miami.
31529	APR 30 1959	EXTENDED AREA
33421	SEP 20 1961	EXTENDED AREA
33424	SEP 20 1961	EXTENDED AREA
33496	NOV 7 1961	DELETE Certain Area.
39280	DEC 27 1967	EXTENDED AREA — TRANSFERRED FROM: Central Heights Water Co. 9960-E-1030.
38862	NOV 15 1967	TRANSFERRED FROM: Citizens Utilities Co 9962 E 1032
41258	Apr 28 1971	EXTENDED AREA TRANSFERRED FROM: Strawberry Knolls W/C U 1696
57310	Apr 3, 1981	Transferred to United Utilities (U-1943)

ACC-MD-1

ARIZONA
CORPORATION COMMISSION
MAPPING DIVISION

NAME OF COMPANY: Arizona Water Co.

DOCKET NUMBER: U-1445

DECISION NO. 33421 — Sept. 20, 1961

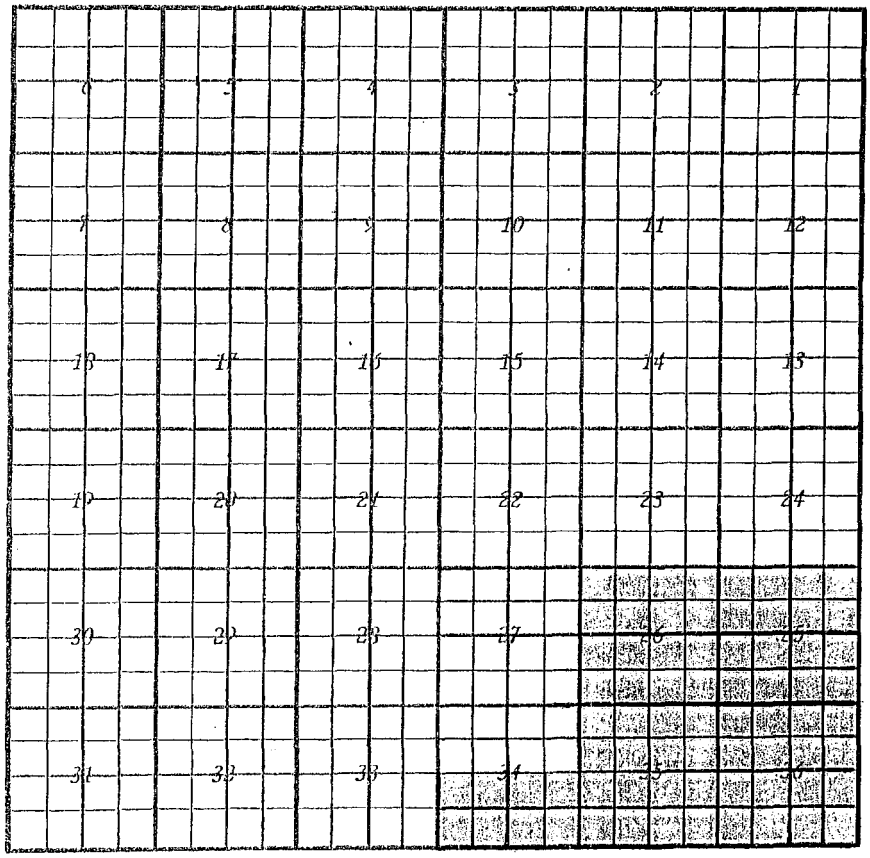
Sec. 25, 26, 35 & 36: All. SEE DOCKET FOR LEGAL

Sec. 34: S½ SEE DOCKET FOR LEGAL

MIAMI

GILA	1 N	14 E	EXTENDED AREA	PLATTED NOV 21 1962 BY H. HARRIS
COUNTY	TOWNSHIP NO.	RANGE NO.	AREA	

REVIEWED APR 4 1967 BY H. HARRIS



PLAT NO.

AREA NO. 3

Scale 1" = 1 mile (80 chains)

ACC-MD-1

ARIZONA
CORPORATION COMMISSION
MAPPING DIVISION

NAME OF COMPANY: Arizona Water Co.

DOCKET NUMBER: U-1445

DECISION NO. 33421 — Sept. 20, 1961

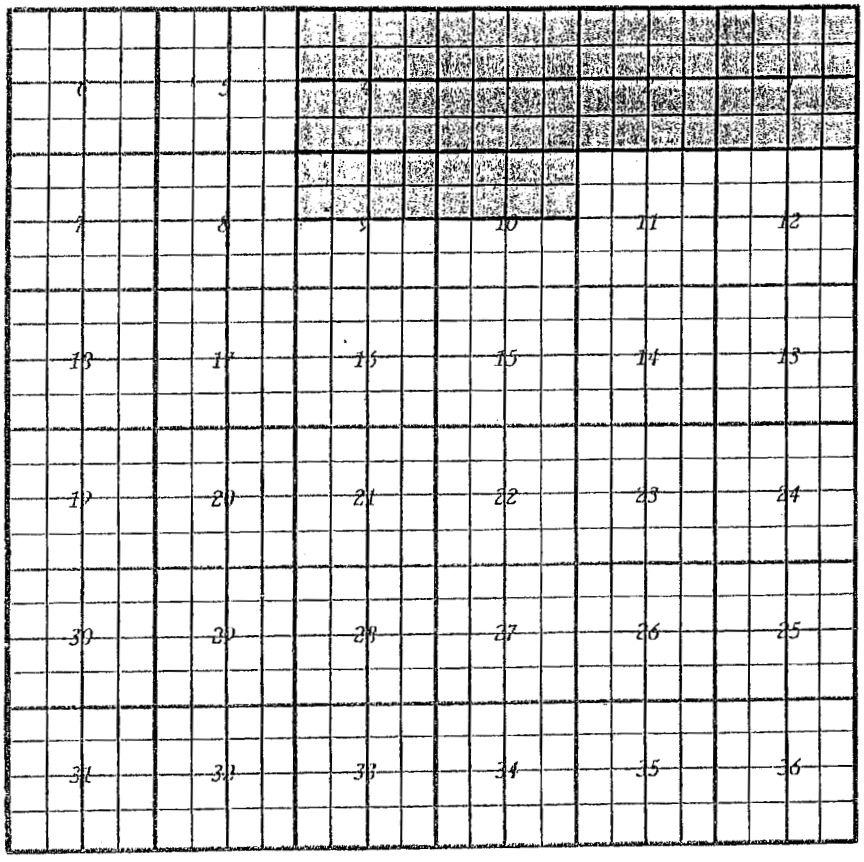
Sec. 1, 2, 3 & 4: All. SEE DOCKET FOR LEGAL

Sec. 9: N½. SEE DOCKET FOR LEGAL

Sec. 10: N½. SEE DOCKET FOR LEGAL

MIAMI

GILA	1S	14E	EXTENDED AREA	PLATTED NOV 21 1962 BY H. HARRIS
COUNTY	TOWNSHIP NO.	RANGE NO.	AREA	REVIEWED APR 4 1967 BY H. HARRIS



PLAT NO. 1

AREA NO. 2

Scale 1" = 1 mile (80 chains)

ACC-MD-1

ARIZONA
CORPORATION COMMISSION
MAPPING DIVISION

NAME OF COMPANY: ARIZONA WATER CO.

DOCKET NUMBER: U-1445

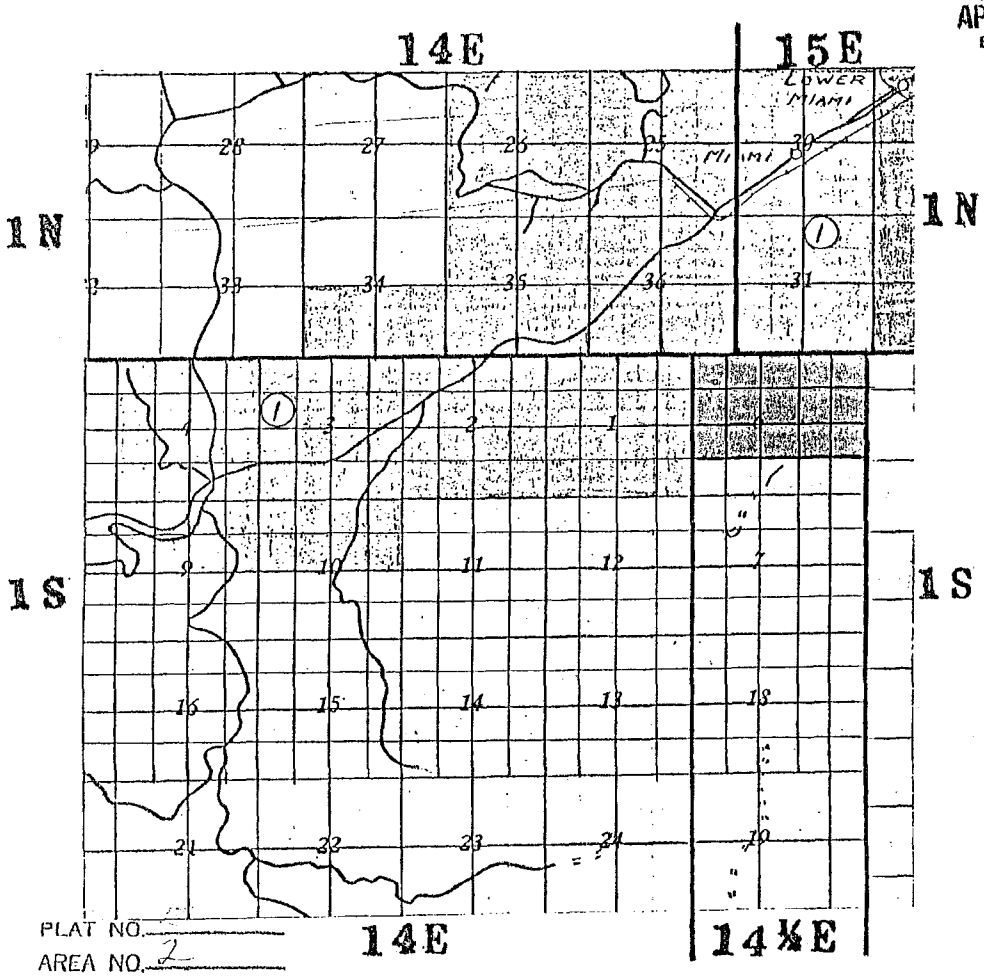
DECISION NO. 33421 — SEPT. 20, 1961

A PORTION OF TOWNSHIP 1 SOUTH RANGE 14½ EAST SEE DOCKET FOR LEGAL

MIAMI

GILA	1S	14½E	EXTENDED AREA	PLATTED NOV 21 1962 BY H. HARRIS
COUNTY	TOWNSHIP NO.	RANGE NO.	AREA	

REVIEWED APR 4 1967 BY H. HARRIS



PLAT NO.

AREA NO. 2

ACC-MD-1

ARIZONA
CORPORATION COMMISSION
MAPPING DIVISION

NAME OF COMPANY: ARIZONA WATER CO.

DOCKET NUMBER: U-1445

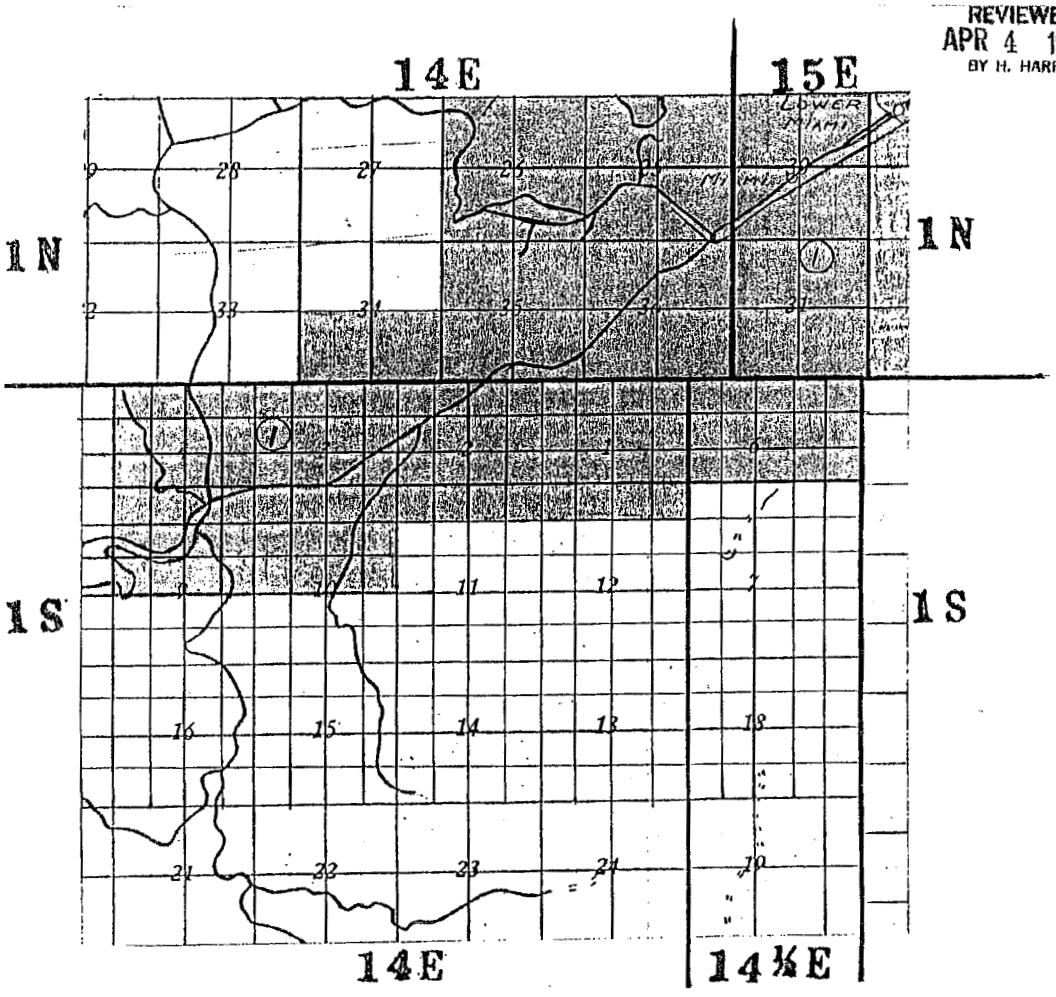
DECISION NO. 33421 — SEPT. 20, 1961 SEE DOCKET FOR LEGAL

TWP. 1N-RGE. 14E = SEC. 25, 26, 35 & 36: ALL. — SEC. 34: S½.
TWP. 1N-RGE. 15E = SEC. 30 & 31: ALL.
TWP. 1S-RGE. 14E = SEC. 1, 2, 3 & 4: ALL; SEC. 9: N½; SEC. 10: N½.
TWP. 1S-RGE. 14½E = A PORTION THEREOF, SEE DOCKET FOR LEGAL

MIAMI

GILA	1N / 1S	14E / 14½E / 15E	COMPOSITE OF DECISION NO. 33421	PLATTED NOV 21 1962 BY H. HARRIS
COUNTY	TOWNSHIP NO.	RANGE NO.	AREA	

REVIEWED
APR 4 1967
BY H. HARRIS



ACC-MD-1

ARIZONA
CORPORATION COMMISSION
MAPPING DIVISION

NAME OF COMPANY: ARIZONA WATER CO.

DOCKET NUMBER: U-1445

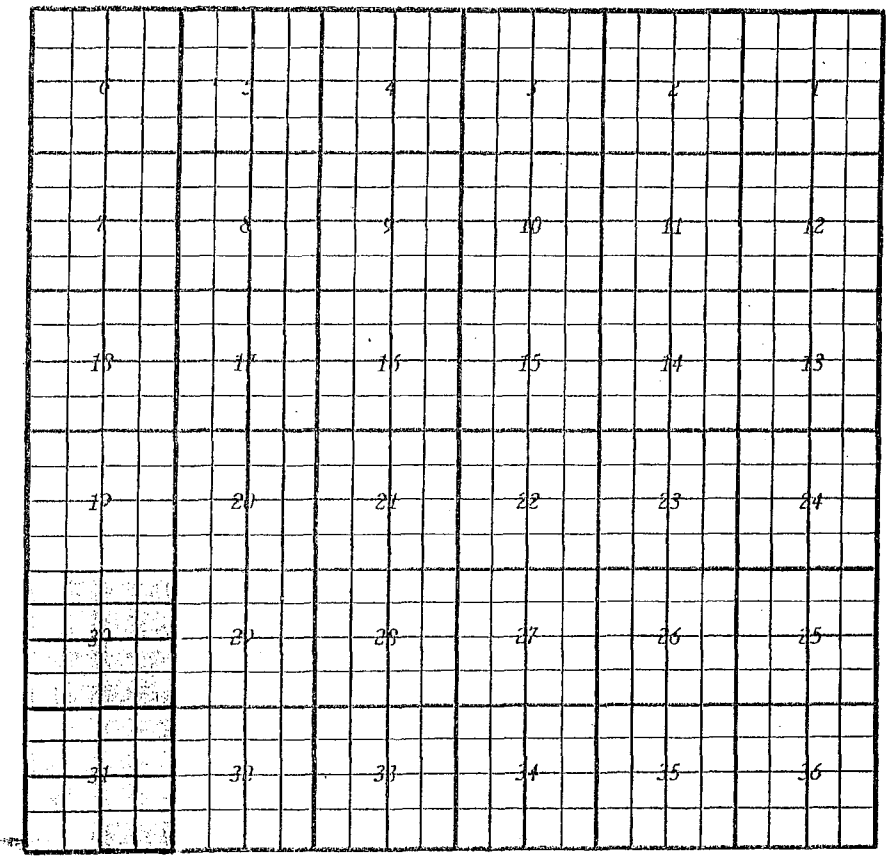
DECISION NO. 33421 — SEPT. 20, 1961

SEC. 30 & 31: ALL. SEE DOCKET FOR LEGAL

MIAMI

GILA	1 N	15 E	EXTENDED AREA	PLATTED NOV 21 1962 BY H. HARRIS
COUNTY	TOWNSHIP NO.	RANGE NO.	AREA	

REVIEWED APR 4 1967 BY H. HARRIS



Scale 1" = 1 mile (80 chains)

ARIZONA
CORPORATION COMMISSION
MAPPING DIVISION

NAME OF COMPANY: ARIZONA WATER Co.

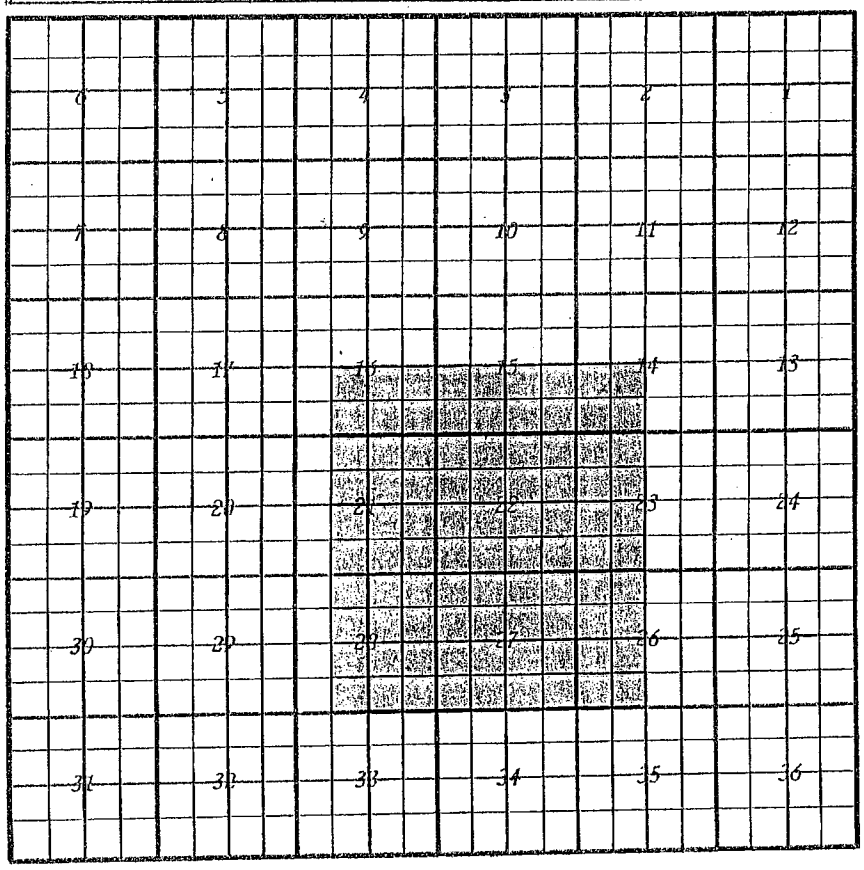
DOCKET NUMBER: U-1445

DECISION NO. 33424 — SEP. 20, 1961

SEC. 14: SW4.
SEC. 15: S2.
SEC. 16: SE4; E2SW4.
SEC. 21: E2; E2W2.
SEC. 22 & 27: ALL.
SEC. 23: W2.
SEC. 26: W2.
SEC. 28: E2; E2W2.

GILA	1 N	15 E	EXTENDED AREA	PLATTED NOV 21 1962 BY H. HARRIS
COUNTY	TOWNSHIP NO.	RANGE NO.	AREA	

REVIEWED APR 4 1967 BY H. HARRIS



Scale 1" = 1 mile (80 chains)

ACC-MD-1

ARIZONA
CORPORATION COMMISSION
MAPPING DIVISION

NAME OF COMPANY: ARIZONA WATER CO.

DOCKET NUMBER: U-1445

DECISION NO. 33496 — Nov. 7, 1961

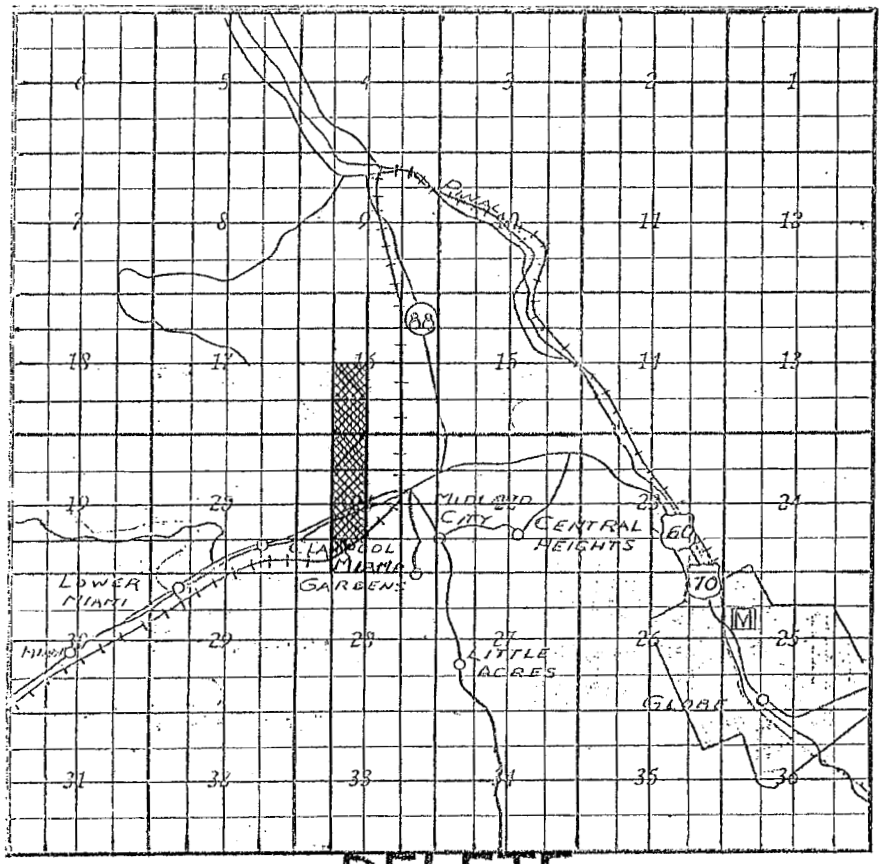
SEC. 16: E² OF THE SW4.

SEC. 21: E² OF THE NW4; THAT PORTION OF THE E²SW4, LYING NORTH OF S.P. RWY.

GILA	1N	15E	DELETE	PLATTED NOV 21 1962 BY H. HARRIS
COUNTY	TOWNSHIP NO.	RANGE NO.	AREA	

IN-15E

REVIEWED APR 4 1967 BY H. HARRIS



DELETE

Area in Cit. Lt.
Certified Area Scale 1" = 1 mile (80 chains)

ACC-MD-1

ARIZONA
CORPORATION COMMISSION
MAPPING DIVISION

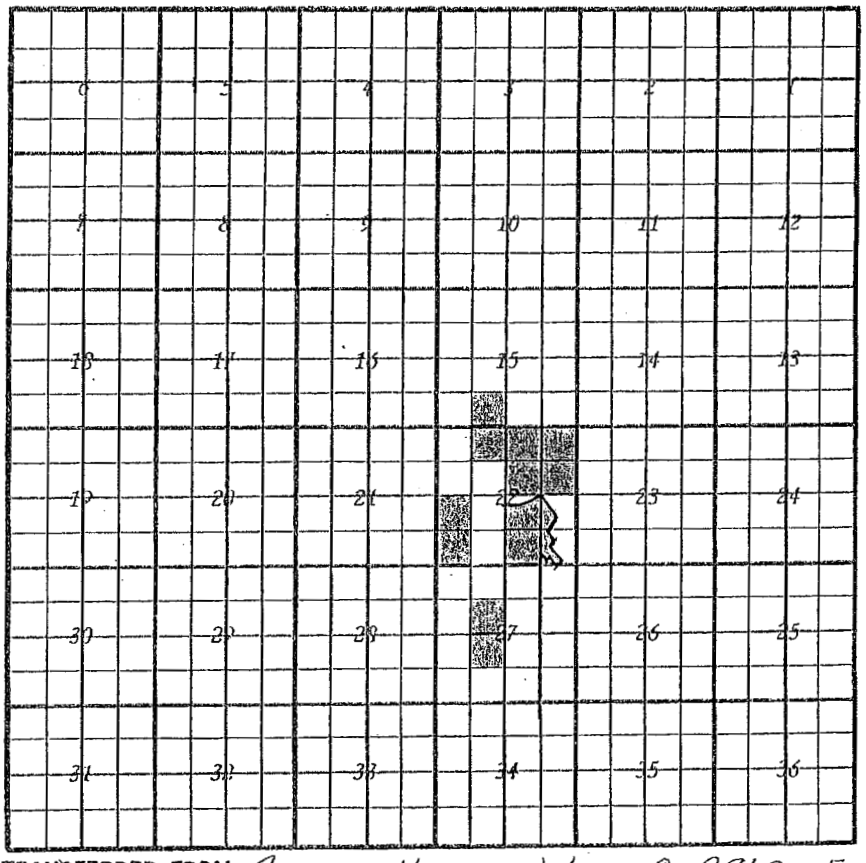
NAME OF COMPANY: ARIZONA WATER Co.

DOCKET NUMBER: U-1445

DECISION NO. 39280 — DEC. 27, 1967

SEC. 15: SE4 SW4.
SEC. 27: SE4 NW4; NE4 SW4.
SEC. 22: NE4 NW4; NE4; W½ SW4.
SEC. 22: A PORTION OF THE SE4, SEE DOCKET FOR LEGAL.

COUNTY	TOWNSHIP NO.	RANGE NO.	AREA	PLATTED
GILA	1 N	15 E	EXTENDED AREA	DEC. 29 1967 BY H. HARRIS



TRANSFERRED FROM: CENTRAL HEIGHTS WATER Co. 9960-E-1030

Scale 1" = 1 mile (80 chains)

ACC-MD-1

ARIZONA
CORPORATION COMMISSION
MAPPING DIVISION

NAME OF COMPANY: ARIZONA WATER CO.

DOCKET NUMBER: U-1445

☐ DECISION NO. 33421 — SEP. 20, 1961 ORIGINAL AREA THIS TWP.

☐ DECISION NO. 33424 — SEP. 20, 1961 EXTENDED AREA

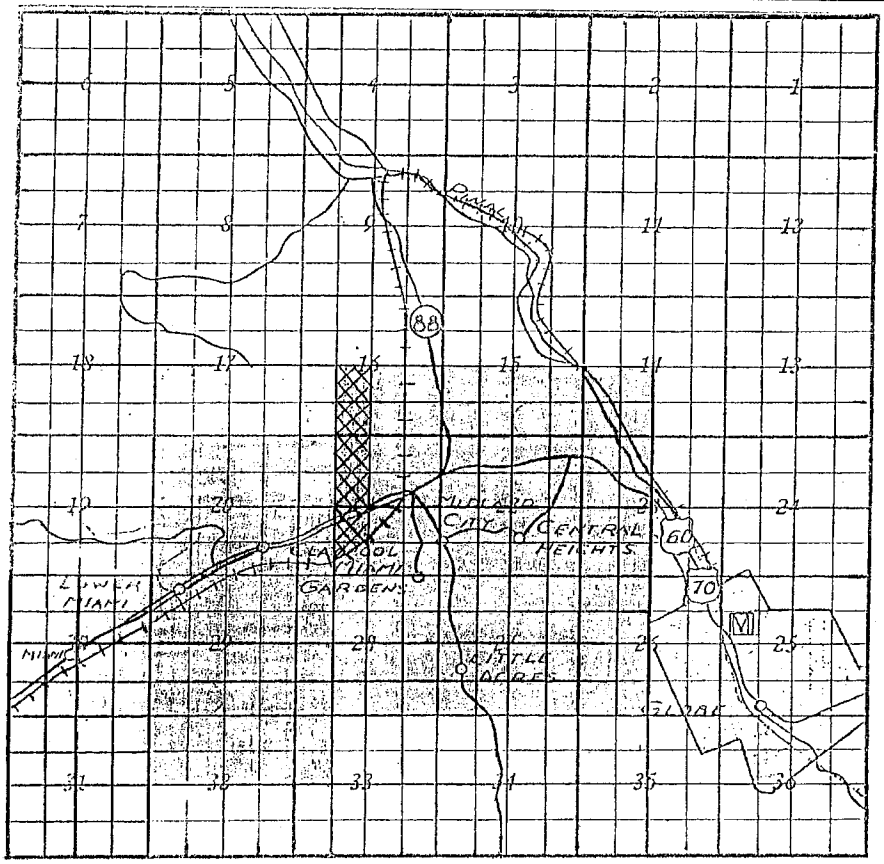
☒ DECISION NO. 33496 — NOV. 7, 1961 DELETE

☐ DECISION NO. 38862 — NOV 15, 1967 TRANSFERRED FROM: 9961-E-1032 CITRUS HILLS

GILA	1 N	15 E	COMPOSITE	PLATTED
GA—COUNTY	TOWNSHIP NO.	RANGE NO.	THIS TOWNSHIP AREA	NOV 21 1962 BY H. HARRIS

N—15E

REVIEWED
APR 4 1967
BY H. HARRIS



PLAT NO. 13

AREA NO. 2

Scale 1" = 1 mile (80 chains)

Exhibit C, Item 2

First Notice of Claim from Arizona Water to City (dated 4-7-2014)

Steven A. Hirsch
Certified Real Estate Specialist
Partner
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Direct Fax: 602-716-8319
sahirsch@bryancave.com

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Kuala Lumpur
Manila
Shanghai
Singapore
Tokyo

April 7, 2014

William J. Sims III
Sims Murray, Ltd.
2020 N. Central Avenue, Suite 670
Phoenix AZ 85004

Garry D. Hays
The Law Offices of Garry D. Hays, P.C.
1702 E. Highland Avenue, Suite 204
Phoenix, AZ 85016

Re: Arizona Water Company/City of Globe Franchise and CCN matters

Gentlemen:

As a result of the parties' cooperative communications over the past few months, the issues regarding the proposed Franchise Agreement have been resolved. Arizona Water Company is ready to execute the final February 11, 2014 version of the Agreement at your direction.

However, Arizona Water Company realizes that the City of Globe's ("City's") position is that the Franchise Agreement cannot go to a Council vote without a proposal that would also resolve the pending issues regarding the City's providing public utility water service within Arizona Water Company's Certificate of Convenience and Necessity ("CCN") boundaries. The parties have made progress toward resolving the Arlington Heights Subdivision CCN issues, and Arizona Water Company desires to continue those discussions. Additionally, during our meeting on December 5, 2013, the City informed Arizona Water Company that it was also providing service to certain customers within Arizona Water Company's CCN area along U.S. Highway 60. The City presented a number of scenarios for the Company to consider regarding such service, but those proposals were based on the premise that the City's service predated the Company's CCN. The Company has now been able to research its engineering files regarding the history of service in the area and has obtained aerial photographs that assist in understanding that history, which we include with this letter. The relevant historical benchmarks are as follows:

1. 1961 – Arizona Water Company obtained its CCN in the U.S. Highway 60 area at issue. (See Exhibit A). As shown on the 1961 aerial photo of this area (Exhibit B), the commercial uses the City is now serving on the north side of the highway (such as the AutoZone and Mobile Home Park) were not in place as of that date.

2. 1976 – The Company installed a six-inch water line along the north side of U.S. Highway 60 to a point labeled "CITY OF GLOBE TO A.W.Co. INTERCONNECT", as shown on the top of Exhibit A to the November 8, 2003 Emergency Connections Agreement, in the area where the City is now providing service (Exhibit C).

3. 1980 – A December 10, 1980 map of the "Globe Water System" (Exhibit D) shows that the City had no service to the subject area on U.S. Highway 60 as of that date.

4. 2000 – In a December 5, 2000 letter to Mr. Udon McSpadden of McSpadden Ford, Inc., the City Manager, Manoj Vyas, stated: "Our legal research has found that the City of Globe will not be able to provide water to any parcels of land for the western halves of sections 23 and 26 of Township 1 North, Range 15 East, which includes your property adjoining Highway 60 as well as other undeveloped parcels of land. This finding is based on the Arizona Water Company's Certificate of Necessity boundaries established and approved by the Arizona Corporation Commission years ago." (Exhibit E). The referenced half-sections include the subject area of City service that was disclosed in the December 5, 2013 meeting.

5. 2003 - In Exhibit C, the November 8, 2003 Emergency Connections Agreement, Recital B, the City stated that "[t]he City provides water service to the areas within the incorporated City limits of Globe *which are not in the Company's CCN*."

6. April 28, 2010 – The City, through its City Manager, Kane Graves, requested that it be allowed to provide service to the subject service area along U.S. Highway 60, and provided a map showing the requested area of service within Arizona Water Company's CCN area. (Exhibit F)

7. June 1, 2010 – Arizona Water Company, through President William M. Garfield, declined the request and reminded the City that the Company had an existing water main adjacent to the subject property, that it was able to meet the property's water service needs, that the property was within the Company's CCN area, and that it looked forward to working with the developer of the subject property as the sole water provider. (Exhibit G)

In addition to these historical facts, as Arizona Water Company has previously communicated to the City, A.R.S. Sec. 9-516(A) provides that "when adequate public utility service under authority of law is being rendered in an area, within or without the boundaries of a city or town, a competing service and installation shall not be authorized, instituted, made or carried on by a city or town unless or until that portion of the plant, system and business of the utility used and useful in rendering such service in that area in which the city or town seeks to serve has been acquired." As with the Arlington Heights

Subdivision CCN area, the parties need to immediately seek an engineering solution that will restore service to the subject property to be provided exclusively by Arizona Water Company and provide for recovery of the Company's costs and lost revenues.

Arizona Water Company would like to have a follow-up meeting to resolve these remaining issues before the end of this month. I'll contact your offices to arrange for such a meeting so that the remaining issues can be resolved as soon as possible.

Very truly yours,

Steven A. Hirsch

SAH:ct
Attachments
cc: (w/attachments)
Mr. William Garfield
Mr. Robert Spear

Exhibit A

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE PETITION OF ARIZONA WATER COMPANY FOR INCREASE OF AREA TO BE SERVED AT CENTRAL HEIGHTS, ARIZONA DESCRIBED AS BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 1 NORTH, RANGE 15 EAST; THENCE WESTERLY TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, SECTION 28, TOWNSHIP 1 NORTH, RANGE 15 EAST: THENCE NORTHERLY TO THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SEC. 16, TOWNSHIP 1 NORTH, RANGE 15 EAST; THENCE EASTERLY TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER SECTION 14, TOWNSHIP 1 NORTH, RANGE 15 EAST; THENCE SOUTHERLY TO THE POINT OF BEGINNING, ALL GSRB&M., GILA COUNTY, ARIZONA.

DOCKET NO. U-1443 DECISION NO. 33424

OPINION AND ORDER

BY THE COMMISSION:

Notice having been given as provided by law, the above entitled matter came on for hearing before the Commission sitting in Phoenix, Arizona on September 11, 1961.

Applicant was represented by its attorney, Arthur H. Johnson, of the law firm, Fennemore, Craig, Allen & McCleemen. Appearance in opposition was made by Robert Moore, for and on behalf of the Salt River Valley Water Users Association.

Testimony was presented, both oral and documentary, and from the testimony, files and records in the matter the Commission is of the opinion that applicant has complied with the statutes of Arizona and with the rules and regulations of the Commission for the issuance of a certificate of convenience and necessity.

It further appears that the application does not conflict with any other person or corporation furnishing a service of like character within the additional area sought to be certificated and that a need and demand has been established and exists for the proposed service supporting a finding of convenience and necessity therefore.

WHEREFORE, IT IS ORDERED that the application be, and it is hereby, approved and this order shall constitute and be a certificate of convenience and necessity as contemplated by the provisions of Section 40-281, A. R. S., authorizing applicant herein to construct, operate and maintain a public water system within the additional area described as beginning at the Southeast corner of the Southwest Quarter (SW¼) of Section 26, Township 1 North, Range 15 East; thence Westerly to the Southwest corner of the Southeast Quarter of the Southwest Quarter (SW¼), of Section 28, Township 1 North, Range 15 East; thence Northerly to the

DOCKET NO. U-1445 DECISION NO. 33424

Northwest Corner of the Northeast Quarter (NE¼) of the Southwest Quarter (SW¼) of Section 16, Township 1 North, Range 15 East; thence easterly to the Northeast corner of the Southwest Quarter (SW¼) of Section 14, Township 1 North, Range 15 East; thence southerly to the point of beginning, all G&SRB&M., Gila County, Ariz.

The rates and charges heretofore approved for this Company, shall be in full force and effect for this area.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

IN WITNESS WHEREOF, I, FRANCIS J. BYRNES, Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of this Commission, to be affixed at the Capitol in the City of Phoenix, this 26th day of September 1961.

Francis J. Byrnes

FRANCIS J. BYRNES
SECRETARY

Exhibit B

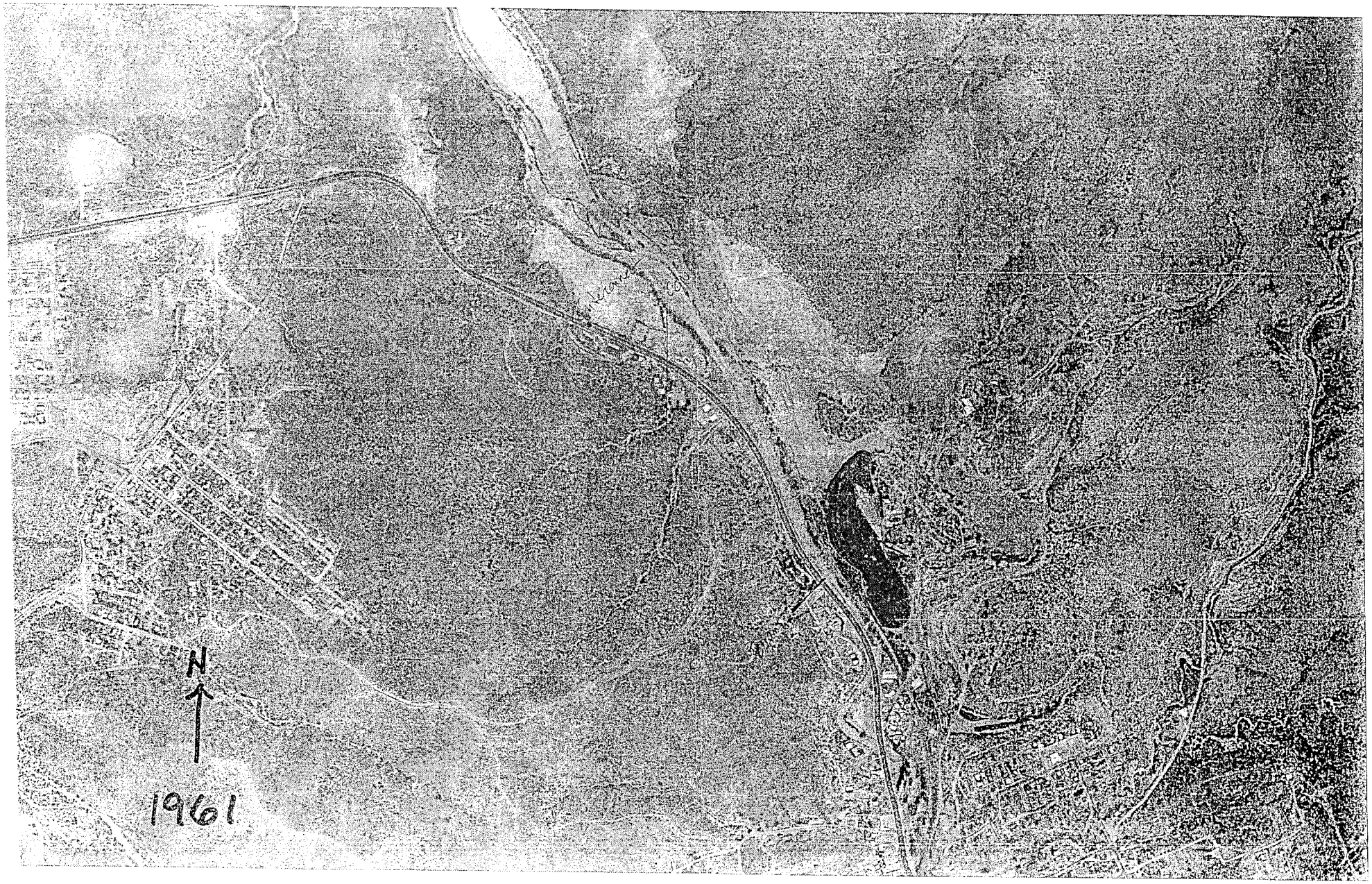

N
1961

Exhibit C

EMERGENCY CONNECTIONS AGREEMENT

This Emergency Connections Agreement (the "Agreement") is made as of the 8th day of November 2003 between the CITY OF GLOBE (the "City"), an Arizona municipal corporation, and ARIZONA WATER COMPANY (the "Company"), an Arizona corporation.

RECITALS

A. The Company is a public service corporation engaged in the business of providing water utility service in the area of Miami and Globe included within the Company's Certificate of Convenience and Necessity ("CC&N") issued to the Company by the Arizona Corporation Commission (the "Commission").

B. The City provides water service to areas within the incorporated city limits of Globe which are not in the Company's CC&N.

C. Neither the Company nor the City is obligated to furnish water for resale or sell water to the other party, and neither the Company nor the City undertake hereby to devote any of its facilities or resources to furnishing or selling water to the other party for resale or emergency purposes on a regular or permanent basis; but the Company and the City desire and are agreeable to using certain existing emergency connections (the "Emergency Connections") to provide water to each other on an emergency basis under the terms and conditions of this Agreement.

Now, therefore, in consideration of the premises, mutual covenants, promises, and conditions set forth in this Agreement, and for other good, valuable, and adequate consideration, the parties agree as follows:

1. The Emergency Connections. The Emergency Connections are installed and located as shown on Exhibit A to this Agreement, which by this reference is incorporated herein. Water delivered pursuant to this Agreement shall be measured and recorded by water meters capable of measuring the expected range of flows within ± 3% accuracy.

2. Ownership of the Emergency Connections. The Company owns and agrees to maintain those portions of the Emergency Connections consisting of its water meter and all other facilities necessary to provide emergency service to the point of delivery to the City from the Company's water system. Such facilities were installed previously, and the City agrees to pay the cost of additional facilities, if required, to provide emergency service to the City. The City agrees to reimburse the Company for the cost of any such additional facilities within fifteen (15) days of the date of mailing an invoice therefor.

The City owns and agrees to maintain those portions of the Emergency Connections consisting of its water meter and all other facilities necessary to provide emergency service to the point of delivery to the Company from the City's water system. Such facilities were installed previously, and the Company agrees to pay the cost of additional facilities, if required, to provide emergency service to the Company. The Company agrees to reimburse the City for the cost of any such additional facilities within fifteen (15) days of the date of mailing an invoice therefor.

ORIGINAL

3. Backflow Prevention. If the Company, the City, the Arizona Department of Environmental Quality, or any other agency having jurisdiction should require the installation of a backflow prevention device, such device, of a type and design acceptable to the Company and the City, shall be installed on the water system of the party receiving emergency service, and maintained in proper operating condition by and at the expense of such party.

4. Maintenance of the Emergency Connections. The City will perform, or arrange for, all necessary maintenance of those portions of the Emergency Connections which the City owns, and the Company will perform, or arrange for, all necessary maintenance of those portions of the Emergency Connections which the Company owns.

5. Delivery of Water. The Emergency Connections will normally be off. The City and the Company agree that either party may request water deliveries from the other party pursuant to this Agreement only in case of temporary emergencies such as a water shortage or failure of or defect in its wells, pumps, or related equipment and facilities, which failure or defect the party requesting emergency service agrees to repair or correct as promptly as possible. Either party may request delivery of water through the Emergency Connections by contacting the other party as follows:

Arizona Water Company		City of Globe	
Telephone:	(928) 473-4433	Telephone:	(928) 425-7146
Fax:	(928) 473-2271	Fax:	(928) 425-4820
Pager:	(928) 473-2514	Pager:	(888) 589-0944
Cell Phone:	(928) 200-1310		

The party requesting emergency service agrees to advise the party providing emergency service of the date and time that emergency service is to be commenced, the estimated flow rate of water to be delivered, expressed in gallons per minute, and the expected duration of water deliveries needed to satisfy such temporary emergency. The party requesting emergency service will advise the party providing emergency service of the date and time that the party providing emergency service is requested to discontinue such emergency service.

The party providing emergency service will only be responsible for providing such water at such pressures as may be available from time to time within its water system. Water deliveries by the party providing emergency service may, without notice, be limited, curtailed, or terminated by the party providing emergency service if such party determines, in its sole judgment, that conditions within its water system warrant such limitation, curtailment, or termination.

6. Accounting for Water Delivered. The amount of water furnished by the party providing emergency service shall be measured by its water meter which will be read by the party providing emergency service upon the commencement and discontinuance of deliveries and at the end of each month in which water continues to be delivered. The party providing emergency service will bill the party receiving such emergency service monthly for water delivered including any and all applicable sales taxes, with no minimum monthly charge or service charge. All such bills will be computed using a rate of four dollars ($4.00) per one

thousand gallons delivered. Payment for water delivered shall be made within fifteen (15) days of the date of mailing a bill therefor.

7. Indemnification. Neither party shall incur any obligation to the other or to the public or any person or entity as a result of said party's failure or inability to provide emergency service pursuant to this Agreement and each party hereby mutually releases and agrees to indemnify, defend, and hold the other party and their directors, councilmembers, officers, employees, agents and contractors harmless from, and against, any claim, cause of action or any liability, loss, damage or expense, including reasonable attorney's fees, which the party that fails or is unable to provide emergency service may incur or suffer by reason of such failure or inability to provide emergency service pursuant to this Agreement.

With respect to any other claim of loss, action, suit or injury arising under or in connection with this Agreement, each party agrees to indemnify, defend, and hold the other party and their directors, councilmembers, officers, employees, agents and contractors harmless from, and against, any claim, cause of action or any liability, loss, damage or expense, including reasonable attorney's fees, which a party may incur or suffer as a result of any alleged wrongful, willful or negligent act of a party that provides emergency service pursuant to this Agreement.

8. Continuation of Agreement. Provided both parties comply with and perform all of the terms and conditions required of them under this Agreement, this Agreement shall remain in effect until terminated by either party hereto upon thirty (30) days' written notice given to the other party. This Agreement may be modified as mutually agreed in writing by the parties hereto.

9. Removal of Emergency Connections. Upon termination of this Agreement, the Company may remove all or any part of the facilities comprising its portions of the Emergency Connections. Likewise, upon termination of this Agreement, the City may remove all or any part of the facilities comprising its portions of the Emergency Connections.

10. Assignment. Both parties agree that this Agreement and any right arising under or by virtue of this Agreement shall not be assigned or transferred by either party, and this Agreement shall not inure to the benefit of any successor, assignee, or transferee of either party, without the prior written consent of the other party.

11. Notices. Written notices, including correspondence and invoices, shall be sent by first-class mail, addressed and delivered as set forth below:

Company:

President
Arizona Water Company
3805 North Black Canyon Highway
P.O. Box 29006
Phoenix, Arizona 85038-9006

ORIGINAL

City: City of Globe
Attn: City Manager
150 N. Pine St.
Globe, Arizona 85001-2592

12. Attorney Fees. If either party to this Agreement brings suit to enforce or to recover damages for the breach of any term, covenant, or condition contained herein, the prevailing party shall be entitled to an award of attorney's fees in addition to the amount of any judgment and costs.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the date first written above.

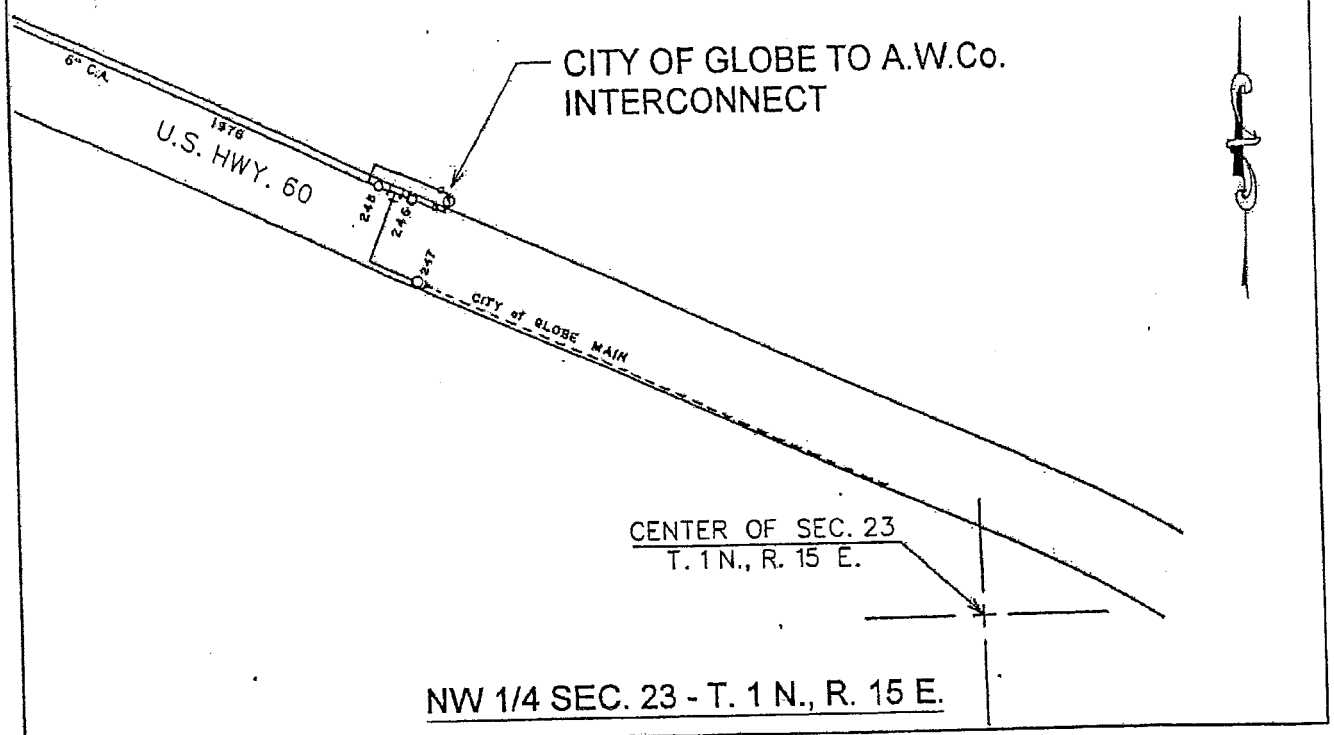
ARIZONA WATER COMPANY
an Arizona corporation

By _____
William M. Garfield
President

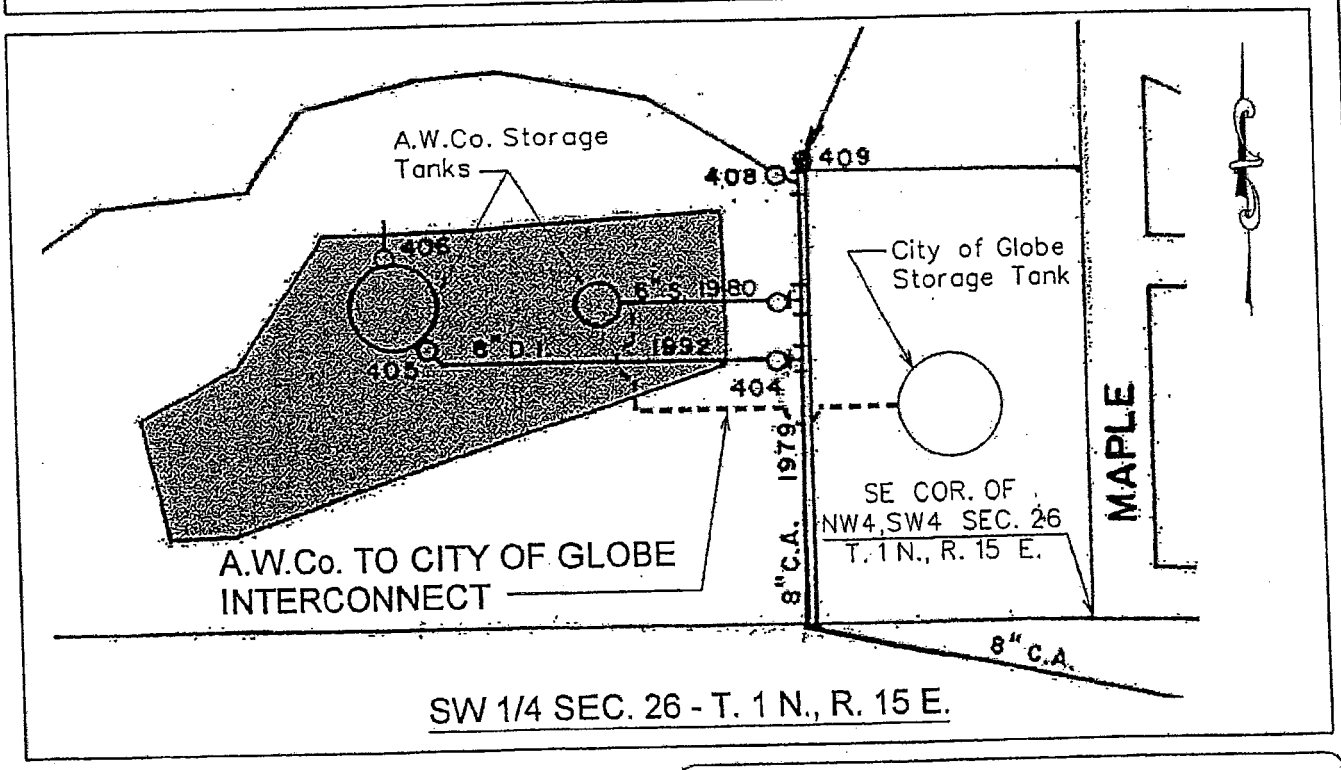
CITY OF GLOBE
an Arizona municipal corporation

By _____
City Manager

ORIGINAL



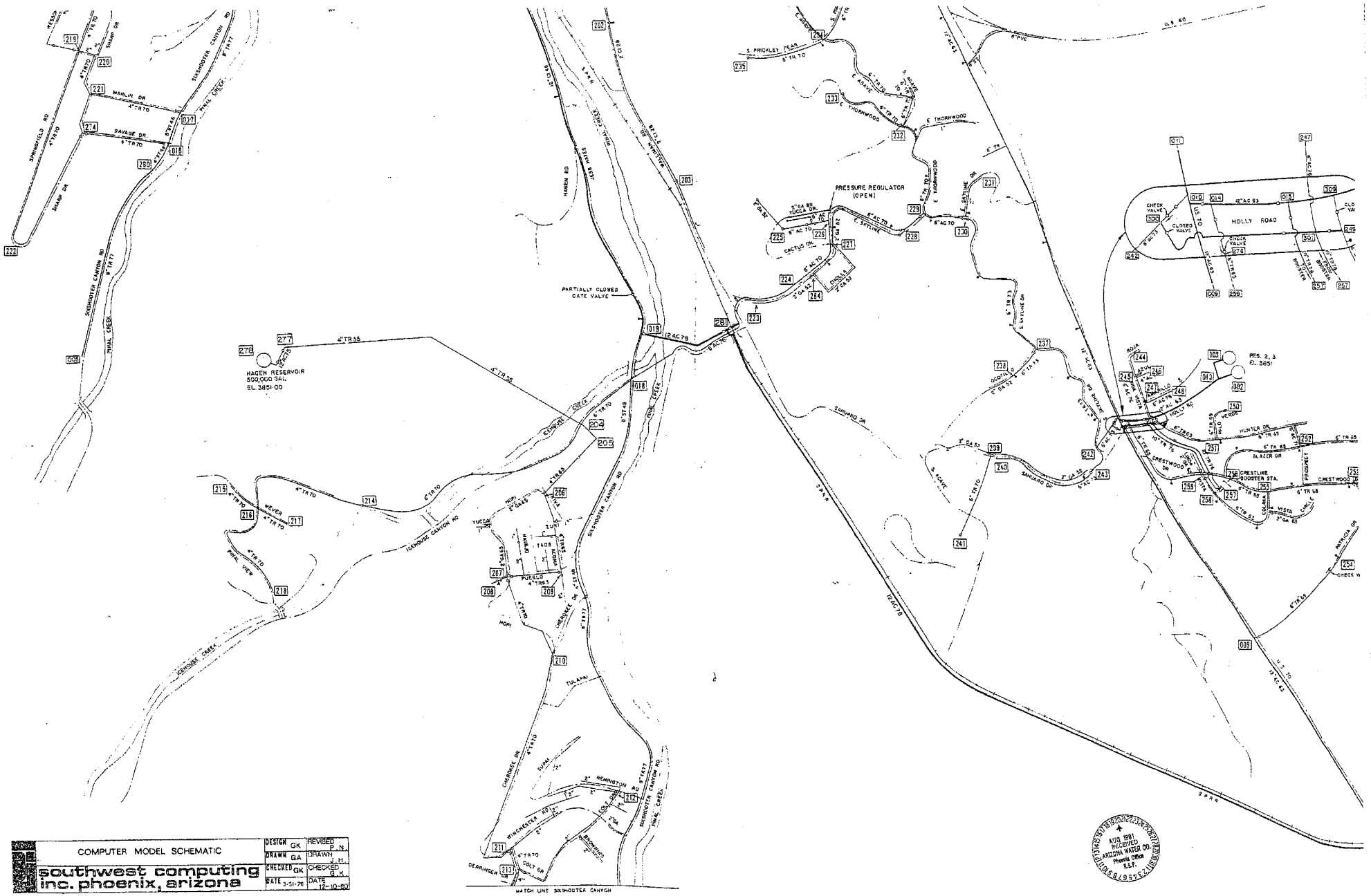
NW 1/4 SEC. 23 - T. 1 N., R. 15 E.



SW 1/4 SEC. 26 - T. 1 N., R. 15 E.

ARIZONA WATER COMPANY		
DESCRIPTION: EXHIBIT 'A'		
LOCATION: AS SHOWN		
DATE: 11-14-2002	SCALE: N.T.S.	DRAWN BY: JPK

Exhibit D



COMPUTER MODEL SCHEMATIC	DESIGN GK	REVISED P.N.
southwest computing inc. phoenix, arizona	DRAWN GA	DRAWN J.H.
	CHECKED GK	CHECKED G.K.
	DATE 3-31-78	DATE 12-10-80

AUG 1981
RECEIVED
ARIZONA WATER CO.
Phoenix Office
R.E.P.

GLOBE WATER SYSTEM

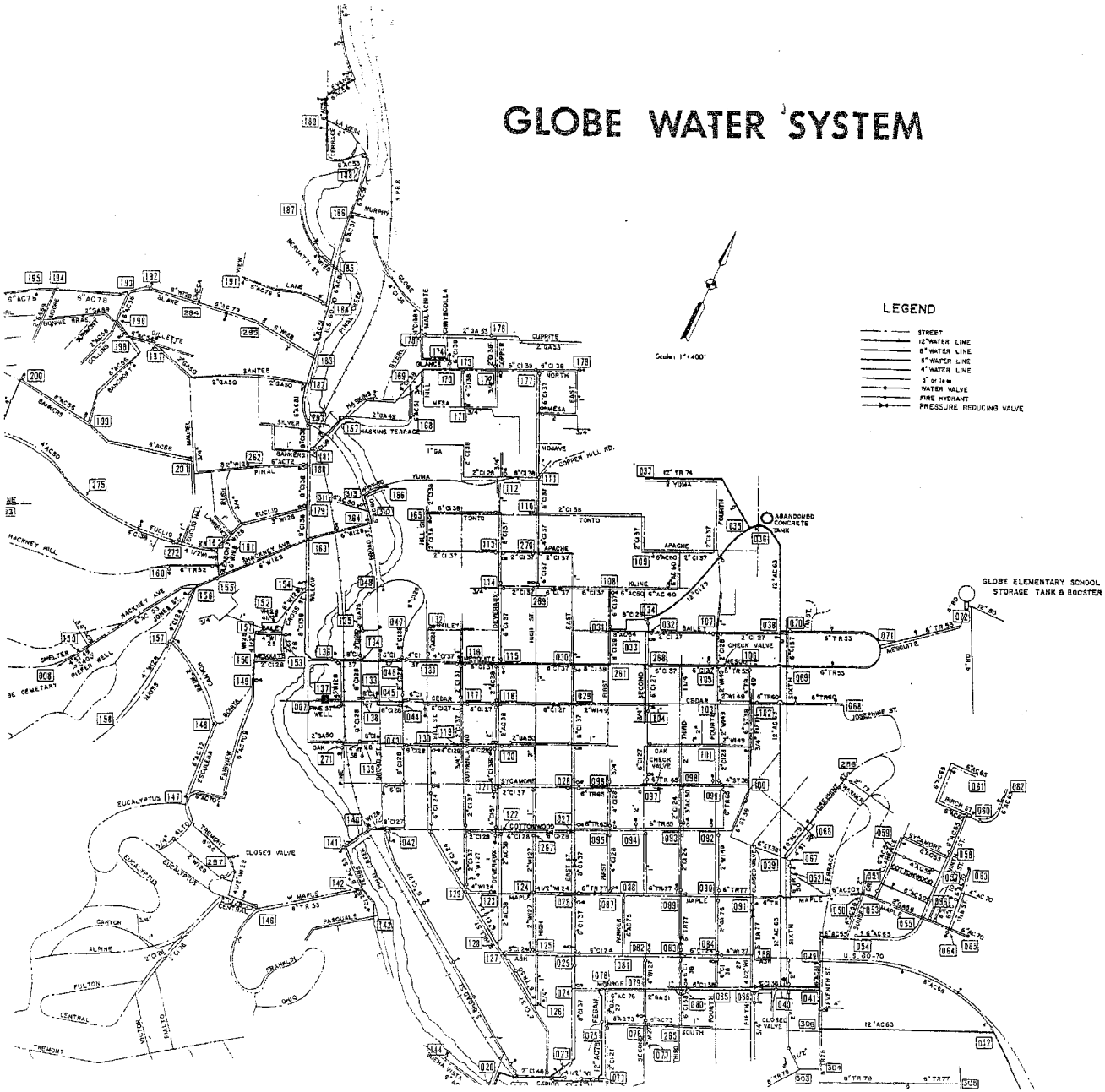


Exhibit E

CITY OF GLOBE

December 5, 2000

Mr. Udon Mcspadden
McSPADDEN FORD, INC.
P. O. Box 2749
Globe, Arizona 85502

Dear Mr. Mcspadden:

This letter is in response to your Letter to the Hon. Mayor Gibson suggesting our coordination of efforts with the State Department of Transportation to provide water and sewer along Highway 60 to take advantage of the window of opportunity which will be available next Summer. I sincerely apologize for our delay in responding back to your letter primarily due to the long time it has taken us to determine the City's opportunity to provide water in the area near your property adjoining the highway.

We are working with the ADOT officials in development of an intergovernmental agreement to include Utility sleeves to cross the highway at various locations to facilitate provision of water and sewer lines to the undeveloped areas of the City. Our legal research has found that the City of Globe will not be able to provide water to any parcels of land for the western halves of sections 23 and 26 of Township 1 North, Range 15 East, which includes your property adjoining Highway 60 as well as other undeveloped parcels of land. This finding is based on the Arizona Water Company's Certificate of Necessity boundaries established and approved by the Arizona Corporation Commission years ago. While we would love to do our best to provide water to all undeveloped areas within the City Limits, we are unable to do so in certain areas such as the one described above.

With respect to the sewer utility services to the undeveloped area, including the one referenced above, we will do our best to minimize conflict with the State's highway improvement project through our advance coordination and agreement. In terms of actual connection to the City's Wastewater Collection System, we work with individual property owners based on their subdivision plats or development plans for non-residential and multi-family residential uses and, through the City's required review and approval process and corresponding meetings, per the existing City policies and procedures, we will identify the needs, availability of the City's sewer system access, and the specific obligations for both the City and the Property Owners.

Please do not hesitate to contact Bill Bennett, our Public Works Director (425-4959) or Joe Carrillo, our Planning & Zoning Director (425-7146 Ext. 19), or me (425-7146 Ext. 25 or Pager No. 1-888-589-0944) at your convenience for any additional information with respect to the sewer utilities for your property or for any other area of interest. Again, we thank you for your interest and suggestions and look forward to working with you as your development plans for your property on Highway 60 progress further.

c: The Hon. Mayor & Council Members
Mark Kieren, Arizona Water Company

Sincerely,

Manoj Vyas, City Manager

150 N. Pine St. Globe, AZ 85501 (520) 425 - 7146 FAX (520) 425 - 4820 TDD (520) 425 - 5330

Exhibit F

City of Globe

1907 150 N. Pine Street 2007
Globe, Arizona 85501
Phone (928) 425-7146 Fax (928) 425-4820 TDD (928) 425-5330

April 28, 2010

Mr. Fred Rios
Arizona Water Company
P. O. Box 2000
Miami, Arizona 85539

Re: Request to Serve a Parcel Within Service Area

Dear Mr. Rios:

We met and discussed the request by the City of Globe that it was agreed that the City be allowed to provide water service to a parcel of land located within the City. Our purpose in making this request is to pursue a Development Agreement whereby the City would acquire real property for municipal purposes. The parcel in question in located within your service area and is approximately 39.37 acres in size, being Gila County Assessor's parcel No. 207-10-003B as shown in the enclosed map.

The shaded portion of the property located within the larger parcel is the parcel which the City intends to acquire. The contemplated use of the remaining parcel is residential and commercial in which the City will also play a crucial role. In addition to ease of administration, we are concerned that Arizona Water Company may not presently have the ability to service the property and meet the fire flow requirements of the International Fire Code, as adopted throughout the City. I am informed that this has been an issue in the past. Part of the proposed Development Agreement is the installation of City water lines to service this parcel in such size to meet the fire flow requirements and facilitate development.

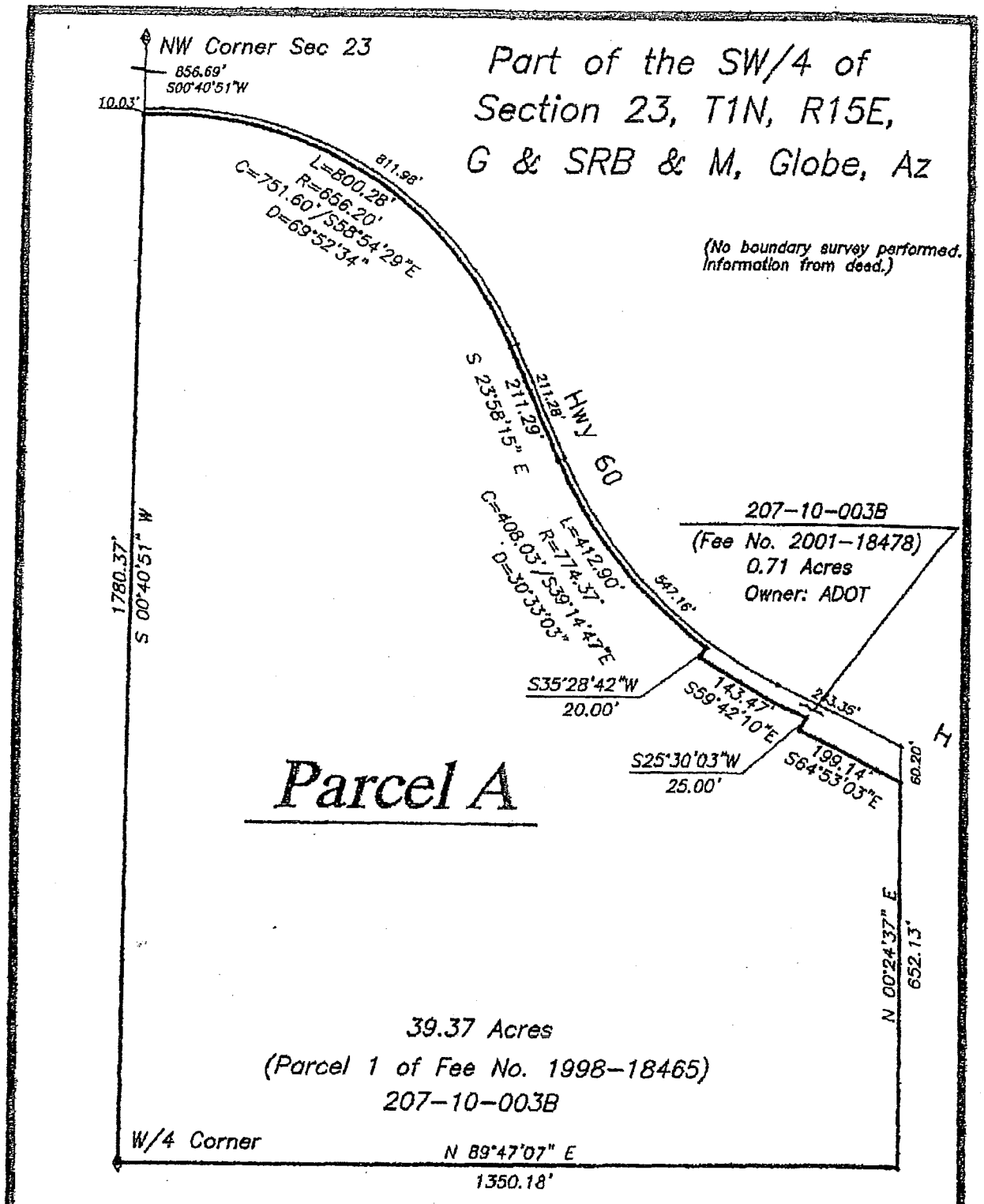
Please bring this request to the attention of the appropriate decision makers and let me know your thoughts as soon as possible. Thank you.

Yours very truly,

K. Kane Graves
City Manager

cc: Mayor and Council

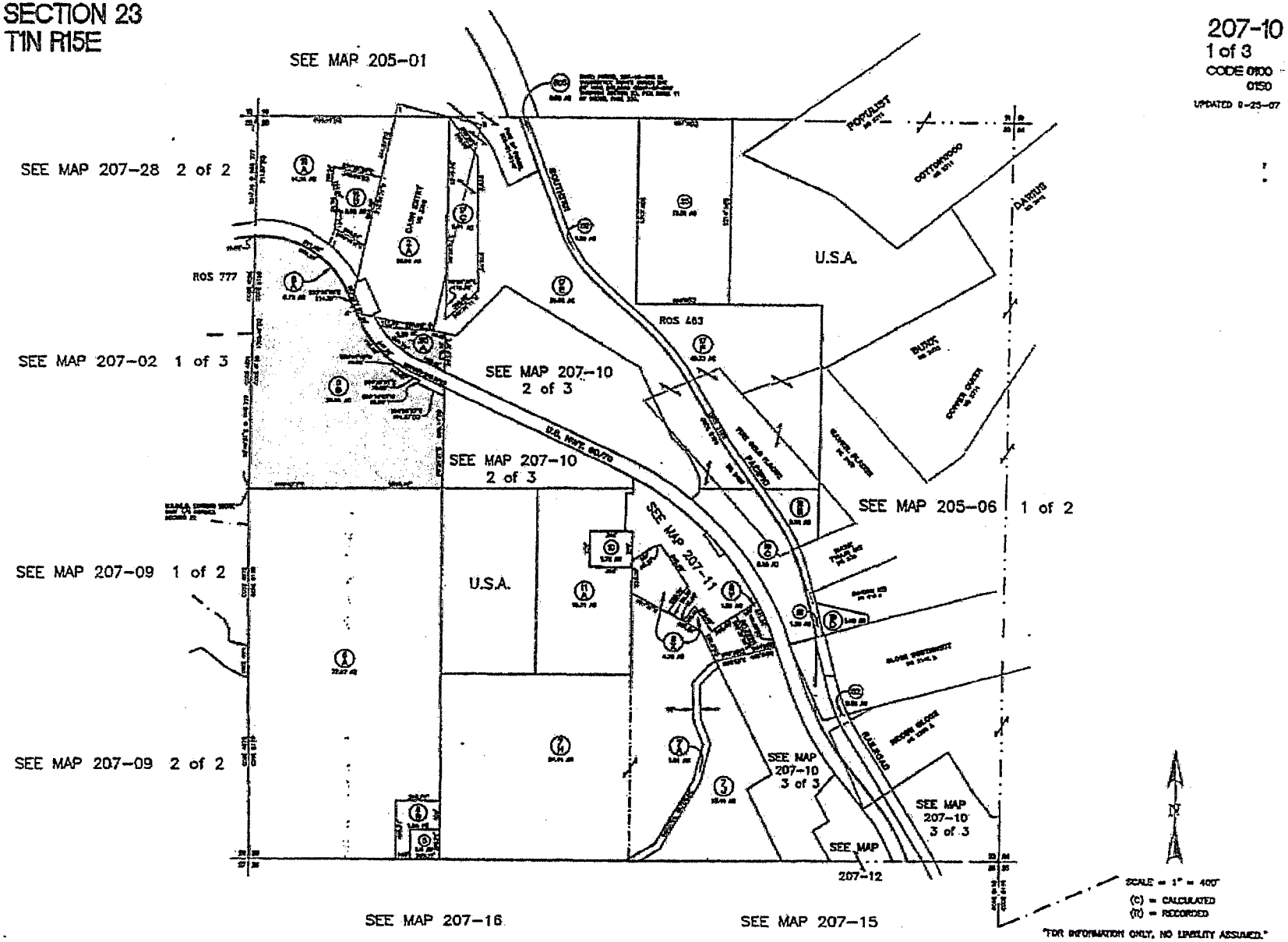
RECEIVED
MAY 0 5 2010
ARIZONA WATER CO.



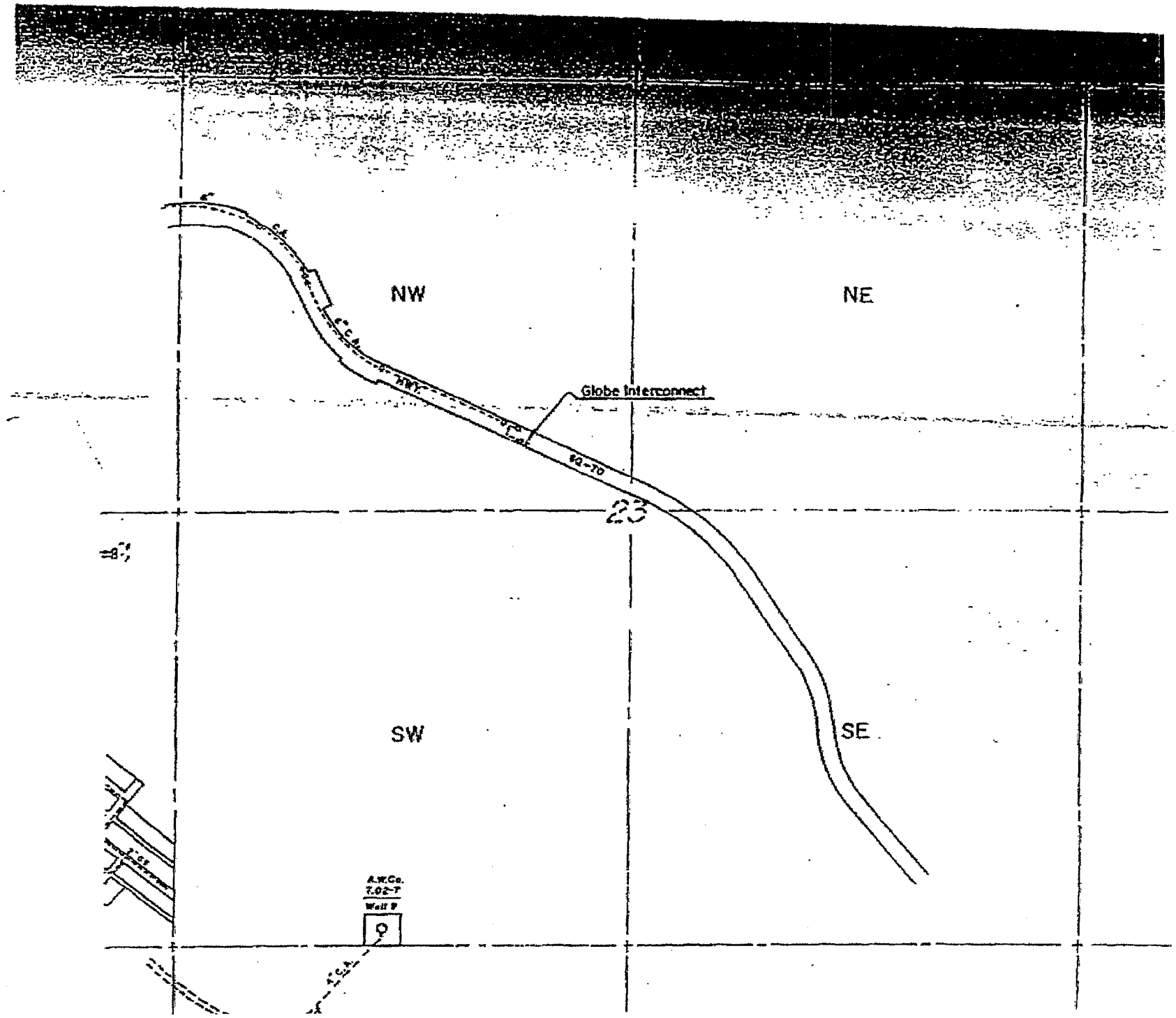
City of Globe 150 N. Pine Street Globe, Az 85501	**McSpadden Property** **Exhibit A**	Date: September 2009 By: LBH Sheet 1 of 1

SECTION 23
T1N R15E

207-10
1 of 3
CODE 0100
0150
UPDATED 9-25-07



GILA COUNTY ASSESSOR


NW
NE
SW
SE
Globe Interconnect
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A.W.Co.
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Exhibit G

June 1, 2010

Mr. K. Kane Graves, City Manager
City of Globe
150 N. Pine Street
Globe, Arizona 85501

Re: Water Service to Property located within Arizona Water Company's Certificated Service Area

Dear Mr. Graves:

This letter responds to your April 28, 2010 letter to Freddy Rios, Arizona Water Company's (the "Company") Miami – San Manuel Division Manager about water service to property (Gila County Assessor's Parcel No. 207-10-003B), which is located within the Company's certificated service area.

Under Arizona law, the Company provides water service, pursuant to the provisions of its tariffs and terms and conditions of service, to all property within its certificated service area, including the property you wrote about.

As you are aware, the Company has an existing water main adjacent to the property. The Company's Engineering Department can meet with the property owner or representatives at their convenience to discuss their development plans, and the Company is confident that its water system will be able to meet their water service needs as the property is developed.

The Company is pleased to play an important role in the economic development of the Globe – Cobre Valley area, and looks forward to working with the developer of this particular property, and with other developers in the future to assist in the area's development.

Very truly yours,

William M. Garfield
President

lar
ec: Freddy Rios – Miami Division
Phoenix Staff

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RWG:WMG:LAR:JRC 6/1/2010 10:50 AM

Exhibit C, Item 3

Second Notice of Claim from Arizona Water to City (dated 6-3-2014)

ARIZONA WATER COMPANY

3805 N. BLACK CANYON HIGHWAY, PHOENIX, ARIZONA 85015-5351 • P.O. BOX 29006, PHOENIX, AZ 85038-9006
PHONE: (602) 240-6860 • FAX: (602) 240-6874 • TOLL FREE: (800) 533-6023 • www.azwater.com

June 3, 2014

Ms. Shelly Salazar
City Clerk
City of Globe
150 N. Pine St.
Globe, AZ 85501

Re: Notice of Claim Pursuant to A.R.S. § 12-821.01 regarding provision of water service in violation of A.R.S. § 9-516 and Arizona law

Dear Ms. Salazar:

Pursuant to A.R.S. § 12-821.01, Arizona Water Company (the "Company") hereby serves the City of Globe (the "City") with this notice of claim as a result of the City's failure to comply with Arizona law, including but not limited to, A.R.S. § 9-516(A) and (B) (the "Statute"). This notice of claim is separate from and independent of the notice of claim dated August 1, 2012, related to competing water service in other areas of the City.

The Company makes this claim because the City is providing competing water utility service to residential and commercial customers located in the western halves of Sections 23 and 26 of Township 1 North, Range 15 East, in two places which are within the boundaries of the Company's Certificate of Convenience and Necessity ("CCN") adopted and issued by the Arizona Corporation Commission on September 20, 1961, in Decision No. 33424, as follows:

1. Adjoining U.S. Highway 60 located near an interconnection point between the Company's and the City's water systems.

2. To a customer or customers situated near Pinaleno Pass Road, Pinal Creek Road, and the railroad tracks northwest of the City's wastewater treatment plant, which itself is located north of U.S. Highway 60 between Pinal Creek Road and the railroad tracks.

A map of the general area showing the boundaries of the Company's CCN, showing the section line boundaries, and showing the general areas where the City is unlawfully providing competing public utility water service is attached as Exhibit A. A map more specifically showing the locations where we are aware that the City is unlawfully providing competing water utility service to residential and commercial customers adjoining U.S. Highway 60 and showing where the City is unlawfully providing competing water utility service to a customer or customers northwest of the City's wastewater treatment plant is attached as Exhibit B. The customers the City is serving are located within the boundaries of the Company's existing CCN. These facts first came to the Company's attention when a City representative disclosed them during a meeting on December 5, 2013, at the Company's offices in Phoenix. Brent Billingsley,

Globe's City Manager, was present at the December 5, 2013 meeting and participated in the discussions regarding these facts.

The Company already provides adequate public utility water service under authority of law in its CCN area and is ready, willing, and able to provide all public utility water service in these areas.

Facts of the Incident and Basis of Liability

The Statute provides:

> *A. It is declared as the public policy of the state that when adequate public utility service under authority of law is being rendered in an area, within or without the boundaries of a city or town, a competing service and installation shall not be authorized, instituted, made or carried on by a city or town unless or until that portion of the plant, system and business of the utility used and useful in rendering such service in the area in which the city or town seeks to serve has been acquired.*
>
> *B. The city or town which seeks to acquire the facilities of a public service corporation shall have the right to do so under eminent domain. Such action shall be brought and prosecuted in the same manner as other civil actions.*

The Company installed a six-inch water main along the north side of U.S. Highway 60 in 1976 which, together with other required water supply facilities, was to provide service in the subject area. The City has repeatedly represented to the Company and others that it provides no water service to customers in the Company's service area. In a December 5, 2000 letter to Mr. Udon McSpadden of McSpadden Ford, Inc., the City Manager, Manoj Vyas, stated:

> "Our legal research has found that the City of Globe will not be able to provide water to any parcels of land for the western halves of sections 23 and 26 of Township 1 North, Range 15 East, which includes your property adjoining Highway 60 as well as other undeveloped parcels of land. This finding is based on the Arizona Water Company's Certificate of Necessity boundaries established and approved by the Arizona Corporation Commission years ago."

The half-sections referred to above lie within the Company's CCN and include the subject area in which the City is providing unlawful, competing water service.

In a November 8, 2003 Emergency Connections Agreement, Recital B, the City also stated that "[t]he City provides water service to the areas within the incorporated City limits of Globe which are not in the Company's CCN."

More recently, on April 28, 2010, Globe City Manager, Kane Graves, requested that the City be allowed to provide service to the subject area along U.S. Highway 60, and provided a map showing the requested area of service within Arizona Water Company's CCN area. By letter dated June 1, 2010, Arizona Water Company, through its President, William M. Garfield, declined the request and reminded the City that the Company had an existing water main adjacent to the area, that it was able to meet the area's water service needs, that the area was within the Company's CCN, and that the Company looked forward to working with persons wishing to develop property in the area.

Contrary to the City's assertion in the December 5, 2013 meeting that it began providing water service to the subject area before 1962, a map of the City's water system dated December 10, 1980, shows that the City provided no water service to the area at that time. Based on the map and the foregoing representations by the City, clearly the City began providing water service to the subject area after 1980 and perhaps in some areas as recently as 2011 to some of the subject area.

Claim for Past Damages

As a direct and proximate result of the City's actions, the Company has incurred and is incurring losses and damages, including the lost net revenues the Company was entitled to receive from the customers the City unlawfully serves in the Company's CCN, from the date the City started providing the infringing water utility services to the present date. The Company also has other causes of action against the City, including intentional interference with prospective economic advantage, intentional interference with the Company's contractual relations, trespass, and inverse condemnation.

Statement of Damages and Offer to Settle

The City continues to unlawfully provide water utility service to the Property in direct violation of A.R.S. § 9-516(A). Therefore, the Company demands that the City cease its service to the Property and take all steps and action needed to connect the affected customers to the Company's water system immediately. Should the City not reconnect the affected customers to the Company's water system at the City's expense, the Company will do so and will seek to recover the costs for that work from the City.

As a direct and proximate result of the City's actions, the Company has incurred (or will incur) the following losses and damages:

1. *For the past lost net revenues from service provided by the City to the customers in the Company's CCN from 1980 (estimated) to the present date:* $3,798,158.

This sum is based upon the calculations set forth in the attached Exhibit C. If the City has reliable evidence showing it began providing the unlawful, competing water service

later than 1980, the Company will consider such evidence and, if justified, adjust its damages claim accordingly.

2. *For the cost of connecting affected customers to the Company's water system:* $2,008,600.

This sum is based upon the calculations set forth in the attached Exhibit "D." Claim is made for this sum in order to terminate future damages arising from the City's further provision of water service to the designated locations within the Company's CC&N areas.

Accordingly, the City may settle this claim by paying the Company its Lost Revenues of $3,798,158 and by connecting the affected customers to the Company's water system at the City's own expense or by paying the Company's costs of $2,008,600 to do so.

If the Company must pursue legal action to recover its damages, it will also seek recovery of its attorney's fees and litigation expenses. The Company expressly reserves its right to seek and obtain declaratory or injunctive relief, and all other applicable legal or equitable remedies, including accruing damages going forward.

We look forward to hearing from the City about this claim, and welcome an opportunity to meet with City representatives.

Very truly yours,

Robert Spear
General Counsel

hac
VIA PERSONAL SERVICE

EXHIBIT A

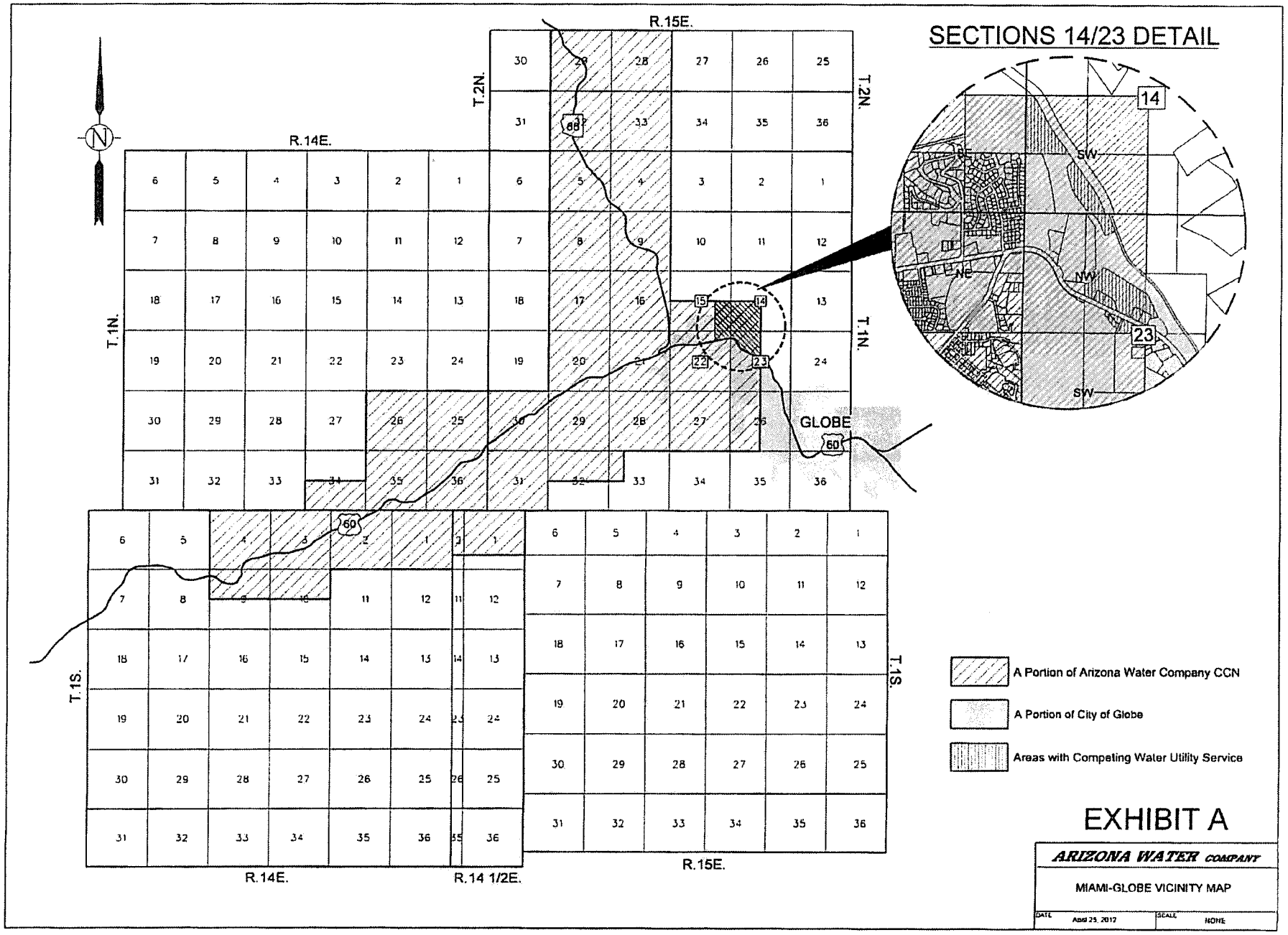
SECTIONS 14/23 DETAIL
R.15E.
R.14E.
R.14 1/2E.
T.2N.
T.1N.
T.1S.
GLOBE
60
88
14
23
SW
NE
NW
A Portion of Arizona Water Company CCN
A Portion of City of Globe
Areas with Competing Water Utility Service
EXHIBIT A
ARIZONA WATER COMPANY
MIAMI-GLOBE VICINITY MAP
DATE April 25, 2012
SCALE NONE

EXHIBIT B

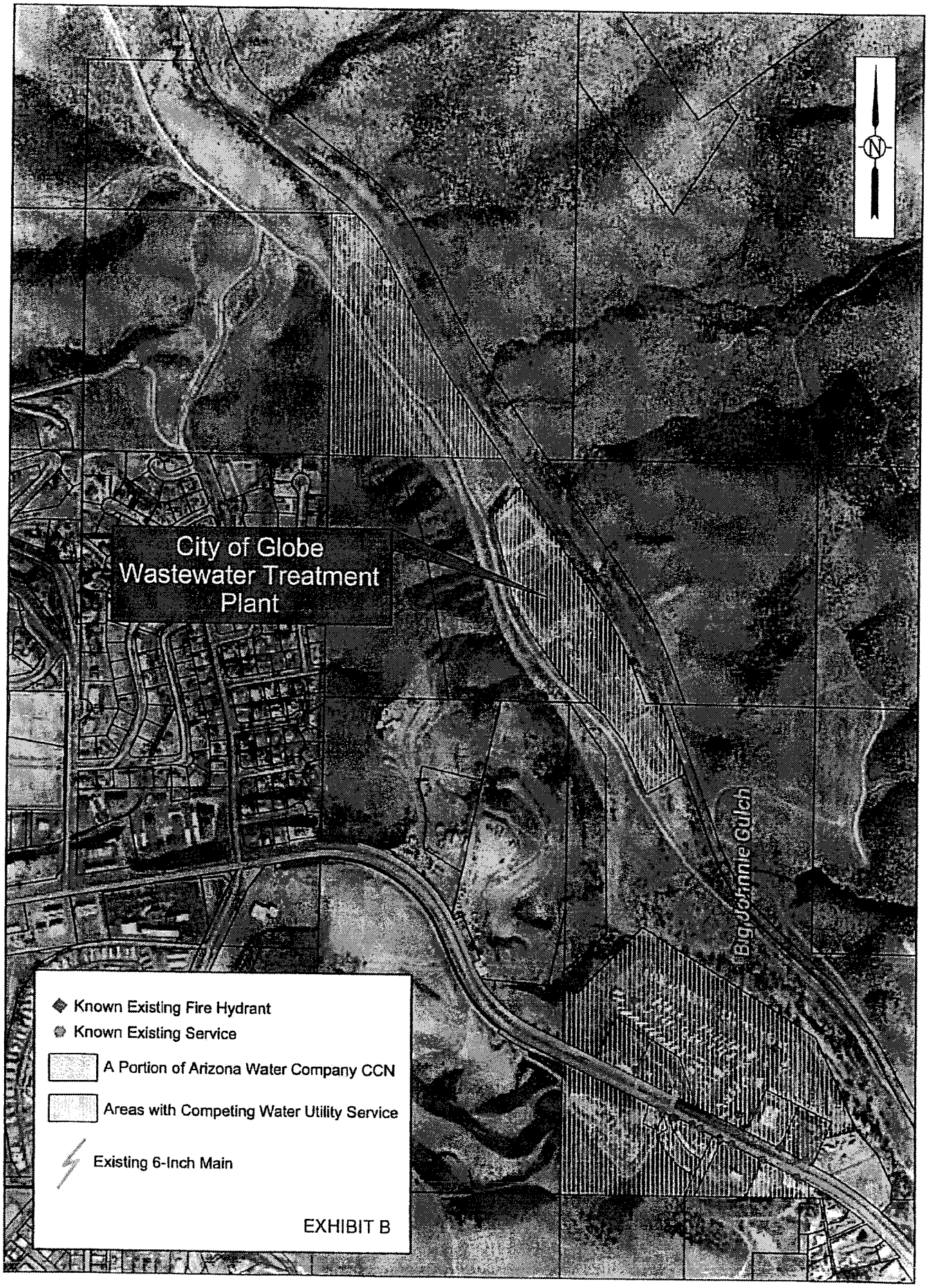
City of Globe
Wastewater Treatment
Plant
Big Johnnie Gulch
N
Known Existing Fire Hydrant
Known Existing Service
A Portion of Arizona Water Company CCN
Areas with Competing Water Utility Service
Existing 6-Inch Main
EXHIBIT B

EXHIBIT C

Exhibit C

Arizona Water Company
City of Globe CC&N Encroachment
Lost Revenues and Interest

Line No.	(A)	(B)	(C)	(D)
1.	Lost Revenues		Residential	Commercial
2.				
3.	2013 Effective Net Revenues - Superstition (including Globe)		$ 12,682,720	$ 3,106,714
4.				
5.	2013 Actual Customers - Superstition (including Globe)		23,133	1,018
6.				
7.	Average Net Revenue per Customer	[Line 3 / Line 5]	$ 548.25	$ 3,051.78
8.				
9.	Number of AWC Customers Served by City of Globe		3	13
10.				
11.	Number of Remaining Lots		0	0
12.				
13.	Total Present and Future Customers	[Line 9 + Line 11]	3	13
14.				
15.	Annualized Lost Operating Income	[Line 7 * Line 13]	$ 1,645	$ 39,673
16.				
17.	Lost Revenues	[Line 15 * 34 Years]	$ 55,922	$ 1,348,887
18.	(January 1, 1980 to the date of this valuation)			
19.				
20.	Total Revenues Lost	[C17 + D17]		$ 1,404,809
21.				
22.	Interest Component	At Weighted Cost of Capital		2,393,349
23.				
24.	Total Lost Revenue and Interest	[Line 20 + Line 22]		$ 3,798,158
25.				
26.				
27.				
28.				
29.				
30.				

EXHIBIT D

ARIZONA WATER COMPANY

PRELIMINARY COST ESTIMATE

DATE PREPARED:
01-30-2013

PREPARED BY:	APPROVED BY:	SYSTEM:	DIVISION:
RDH		MIAMI	SUPERSTITION

PROJECT LOCATION:	PROJECT NUMBER:	REFERENCE MAP:
SW1/4 SEC26 T1N R15E		

PROJECT DESCRIPTION:

CONSTRUCT BOOSTER PUMP STATION AND PIPELINES TO SERVE CUSTOMERS IN ARLINGON HEIGHTS (MIAMI-GLOBE CCN)

MATERIALS AND LABOR

QUANTITY	UNIT	$/UNIT	DESCRIPTION	ESTIMATED ITEM COST
1	Lot	$ 80,000	Install Booster Station (1-40hp & 1-5hp booster pump)	$ 80,000
440	LF	$ 75	Install 6" DIP to join AWC Tank to Existing System	$ 33,000
660	LF	$ 75	Install 6" DIP to Serve Customers on Miami Road	$ 49,500
1800	LF	$ 75	Install 6" DIP to join Globe Tank to Exist Globe System	$ 135,000
1	Lot	$ 110,000	Install On-site Electrical	$ 110,000
10	EA	$ 850	Install Service Tie-Overs	$ 8,500
				$ -
				$ -
				$ -
				-
				-
				-

(1) **SUBTOTAL - MATERIALS AND LABOR**	416,000
(2) PERFORMANCE BOND	6,000
(3) SURVEY, R.O.W. PERMITTING, TESTING AND FIELD INSPECTION	10,000
(4) SUBTOTAL - LINES (1), (2) AND (3)	**$ 432,000**
(5) OVERHEAD	43,000
SUBTOTAL - LINES (4) and (5)	**$ 475,000**
ESTIMATED COST OF CONSTRUCTION	**$ 475,000**

AFH

EXHIBIT D

ARIZONA WATER COMPANY PRELIMINARY COST ESTIMATE			DATE PREPARED: 5/30/14
PREPARED BY: AJH	APPROVED BY:	SYSTEM: SUPERSTITION (MI)	DIVISION: SUPERSTITION
NAME OF APPLICANT:		PE #	WA #

PROPERTY DESCRIPTION: CONSTRUCT PIPELINES AND NEW SERVICE CONNECTIONS TO SERVE CUSTOMERS ALONG HIGHWAY 60 (MIAMI-GLOBE CCN)

MATERIALS AND LABOR			ESTIMATED PROJECT COST	
ACCOUNT	QUANTITY	DESCRIPTION	ADVANCE FOR CONSTRUCTION	NON-REFUNDABLE CONTRIBUTION
	2,000 LF	Construct 12-inch water main along Hwy 60	$ 520,000	
	6,500 LF	Construct 8-inch water main	942,500	
	1	Construct fire hydrant		10,000
	1	Construct fire hydrant (bore Hwy 60)		50,000
	2	Construct 5/8-inch service connection	8,000	
	8	Construct 5/8-inch service connection (bore Hwy 60)	80,000	
	1	Construct 1-inch service connection (bore Hwy 60)	11,000	
	2	Construct 2-inch service connection	18,000	
	1	Construct 6-inch service connection	20,000	
	1	Construct 6-inch fire line service connection	20,000	
(1) SUBTOTAL - MATERIALS AND LABOR			$ 1,619,500	$ 60,000
(2) PERFORMANCE BOND @ 3 % OF LINE (1)			48,600	1,800
(3) SURVEY, R.O.W. PERMITTING, TESTING AND FIELD INSPECTION			41,300	6,000
(4) SUBTOTAL - LINES (1), (2) AND (3)			$ 1,709,400	$ 67,800
(5) OVERHEAD - 12 % OF LINE (4)			205,200	8,200
(6) PREPARATION OF DETAILED PLANS, SPECIFICATIONS, AND COST ESTIMATES			16,000	2,000
SUBTOTAL - LINES (4), (5) AND (6)			$ 1,930,600	$ 78,000
ESTIMATED COST OF CONSTRUCTION			$	2,008,600

AFH

1943

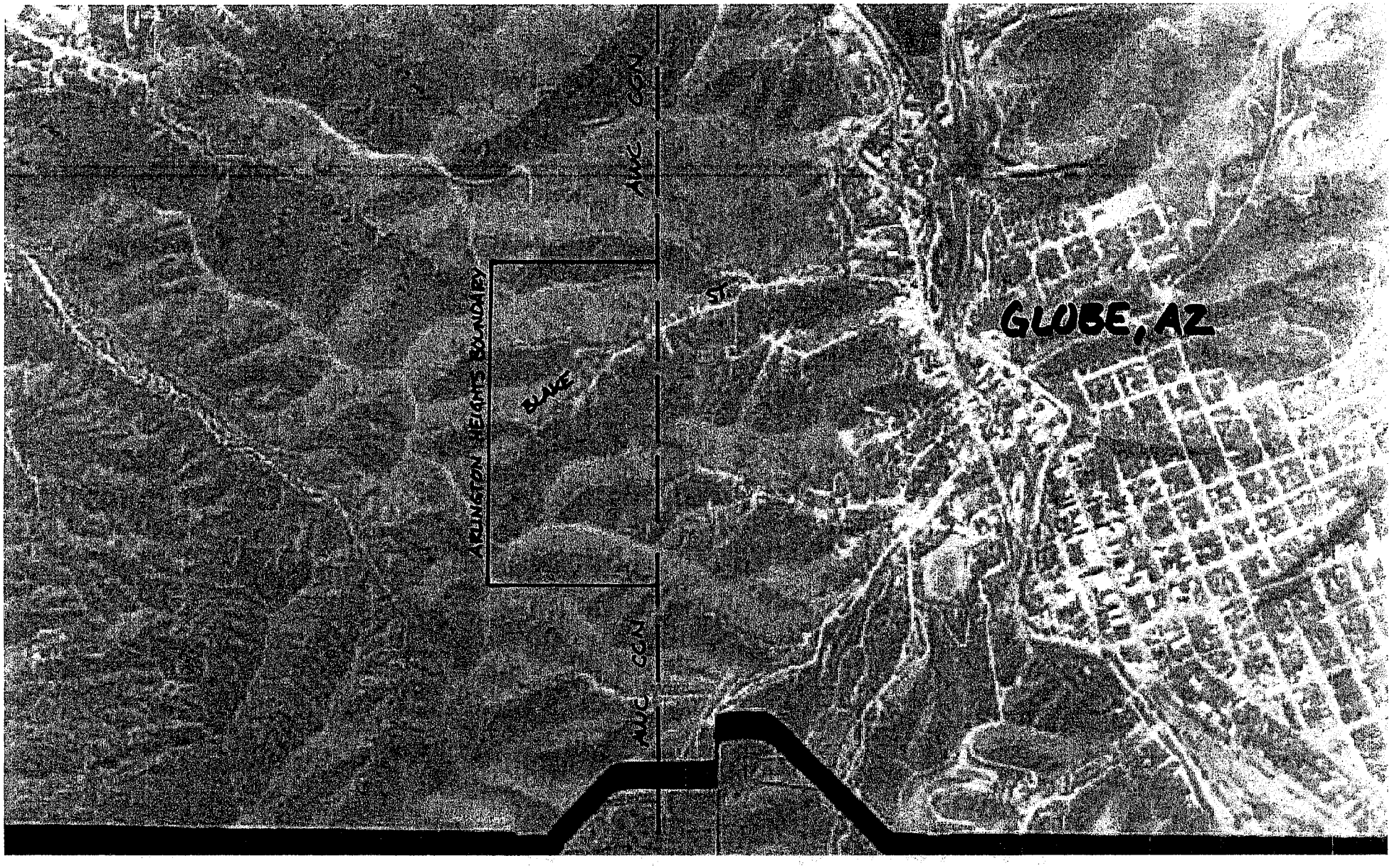

IMAGE QUALITY IS POOR. NO DETAIL POSSIBLE

1953

1961

GOOSE
1969
Landiscor
AERIAL INFORMATION

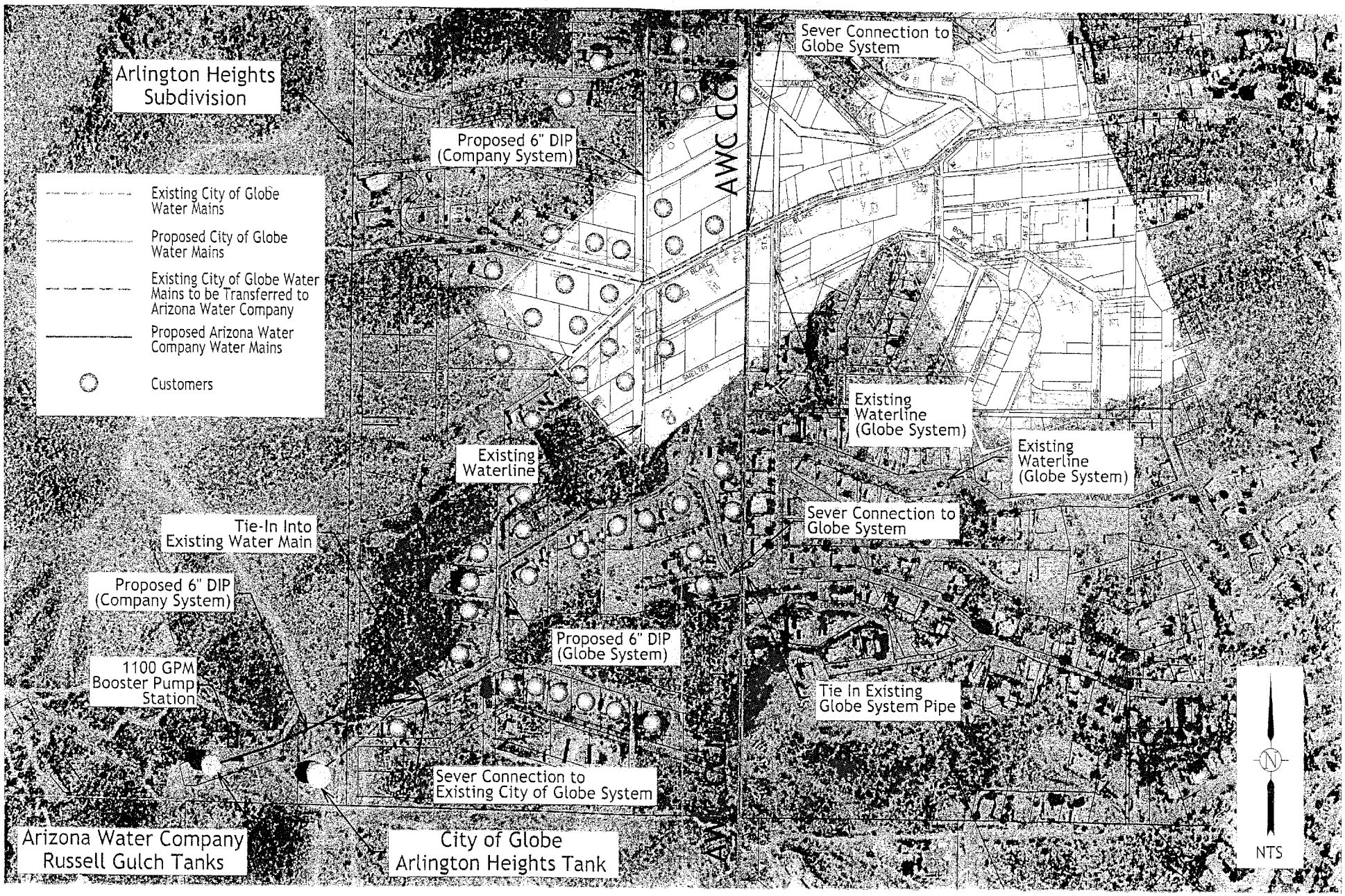
Arlington Heights Subdivision
Existing City of Globe Water Mains
Proposed City of Globe Water Mains
Existing City of Globe Water Mains to be Transferred to Arizona Water Company
Proposed Arizona Water Company Water Mains
Customers
Proposed 6" DIP (Company System)
Sever Connection to Globe System
Existing Waterline
Existing Waterline (Globe System)
Existing Waterline (Globe System)
Sever Connection to Globe System
Tie-In Into Existing Water Main
Proposed 6" DIP (Company System)
Proposed 6" DIP (Globe System)
1100 GPM Booster Pump Station
Tie In Existing Globe System Pipe
Sever Connection to Existing City of Globe System
Arizona Water Company Russell Gulch Tanks
City of Globe Arlington Heights Tank
AWC
NTS

Exhibit C, Item 4

Arizona Corporation Commission Procedures

"Rules on Water" and general guidelines for the issuance of a CC&N

Phoenix Office
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007
(602) 542-4251
(800) 222-7000

Utilities Division
Steven M. Olea - Director

Tucson Office
Arizona Corporation Commission
400 W. Congress, Ste. 218
Tucson, AZ 85701
(520) 628-6550
(800) 535-0148

Commission Rules on Water

All water companies that fall within the jurisdiction of the Arizona Corporation Commission must abide by the rules and regulations of Title 14, Article 4 of the Arizona Administrative Code.

Title 14, Article 4 of the Arizona Administrative Code covers most of the water industry rules and regulations. For your convenience, we have copied all of Title 14, Article 4 below.

R14-2-401. Definitions

In this Article, unless the context otherwise requires, the following definitions shall apply:

1. "Advance in aid of construction". Funds provided to the utility by the applicant under the terms of a main extension agreement the value of which may be refundable.

2. "Applicant". A person requesting the utility to supply water service.

3. "Application". A request to the utility for water service, as distinguished from an inquiry as to the availability or charges for such service.

4. "Arizona Corporation Commission". The regulatory authority of the state of Arizona having jurisdiction over public service corporations operating in Arizona.

5. "Billing month". The period between any 2 regular readings of the utility's meters at approximately 30 day intervals.

6. "Billing period". The time interval between 2 consecutive meter readings that are taken for billing purposes.

7. "Commodity charge". The unit of cost per billed usage, as set forth in the utility's tariffs.

8. "Contributions in aid of construction". Funds provided to the utility by the applicant under the terms of a main extension agreement and/or service connection tariff the value of which are not refundable.

9. "Customer". The person or entity in whose name service is rendered, as evidenced by the signature on the application or contract for that service, or by the receipt and/or payment of bills regularly issued in his name regardless of the identity of the actual user of the service.

10. "Customer charge". The amount the customers must pay the utility for the availability of water service, excluding any water used, as specified in the utility's tariffs.

11. "Day". Calendar day.

12. "Distribution main". A water main of the utility from which service connections may be extended to customers.

13. "Interruptible water service". Water service that is subject to interruption or curtailment.

14. "Main extension". The mains and ancillary equipment necessary to extend the existing water distribution system to provide service to additional customers.

15. "Master meter". A meter for measuring or recording the flow of water at a single location where said water is transported through an underground piping system to tenants or occupants for their individual consumption.

16. "Meter". The instrument for measuring and indicating or recording the volume of water that has passed through it.

17. "Meter tampering". A situation where a meter has been illegally altered. Common examples are meter bypassing, use of magnets to slow the meter recording, and broken meter seals.

18. "Minimum charge". The amount the customer must pay for the availability of water service, including an amount of usage, as specified in the utility's tariffs.

19. "Minimum delivery pressure". 20 pounds per square inch gauge at the meter or point of delivery.

20. "Permanent customer". A customer who is a tenant or owner of a service location who applies for and receives water service.

21. "Permanent service". Service which, in the opinion of the utility, is of a permanent and established character. The use of water may be continuous, intermittent, or seasonal in nature.

22. "Person". Any individual, partnership, corporation, governmental agency, or other organization operating as a single entity.

23. "Point of delivery". The point where facilities owned, leased, or under license by a customer connect to the utility's pipes or at the outlet side of the meter.

24. "Premises". All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided by public streets, alleys or railways.

25. "Residential subdivision development". Any tract of land which has been divided into 4 or more contiguous lots for use for the construction of residential buildings or permanent mobile homes for either single or multiple occupancy.

26. "Residential use". Service to customers using water for domestic purposes such as personal consumption, water heating, cooking, and other residential uses and includes use in apartment buildings, mobile home parks, and other multiunit residential buildings.

27. "Rules". The regulations set forth in the tariffs which apply to the provision of water service.

28. "Service area". The territory in which the utility has been granted a Certificate of Convenience and Necessity and is authorized by the Commission to provide water service.

29. "Service establishment charge". The charge as specified in the utility's tariffs which covers the cost of establishing a new account.

30. "Service line". A water line that transports water from a common source (normally a distribution main) of supply to the customer's point of delivery.

31. "Service reconnect charge". The charge as specified in the utility's tariffs which must be paid by the customer prior to reestablishment of water service each time the water is disconnected for nonpayment or whenever service is discontinued for failure otherwise to comply with the utility's fixed rules.

32. "Service reestablishment charge". A charge as specified in the utility's tariffs for service at the same location where the same customer had ordered a service disconnection within the preceding 12-month period.

33. "Single family dwelling". A house, an apartment, a mobile home permanently affixed to a lot, or any other permanent residential unit which is used as a permanent home.

34. "Tariffs". The documents filed with the Commission which list the services and products offered by the water company and which set forth the terms and conditions and a schedule of the rates and charges for those services and products.

35. "Temporary service". Service to premises or enterprises which are temporary in character, or where it is known in advance that the service will be of limited duration. Service which, in the opinion of the utility, is for operations of a speculative character is also considered temporary service.

36. "Utility". The public service corporation providing water service to the public in compliance with state law.

Historical Note Adopted effective March 2, 1982 (Supp. 82-2).

R14-2-402. Certificate of Convenience and Necessity for water utilities; Extensions of Certificates of Convenience and Necessity for Water Utilities; Abandonment, Sale, Lease, Transfer, or Disposal of a Water Utility; Discontinuance or Abandonment of Water Utility Service

A. In this Section, unless otherwise specified:
   1. "Applicant" means a person who submits an application to obtain a Certificate of Convenience and Necessity to construct water utility facilities or operate as a water utility or to extend the service area under an existing Certificate of Convenience and Necessity held by the person.
   2. "CC&N" means Certificate of Convenience and Necessity.
   3. "Commission" means the Arizona Corporation Commission.
   4. "Contiguous" means in actual contact, touching, such as by sharing a common border.
   5. "Extension area" means the geographic area that an applicant is requesting to have added to the applicant's existing CC&N service area.

B. Application for a new CC&N or extension of a CC&N

1. Any person who desires to construct water utility facilities or to operate as a water utility shall, prior to commencing construction of utility facilities or operations, file with the Commission an application for a CC&N and obtain Commission approval.

2. Any utility that desires to extend its CC&N service area shall file with the Commission an application for a CC&N extension.

3. Before filing an application for a CC&N or a CC&N extension, a person shall provide written notice of the person's intention to file the application to each person who owns land within the proposed service area or extension area and who has not requested service. Each written notice to a landowner shall include, at a minimum:

a. The legal name, physical address, mailing address (if different), and telephone number of the intended applicant;

b. The approximate date by which the application will be filed;

c. The type of services to be provided if the application is approved;

d. The physical addresses and toll-free telephone numbers, in Phoenix and Tucson, for the Consumer Services Section of the Commission; and

e. The following information:

i. That the recipient is a property owner within the proposed service area or extension area;

ii. That if the application is granted, the intended applicant will be the exclusive provider of the specific services to the proposed service area or extension area and will be required by the Commission to provide those services under rates and charges and terms and conditions established by the Commission;

iii. That a CC&N does not prohibit persons from providing services only to themselves using their own facilities on their own property, although other applicable laws may restrict such activity;

iv. That the application is available for inspection during regular business hours at the offices of the Commission and at the offices of the intended applicant;

v. That the Commission will hold a hearing on the application;

vi. That the landowner may have the right to intervene in the proceeding and may appear at the hearing and make a statement on his or her own behalf even if the landowner does not intervene;

vii. That the landowner may contact the Commission for the date and time of the hearing and for information on intervention;

viii. That the landowner may not receive any further notice of the application proceeding unless requested; and

ix. That the landowner may contact the intended applicant or the Consumer Services Section of the Commission if the landowner has any questions or concerns about the application, has any objections to approval of the application, or wishes to make a statement in support of the application.

4. Within 10 days after filing an application for a CC&N or a CC&N extension, an applicant shall provide written notice of the application to the municipal manager or administrator of each municipality with corporate limits that overlap with or are within five miles of the proposed service area or extension area. Each written notice shall include, at a minimum:

a. The applicant's legal name, mailing address, and telephone number.

b. The date the application was filed;

c. The type of services to be provided if the application is approved;

d. A description of the requested service area or extension area, expressed in terms of cadastral (quarter section) or metes and bound survey;

e. The Commission docket number assigned to the application; and

f. Instructions on how to obtain a copy of the application.

5. Each application for a new CC&N or CC&N extension shall be submitted in a form and number prescribed by the Commission and shall include, at a minimum, the following information:

a. The applicant's legal name, mailing address, and telephone number

b. If the applicant will or does operate the utility under a different business name, the name under which the applicant will be doing business;

c. The full name, mailing address, and telephone number of a management contact for the applicant;

d. The full name, mailing address, and telephone number of the attorney for the applicant, if any;

e. The full name, mailing address, and telephone number of the operator certified by the Arizona Department of Environmental Quality who is or will be working for the applicant;

f. The full name, mailing address, and telephone number of the on-site manager for the applicant;

g. Whether the applicant is a corporation, a partnership, a limited liability company, a sole proprietor, or another specified type of legal entity;

h. If the applicant is a corporation, the following:

i. Whether the applicant is a "C" corporation, an "S" corporation, or a non-profit corporation and whether the corporation is domestic or foreign;

ii. A list of the full names, titles, and mailing addresses of each of the applicant's officers and directors;

iii. A copy of the applicant's certificate of good standing issued by the Commission's Corporations Division;

iv. Unless the applicant is applying for a CC&N extension, a certified copy of the applicant's articles of incorporation and by-laws; and

v. If the applicant is a for-profit corporation, the number of shares of stock authorized for issue and, if any stock has been issued, the number of shares issued and date of issuance;

i. If the applicant is a partnership, the following:

i. Whether the applicant is a limited partnership or a general partnership and whether the partnership is domestic or foreign;

ii. The full names and mailing addresses of the applicant's general partners;

iii. The full names, mailing addresses, and telephone numbers of the applicant's managing partners;

iv. Unless the applicant is applying for a CC&N extension, a copy of the applicant's articles of partnership; and

v. If the applicant is a foreign limited partnership, a copy of the applicant's certificate of registration filed with the Arizona Secretary of State;

j. If the applicant is a limited liability company, the following:

i. The full names and mailing addresses of the applicant's managers or, if management is reserved to the members, the applicant's members;

ii. Unless the applicant is applying for a CC&N extension, a copy of the applicant's articles of organization;

k. The legal name and mailing address of each other utility in which the applicant has an ownership interest;

l. A description of the requested service area or extension area, expressed in terms of cadastral (quarter section) or metes and bound survey;

m. The name of each county in which the requested service area or extension area is located and a description of the area's location in relation to the closest municipality, which shall be named;

n. A complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to describe each water system and the principal components of each water system (e.g., source, storage, transmission lines, distribution lines, etc.) to allow verification of the estimated costs provided under subsection (B)(5)(o) and verification that the requirements of the Commission and the Arizona Department of Environmental Quality can be met;

o. The estimated total construction cost of the proposed offsite and onsite facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as through debt, equity, advances in aid of construction, contributions in aid of construction, or a combination thereof;

p. Documentation establishing the applicant's financial condition, including at least the applicant's current assets and liabilities, an income statement, the applicant's estimated revenue and expenses for the first five years following approval of the application, and the estimated value of the applicant's utility plant in service for the first five years following approval of the application;

q. The rates proposed to be charged for services rendered, shown in the form of a proposed tariff that complies with Commission standards;

r. The estimated annual operating revenues and expenses for the first five years of operation for the requested service area or

extension area, expressed separately for residential, commercial, industrial, and irrigation services, and including a description of each assumption made to derive the estimates;

s. A detailed description of the proposed construction timeline for facilities, with estimated starting and completion dates and, if construction is to be phased, a description of each separate phase of construction;

t. A copy of any requests for service from persons who own land within the proposed service area or extension area, which shall identify the applicant by name;

u. Maps of the proposed service area~~,~~ or extension area identifying:

i. The boundaries of the area, with the total acreage noted;

ii. The land ownership boundaries within the area, with the acreage of each separately owned parcel within the area noted;

iii. The owner of each parcel within the area;

iv. Any municipality corporate limits that overlap with or are within five miles of the area;

v. The service area of any public service corporation, municipality, or district currently providing water or wastewater service within one mile of the area, with identification of the entity providing service and each type of service being provided;

vi. The location within the area of any known water service connections that are already being provided service by the applicant;

vii. The location of all proposed developments within the area;

viii. The proposed location of each water system and the principal components described in subsection (B)(5)(n); and

ix. The location of all parcels for which a copy of a request for service has been submitted per subsection (B)(5)(t);

v. A copy of each notice to be sent, as required under subsection (B)(4), to a municipal manager or administrator;

w. A copy of each notice sent, as required under subsection (B)(3), to a landowner not requesting service;

x. For each landowner not requesting service, either the written response received from the landowner or, if no written response was received, a description of the actions taken by the applicant to obtain a written response;

y. A copy of each city, county, or state agency approval required by law to construct the proposed facilities or operate the utility within the proposed service area or extension area or, for any approval not yet obtained, the status of the applicant's application for the approval;

z. The estimated number of customers to be served for each of the first five years of operation, expressed separately for residential, commercial, industrial, and irrigation customers and including documentation to support the estimates~~.~~;

aa. A description of how wastewater service is to be provided in the proposed service area or extension area and the name of each wastewater service provider for the area, if any;

bb. A letter from each wastewater service provider identified under subsection (B)(5)(aa), confirming the provision of wastewater service for the proposed service area or extension area;

cc. Plans for or a description of water conservation measures to be implemented in the proposed service area or extension area, including, at a minimum:

i. A description of the information about water conservation or water saving measures that the utility will provide to the public and its customers;

ii. A description of how the applicant will work with each wastewater service provider identified under subsection (B)(5)(aa) to encourage water conservation;

iii. A description of the sources of water that will be used to supply parks, recreation areas, golf courses, greenbelts, ornamental lakes, and other aesthetic water features;

iv. A description of any plans for the use of reclaimed water;

v. A description of any plans for the use of recharge facilities;

vi. A description of any plans for the use of surface water; and

vii. A description of any other plans or programs to promote water conservation;

dd. A backflow prevention tariff that complies with Commission standards, if not already on file;

ee. A curtailment tariff that complies with Commission standards, if not already on file;

ff. A copy of a Physical Availability Determination, Analysis of Adequate Water Supply, or Analysis of Assured Water Supply issued by the Arizona Department of Water Resources for the proposed service area or extension area or, if not yet obtained, the status of the application for such approval;

gg. If the applicant is requesting a CC&N extension:

i. A current compliance status report from the Arizona Department of Environmental Quality, dated no more than 30 days before the date the CC&N extension application is filed, for each water system operated by the applicant, as identified by a separate Arizona Department of Environmental Quality Public Water System Identification Number; and

ii. A water use data sheet for the water system being extended by the applicant; and

hh. The notarized signature of the applicant.

6. Upon receiving an application under subsection (B)(5), Utilities Division staff shall review and process the application in accordance with the requirements of R14-2-411.

7. Once Utilities Division staff determines that an application submitted under subsection (B)(5) is administratively complete, the Commission shall, as expeditiously as practicable, schedule a hearing to consider the application.

C. Application for discontinuance or abandonment of utility service

1. A utility shall not discontinue or abandon any service currently in use by the public without first obtaining authority therefore from the Commission.

2. A utility desiring to discontinue or abandon a service shall file with the Commission an application identifying the utility; including data regarding past, present and estimated future customer use of the service; describing any plant or facility that would no longer be in use if the application were approved; and explaining why the utility desires to discontinue or abandon the service.

3. A utility is not required to apply for Commission approval to remove individual facilities where a customer has requested service discontinuance.

D. Application for authority to abandon, sell, lease, transfer, or otherwise dispose of a utility

1. A utility shall not abandon, sell, lease, transfer, or otherwise dispose of its facilities or operation without first obtaining authority therefore from the Commission.

2. A utility desiring to abandon, sell, lease, transfer, or otherwise dispose of its facilities or operation shall file with the Commission an application that includes, at a minimum:

a. The legal name, physical address, mailing address (if different), and telephone number of the utility;

b. A description of the utility property proposed to be abandoned, sold, leased, transferred, or otherwise disposed of;

c. Documentation establishing the utility's financial condition, including at least the utility's current assets and liabilities, an income statement, the utility's revenue and expenses for the most recently completed 12-month accounting period, and the value of the utility's utility plant in service;

d. The legal name, physical address, mailing address (if different), and telephone number of any proposed purchaser, lessee, transferee, or assignee;

e. The terms and conditions of the proposed abandonment, sale, lease, transfer, or assignment and copies of any agreement that has been or will be executed concerning the transaction;

f. A description of the effect that the proposed transaction will have upon the utility's services;

g. The method by which the proposed transaction is to be financed;

h. A description of the effect that the proposed transaction will have upon any other utility;

i. The number of customers to be affected by the proposed transaction; and

j. A description of the effect that the proposed transaction will have upon customers.

E. Additions or extensions of service contiguous to existing CC&N service areas

1. Except in the case of an emergency, a utility that proposes to extend service to a parcel located in a non-certificated area contiguous to its CC&N service area, shall notify the Commission before the service extension occurs.

2. Each notification required under subsection (E)(1) shall be in writing, shall be verified, and shall set forth, at a minimum,:

a. The legal name, mailing address, and telephone number of the utility;

b. The number of persons to be served in the contiguous parcel;

c. The legal description of the contiguous parcel and the location of the structures to be served therein, in relation to the utility's CC&N service and

d. A statement that service will be extended only to a non-certificated parcel contiguous to the utility's CC&N service area.

3. When emergency service is required to be provided to a person in a non-certificated area contiguous to a utility's CC&N service area, the utility shall notify the Commission of the service extension as soon as possible after the service extension occurs by providing written notice that includes the information required under subsection (E)(2) and describes the nature and extent of the emergency.

R14-2-403. Establishment of service

A. Information from new applicants

1. A utility may obtain the following minimum information from each new applicant for service:

a. Name or names of applicant(s).

b. Service address or location and telephone number

c. Billing address/telephone number, if different than service address.

d. Address where service was provided previously.

e. Date applicant will be ready for service.

f. Indication of whether premises have been supplied with utility service previously.

g. Purpose for which service is to be used.

h. Indication of whether applicant is owner or tenant of or agent for the premises.

2. Each utility may require a new applicant for service to appear at the utility's designated place of business to produce proof of identity and sign the utility's application form.

3. Where service is requested by 2 or more individuals the utility shall have the right to collect the full amount owed to the utility from any 1 of the applicants.

B. Deposits

1. A utility may require a deposit from any new applicant for service.

2. The utility shall issue a nonnegotiable receipt to the applicant for the deposit. The inability of the customer to produce such a receipt shall in no way impair his right to receive a refund of the deposit which is reflected on the utility's records.

3. Interest on deposits shall be calculated annually at an interest rate filed by the utility and approved by the Commission in a tariff proceeding. In the absence of such, the interest rate shall be 6%.

4. Interest shall be credited to the customer's bill annually.

5. Residential deposits shall be refunded within 30 days after:

a. 12 consecutive months of service without being delinquent in the payment of utility bills provided the utility may reestablish the deposit if the customer becomes delinquent in the payment of bills 2 or more times within a 12-consecutive-month period.

b. Upon discontinuance of service when the customer has paid all outstanding amounts due the utility.

6. A separate deposit may be required for each meter installed.

7. The amount of a deposit required by the utility shall be determined according to the following terms:

a. Residential customer deposits shall not exceed 2 times the average residential class bill as evidenced by the utility's most recent annual report filed with the Commission.

b. Nonresidential customer deposits shall not exceed 2 1/2 times that customer's estimated maximum monthly bill.

c. The utility may review the customer's usage after service has been connected and adjust the deposit amount based upon the customer's actual usage.

8. Upon discontinuance of service, the deposit may be applied by the utility toward settlement of the customer's bill.

C. Grounds for refusal of service.

A utility may refuse to establish service if any of the following conditions exist:

1. The applicant has an outstanding amount due for the same class of utility service with the utility and the applicant is unwilling to make arrangements with the utility for payment.

2. A condition exists which in the utility's judgment is unsafe or hazardous to the applicant, the general population, or the utility's personnel or facilities.

3. Refusal by the applicant to provide the utility with a deposit.

4. Customer is known to be in violation of the utility's tariffs filed with the Commission or of the Commission's rules and regulations.

5. Failure of the customer to furnish such funds, service, equipment, and/or rights-of-way necessary to serve the customer and which have been specified by the utility as a condition for providing service.

6. Applicant falsifies his or her identity for the purpose of obtaining service.

D. Service establishments, re-establishments or reconnection charge

1. A utility may make a charge as approved by the Commission for the establishment, reestablishment, or reconnection of utility services.

2. Should service be established during a period other than regular working hours at the customer's request, the customer may be required to pay an after-hour charge for the service connection. Where the utility scheduling will not permit service establishment on the same day requested, the customer can elect to pay the after-hour charge for establishment that day.

3. For the purpose of this rule, service establishments are where the customer's facilities are ready and acceptable to the utility and the utility needs only to install a meter, read a meter, or turn the service on.

E. Temporary service

1. Applicants for temporary service may be required to pay the utility, in advance of service establishment, the estimated cost of installing and removing the facilities necessary for furnishing the desired service.

2. Where the duration of service is to be less than 1 month, the applicant may also be required to advance a sum of money equal to the estimated bill for service.

3. Where the duration of service is to exceed 1 month, the applicant may also be required to meet the deposit requirements of the utility.

4. If at any time during the term of the agreement for service the character of a temporary customer's operations changes so that in the opinion of the utility the customer is classified as permanent, the terms of the utility's main extension rules shall apply.

Historical Note Adopted effective March 2, 1982 (Supp. 82-2). Amended subsections (B) and (D) effective September 28, 1982 (Supp. 82-5). Amended to correct subsection numbering (Supp. 99-4).

R14-2-404. Minimum customer information requirements

A. Information for residential customers

1. Each utility shall make available upon customer request not later than 60 days from the date of request a concise summary of the rate schedule applied for by such customer. The summary shall include the following:

a. Monthly minimum or customer charge, identifying the amount of the charge and the specific amount of usage included in the minimum charge, where applicable.

b. Rate blocks, where applicable.

c. Any adjustment factor(s) and method of calculation.

2. The utility shall to the extent practical identify the tariff most advantageous to the customer and notify the customer of such prior to service commencement.

3. In addition, a utility shall make available upon customer request not later than 60 days from the date of request a copy of the Commission's rules and regulations governing:

a. Deposits

b. Terminations of service

c. Billing and collection

d. Complaint handling.

4. Each utility upon written request of a customer shall transmit a concise statement of actual consumption by such customer for each billing period during the prior 12 months unless such data is not reasonably ascertainable.

5. Each utility shall inform all new customers of their rights to obtain the information specified above.

B. Information required due to changes in tariffs

1. Each utility shall transmit to affected customers by the most economic means available a concise summary of any change in the utility's tariffs affecting those customers.

2. This information shall be transmitted to the affected customer within 60 days of the effective date of the change.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2).

R14-2-405. Service connections and establishments

A. Priority and timing of service establishments

1. After an applicant has complied with the utility's application and deposit requirements and has been accepted for service by the utility, the utility shall schedule that customer for service connection and/or establishment.

2. Service establishments shall be scheduled for completion within 5 working days of the date the customer has been accepted for service, except in those instances when the customer requests service establishment beyond the 5 working day limitation.

3. When the utility has made arrangements to meet with a customer for service establishment purposes and the utility or the customer cannot make the appointment during the prearranged time, the utility shall reschedule the service establishment to the satisfaction of both parties.

4. Each utility shall schedule service establishment appointments within a maximum range of 4 hours during normal working hours, unless another time-frame is mutually acceptable to the utility and the customer.

5. Service establishments shall be made only by qualified utility service personnel.

6. For the purposes of this rule, service establishments are where the customer's facilities are ready and acceptable to the utility and the utility needs only to install or read a meter or turn the service on.

B. Service lines

1. An applicant for service shall be responsible for the cost of installing all customer piping up to the meter.

2. An applicant for service shall pay to the utility as a refundable advance in aid of construction the sum as set forth in the utility's tariff for each size service and meter. Except where the refundable advances in aid of construction for meters and service lines have been included in refundable advances in aid of construction for line extensions and thus are refundable pursuant to main extension contracts approved by the Commission, each advance in aid of construction for a service line or meter shall be repaid by the utility by an annual credit of 1/10 of the amount received, said credit to be applied upon the water bill rendered in November of each year until fully paid, for each service and meter for which the advance was made, and said credit to commence the month of November for all such advances received during the preceding calendar year.

3. Where service is being provided for the 1st time, the customer shall provide and maintain a private cutoff valve within 18 inches of the meter on the customer's side of the meter, and the utility shall provide a like valve on the utility's side of such meter.

4. The Company may install its meter at the property line or, at the Company's option, on the customer's property in a location mutually agreed upon.

5. Where the meter or service line location on the customer's premises is changed at the request of the customer or due to alterations on the customer's premises, the customer shall provide and have installed at his expense all piping necessary for relocating the meter and the utility may make a charge for moving the meter and/or service line.

6. The customer's lines or piping must be installed in such a manner as to prevent cross-connection or backflow.

7. Each utility shall file a tariff for service and meter installations for Commission review and approval.

C. Easements and rights-of-way

1. Each customer shall grant adequate easement and right-of-way satisfactory to the utility to ensure that customer's proper service connection. Failure on the part of the customer to grant adequate easement and right-of-way shall be grounds for the utility to refuse service.

2. When a utility discovers that a customer or his agent is performing work or has constructed facilities adjacent to or within an easement or right-of-way and such work, construction or facility poses a hazard or is in violation of federal, state or local laws, ordinances, statutes, rules or regulations, or significantly interferes with the utility's access to equipment, the utility

shall notify the customer or his agent and shall take whatever actions are necessary to eliminate the hazard, obstruction or violation at the customer's expense.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2). Amended subsection (B) effective September 28, 1982 (Supp. 82-5).

R14-2-406. Main extension agreements

A. Each utility entering into a main extension agreement shall comply with the provisions of this rule which specifically defines the conditions governing main extensions.

B. An applicant for the extension of mains may be required to pay to the Company, as a refundable advance in aid of construction, before construction is commenced, the estimated reasonable cost of all mains, including all valves and fittings.

1. In the event that additional facilities are required to provide pressure, storage or water supply, exclusively for the new service or services requested, and the cost of the additional facilities is disproportionate to anticipated revenues to be derived from future consumers using these facilities, the estimated reasonable cost of such additional facilities may be included in refundable advances in aid of construction to be paid to the Company.

2. Upon request by a potential applicant for a main extension, the utility shall prepare, without charge, a preliminary sketch and rough estimate of the cost of installation to be paid by said applicant. Any applicant for a main extension requesting the utility to prepare detailed plans, specifications, or cost estimates may be required to deposit with the utility an amount equal to the estimated cost of preparation. The utility shall, upon request, make available within 45 days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant accepts utility construction of the extension, the deposit shall be credited to the cost of construction; otherwise the deposit shall be nonrefundable. If the extension is to include oversizing of facilities to be done at the utility's expense, appropriate details shall be set forth in the plans, specifications and cost estimates.

3. Where the utility requires an applicant to advance funds for a main extension, the utility shall furnish the applicant with a copy of the Commission rules on main extension agreements prior to the applicant's acceptance of the utility's extension agreement.

4. In the event the utility's actual cost of construction is less than the amount advanced by the customer, the utility shall make a refund to the applicant within 30 days after the completion of the construction or utility's receipt of invoices related to that construction.

5. The provisions of this rule apply only to those applicants who in the utility's judgment will be permanent customers of the utility. Applications for temporary service shall be governed by the Commission's rules concerning temporary service applications.

C. Minimum written agreement requirements

1. Each main extension agreement shall include the following information:

a. Name and address of applicant(s)

b. Proposed service address

c. Description of requested service

d. Description and map of the requested line extension

e. Itemized cost estimate to include materials, labor, and other costs as necessary

f. Payment terms

g. A clear and concise explanation of any refunding provisions, if applicable

h. Utility's estimated start date and completion date for construction of the main extension

2. Each applicant shall be provided with a copy of the written main extension agreement.

D. Refunds of advances made pursuant to this rule shall be made in accord with the following method:

the Company shall each year pay to the party making an advance under a main extension agreement, or that party's assignees or other successors in interest where the Company has received notice and evidence of such assignment or succession, a minimum amount equal to 10% of the total gross annual revenue from water sales to each bona fide consumer whose service line is connected to main lines covered by the main extension agreement, for a period of not less than 10 years. Refunds shall be made by the Company on or before the 31st day of August of each year, covering any refunds owing from water revenues received during the preceding July 1st to June 30th period. A balance remaining at the end of the ten-year period set out shall become non-refundable, in which case the balance not refunded shall be entered as a contribution in aid of construction in the accounts of the Company, however, agreements under this general order may provide that any balance of the amount advanced thereunder remaining at the end of the 10 year period set out, shall thereafter remain payable in whole or in part and in such manner as is set forth in the agreement. The aggregate refunds under this rule shall in no event exceed the total of the refundable advances in aid of construction. No interest shall be paid by the utility on any amounts advanced. The Company shall make no refunds from any revenue received from any lines, other than customer service lines, leading up to or taking off from the particular main extension covered by the agreement.

E. Amounts advanced in aid of construction of main extensions shall be refunded in accord with the rules of this Commission in force and effect on the date the agreement therefor was executed.

All costs under main extension agreements entered into after the adoption of this rule shall be refunded as provided herein.

F. The Commission will not approve the transfer of any Certificate of Public Convenience and Necessity where the transferor has entered into a main extension agreement,

unless it is demonstrated to the Commission that the transferor has agreed to satisfy the refund agreement, or that the transferee has assumed and has agreed to pay the transferor's obligations under such agreement.

G. All agreements entered into under this rule shall be evidenced by a written statement,

and signed by the Company and the parties advancing the funds for advances in aid under this rule or the duly authorized agents of each.

H. The size, design, type and quality of materials of the system,

installed under this rule location in the ground and the manner of installation, shall be specified by the Company, and shall be in accord with the requirements of the Commission or other public agencies having authority therein. The Company may install main extensions of any diameter meeting the requirements of the Commission or any other public agencies having authority over the construction and operation of the water system and mains, except individual main extensions, shall comply with and conform to the following minimum specifications:

1. 150 p.s.i. working pressure rating and

2. 6" standard diameter.

However, single residential customer advances in aid of construction shall not exceed the reasonable cost of construction of the 6-inch diameter main extension.

I. All pipelines, valves, fittings, wells, tanks or other facilities installed under this rule shall be the sole property of the Company,

and parties making advances in aid of construction under this rule shall have no right, title or interest in any such facilities.

J. The Company shall schedule all new requests for main extension agreements,

and for service under main extension agreements, promptly and in the order received.

K. An applicant for service seeking to enter into a main extension agreement may request that the utility include on a list of contractors from whom bids will be solicited,

the name(s) of any bonded contractor(s), provided that all bids shall be submitted by the bid date stipulated by the utility. If a lower bid is thus obtained or if a bid is obtained at an equal price and with a more appropriate time of performance, and if such bid contemplates conformity with the Company's requirements and specifications, the Company shall be required to meet the terms and conditions of the bid proffered, or to enter into a construction contract with the contractor proffering such bid. Performance bond in the total amount of the contract may be required by the utility from the contractor prior to construction.

L. Any discounts obtained by the utility from contracts terminated under this rule shall be accounted for by credits to the appropriate account dominated as Contributions in Aid of Construction.

M. All agreements under this rule shall be filed with and approved by the Utilities Division of the Commission.

No agreement shall be approved unless accompanied by a Certificate of Approval to Construct as issued by the Arizona Department of Health Services. Where agreements for main extensions are not filed and approved by the Utilities Division, the refundable advance shall be immediately due and payable to the person making the advance.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2). Amended subsections (D) and (K) effective September 28, 1982 (Supp. 82-5). Amended to correct subsection numbering (Supp. 99-4).

R14-2-407. Provision of service

A. Utility responsibility.

Each utility shall be responsible for providing potable water to the customer's point of delivery.

B. Customer responsibility

1. Each customer shall be responsible for maintaining all facilities on the customer's side of the point of delivery in a safe and efficient manner and in accordance with the rules of the state Department of Health.

2. Each customer shall be responsible for safeguarding all utility property installed in or on the customer's premises for the purpose of supplying water to that customer.

3. Each customer shall exercise all reasonable care to prevent loss or damage to utility property, excluding ordinary wear and tear. The customer shall be responsible for loss of or damage to utility property on the customer's premises arising from neglect, carelessness, or misuse and shall reimburse the utility for the cost of necessary repairs or replacements.

4. Each customer shall be responsible for payment for any equipment damage resulting from unauthorized breaking of seals, interfering, tampering or bypassing the utility meter.

5. Each customer shall be responsible for notifying the utility of any failure identified in the utility's equipment.

6. Water furnished by the utility shall be used only on the customer's premises and shall not be resold to any other person. During critical water conditions, as determined by the Commission, the customer shall use water only for those purposes specified by the Commission. Disregard for this rule shall be sufficient cause for refusal or discontinuance of service.

C. Continuity of service.

Each utility shall make reasonable efforts to supply a satisfactory and continuous level of service. However, no utility shall be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from:

1. Any cause against which the utility could not have reasonably foreseen or made provision for, i.e., force majeure

2. Intentional service interruptions to make repairs or perform routine maintenance

3. Curtailment.

D. Service interruptions

1. Each utility shall make reasonable efforts to reestablish service within the shortest possible time when service interruptions occur.

2. Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of emergency in order to prevent or mitigate interruption or impairment of service.

3. In the event of a national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

4. When a utility plans to interrupt service for more than 4 hours to perform necessary repairs or maintenance, the utility shall attempt to inform affected customers at least 24 hours in advance of the scheduled date and estimated duration of the service interruption. Such repairs shall be completed in the shortest possible time to minimize the inconvenience to the customers of the utility.

5. The Commission shall be notified of interruptions in service affecting the entire system or any major division thereof. The interruption of service and cause shall be reported within 4 hours after the responsible representative of the utility becomes aware of said interruption by telephone to the Commission and followed by a written report to the Commission.

E. Minimum delivery pressure.

Each utility shall maintain a minimum standard delivery pressure of 20 pounds per square inch gauge (PSIG) at the customer's meter or point of delivery.

F. Construction standards.

Each utility shall construct all facilities in accordance with the guidelines established by the state Department of Health Services.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2). Amended subsection (F) effective September 28, 1982 (Supp. 82-5). Amended to correct subsection numbering (Supp. 99-4).

R14-2-408 Meter reading

A. Frequency.

Each meter shall be read monthly on as close to the same day as practical.

B. Measuring of service

1. All water delivered by the utility shall be billed upon the basis of metered volume sales except that the utility may, at its option, provide a fixed charge schedule for the following:

a. Temporary service where the water use can be readily estimated

b. Public and private fire protection service

c. Water used for street sprinkling and sewer flushing, when provided for by contract between the utility and the municipality or other local governmental authority

d. Other fixed charge schedules as shall be submitted to and approved by the Commission.

2. When there is more than 1 meter at a location, the metering equipment shall be so tagged or plainly marked as to indicate the facilities being metered.

C. Customer requested retreads

1. Each utility shall at the request of a customer reread the customer's meter within 10 working days after such request by the customer.

2. Any rereads shall be charged to the customer at a rate on file and approved by the Commission, provided that the original reading was not in error.

3. When a reading is found to be in error, the reread shall be at no charge to the customer.

D. Access to customer premises.

Each utility shall have the right of safe ingress to and egress from the customer's premises at all reasonable hours for any purpose reasonably connected with the utility's property used in furnishing service and the exercise of any and all rights secured to it by law or these rules.

E. Meter testing and maintenance program.

Each utility shall establish a regular program of meter testing taking into account the following factors:

1. Size of meter

2. Age of meter

3. Consumption

4. Characteristics of water.

F. Customer requested meter tests.

A utility shall test a meter upon customer request and each utility shall be authorized to charge the customer for such meter test according to the tariff on file and approved by the Commission. However, if the meter is found to be in error by more than 3%, no meter testing fee will be charged to the customer.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2). Amended to correct subsection numbering (Supp. 99-4).

R14-2-409. Billing and collection

A. Frequency and estimated bills

1. Each utility shall bill monthly for services rendered. Meter readings shall be scheduled for periods of not less than 25 days or more than 35 days.

2. If the utility is unable to read the meter on the scheduled meter read date, the utility will estimate the consumption for the billing period giving consideration to the following factors where applicable:

a. The customer's usage during the same month of the previous year

b. The amount of usage during the preceding month.

3. After the 2nd consecutive month of estimating the customer's bill for reasons other than severe weather, the utility will attempt to secure an accurate reading of the meter.

4. Failure on the part of the customer to comply with a reasonable request by the utility for access to its meter may lead to the discontinuance of service.

5. Estimated bills will be issued only under the following conditions:

a. Failure of a customer who read his own meter to deliver his meter reading card to the utility in accordance with the requirements of the utility billing cycle.

b. Severe weather conditions which prevent the utility from reading the meter.

c. Circumstances that make it dangerous or impossible to read the meter, i.e., locked gates, blocked meters, vicious or dangerous animals, etc.

6. Each bill based on estimated usage will indicate that it is an estimated bill.

B. Combining meters, minimum bill information

1. Each meter at a customer's premises will be considered separately for billing purposes, and the readings of 2 or more meters will not be combined.

2. Each bill for residential service will contain the following minimum information:

a. Date and meter reading at the start of billing period

b. Previous month's meter reading

c. Billed usage

d. Utility telephone number

e. Customer's name

f. Service account number (if available)

g. Amount due and due date

h. Past due amount (where appropriate)

i. Adjustment factor, where applicable

j. Other approved tariff charges.

C. Billing terms

1. All bills for utility services are due and payable when rendered. Any payment not received within 15 days from the date the bill was rendered shall be considered delinquent.

2. For purposes of this rule, the date a bill is rendered may be evidenced by:

a. The postmark date

b. The mailing date:

i. Certified mail

ii. Certificate of mailing.

3. All delinquent bills shall be subject to the provisions of the utility's termination procedures as set forth in R14-2-410.

4. All payments shall be made at or mailed to the office of the utility or to the utility's duly authorized representative.

D. Applicable tariffs, prepayment, failure to receive, commencement date, taxes

1. Each customer shall be billed under the applicable tariff indicated in the customer's application for service.

2. Each utility shall make provisions for advance payment for utility services.

3. Failure to receive bills or notices which have been properly placed in the United States mail shall not prevent such bills from becoming delinquent nor relieve the customer of his obligations therein.

4. Charges for service commence when the service is installed and connection made, whether used or not.

5. In addition to the collection of regular rates, each utility may collect from its customers a proportionate share of any privilege, sales or use tax.

E. Meter error corrections

1. If any meter after testing is found to be more than 3% in error, either fast or slow, proper correction between 3% and the amount of the error shall be made of previous readings and adjusted bills shall be rendered according to the following terms:

a. For the period of 3 months immediately preceding the removal of such meter from service for test or from the time the meter was in service since last tested, but not exceeding 3 months since the meter shall have been shown to be in error by such test, or

b. From the date the error occurred, if the date of the cause can be definitely fixed.

2. No adjustment shall be made by the utility except to the customer last served by the meter tested.

F. Insufficient funds (NSF) checks

1. A utility shall be allowed to recover a fee, as approved by the Commission for each instance where a customer tenders payment for utility service with an insufficient funds check.

2. When the utility is notified by the customer's bank that there are insufficient funds to cover the check tendered for utility service, the utility may require the customer to make payment in cash, by money order, certified check, or other means which guarantee the customer's payment to the utility.

3. A customer who tenders an insufficient check shall in no way be relieved of the obligation to render payment to the utility under the original terms of the bill nor defer the utility's provision for termination of service for nonpayment of bills.

G. Deferred payment plan

1. Each utility may, prior to termination, offer to qualifying residential customers a deferred payment plan for the customer to retire unpaid bills for utility service.

2. Each deferred payment agreement entered into by the utility and the customer due to the customer's inability to pay an outstanding bill in full shall provide that service will not be discontinued if:

a. Customer agrees to pay a reasonable amount of the outstanding bill at the time the parties enter into the deferred payment agreement.

b. Customer agrees to pay all future bills for utility service in accordance with the billing and collection tariffs of the utility.

c. Customer agrees to pay a reasonable portion of the remaining outstanding balance in installments over a period not to exceed 6 months.

3. For the purposes of determining a reasonable installment payment schedule under these rules, the utility and the customer shall give consideration to the following conditions:

a. Size of the delinquent account

b. Customer's ability to pay

c. Customer's payment history

d. Length of time that the debt has been outstanding

e. Circumstances which resulted in the debt being outstanding

f. Any other relevant factors related to the circumstances of the customer.

4. Any customer who desires to enter into a deferred payment agreement shall establish such agreement prior to the utility's scheduled termination date for nonpayment of bills; customer failure to execute a deferred payment agreement prior to the scheduled termination date shall not prevent the utility from discontinuing service for nonpayment.

5. Deferred payment agreements may be in writing and may be signed by the customer and an authorized utility representative.

6. A deferred payment agreement may include a finance charge as approved by the Commission in a tariff proceeding.

7. If a customer has not fulfilled the terms of a deferred payment agreement, the utility shall have the right to disconnect service pursuant to the utility's termination of service rules and, under such circumstances, it shall not be required to offer subsequent negotiation of a deferred payment agreement prior to disconnection.

H. Change of occupancy

1. Not less than 3 working days advance notice must be given in person, in writing, or by telephone at the utility's office to discontinue service or to change occupancy.

2. The outgoing party shall be responsible for all utility services provided and/or consumed up to the scheduled turn-off date.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2). Amended subsection (C) effective September 28, 1982 (Supp. 82-5).

R14-2-410. Termination of service

A. Nonpermissible reasons to disconnect service.

A utility may not disconnect service for any of the reasons stated below:

1. Delinquency in payment for services rendered to a prior customer at the premises where service is being provided, except in the instance where the prior customer continues to reside on the premises.

2. Failure of the customer to pay for services or equipment which are not regulated by the Commission.

3. Nonpayment of a bill related to another class of service.

4. Failure to pay for a bill to correct a previous underbilling due to an inaccurate meter or meter failure if the customer agrees to pay over a reasonable period of time.

B. Termination of service without notice

1. Utility service may be disconnected without advance written notice under the following conditions:

a. The existence of an obvious hazard to the safety or health of the consumer or the general population.

b. The utility has evidence of meter tampering or fraud.

c. Unauthorized resale or use of utility services.

d. Failure of a customer to comply with the curtailment procedures imposed by a utility during supply shortages.

2. The utility shall not be required to restore service until the conditions which resulted in the termination have been corrected to the satisfaction of the utility.

3. Each utility shall maintain a record of all terminations of service without notice. This record shall be maintained for a minimum of 1 year and shall be available for inspection by the Commission.

C. Termination of service with notice

1. A utility may disconnect service to any customer for any reason stated below provided the utility has met the notice requirements established by the Commission:

a. Customer violation of any of the utility's tariffs filed with the Commission and/or violation of the Commission's rules and regulations.

b. Failure of the customer to pay a delinquent bill for utility service.

c. Failure to meet or maintain the utility's credit and deposit requirements.

d. Failure of the customer to provide the utility reasonable access to its equipment and property.

e. Customer breach of a written contract for service between the utility and customer.

f. When necessary for the utility to comply with an order of any governmental agency having such jurisdiction.

2. Each utility shall maintain a record of all terminations of service with notice. This record shall be maintained for 1 year and be available for Commission inspection.

D. Termination notice requirements

1. No utility shall terminate service to any of its customers without providing advance written notice to the customer of the utility's intent to disconnect service, except under those conditions specified where advance written notice is not required.

2. Such advance written notice shall contain, at a minimum, the following information:

a. The name of the person whose service is to be terminated and the address where service is being rendered.

b. The Commission rule or regulation that was violated and explanation thereof or the amount of the bill which the customer has failed to pay in accordance with the payment policy of the utility, if applicable.

c. The date on or after which service may be terminated.

d. A statement advising the customer to contact the utility at a specific address or phone number for information regarding any deferred payment or other procedures which the utility may offer or to work out some other mutually agreeable solution to avoid termination of the customer's service.

e. A statement advising the customer that the utility's stated reason for the termination of services may be disputed by contacting the utility at a specific address or phone number, advising the utility of the dispute and making arrangements to discuss the cause for termination with a responsible employee of the utility in advance of the scheduled date of termination. The responsible employee shall be empowered to resolve the dispute and the utility shall retain the option to terminate service.

E. Timing of terminations with notice

1. Each utility shall be required to give at least 10 days advance written notice prior to the termination date.

2. Such notice shall be considered to be given to the customer when a copy thereof is left with the customer or posted first class in the United States mail, addressed to the customer's last known address.

3. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the utility for the payment thereof or in the case of a violation of the utility's rules the customer has not satisfied the utility that such violation has ceased, the utility may then terminate service on or after the day specified in the notice without giving further notice.

4. Service may only be disconnected in conjunction with a personal visit to the premises by an authorized representative of the utility.

5. The utility shall have the right (but not the obligation) to remove any or all of its property installed on the customer's premises upon the termination of service.

F. Landlord/tenant rule.

In situations where service is rendered at an address different from the mailing address of the bill or where the utility knows that a landlord/tenant relationship exists and that the landlord is the customer of the utility, and where the landlord as a customer would otherwise be subject to disconnection of service, the utility may not disconnect service until the following actions have been taken:

1. Where it is feasible to so provide service, the utility, after providing notice as required in these rules, shall offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant then declines to so subscribe, the utility may disconnect service pursuant to the rules.

2. A utility shall not attempt to recover from a tenant or condition service to a tenant with the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2). Amended subsection (E) effective September 28, 1982 (Supp. 82-5). Amended to correct subsection numbering (Supp. 99-4).

Editor's Note: The following Section was amended under an exemption from the Attorney General approval provisions of the Arizona Administrative Procedure Act (State ex. rel. Corbin v. Arizona Corporation Commission, 174 Ariz. 216 848 P.2d 301 (App. 1992)), as determined by the Corporation Commission. This exemption means that the rules as amended were not approved by the Attorney General.

R14-2-411. Administrative and Hearing Requirements

A. Customer service complaints

1. Each utility shall make a full and prompt investigation of all service complaints made by its customers, either directly or through the Commission.

2. The utility shall respond to the complainant and/or the Commission representative within 5 working days as to the status of the utility investigation of the complaint.

3. The utility shall notify the complainant and/or the Commission representative of the final disposition of each complaint. Upon request of the complainant or the Commission representative, the utility shall report the findings of its investigation in writing.

4. The utility shall inform the customer of his right of appeal to the Commission.

5. Each utility shall keep a record of all written service complaints received which shall contain, at a minimum, the following data:

a. Name and address of the complainant

b. Date and nature of the complaint

c. Disposition of the complaint

d. A copy of any correspondence between the utility, the customer, and/or the Commission.

This record shall be maintained for a minimum period of 1 year and shall be available for inspection by the Commission.

B. Notice by utility of responsible officer or agent

1. Each utility shall file with the Commission a written statement containing the name, address (business, residence and post office) and telephone numbers (business and residence) of the onsite manager of its operations.

2. Each utility shall give notice, by filing a written statement with the Commission, of any change in the information required herein within 5 days from the date of any such change.

C. Time-frames for processing applications for Certificates of Convenience and Necessity

1. This rule prescribes time-frames for the processing of any application for a Certificate of Convenience and Necessity issued by the Arizona Corporation Commission pursuant to this Article. These time-frames shall apply to applications filed on or after the effective date of this rule.

2. Within 30 calendar days after receipt of an application for a new Certificate of Convenience and Necessity, or to amend or change the status of any existing Certificate of Convenience and Necessity, staff shall notify the applicant, in writing, that the application is either administratively complete or deficient. If the application is deficient, the notice shall specify all deficiencies.

3. Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

4. After receipt of a corrected application, staff shall notify the applicant within 30 calendar days if the corrected application is either administratively complete or deficient. The time-frame for administrative completeness review shall be suspended from the time the notice of deficiency is issued until staff determines that the application is complete.

5. Within 150 days after an application is deemed administratively complete, the Commission shall approve or reject the application.

6. For purposes of A.R.S. § 41-1072 et seq., the Commission has established the following time-frames:

a. Administrative completeness review time-frame: 30 calendar days,

b. Substantive review time-frame: 150 calendar days,

c. Overall time-time: 180 calendar days.

7. If an applicant requests, and is granted, an extension or continuance, the appropriate time-frames shall be tolled from the date of the request during the duration of the extension or continuance.

8. During the substantive review time-frame, the Commission may, upon its own motion or that of any interested party to the proceeding, request a suspension of the time- frame rules.

D. Accounts and records

1. Each utility shall keep general and auxiliary accounting records reflecting the cost of its properties, operating income and expense, assets and liabilities, and all other accounting and

statistical data necessary to give complete and authentic information as to its properties and operations.

2. Each utility shall maintain its books and records in conformity with the NARUC Uniform Systems of Accounts for Class A, B, C and D Water Utilities.

3. A utility shall produce or deliver in this state any or all of its formal accounting records and related documents requested by the Commission. It may, at its option, provide verified copies of original records and documents.

4. All utilities shall submit an annual report to the Commission on a form prescribed by it. The annual report shall be filed on or before the 15th day of April for the preceding calendar year.

5. All utilities shall file with the Commission a copy of all reports required by the Securities and Exchange Commission.

6. All utilities shall file with the Commission a copy of all annual reports required by the Federal Energy Regulatory Commission.

E. Maps.

All utilities shall file with the Commission a map or maps clearly setting forth the location and extent of the area or areas they hold under approved certificates of convenience and necessity, in accordance with the Cadastral (Rectangular) Survey of the United States Bureau of Land Management, or by metes and bounds with a starting point determined by the aforesaid Cadastral Survey.

F. Variations, exemptions of Commission rules and regulations.

Variations or exemptions from the terms and requirements of any of the rules included herein (Title 14, Chapter 2, Article 4) shall be considered upon the verified application of an affected party to the Commission setting forth the circumstances whereby the public interest requires such variation or exemption from the Commission rules and regulations. Such application will be subject to the review of the Commission, and any variation or exemption granted shall require an order of the Commission. In case of conflict between these rules and regulations and an approved tariff or order of the Commission, the provisions of the tariff or order shall apply.

G. Prior agreements.

The adoption of these rules by the Commission shall not affect any agreements entered into between the utility and customers or other parties who, pursuant to such contracts, arranged for the extension of facilities in a provision of service prior to the effective date of these rules.

Historical Note: Adopted effective March 2, 1982 (Supp. 82-2). Amended subsection (D) effective September 28, 1982 (Supp. 82-5). Amended effective December 31, 1998, under an exemption as determined by the Arizona Corporation Commission (Supp. 98-4). Amended to correct subsection numbering (Supp. 99-4).

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Exhibit C, Item 5

Globe
City Council Minutes
Various from the 1920's

MINUTES OF A REGULAR MEETING OF THE
MAYOR AND COMMON COUNCIL HELD ON THE
2D DAY OF DECEMBER, A. D. 1929, AT
THE HOUR OF 7.30. P. M, IN THE COUNCIL
CHAMBERS, CITY HALL, GLOBE, ARIZONA.

Mayor W. A. Sawyer called the meeting to order and the following alderman responded to the roll call: Alderman Brown, Troutman, Hechtman, Ullrich, Greer and Byerly.

The minutes of the previous regular meeting were read and approved as read.

Mr. W. E. Rittenhouse appeared before the council an made protest against the order requiring the removal of all goats from the city. After considerable discussion he was directed by the chairman of the city board of health to file an application asking permission to keep his goats within the city limits, with the city clerk for attention with the board of health.

B. J. Ponkey appeared before the council and made protest against an appropriation, by the city, of $500 in labor to be used upon the district airport at Midland City. No motion was taken.

An ordinance, hereafter known as and numbered 292 and recorded on page No. 132 of Book No. 5, of the Ordinances and Resolutions of the city of Globe, being an ordinance requiring the vaccination of all dogs within the city limits of Globe was read and as same carried an emergency clause, a motion was made by alderman Ullrich and seconded by alderman Greer that same be adopted. The mayor put the motion, directing that a roll call vote be taken. Alderman Brown voted "No", Alderman Troutman voted "Yes", alderman Hechtman voted "Yes" alderman Ullrich voted "Yes" alderman Greer voted "yes" alderman Byerly voted "Yes" The mayor declared the motion carried and the ordinance adopted.

A representative of the Foster-Kliser Company appeared before the council and stated that the arrangement with Thomas McKevitt for certain signs on North Broad street and Pinal creek had proved unsatisfactory and stated that in order to avoid any further trouble that he desired to move the signs and install same on the old Globe Lumber Co. yard site, and asked permission to do so. A motion was made by alderman Greer and seconded by alderman Hechtman that the permit be granted. Motion put by the mayor. Carried.

Alderman Hechtman, Chairman of the Judiciary committee reported "progress" in regard to the preparation of an ordinance requiring the inspection of all meats offered for sale within the city of Globe, the matter was continued.

The following report was read from the utilities committee.

Globe, Arizona, December 2, 1929.

To His Honor the Mayor and the Common Council,
Globe, Arizona,
Gentlemen:

Your committee to whom was referred the matter of furnishing water to Central Heights, beg to report as follows: We would recommend that the city furnish all water desired for said Central Heights at the city limits of Globe, at a point intersecting Blake street and the city limi The Uitlities Committee, (Signed) Lee D. Byerly, L. M. Brown, Creed Troutman. A motion was Made by alderman Greer and seconded by alderman Ullrich that the report be received and filed. Motion put by the mayor. Carried.

Reports of the various city departmental officers for the month of November, 1929 were read and a motion was made by alderman Hechtman and seconded by alderman Greer that same be filed. Motion put by the mayor. Carried.

A resolution, hereafter known as and numbered 314 and recorded at page No. 334 of Book No. 5 of the ordinances and resolutions of the city of Globe, being a resolution empowering, authorizing and directing the Mayor and City Clerk to execute and deliver to Edgar L. Higdon a quit-claim deed to the surface of a parcel of land situate in Lot 4 (S. W ¼ of S. W. ¼ Section 34. Township 1 N. 15½ E. G. & S. R. B. & M., was submitted and a motion was made by alderman Hechtman and seconded by alderman Greer that same be adopted. Motion put by the Mayor. Carried

Alderman Hechtman called to the attention of the mayor and council the fact that certain sidewalks had been ordered installed On Sutherland, Mesquite High and Cedar streets, Ect. and that nothing had been done about it. City engineer Milton reported that he had been quite busy with the water department and that he would get to work with the preliminary work as soon as possible.

City Engineer Milton reported that he was ready to begin work on the proposed Globe Street-Haskins Road road and by common consent was directed to proceed. Alderman Byerly stated that the city attorney and himself would secure the balance of the easements required, at once.

Alderman Troutman reported that a wallon the alley between Marshall Curnutt and J. B. Chastain had fallen down and was allowing the alley to cave off to such an extent that it was almost impossible for Mr. Chastain to get into his garage with a car from the alley. A motion was made by alderman Troutman and seconded by alderman Byerly that the matter be referred to the street committee for investigation and report, Motion put by the mayor. Carried.

A motion was made by alderman Greer and seconded by alderman Ullrich that the building and sewer permits be approved. Motion put by the mayor. Carried. The permits follow:

3539	Permit to Nick Pavlich to construct frame building, lot 39, Blk 90, N. G. T.	Cost $200.00
3540	Permit to Julius Milton to construct concrete wall, lot 6, Blk 35, G. T.	700.00
3541	Permit to Eugene R. Bostwick to construct frame room Lot 1, Blk 11, E. G. T.	150.00
3542	Permit to W. R. Hughes to remodle building lots 9-10-11-12. Blk 43 E. G. T.	200.00
1156	Permit to Francisco Torrez to connect with sewer Lot 14, Blk 92 G. T.	
1157	Permit to Paul Stanich to connect with sewer No. 2, Lane St.	
1158	Permit to Charles Collins to connect with sewer Lot 4, Blk 12, E. G. T.	
1159	Permit to W. W. Wetherall to connect with sewer lots 1-2 Blk 29. E. G. T.	
1160	Permit to Margurete Harding to connect with the sewer, Lots S?L?J, Blk 26	
1161	Permit to Frank Cromer to connect with the sewer Lot 4, Blk 43, G. T.	

A motion was made by alderman Greer and seconded by alderman Hechtman that the bills and pay rolls as approved by the finance committee be allowed and the treasurer directed to draw warrants in payment of same. Motion put by the mayor. Carried. The permits follow:

MINUTES OF A REGULAR MEETING OF THE MAYOR AND COMMON COUNCIL HELD ON THE 18TH DAY OF NOVEMBER 1929. (continued)

The matter of preparing and submitting, by the city attorney, of an ordinance, providing for the vaccination of all dogs within the city of Globe was continued until the next regular meeting for further investigation, Etc.

The matter of obtaining right-of-way for the proposed Haskins Road-Globe street road was continued until the next regular meeting for the purpose of obtaining signatures to easements necessary.

The matter of the obstruction of traffic on Broad Street by heavy trucks, was referred to the Police Committee.

A motion was made by alderman Hechtman and seconded by alderman Brown that the Chief of Police be directed and authorized to purchase suffecient new bedding for the city Jail. Motion put by the mayor. Carried.

Mr. George C. Johnson appeared before the council and requested that the city of Globe assist in completing the Midland City Airport. After some discussion, a motion was made by alderman Brown and seconded by alderman Hechtman that the city engineer be directed to expend Five Hundred Dollars in work upon the airport in question. Motion put by the mayor. Carried.

The following report was read from City Engineer Milton relative to furnishing water to Central Heights: Globe, Arizona, November 18, 1929. Approximate cost estimate of pipe line to connect Globe Water System with Water System at Central Heights. Total Lineal Feet of 4 In Pipe 5730-$3.150.00 Pipe Fittings $285.00. Installation $2.865.00. Total Cost $6.300.00. Unit Cost per lin feet $1.10 Distances. St. to top of High ridge 2530 Ft.. Top of ridge to reservoir 3200. Ft. Julius Milton C. Eng.

A motion was made by alderman Hechtman and seconded by alderman Troutman that the matter of furnishing water to Tom West at Central Heights be referred to the Utilities Committee City Attorney and City Engineer for further investigation and report. Motion put by the mayor. Carried. The time and place for the meeting of the committee was fixed at wednesday at 7.30 P. M. in the office of the City Clerk.

A motion was made by alderman Troutman and secohded by alderman Byerly that the city engineer be directed with the installation of a sewer line from Maple and Third street to Parker and Ash streets. to proceed with xxx Motion put by the mayor. Carried.

A motion was made by alderman Brown and seconded by alderman Troutman that a complaint as made by Thomas McKevitt against the construction of certain signs by the Foster-Kliser Company near the McKevitt Motor Inn, be referred to the street committee with power to act. Motion put by the Mayor. Carried.

A motion was made by alderman Byerly and seconded by alderman Ullrich that Thomas McKevitt be given permission to cut the sidewalk for a driveway to his property opposite the McKevitt Motor Inn. Motion put by the mayor. Carried.

In the matter of a complaint of Bob Henry relative to the burial of dogs by the City Health Dept. on his ranch, the matter was referred to alderman Ullrich for adjustment.

A motion was made by alderman Ullrich and seconded by alderman Greer that the building and sewer permits be approved. Motion put by the mayor. Carried. The permits follow:

3532	Permit to C. B. McLean to construct addition to House Lot D. Blk 62 G. T. Oak & Cedar Cost	$4.000
3533	Permit to H. B. Loyd to construct garage and house Lot 18-19 Blk. 84 G. T. 6th and Baily	700
3534	Permit to Leonora Russell to construct house lot 6-7, Blk 12 West Globe T. Taft & Santee	500
3535	Permit to H. W. Kiren to install electric sign 397 No. Broad st.	50
3536	Permit to J. S. Wilson to construct Frame Dwelling, Maple and East st.	1.500
3537	Permit to N. M. Patterson to construct Flume and Filling station, Lot 10, Blk 2, E. G. Add.	1.500
1155	Permit to J. E. Ponce to connect with the sewer 535 Government Road.	

A motion was made by alderman Greer and seconded by alderman Hechtman that the bills and pay rolls as approved by the finance committee be allowed and the city treasurer directed to draw warrants in payment of same. Motion put by the mayor. Carried. The bills and pay rolls follow:

3345	Y. W. C. A. Donation order of Council	100.00
3346	Walter Suter, Pay roll Fire Dept. 1st ½ november, 1929	375.00
3347	C. L. Crawford, Pay roll police dept. 1st ½ nov.	632.50
3348	Dr. L. E. Wightman, pay roll Health & Sewer Depts, 1st ½ Nov.	655.25
3349	Julius Milton, Pay roll street Dept. 1st ½ nov.	568.25
3350	Julius Milton, Pay roll Water Dept. 1st ½ nov.	753.25
3351	J. M. Rodreguez Janitor, 1st ½ Nov.	60.00
3352	Wilson T. Wright, Pay Roll Mayor and Council, 1st ½ nov.	140.00
3353	Hinson Thomas, Pay roll Legal Dept. 1st ½ Nov. 1929	137.50
3354	Wilson T. Wright, Salary Clerk and Treas, 1st ½ Nov.	112.50
3355	Arizona Record, Oct. Publication	25.90
3356	City of Globe, Water Dept. Refund Oct. Water Acct. Grace Pifer	12.20
3357	Pratt-Gilbert Hardware Co. October Supplies	16.55
3358	John Walker, Refund Penalties, October Water Acct.	1.15
3359	City of Globe, Water Dept. Refund Oct. Water Acct. McGowan Machine works	8.10
3360	City of Globe, Water Dept. Cash Advanced	24.45
3361	Globe Hardware Company, October Supplies	243.08
3362	Western Union Tel. Co. Oct. Telegrams	10.06
3363	Ed Rostler, October Labor and supplies	12.50
3364	Elec. Equipment Co. October Labor and supplies	8.50
3365	The Seagrave Company, November Supplies	72.00
3366	Barclay and Company, October supplies	7.50
3367	Union Oil Company, October supplies	165.55

There appearing no further business the council stood adjourned.

M S Sumner
Mayor

Attest Wilson T. Wright
City Clerk.

MINUTES OF A REGULAR MEETING OF THE MAYOR AND COMMON COUNCIL, HELD IN THE COUNCIL CHAMBERS, CITY HALL, GLOBE, ARIZONA ON THE 9TH DAY OF MAY, A. D. 1927 AT THE HOUR OF 7.30 P. M.

The Mayor called the meeting to order and the following aldermen responded to the roll call: Alderman Evans, Keegan, Hechtman and Anderson. Alderman Moore and Greer being absent.

The minutes of the previous regular meeting and those of a special meeting of the mayor and common council held on the 18th day of April, A. D. 1927 were read and approved as read.

Mrs. J. S. Wilson appeared before the council and thanked the mayor and council for their cooperation with the Womens Club in the work incident to "Better Homes week". Mrs. Wilson stated that in making awards for flower beds the children of the city had taken such an interest that the womens club felt that it was not fair to place them in competition with the adults and asked the council to appropriate $10.00 for prizes for the children. Motion made by alderman Keegan and seconded by alderman Hechtman that the request be granted. Motion put by the mayor. Carried.

Mrs. Rivera appeared before the council and requested the city extend the sewer to the property of Mrs. Bracamonte, a widow residing on Blake street, After some discussion a motion was made by alderman Keegan and seconded by alderman Evans that the sewer be installed so as to bring it out from under the pavement at that point. Motion put by the mayor. Carried.

In the matter of the removal of a ford car from the street at the residence of Mr. Wills, a motion was made by alderman Evans and seconded by alderman Anderson that the matter be referred to the Judiciary committee with power to act in making adjustment. Motion put by the mayor. Carried.

A list of special policemen appointed by chief of police Shute to act during the Elks Golden Jubilee, were submitted. Chief of Police Shute stated that all appointments had been cancelled except that of Richard Morris which he desired approved. Motion made by alderman Hechtman and seconded by alderman Evans that same be approved. Motion put by the mayor. Carried.

Mr. R. V. Howard residing in the A. & B. Addition appeared before the council and stated that at the time the public cess-pool was installed in his vicinity, that stubs were run to all the houses from the sewer except to his residence, that he lived such a distance away that he did not feel that it was fair to him to require that he install all of the sewer to make connection from his home to the main sewer line, and asked for some reliev in the matter. A motion was made by alderman Keegan and seconded by alderman Evans that the matter be referred to the Sanitary Committee. Motion put by the mayor. Carried.

Mr. A. W. Sydnor appeared before the council relative to the proposed retaining flood control wall on Pinal Creek Running from the Rail Road bridge at Baily street to the Broad street bridge on North Broad Street. After some discussion; a motion was made by alderman Hechtman and seconded by alderman Keegan that the property owners along said creek where the wall is to be constructed build said wall, supervising said construction and paying all bills and when said wall is completed to present all bills for said construction and that the city of Globe would pay fifty per cent of all bills contracted for said wall. Motion put by the mayor. Carried.

Petitions asking for the paving of Sutherland Street, From Hill, north to Baily street and Fifth street, between Maple and Ash streets, were read and a motion was made by alderman Keegan and seconded by alderman Evans that the petitions be filed together with all others of like effect to be considered when the matter of extra paving was taken up. Motion put by the mayor. Carried.

A letter was read from the Phoenix-Tempe Stone company asking for an extension of Sixty days from April 25th, 1927 for the completion of the regular paving programme. Motion made by alderman Evans and seconded by alderman Hechtman that the request be granted. Motion put by the mayor. Carried.

A letter was read from City School Supt. F. E. Webb, in which it was stated that it would not be possible at this time for the school district to pave Fourth street, From Maple to Ash street out of the school fund. The letter was ordered filed by the mayor.

A letter from the Taylor-Wilson company, Cincinnatti. Ohio, relative to certain bonds of the city of Globe which they were offering for sale was read and a motion was made by alderman Evans and seconded by alderman Hechtman that no action be taken in the matter at this time and that the letter be filed. Motion put by the mayor. Carried.

Application for appointment for the position of City Health Officer were read from Dr. L. E. Wightman and Dr. W. W. Horst. The mayor stated that he was advised that the statutes required him to make the appointment and that he would appoint Dr. L. E. Wightman to the position for the ensuing year. After some discussion it was suggested by alderman Evans that the matter of confirming the appointment be postponed untill the next regular meeting or such time as a full attendance could be had. No further action was taken.

Reports of the various city departmental officers for the month of April, 1927 were read and a motion was made by alderman Evans and Seconded by alderman Keegan that same be filed. Motion put by the mayor Carried.

In the matter of painting the post of the Broad street lighting system, A motion was made by alderman Evans and seconded by alderman Moore that the matter be referred to the city engineer. Carried.

Fire chief Suter addressed the council relative to a number of old houses in the city that were a nuisance and some of them constituting grave fire hazards. He was advised that he had power to act in adjusting such matters.

The matter of purchasing a quanity of Fire Foam for the purpose of fighting oil fires was referred to the Fire Commission.

A motion was made by alderman Evans and seconded by alderman Keegan that the city engineer be directed to purchase sufficient six inch water main and that same be installed on NoF. Hill running from the eight inch main line from the O. D. Mine to a point at the corner of North and East street and that a fire plug be installed there, that the six inch main be connected at this point with the four inch main. Motion put by the mayor. Carried.

A motion was made by alderman Hechtman and seconded by alderman Evans that the city engineer be directed to install at once a four inch main on Fourth Street, to connect with the mains on Syc and Cottonwood streets in order to give a better water supply on Sycamore Hill. Motion put by the mayor. Carried.

A motion was made by alderman Evans and seconded by alderman Anderson that the city clerk be di-

Exhibit C, Item 6

1930 Water System Map - Book 8

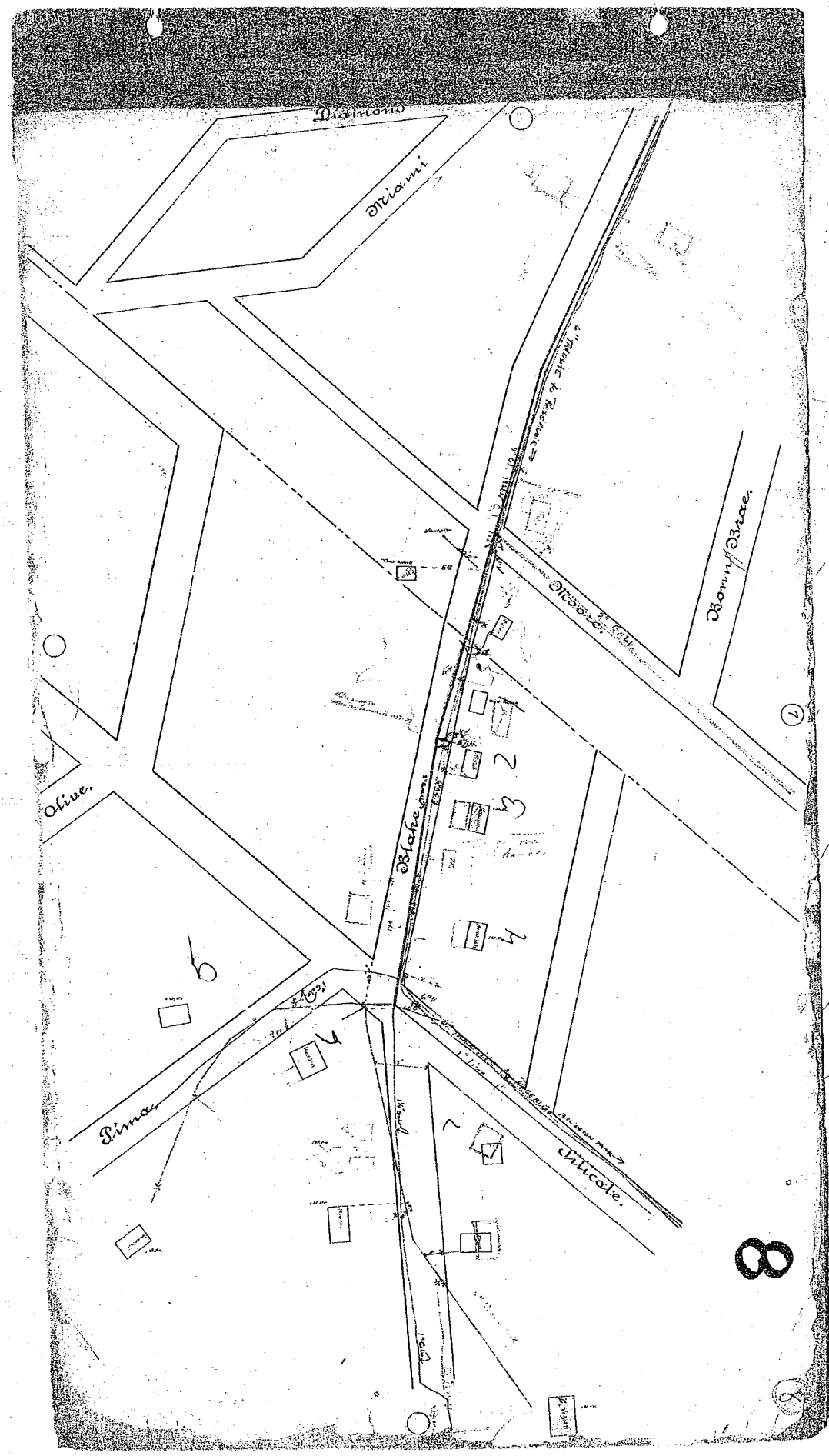

Diamond
Miami
Moore
Bonny Brae.
Olive.
Blake
Pima
Silicate.
8

Exhibit C, Item 7

Historic Correspondence between City of Globe and Arizona Water Company

JOHN CAROLLO ENGINEERS

PHOENIX ARIZONA | WALNUT CREEK CALIFORNIA | FOUNTAIN VALLEY CALIFORNIA

JOHN A. CAROLLO, P.E. (1906-1971)
H. HARVEY HUNT, P.E.
HOWARD M. WAY, P.E.
ROBERT G. WILLIAMS, P.E.
DONALD R. PREISLER, P.E.
GAIL P. LYNCH, P.E.
WALTER R. HOWARD, P.E.
J. DAVID GRIFFITH, P.E.

ASSOCIATES
WALTER A. BISHOP, P.E.
ROBERT D. CLARK, P.E.
G. WILLIAM KNOPF, P.E.
BURNIE M. LAMB, P.E.

November 14, 1977

Arizona Water Company
P. O. Box 5396
Phoenix, Arizona 85010

RECEIVED
NOV 1 1977
ARIZONA WATER COMPANY

Attention: Mr. Frank O'Neill

Re: Proposed Water System Improvements
For the City of Globe, Arizona

Gentlemen:

In connection with subject improvements, the City of Globe is acquiring from Arizona Water Company a one-acre parcel of land to be used as a site for a water reservoir. The original description called for a square parcel 208 feet on each side.

A recent revision in our reservoir plans requires that the shape, but not the area, of the parcel be changed. Accordingly, the description of the parcel should now be as follows:

The south 264 feet of the east 165 feet of the NW 1/4 of the SW 1/4 of Section 26, T1N, R15E, G&SRB&M

On behalf of the City of Globe we ask that you proceed with the execution of the deed using the above property description.

Very truly yours,

JOHN CAROLLO ENGINEERS

N. K. Hunt

NKH:jm

cc: Lionel Blair
City of Globe

ARIZONA WATER COMPANY

2612 N. SIXTEENTH ST. POST OFFICE BOX 5396 PHOENIX ARIZONA 85010 PHONE (602) 258-6101

November 17, 1977

Mr. Kent A. Blake
Fennemore, Craig, von Ammon & Udall
1700 First National Bank Plaza
100 West Washington
Phoenix, AZ 85003

Re: Release of Property From Bond Indenture

Dear Kent:

You will recall that we recently obtained release of seven parcels of ground from our bond indenture, one of which was for the City of Globe and was designated Parcel #1. I am enclosing a copy of the legal description relative to that parcel which we now find must be put back into the bond indenture and a new parcel removed from the indenture.

In accord with the letter from John Carollo Engineers the description of the parcel now needed is as follows:

> The south 264 feet of the east 165 feet of the NW 1/4 of the SW 1/4 of Section 26, T1N, R15E, G&SRB&M.

Would you please proceed with the needed work to reinsert Parcel #1 and obtain the necessary release and deeds to the new description as indicated.

An early completion date would be appreciated.

Sincerely,

R. E. Polenske

R. E. Polenske
Executive Vice President
and General Manager

REP:mf
Enclosure
cc: Lionel Blair

One Dollar ($1) paid by the City to the Company, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Option, Term and Price. The Company hereby grants the City the exclusive option to purchase the property for the sum of Ten Dollars ($10), provided notice of intention to exercise the option is given and the condition precedent to exercise of the option has occurred on or prior to January 1, 1978.

2. Condition Precedent. The parties agree that the right of the City to exercise this option is conditioned upon the City receiving approval under the assistance application.

3. Exercise of Option. During the term of this option and after the condition precedent has been met, the City may exercise this option by giving written notice to the Company stating its intention to exercise, which notice shall include written confirmation that the condition precedent has been satisfied, shall enclose the purchase price of Ten Dollars ($10) and shall be mailed, postage prepaid, certified mail return receipt requested, to Arizona Water Company, Post Office Box 5396, Phoenix, Arizona 85010.

4. Delivery of Deed. The Company agrees to deliver a deed to the property to the City within ninety (90) days after receipt of the specified notice, which deed shall warrant only that there are no financing encumbrances on the property. It is acknowledged that the property is currently subject to

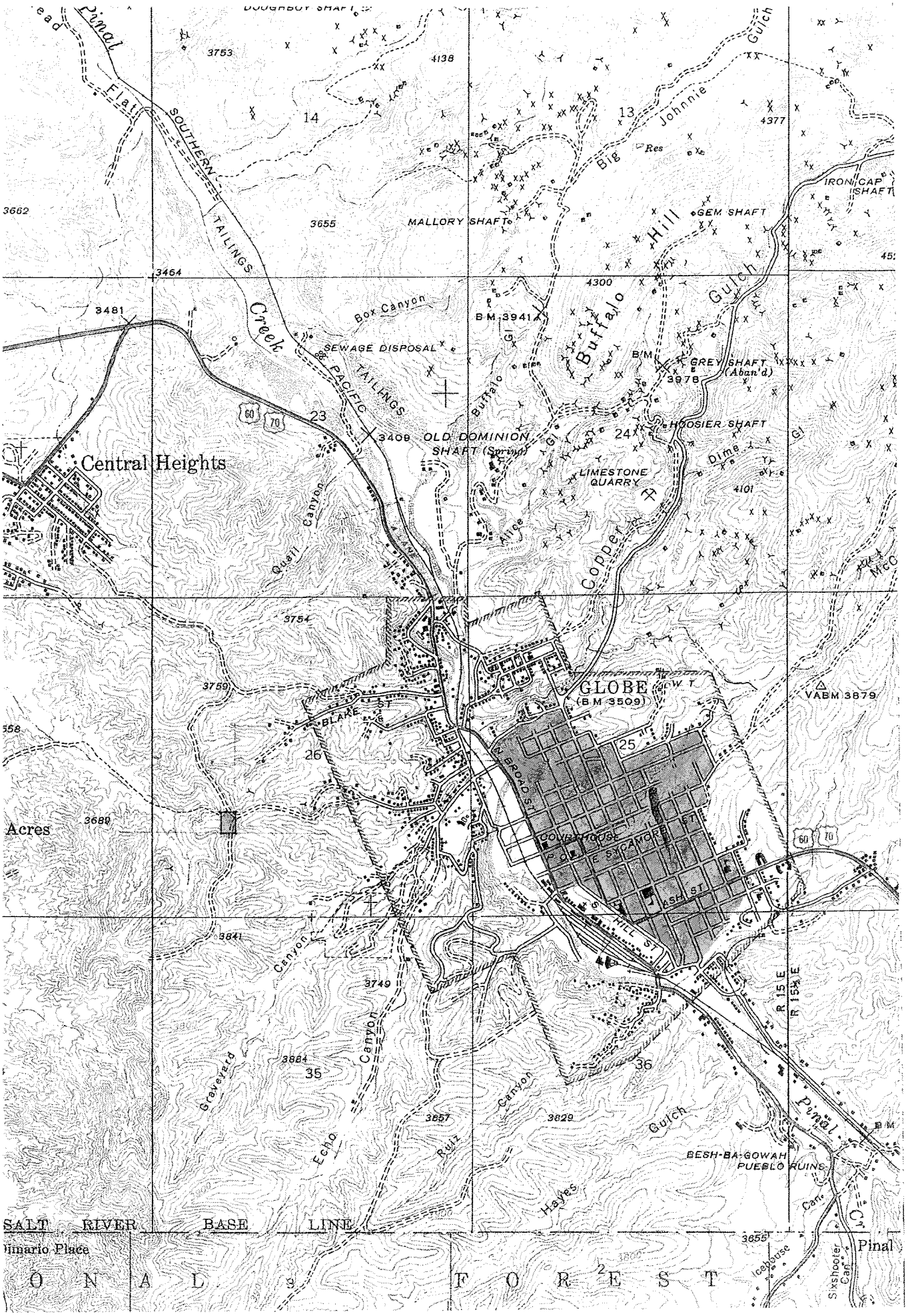
STATE OF ARIZONA)
)
County of Gila)

The foregoing instrument was acknowledged before me this 5th day of July, 1977, by Stanley M. Gibson, Vice-Mayor of the CITY OF GLOBE, a municipal corporation, on behalf of the City.

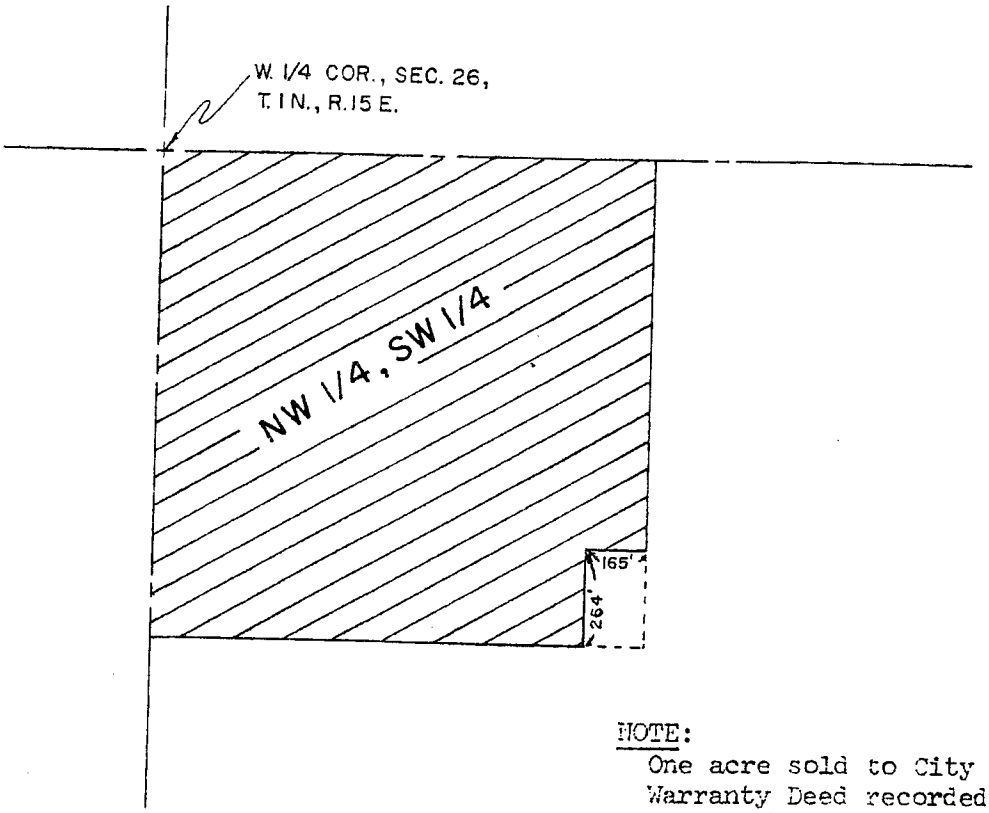
Mary F. Roberts
Notary Public

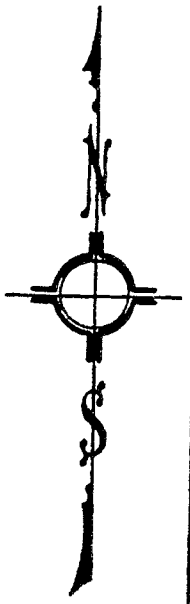
My commission expires:

8/27/1977



Pinal
Flat
SOUTHERN
TAILINGS
Creek
PACIFIC
TAILINGS
Box Canyon
SEWAGE DISPOSAL
MALLORY SHAFT
Big Johnnie Gulch
Res
GEM SHAFT
IRON CAP SHAFT
Buffalo Hill
Gulch
B M 3941
GREY SHAFT (Aban'd)
HOOSIER SHAFT
OLD DOMINION SHAFT (Spring)
LIMESTONE QUARRY
Dime
Copper
Alice
Quail Canyon
Central Heights
GLOBE (B M 3509)
VABM 3879
BLAKE ST
N BROAD ST
COURTHOUSE
E SYCAMORE ST
ASH ST
S HILL ST
Acres
Canyon
Graveyard
Echo Canyon
Ruiz Canyon
Hayes Gulch
BESH-BA-GOWAH PUEBLO RUINS
Pinal
Icehouse
Sixshooter Can
R 15 E
R 15½ E
SALT RIVER BASE LINE
Dimario Place
O N A L F O R E S T





NOTE:
One acre sold to City of Globe.
Warranty Deed recorded in Gila County Recorder's Office, Docket 440, Page 149. 12 Dec. 1977.

NOTE:
Title Reference:
Real Estate Deed, filed in Gila County Recorder's Office, Book 55, Page 589, dated Nov. 18, 1940.

DESIGNATION Russell Gulch Well #8
(forty acre plat)
INDENTURE No. 1.08
TAX ASSESSMENT No. 207-16-3A

DRAWN R.W.H.	CHECKED R.B.	APPROVED L.L.M

ARIZONA **WATER** COMPANY

PROPERTY PLAT

PART OF SW 1/4, SEC 26, T1N, R15E
COUNTY GILA
SCALE 1" = 500' DATE Oct. 22, 1969

A-62200
RATE CASE PLANT ACCOUNT NO. 310.3

WARRANTY DEED

For the consideration of Ten Dollars ($10.00) and other good and valuable considerations, SOUTHWESTERN CONSOLIDATED LAND COMPANY, an Arizona corporation, does hereby convey to the CITY OF GLOBE, a municipal corporation, those certain premises located in Gila County, Arizona, described on Exhibit "A" attached hereto:

SEE EXHIBIT "A".

And SOUTHWESTERN CONSOLIDATED LAND COMPANY does warrant the title against all persons whomsoever, subject to the matters above set forth.

Dated this 12th day of December, 1977.

SOUTHWESTERN CONSOLIDATED LAND COMPANY, an Arizona corporation

By Frank R. O'Neill
Frank R. O'Neill, President

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this 12th day of December, 1977, by FRANK R. O'NEILL, President of SOUTHWESTERN CONSOLIDATED LAND COMPANY.

Notary Public

My commission expires:
April 12 1979

PARTIAL RELEASE DEED

KNOW ALL MEN BY THESE PRESENTS:

That NATIONAL BOULEVARD BANK OF CHICAGO and MARSHALL A. WARSHAUER, as Trustees under that certain Indenture dated April 1, 1963, and all Supplements thereto, between ARIZONA WATER COMPANY, an Arizona corporation, and NATIONAL BOULEVARD BANK OF CHICAGO and MARSHALL A. WARSHAUER, as Trustees,* do by these presents release unto ARIZONA WATER COMPANY from the lien of said Indenture, those certain premises located in Gila County, Arizona, described on Exhibit "A" attached hereto.

This Release shall in no manner affect the lien of the Indenture on the property subject to the lien thereof not specifically described.

IN WITNESS WHEREOF, the said NATIONAL BOULEVARD BANK OF CHICAGO and MARSHALL A. WARSHAUER, as Trustees, have caused this Release to be executed this 30th day of September, 1977.

NATIONAL BOULEVARD BANK OF CHICAGO,
as Trustee

By _____
Its Vice President

ATTEST:

_____
Its ASST VICE PRESIDENT

_____
Marshall A. Warshauer, as Trustee

*The Indenture above referred to was recorded on April 8, 1963, in Docket 148, page 291.

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared L. E. Hoffman and ROGER L. CLIFFORD, known to me to be the persons whose names are subscribed to the within instrument as Vice President and ASS'T VICE PRESIDENT, respectively, of NATIONAL BOULEVARD BANK OF CHICAGO, and as such Officers acknowledged that they executed the same for such Corporation for the purposes therein contained.

WITNESS, my hand and Notarial Seal this 30th day of September, 1977.

Judith A. Klein
Notary Public
My Commission Expires July 29, 1981

My commission expires:

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared MARSHALL A. WARSHAUER, known to me to be the person whose name is subscribed to the within instrument as Co-Trustee, and acknowledged the execution of the same as his free and voluntary act for the uses and purposes therein set forth.

WITNESS, my hand and Notarial Seal this 30th day of September, 1977.

Judith A. Klein
Notary Public
My Commission Expires July 29, 1981

My commission expires:

423594

TE OF ARIZONA, County of Gila, ss;
do hereby certify that the within instrument was filed and recorded at request of Arizona Water Company

Dec. 20, 1977 Time 10:00 A. M., Docket 440 Official Records Page s144-146
rds of Gila County, Arizona.
TTNESS my hand and official seal the day and year first above written.

MARY V. DE PAOLI, County Recorder

Arizona Water Co.
Drawer A
Miami, AZ 85539

INDEXED
MICROFILMED
PAGED
COMPARED

By Celia L. Campos, Deputy.

EXHIBIT A

A parcel of land situated in the Northwest Quarter of the Southwest Quarter (NW-1/4 SW-1/4) Section 26, Township 1 North, Range 15E, Gila and Salt River Meridian, Gila County, Arizona, and situated within the corporate limits of the City of Globe, said parcel having a boundary more particularly described as follows:

> Commencing for a tie at the scribed stone marking the corner of Secs. 26, 27, 34, and 35, being the southwest corner of Sec. 26, from which the scribed stone marking the 1/4 sec. cor. of Secs. 26 and 27 bears N. 0° 04' 49" E.; thence N. 0° 04' 49" E., along the west line of SW-1/4 Sec. 26 a distance of 1311.56 feet; thence S. 89° 31' 27" E., 1318.52 feet to the SW-1/16 cor. of Sec. 26, being the center of the SW-1/4 sec. 26 and the TRUE POINT OF BEGINNING; thence N. 0° 16' 41" E., 264 feet; thence N. 89° 31' 27" W., 165 feet; thence S. 0° 16' 41" W., 264 feet; thence S. 89° 31' 27" E., 165 feet to the TRUE POINT OF BEGINNING, said parcel having an area of one (1) acre more or less, excepting therefrom, however, all the ground and earth constituting the sub-surface lying at a greater depth than one thousand (1,000) feet immediately beneath the surface of the Northwest Quarter of the Southwest Quarter of Section 26, Township 1 North, Range 15 East, Gila and Salt River Base and Meridian, in Gila County, State of Arizona.

Subject to a right-of-way, to construct, maintain and operate a pipeline and all necessary appurtenances and a road granted to El Paso Natural Gas Company, a corporation, November 19, 1940, by an instrument recorded in the office of the County Recorder of said Gila County in Book 58 of Deeds of Real Estate at Page 36.

5.00
10:00
C

423595

STATE OF ARIZONA, County of Gila, ss;
I do hereby certify that the within instrument was filed and recorded at request of Arizona Water Company

Date Dec. 20, 1977 Time 10:00 A.M., Docket 440 Official Records Pages 147 & 148
Records of Gila County, Arizona.
WITNESS my hand and official seal the day and year first above written.

INDEXED
MICROFILMED
PAGED
COMPARED

MARY V. DE PAOLI, County Recorder
By Celia L. Campos, Deputy.

Exhibit C, Item 8

Arizona Water Company
Expansion of Service Area

Subsequent to the 9/20/1961 decision.
Expansion Decision #39280, dated December 1967.

BEFORE THE ARIZONA CORPORATION COMMISSION

MILTON J. HUSKY
Chairman
DICK HERBERT
Commissioner
E. T. "EDDIE WILLIAMS, JR.
Commissioner

DEC 27 1967

IN THE MATTER OF THE APPLICATION OF CENTRAL HEIGHTS WATER ~~COMPANY, AN ARIZONA CORPORATION, and ARIZONA WATER COMPANY,~~ AN ARIZONA CORPORATION, FOR AN ORDER AUTHORIZING THE DISSOLUTION OF CENTRAL HEIGHTS WATER COMPANY AND THE TRANSFER OF THE CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. U-1445
DOCKET NO. 9960-E-1030

DECISION NO. 39280

OPINION AND ORDER

BY THE COMMISSION:

The above matter came on for hearing before the Commission at Phoenix, Arizona, on December 21, 1967.

Applicant appeared through its attorney and evidence was adduced and from that evidence it is found:

1. That Applicant, Arizona Water Company, desires to liquidate its subsidiary, Central Heights Water Company and to transfer the Certificate of Convenience and Necessity of Central Heights Water Company to Arizona Water Company.

2. That such transfer is in the public interest.

WHEREFORE, IT IS ORDERED AS FOLLOWS:

1. That Arizona Water Company be and it is hereby authorized to dissolve Central Heights Water Company as an Arizona corporation.

2. That the Certificate of Convenience and Necessity issued to Central Heights Water Company to operate a water utility in Central

DOCKET NO. U-1445
DOCKET NO. 9960-E-1030

Heights, Arizona, Docket No. 9960-E-1030, is hereby transferred to Arizona Water Company.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

IN WITNESS WHEREOF, I, GEORGE S. LIVERMORE, Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of this Commission to be affixed at the Capitol in the City of Phoenix, this 22nd day of December, 1967.

George S. Livermore
Secretary

CHAIRMAN COMMISSIONER COMMISSIONER

ACC-MD-1

ARIZONA
CORPORATION COMMISSION
MAPPING DIVISION

NAME OF COMPANY: ARIZONA WATER CO.

DOCKET NUMBER: U-1445

☐ DECISION NO. 33421 — SEP. 20, 1961 ORIGINAL AREA THIS TWP.

☐ DECISION NO. 33424 — SEP. 20, 1961 EXTENDED AREA

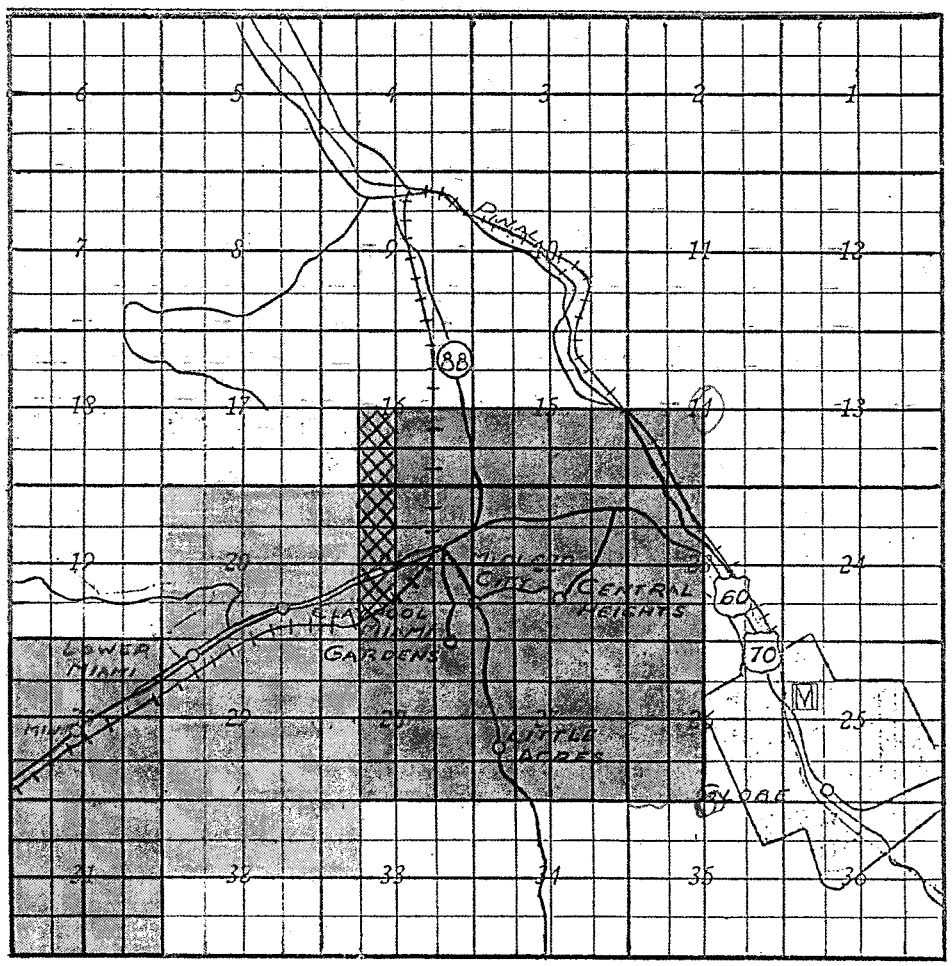
☒ DECISION NO. 33496 — NOV. 7, 1961 DELETE

☐ DECISION NO. 38862 — NOV 15, 1967 TRANSFERRED FROM: 9962-E-1032 CITIZENS UTILITIES

GILA	1N	15E	COMPOSITE THIS TOWNSHIP	PLATTED NOV 21 1962 BY H. HARRIS
GA—COUNTY	TOWNSHIP NO.	RANGE NO.	AREA	

IN—15E

REVIEWED
APR 4 1967
BY H. HARRIS



PLAT NO. 13

AREA NO. 2

Scale 1" = 1 mile (80 chains)

ACC-MD-1

ARIZONA
CORPORATION COMMISSION
MAPPING DIVISION

NAME OF COMPANY: ARIZONA WATER CO.

DOCKET NUMBER: U-1445

☐ DECISION NO. 33421 — SEP. 20, 1961 ORIGINAL AREA THIS TWP.

☐ DECISION NO. 33424 — SEP. 20, 1961 EXTENDED AREA

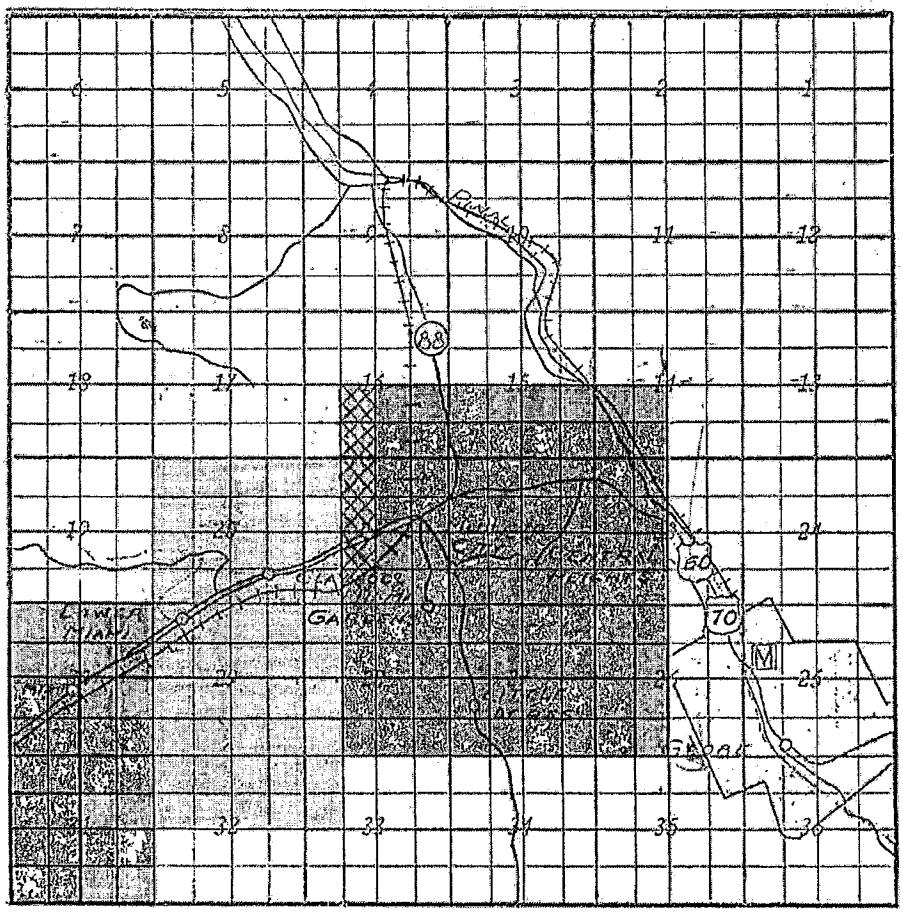
☒ DECISION NO. 33496 — NOV. 7, 1961 DELETE

☐ DECISION NO. 38862 — NOV 15, 1967 TRANSFERRED FROM: 9961-E-1032 CITIZENS UTILITIES

GILA	1 N	15 E	COMPOSITE THIS TOWNSHIP	PLATTED NOV 21 1962 BY H. HARRIS
GA—COUNTY	TOWNSHIP NO.	RANGE NO.	AREA	

N-15E

REVIEWED
APR 4 1967
BY H. HARRIS



PLAT NO. 13

AREA NO. 2

Scale 1" = 1 mile (80 chains)

Exhibit C, Item 9

Additional 1965 Aerials of Pinal Creek

↑North

May 26, 1965

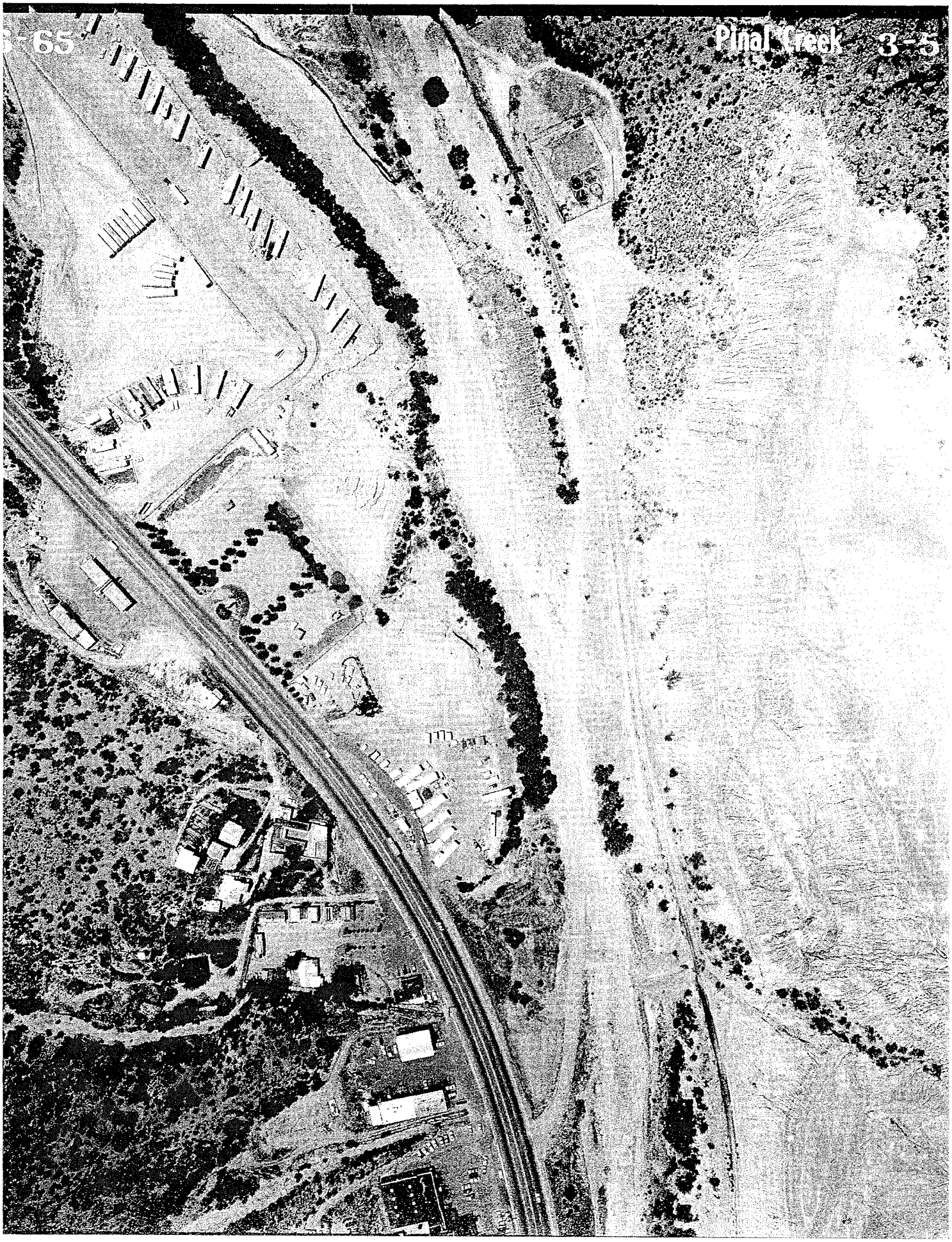

Pinal Creek 3-5

Exhibit C, Item 10

Blakely Gas Station

Incidental list of Blakely Gas Station located throughout Arizona during the 1950s and 1960s.

Blakely Gas Station located on the "Globe-Miami Highway"

Blakely Collectibles

Blakely Collectibles

United States
director@blakelycollectibles.com

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- About Us
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- BLAKELY POTTERY DISHES
- BLAKELY FINE CHINA DISHES
- BLAKELY STATION LOCATIONS
- BLAKELY FREQUENTLY ASKED QUESTIONS
- INFO PAGE
- BLAKELY REPRO- DUCTIONS
- OTHER OIL/GAS COMPANY GIVEAWAYS

Blakely

STATION LOCATIONS

We have started a list of the Blakely Service Station Locations.

I want to thank the website visitors who have been able to provide me with some actual addresses as well as approximate locations, I really appreciate it and look forward to hearing from more of you.

This list is in numerical order based on the actual station number that was assigned by the company to identify each station. With any luck, I will be able to list all of the stations at some point in time.

I do know that there were a couple of stations located in Blythe, CA as well as at some California military bases. If anyone knows of stations in other states, I would like to hear from you.

We will continue to add station information here so please check back and watch for the listing to grow.

BLAKELY AUTO SUPPLY STORE LOCATIONS:

3207 E. Speedway, Tucson, AZ

3737 W. Indian School Rd, Phoenix, AZ

2800 E. Van Buren, Phoenix, AZ

3403 S. Central Ave., Phoenix, AZ

CONTACT US

Email: director@blakelycollectibles.com

1. 1895 W. Buckeye Rd., Phoenix, AZ
2. 3325 E. Indian School Rd., Phoenix, AZ
3. 3205 E. Speedway, Tucson, AZ
4. 1316 Grand Ave., Phoenix, AZ
5. 702 W. Thomas Rd., Phoenix, AZ
6. 3701 N Central Ave., Phoenix, AZ
7. 2145 W. Main, Mesa, AZ
8. 1st Street & Madison, Phoenix, AZ
9. California Highway, Wickenburg, AZ
10. 1830 E. McDowell Rd., Phoenix, AZ
11. 3409 W. Van Buren, Phoenix, AZ
12. 3402 S. Central Ave., Phoenix, AZ
13. 2501 E. Washington, Phoenix, AZ
14. 1545 S. Craycroft Rd., Tucson, AZ
15. Globe Miami Hwy, Globe, AZ
16. 1001 S. 6th Ave., Tucson, AZ
21. 3001 N. 16th St., Phoenix, AZ
22. 2004 S. 6th Ave., Tucson, AZ

26. 3033 N. Scottsdale Rd.

    Scottsdale, AZ

31. 5964 NW Grand Ave., Glendale,

    AZ

32. 2507 N. 32nd St., Phoenix, AZ

33. 2104 Miracle Mile Strip

    Tucson, AZ

36. 8945 N. Black Canyon Hwy,

    Phoenix, AZ

38. 3926 N. 19th Ave., Phoenix, AZ

39. 2345 W. Thomas Rd.,

    Phoenix, AZ

40. 2950 E. Thomas Rd., Phoenix

45. 405 E. Main., Mesa, AZ

47. 5834 S. 16th St., Phoenix, AZ

49. 3737 W. Indian School Rd.,

    Phoenix, AZ

50. 3333 S. 12th Ave, Tucson, AZ

51. E. Apache Trail, Apache Jct

    AZ.

55. 4226 E. McDowell Rd., Phoenix

60. 1957 N. Country Club, Mesa, AZ

62. 3040 W. Camelback Rd, Phoenix

67. 914 N. Central Ave., Phoenix, AZ

73. 7045 E. Apache Trail, Mesa, AZ

75. 4401 S. 7th Ave., Phoenix, AZ

76. 10201 N. 19th Ave., Phoenix, AZ

79. 41 E. Broadway, Mesa, AZ

81. 14045 N. 111th Ave., Sun City

82. 3301 N. Hayden Rd., Scottsdale

#? 931 N. Arizona Ave., Chandler, AZ

#? 100 S. Arizona Ave., Chandler, AZ

#? 1001 S. 6th Ave., Tucson, AZ

#? 2104 N. Oracle Rd., Tucson, AZ

#? 3333 S. 12th Ave., Tucson, AZ

#? 2800 E. Van Buren, Phoenix

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United States
director@blakelycollectibles.com

close

Exhibit C, Item 11

Globe
Water System Map
(1980)

Possible top portion cut off by accident when scanned into digital format.

This is the document that Arizona Water, Legal staff has continually cited in their damage claims.

1980 SYSTEM MAP

POSSIBLY CUTOFF

GLOBE WATER SYSTEM

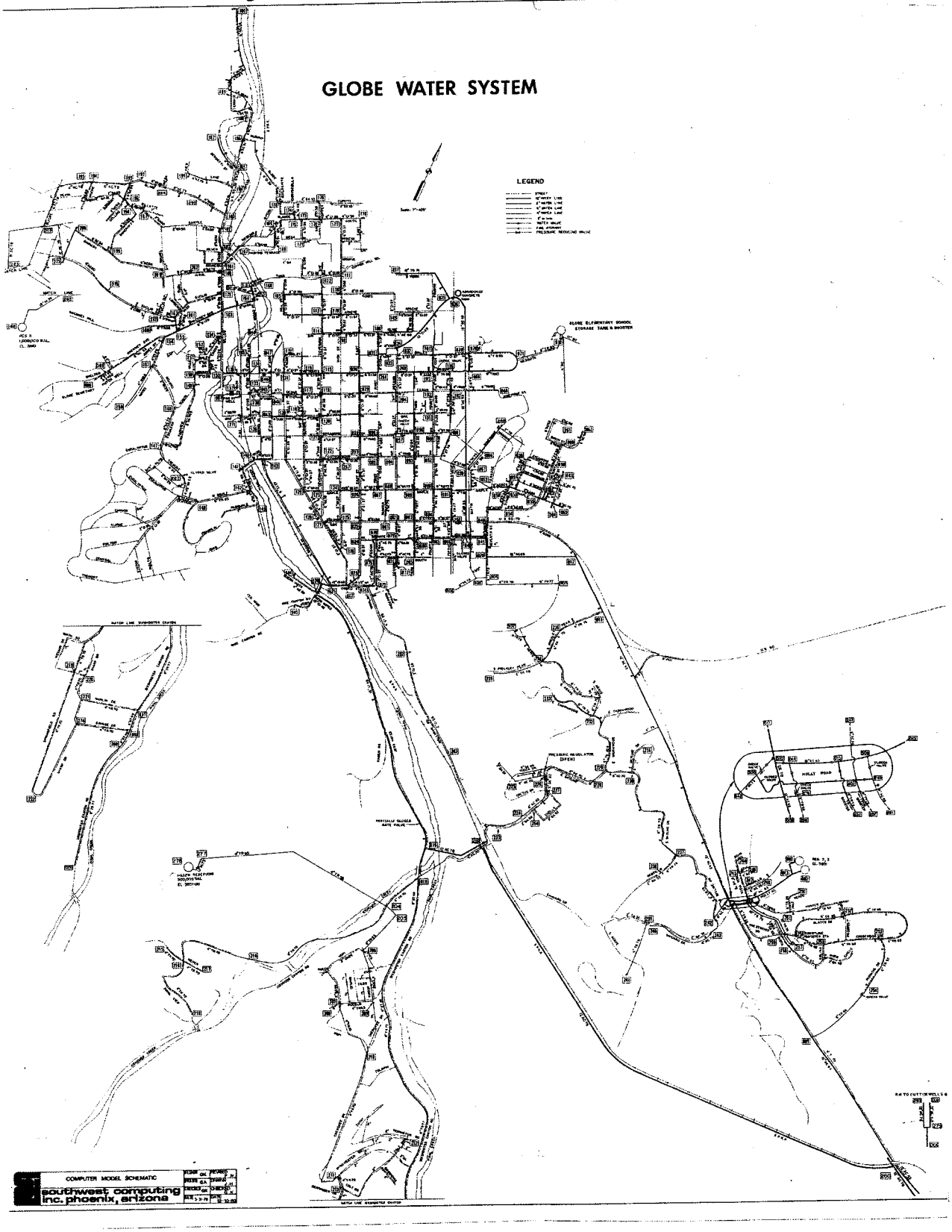


Exhibit C, Item 12

Globe Mobile Home Park,

Various historic vesting documents

BOOK 638 PAGE 215

When recorded return to:
Cities Service Oil & Gas Corp.
P. O. Box 300
Tulsa, Oklahoma 74102

QUITCLAIM DEED

11007783-9
61002-71

FOR THE CONSIDERATION of One Dollar ($1.00) in hand paid by the Grantee, hereafter named, the receipt of which is hereby acknowledged, CITIES SERVICE COMPANY, a Delaware corporation, 110 West Seventh Street, Tulsa, Oklahoma 74119 (mailing address P. O. Box 300, Tulsa, Oklahoma 74102), hereby quitclaims to CITIES SERVICE OIL AND GAS CORPORATION, a Delaware corporation, 110 West Seventh Street, Tulsa, Oklahoma 74119 (mailing address P. O. Box 300, Tulsa, Oklahoma 74102), all of its interest in the following described real property located in Gila County, Arizona:

The surface and the ground to a depth of five hundred feet beneath the surface, with lateral and subjacent support for the surface and all buildings or residences which may be erected thereon, of the parcel of land described as follows:

That certain piece or parcel of land lying in and being a portion of the E. 1/2 of the NW. 1/4 and the SW. 1/4 of the NE. 1/4 and Lot 3 of Section 23, T. 1 N., R. 15 E., G. & S. R. M., Gila County, Arizona and more particularly described as follows:

Beginning at a point on the northeasterly right of way line of U. S. Highway No. 60, from which the center 1/4 section corner of said Section 23 bears S. 52° 17' 17" E., 778.79 feet; thence N. 19° 59' 45" W., 280.01 feet; thence N. 58° 37' 40" W. 403.32 feet; thence S. 25° 06' 20" W., 241.65 feet to said Highway right of way line; thence N. 64° 53' 35" W. 203.92 feet along said right of way line; thence N. 0° 24' 40" E., 278.19 feet; thence S. 75° 55' E., 80.23 feet; thence N. 43° 28' 20" E., 498.89 feet; thence S. 58° 37' 40" E., 1113.00 feet; thence S. 25° 22' 10" E., 545.53 feet; thence S. 44° 16' E., 170.00 feet; thence S. 27° 45' 10" E., 192.20 feet; thence S. 3° 50' 50" W., 91.50 feet; thence S. 45° 04' 50" W., 75.14 feet to a point on said right of way line being parallel with and 50 feet northeast of centerline Engineers Station P.O.C. 242+56.35; thence northwesterly 354.46 feet along the arc of a right of way curve to the left having a radius of 2133.48 feet, a central angle of 9° 31' 49" and whose chord bears N. 56° 20' 31" W., 354.46 feet to the S. C. on said right of way spiral, parallel with and 50 feet northeast of center line at Engineers Station S. C. 239+09.79; thence northwesterly 278.31 feet along the locus of a right of way spiral to the left having a chord which bears N. 63° 37' 25" W., 278.28 feet to the T. S. on said right of way spiral parallel with and 50.00 feet northeast of center line Engineers Station T. S. 236+34.79; thence N. 64° 53' 35" W., 534.79 feet to the point of beginning, containing 22.859 acres more or less.

Subject to such utility easements as described in Exhibits I and II attached hereto and made a part hereof to the extent that such easements cross the above described property.

LESS AND EXCEPT all of the oil, gas, casinghead gas, helium, sulfur associated with the oil and gas, and all other hydrocarbons and constituents thereof, including, but not limited to tar sands and oil shale, and further reserving to the Grantor the rights of ingress and egress for purposes of exploration therefor and production thereof and removal of such production from said premises, including the right to lay pipelines required in the production or transportation of the above products.

IN WITNESS WHEREOF, Cities Service Company has caused its corporate seal to be affixed and has caused its name to be signed to these presents and attested to by its authorized representative the 24th day of January, 1985.

ATTEST:

Assistant Secretary

CITIES SERVICE COMPANY

By R. D. Dillsaver, Senior Vice President

STATE OF OKLAHOMA)
) SS
COUNTY OF TULSA)

On this the 24th day of January, 1985, before me, H. Jeannine Caldwell, the undersigned officer, personally appeared R. D. Dillsaver, who acknowledged himself to be the Senior Vice President of Cities Service Company, and that he, as such Senior Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself, as Senior Vice President.

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

H. Jeannine Caldwell
Notary Public

My Commission Expires:
December 8, 1987

When recorded return to:
Frank Talbott
P. O. Box 1111
Apache Junction, Az. 85220

QUITCLAIM DEED

61002571
11002783-9

FOR THE CONSIDERATION of Seventy Thousand Dollars ($70,000.00) in hand paid by the Grantee, hereafter named, the receipt of which is hereby acknowledged, CITIES SERVICE OIL AND GAS CORPORATION, a Delaware corporation, 110 West Seventh Street, Tulsa, Oklahoma 74119 (mailing address P. O. Box 300, Tulsa, Oklahoma 74102), hereby quitclaims to FRANK TALBOTT, husband of Irene Talbott, as his sole and separate property, whose address is Globe Mobile Home Park, NBU-510-9, Globe, Arizona 85501, all of its interest in the following described real property located in Gila County, Arizona:

The surface and the ground to a depth of five hundred feet beneath the surface, with lateral and subjacent support for the surface and all buildings or residences which may be erected thereon, of the parcel of land described as follows:

That certain piece or parcel of land lying in and being a portion of the E. 1/2 of the NW. 1/4 and the SW. 1/4 of the NE. 1/4 and Lot 3 of Section 23, T. 1 N., R. 15 E., G. & S. R. M., Gila County, Arizona and more particularly described as follows:

Beginning at a point on the northeasterly right of way line of U. S. Highway No. 60, from which the center 1/4 section corner of said Section 23 bears S. 52° 17' 17" E., 778.79 feet; thence N. 19° 59' 45" W., 280.01 feet; thence N. 58° 37' 40" W. 403.32 feet; thence S. 25° 06' 20" W., 241.65 feet to said Highway right of way line; thence N. 64° 53' 35" W. 203.92 feet along said right of way line; thence N. 0° 24' 40" E., 278.19 feet; thence S. 75° 55' E., 80.23 feet; thence N. 43° 28' 20" E., 498.89 feet; thence S. 58° 37' 40" E., 1113.00 feet; thence S. 25° 22' 10" E., 545.53 feet; thence S. 44° 16' E., 170.00 feet; thence S. 27° 45' 10" E., 192.20 feet; thence S. 3° 50' 50" W., 91.50 feet; thence S. 45° 04' 50" W., 75.14 feet to a point on said right of way line being parallel with and 50 feet northeast of centerline of Engineers Station P.O.C.242+56.35; thence northwesterly 354.46 feet along the arc of a right of way curve to the left having a radius of 2133.48 feet, a central angle of 9° 31' 49" and whose chord bears N. 56° 20' 31" W., 354.46 feet to the S. C. on said right of way spiral, parallel with and 50 feet northeast of center line at Engineers Station S. C. 239+09.79; thence northwesterly 278.31 feet along the locus of a right of way spiral to the left having a chord which bears N. 63° 37' 25" W., 278.28 feet to the T. S. on said right of way spiral parallel with and 50.00 feet northeast of center line Engineers Station T. S. 236+34.79; thence N. 64° 53' 35" W., 534.79 feet to the point of beginning, containing 22.859 acres more or less.

Subject to such utility easements as described in Exhibits I and II attached hereto and made a part hereof to the extent that such easements cross the above described property.

LESS AND EXCEPT all of the oil, gas, casinghead gas, helium, sulfur associated with the oil and gas, and all other hydrocarbons and constituents thereof, including, but not limited to tar sands and oil shale, and further reserving to the Grantor the rights of ingress and egress for purposes of exploration therefor and production thereof and removal of such production from said premises, including the right to lay pipelines required in the production or transportation of the above products.

IN WITNESS WHEREOF, Cities Service Oil and Gas Corporation has caused its corporate seal to be affixed and has caused its name to be signed to these presents and attested to by its authorized representative the 17th day of December, 1984.

ATTEST:

Linda Trick
Assistant Secretary

CITIES SERVICE OIL AND GAS CORPORATION

By R. D. Dillsaver
R. D. Dillsaver, Senior Vice President

STATE OF OKLAHOMA)
) SS
COUNTY OF TULSA)

On this the 17th day of December, 1984, before me, H.Jeannine Caldwell, the undersigned officer, personally appeared R. D. Dillsaver, who acknowledged himself to be the Senior Vice President of Cities Service Oil and Gas Corporation, and that he, as such Senior Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself, as Senior Vice President.

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

H.Jeannine Caldwell
H.Jeannine Caldwell
Notary Public

My Commission Expires:

December 8, 1987

STATE OF ARIZONA
County of Gila } ss.

BOOK 644 PAGE 42

I hereby certify that the within instrument was filed and recorded on April 30, 1985, at 12:25 P. M. in DOCKET 644 page(s) 42-44 and indexed in doc ds at the request of Transamerica Title Company

Fee No. 521992

When recorded, mail to:
James W. Sterkenburg
901 E. Dobson, No. 1005
Mesa, Arizona 85201

Witness my hand and official seal
MARY V. DE PAOLI
County Recorder
By Kathy A. Elowitz
Deputy Recorder

Compared
Photostatted
Fee $7.00 BH#18
12:25
JH 56681 PAGED

11G08068-0
61G03087

JOINT TENANCY DEED

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

FRANK V. TALBOTT JR. and IRENE TALBOTT, his wife; and
FRANK V. TALBOTT and MARY TALBOTT, his wife;

hereinafter called the Grantor, whether one or more than one, hereby conveys to

JAMES W. STERKENBURG and JACQUELINE J. STERKENBURG, his wife;

not as tenants in common and not as a community property estate, but as joint tenants with right of survivorship, the following described property situated in Gila County, Arizona, together with all rights and privileges appurtenant thereto, to wit:

Per Attached Legal Description

Subject to current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities as may appear of record, the Grantor warrants the title against all persons whomsoever.

The grantees by signing the acceptance below evidence their intention to acquire and purchase as joint tenants with the right of survivorship, and not as community property nor as tenants in common.

Dated this 8th day of April, 19 85

Frank V. Talbott Jr.
Frank V. Talbott, Jr.
Irene Talbott
Irene Talbott
Frank V. Talbott
Frank V. Talbott
Mary Talbott
Mary Talbott
Grantors

Accepted and approved
James W. Sterkenburg
James W. Sterkenburg
Jacqueline J. Sterkenburg
Jacqueline J. Sterkenburg
Grantees

STATE OF CALIFORNIA
County of Fresno } ss.

This instrument was acknowledged before me this 28 day of April, 19 85 by Frank V. Talbott Jr, Irene Talbott, Frank V. Talbott and Mary Talbott

My commission will expire My Commission Expires April 11, 1986

Notary Public

STATE OF ARIZONA
County of Pima } ss.

This instrument was acknowledged before me this 26 day of April, 19 85 by James W. Sterkenburg and Jacqueline J. Sterkenburg

My commission will expire

Notary Public

My Commission Expires April 11, 1986

FURNISHED THROUGH THE COURTESY OF TRANSAMERICA TITLE INSURANCE COMPANY

Form No. 4-03
Revision No. 2-80

DESCRIPTION

The surface and the ground to a depth of 500 feet beneath the surface, of the parcel of land described as follows:

That certain piece or parcel of land lying in and being a portion of the East half of the Northwest quarter and the Southwest quarter of the Northeast quarter and Lot 3 of Section 23, Township 1 North, Range 15 East, Gila and Salt River Base and Meridian, Gila County, Arizona and more particularly described as follows:

Beginning at a point on the Northeasterly right of way line of U.S. Highway No. 60, from which the center quarter section corner of said Section 23 bears South 52°17'17" East 778.79 feet;
Thence North 19°59'45" West 280.01 feet;
Thence North 58°37'40" West 403.32 feet;
Thence South 25°06'20" West 241.65 feet to said Highway right of way line;
Thence North 64°53'35" West 203.92 feet along said right of way line;
Thence North 0°24'40" East 278.19 feet;
Thence South 75°55' East 80.23 feet;
Thence North 43°28'20" East 498.89 feet;
Thence South 58°37'40" East 1113.00 feet;
Thence South 25°22'18" East 545.53 feet;
Thence South 44°16' East 178.88 feet;
Thence South 27°45'18" East 192.20 feet;
Thence South 3°50'50" West 91.50 feet;
Thence South 45°04'58" West 75.14 feet to a point on said right of way line being parallel with and 50 feet Northeast of centerline Engineers Station P.O.C. 242+56.35;
Thence Northwesterly 354.46 feet along the arc of a right of way curve to the left having a radius of 2133.48 feet, a central angle of 9°31'49" and whose chord bears North 56°20'31" West 354.46 feet to the S.C. on said right of way spiral, parallel with and 50 feet Northeast of center line at Engineers Station S.C. 239+89.79;
Thence Northwesterly 276.31 feet along the locus of a right of way spiral to the left having a chord which bears North 63°37'25" West 276.28 feet to the T.S. on said right of way spiral parallel with and 50 feet Northeast of center line Engineers Station T.S. 236+34.77;
Thence North 64°53'35" West 534.79 feet to the Point of Beginning;
Except all of the oil, gas, casinghead gas, helium, sulfur associated with the oil and gas, and all other hydrocarbons and constituents thereof, including but not limited to tar sands and oil shale as reserved in Deed recorded in Docket 638, page 215, of Gila County, Arizona; and in Deed recorded in Docket 638, page 228, records of Gila County, Arizona; and

EXCEPT that certain piece or parcel of land lying in and being a portion of the Southwest quarter of the Northeast quarter and Lot 3 of Section 23, Township 1 North, Range 15 East, Gila and Salt River Base and Meridian, Gila County, Arizona and more particularly described as follows:

Beginning at a point on the Northeasterly right of way line of U.S. Highway No. 60, being the spiral to curve, 50 feet Northeasterly from center line Engineers Station S. C. 239+09.79, from which the center quarter section corner of said Section 23 bears South 43°02' West 172.13 feet;
Thence Southeasterly 354.87 feet along the arc of a right of way curve to the right having a radius of 2133.48 feet, a central angle of 9°31'49" and whose chord bears South 56°20'31" East 354.46 feet to a point 50 feet Northeasterly of center line Engineers Station P.O.C. 242+56.35;
Thence North 45°04'50" East 75.14 feet;
Thence North 3°50'50" East 91.50 feet;
Thence North 27°45'10" West 192.28 feet;
Thence North 44°16' West 178.00 feet;
Thence South 74°20' West 182.36 feet;
Thence South 24°39' West 160.00 feet more or less to a point on the Northeasterly right of way line of said Highway;
Thence Southeasterly 111.07 feet along the locus of a spiral to the right, whose chord bears South 62°40'42" East 111.06 feet to the spiral to curve on said right of way parallel with and 50 feet Northeast of center line Engineers Station S. C. 239+09.79 and the Point of Beginning; and

EXCEPT that certain piece or parcel of land lying in and being a portion of the East half of the Northwest quarter and the Southwest quarter of the Northeast quarter of Section 23, Township 1 North, Range 15 East, Gila and Salt River Base and Meridian, Gila County, Arizona and more particularly described as follows:

Beginning at a point on the Northeasterly right-of-way line of U.S. Highway No. 60, from which the center quarter section corner of said Section 23 bears South 32°17'17" East 278.79 feet;
Thence South 64°53'35" East 300 feet to the True Point of Beginning;
Thence North 25°06'20" East 250.00 feet;
Thence South 64°53'35" East 400.00 feet to a point on the Northerly extension of the Westerly line of property described in Deed recorded in Docket 638, page 238, records of Gila County, Arizona;
Thence South 24°39' West along said Northerly extension and along said Westerly line, a distance of 251.86 feet, more or less, to a point on the Northeasterly right-of-way line of said Highway;
Thence Northwesterly 167.24 feet along the locus of a right-of-way spiral to the left having a chord which bears North 63°37'25" West 278.28 feet to the T.S. on said right-of-way spiral parallel with and 50 feet Northeast of center line Engineers Station T.S. 236+34.79;
Thence North 64°53'35" West 234.79 feet to the True Point of Beginning.

QC 2002-004793 3/22/02

GILA COUNTY ASSESSOR
PROPERTY PROFILE

Account #: R000011127 **Local #:** **Parcel #:** 20710001G

Tax Year:	2014	**Levy:**	0.000000	**# of Imps:**	1	**Created On:**	
Tax Dist:	0150	**Map #:**	10	**LEA:**	0699	**Active On:**	01/01/2012
PUC:	0840	**Initials:**		**Acct Type:**	Mobile Home	**Inactive On:**	
Assign To:	UnAssigned					**Last Updated:**	

Owner's Name and Address

STERKENBURG JAMES WILLIAM
1775 N BROAD ST #0
GLOBE, AZ 85501 -

Property Address

Street: 1775 N BROAD ST
City: GLOBE

Business Name

GLOBE MOBILE HOME PARK

Sales Summary

Sale Date	Sale Price	Deed Type	Reception #	Book	Page #	Grantor

Legal

SUR TO 500'; E2 NW SW NE LOT 3 SEC 23 T1N R15E; BEG 778.79' N 52D 17M 17S W FR CTR 4 SEC COR; TH N 19D 59M 45S W 280.01'; TH N 58D 37M 40S W 403.32'; TH S 25D 6M 20S W 241.65'; TH N 64D 53M 35S W 203

Section	Township	Range	Qtr	QtrQtr	Government Lot	Government Tract

Subdivision Information

Sub Name	Block	Lot	Tract

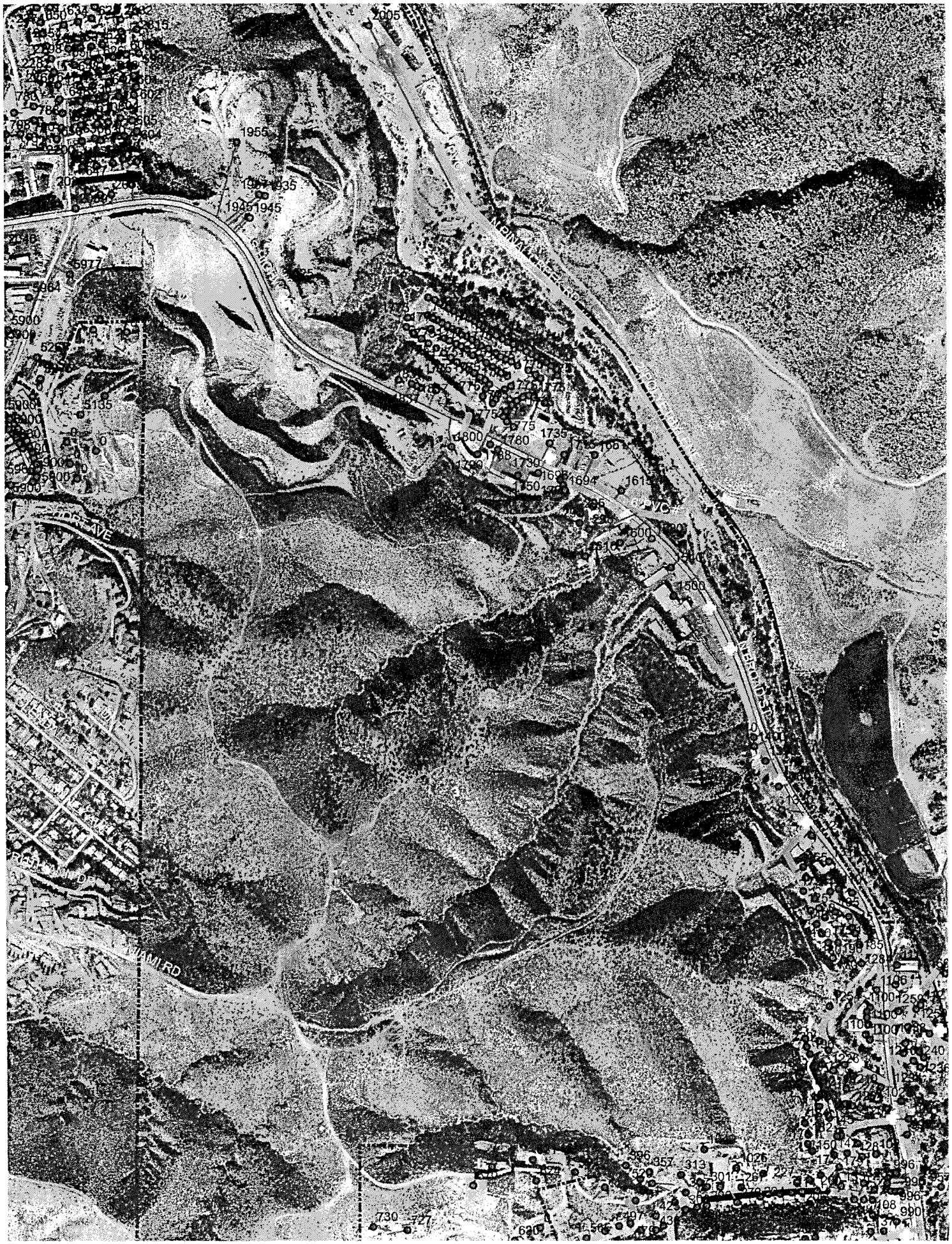
Land Valuation Summary

Land Type	Abst Cd	Value By	Net SF	Measure	# of Units	Value/Unit	Actual Val	Asmt %	Assessed Val
Mobile Home PK	0402L	Market	0	Acres	0.000000	$0.00	$106,356	10.00%	$10,636
Class				**Sub Class**	0				
Mobile Home PK	0401L	Market	0	Acres	0.000000	$0.00	$1,074	10.00%	$107
Class				**Sub Class**	0				
Land Subtotal:					**0.00**		**$107,430**		**$10,743**

Exhibit C, Item 13

Globe
Water System Maps

Current maps
for both Arlington Heights and
the area in and around Globe Mobile Home Park



2005
1955
1935
1945
5977
5964
5900
5135
1800
1780
1735
1730
1694
1500
1100
730
727

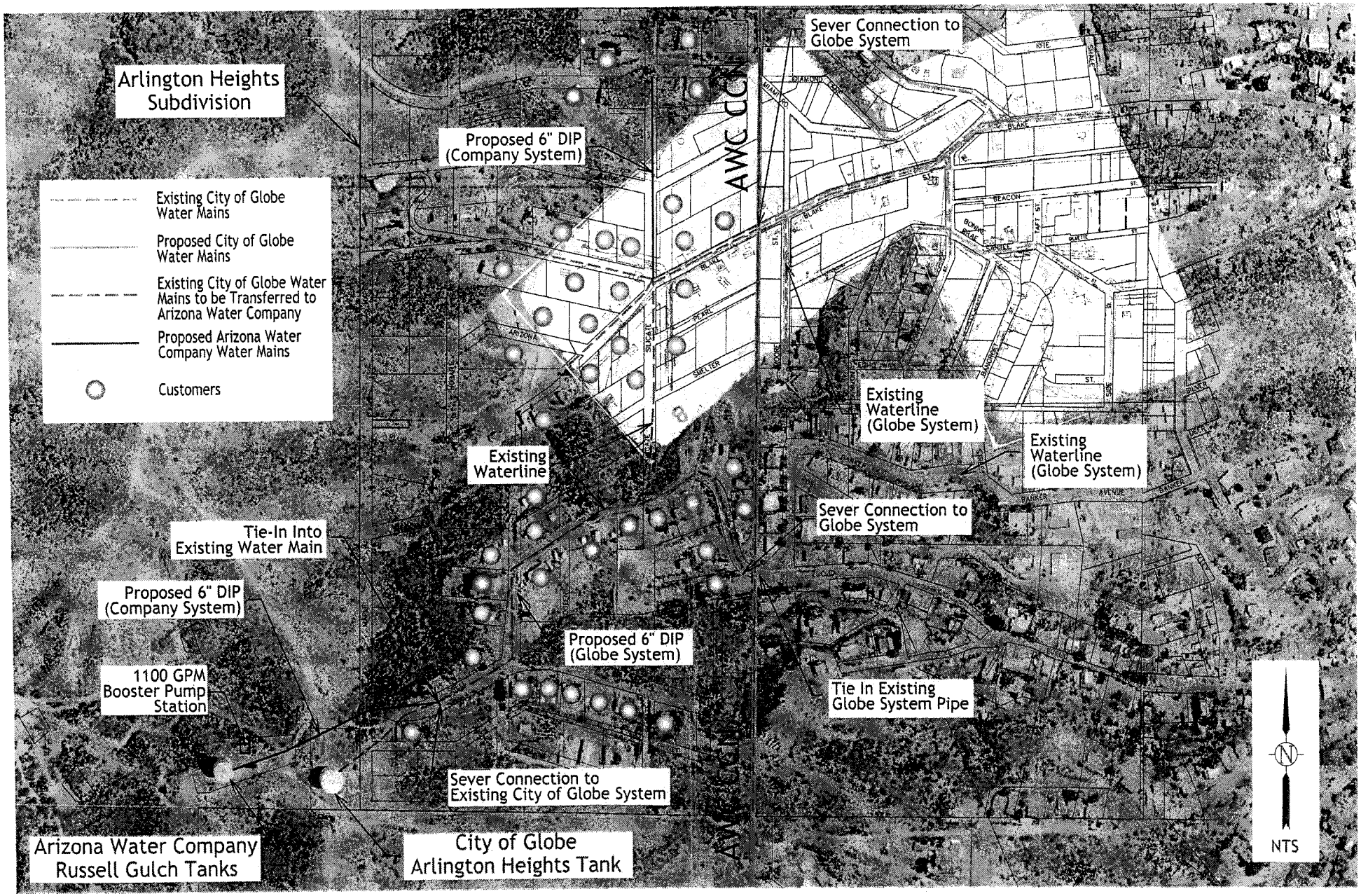
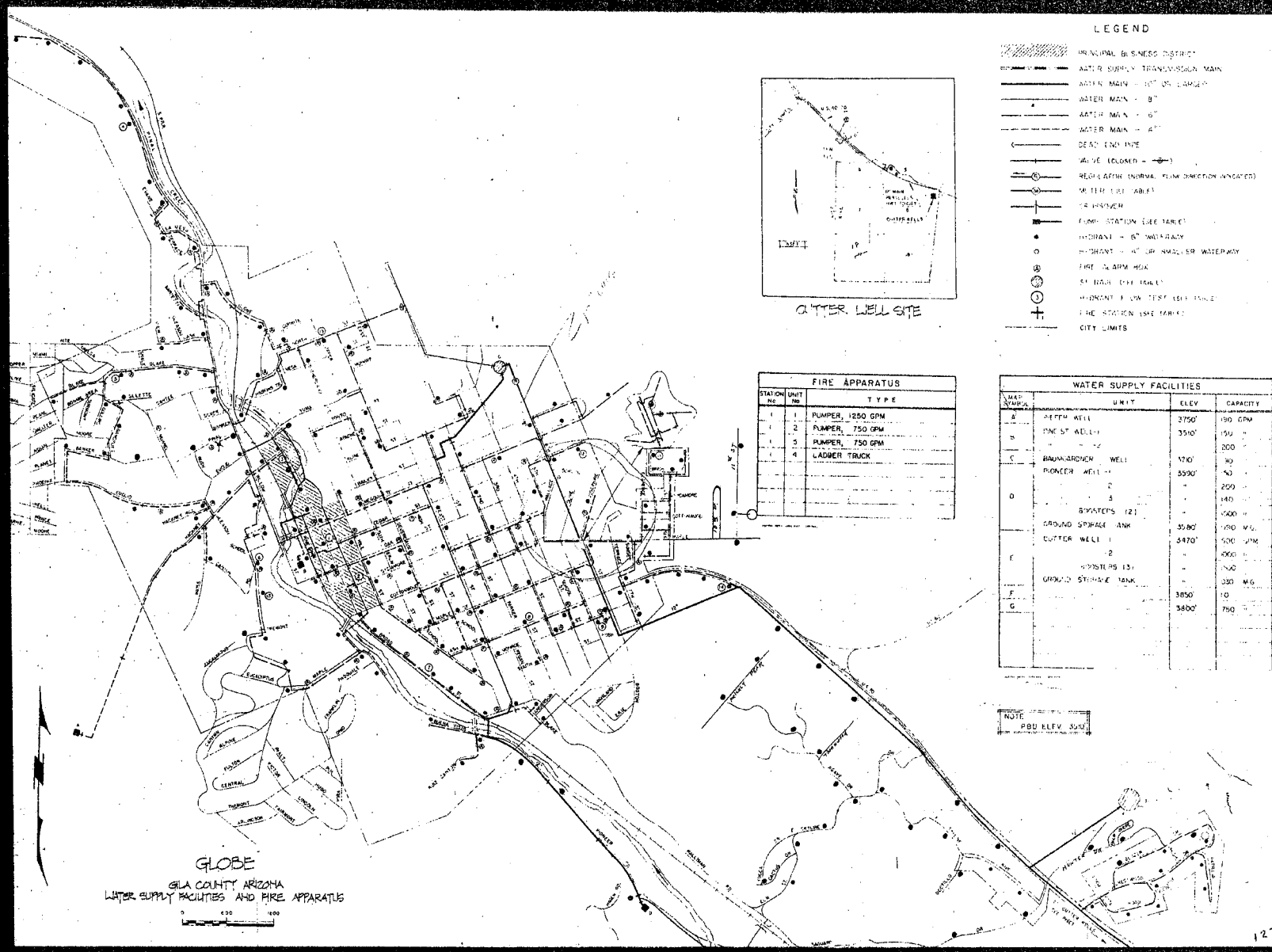

Arlington Heights Subdivision
Existing City of Globe Water Mains
Proposed City of Globe Water Mains
Existing City of Globe Water Mains to be Transferred to Arizona Water Company
Proposed Arizona Water Company Water Mains
Customers
Proposed 6" DIP (Company System)
Sever Connection to Globe System
Existing Waterline
Existing Waterline (Globe System)
Existing Waterline (Globe System)
Sever Connection to Globe System
Tie-In Into Existing Water Main
Proposed 6" DIP (Company System)
Proposed 6" DIP (Globe System)
1100 GPM Booster Pump Station
Tie In Existing Globe System Pipe
Sever Connection to Existing City of Globe System
Arizona Water Company Russell Gulch Tanks
City of Globe Arlington Heights Tank
NTS

Exhibit C, Item 14

City of Globe
1957 Water Service Areas
(Enlargement)



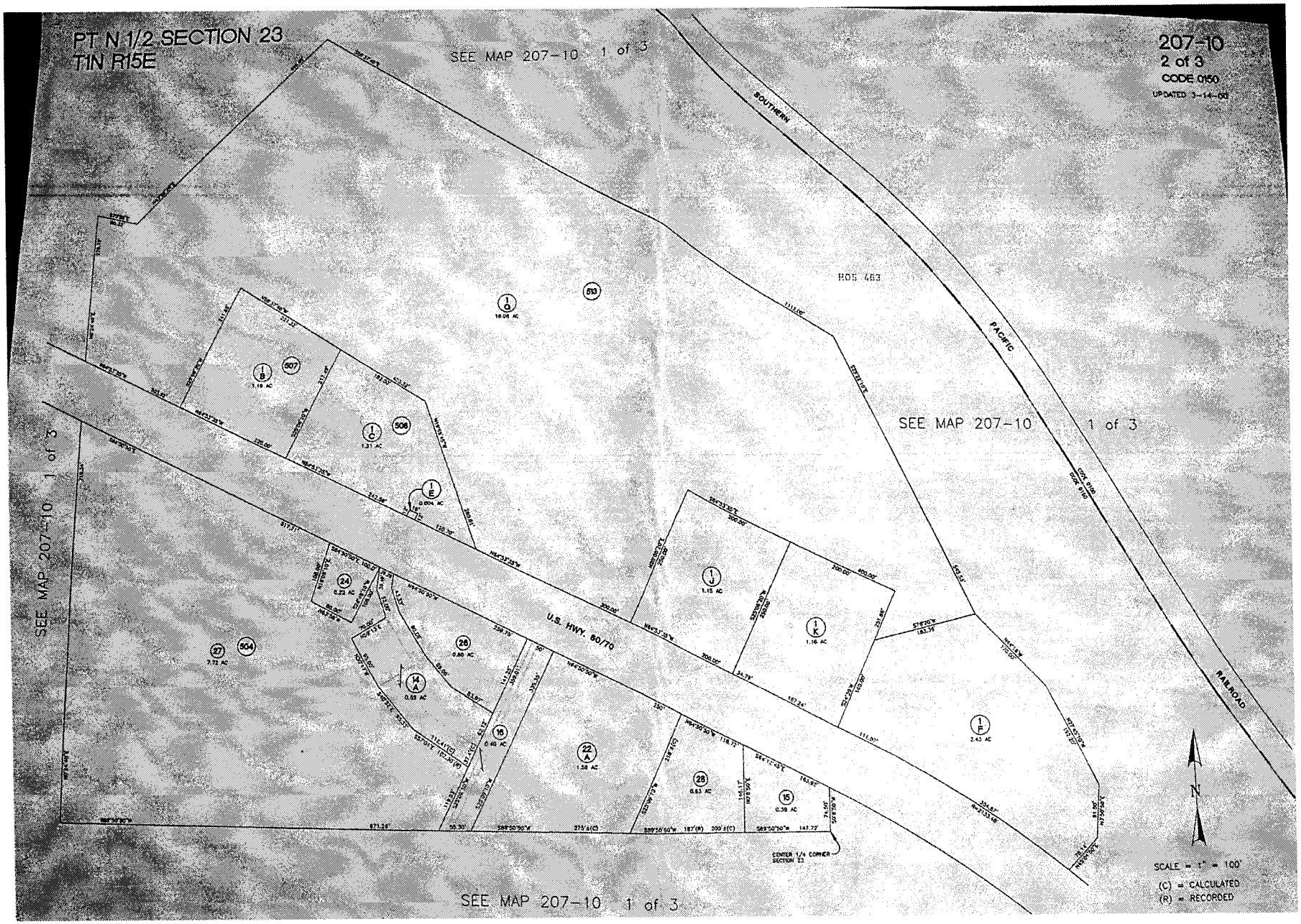
FIRE APPARATUS		
STATION No	UNIT No	TYPE
1	1	PUMPER, 1250 GPM
1	2	PUMPER, 750 GPM
1	3	PUMPER, 750 GPM
1	4	LADDER TRUCK

WATER SUPPLY FACILITIES			
MAP SYMBOL	UNIT	ELEV	CAPACITY
A	PIETER WELL	3750'	190 GPM
B	ONE ST WELL-1	3510'	150 "
	" " -2		200 "
C	BAUMGARDNER WELL	3710'	90
D	PIONEER WELL -1	3590'	150 "
	2	"	200 "
	3	"	140 "
	BOOSTERS (2)	"	1500 "
	GROUND STORAGE TANK	3580'	1190 M.G.
E	CUTTER WELL 1	3470'	500 GPM
	2	"	1000 "
	BOOSTERS (3)	"	1500 "
	GROUND STORAGE TANK	"	1030 M.G.
F		3850'	10
G		3800'	750 "

Exhibit C, Item 15

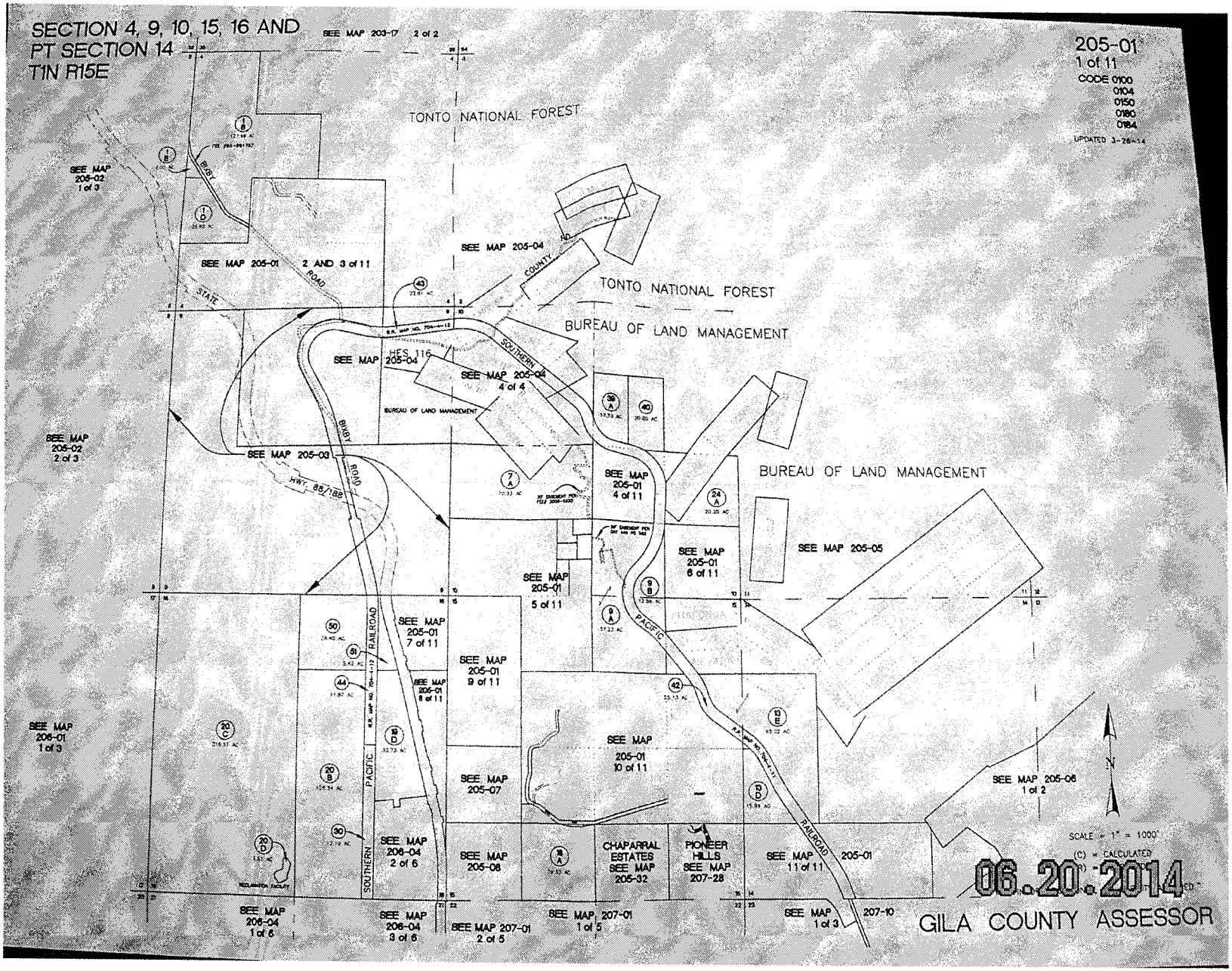
Gila County Assessor tax parcel maps

for the areas in and around the Globe Mobile Home Park


PT N 1/2 SECTION 23
T1N R15E
207-10
2 of 3
CODE 0150
UPDATED 3-14-00
SEE MAP 207-10 1 of 3
SEE MAP 207-10 1 of 3
SEE MAP 207-10 1 of 3
SEE MAP 207-10 1 of 3
SOUTHERN
PACIFIC
RAILROAD
ROS 463
U.S. HWY. 60/70
CENTER 1/4 CORNER SECTION 23
SCALE = 1" = 100'
(C) = CALCULATED
(R) = RECORDED
N

SECTION 4, 9, 10, 15, 16 AND
PT SECTION 14
T1N R15E

205-01
1 of 11
CODE 0100
0104
0150
0180
0184
UPDATED 3-26-14



06.20.2014

GILA COUNTY ASSESSOR

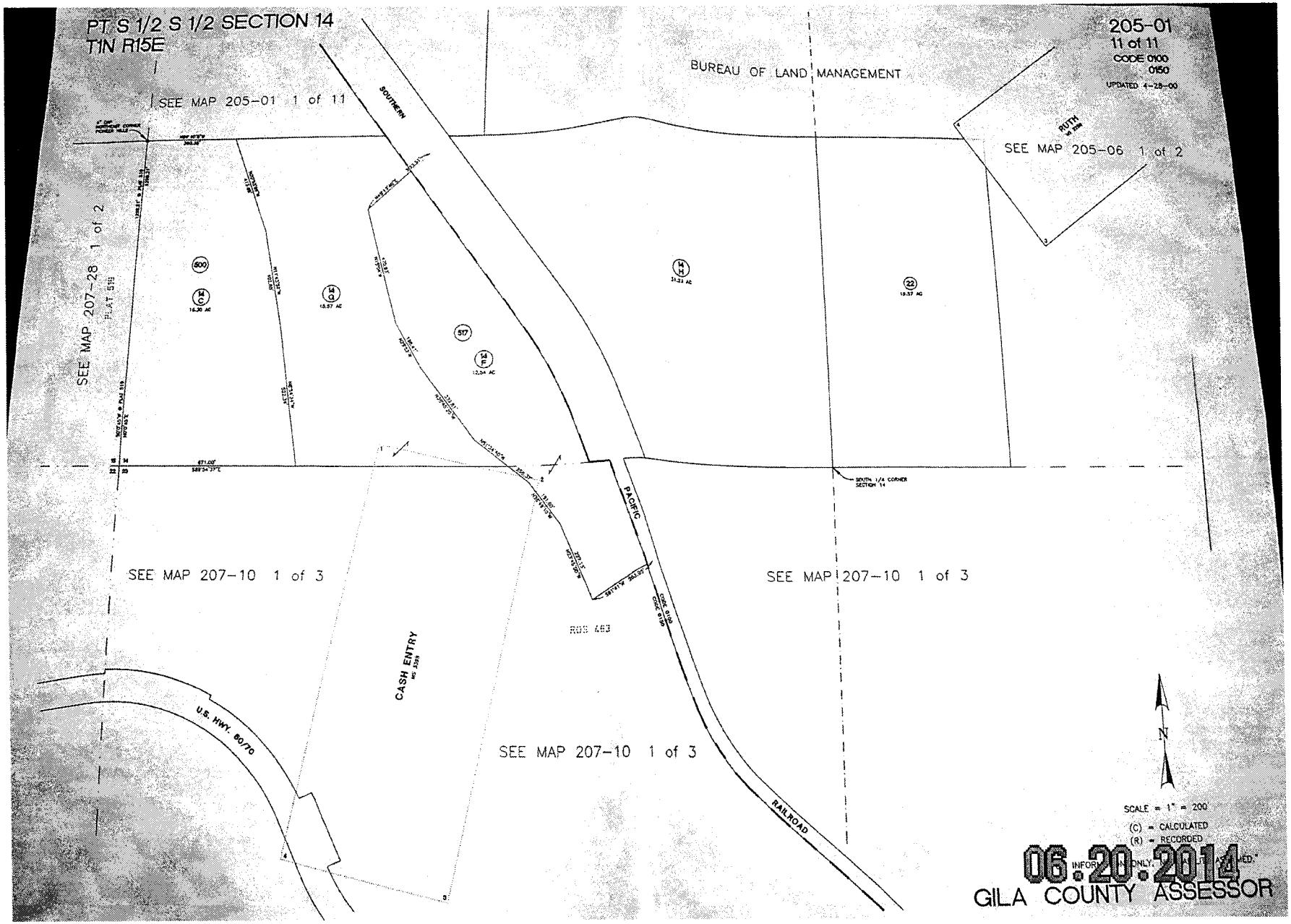

PT S 1/2 S 1/2 SECTION 14
T1N R15E
205-01
11 of 11
CODE 0100
0150
UPDATED 4-28-00
BUREAU OF LAND MANAGEMENT
SEE MAP 205-01 1 of 11
SEE MAP 205-06 1 of 2
SEE MAP 207-28 1 of 2
SOUTHERN
PACIFIC
RAILROAD
SEE MAP 207-10 1 of 3
SEE MAP 207-10 1 of 3
SEE MAP 207-10 1 of 3
CASH ENTRY
U.S. HWY. 60/70
ROS 463
SOUTH 1/4 CORNER SECTION 14
N
SCALE = 1" = 200'
(C) = CALCULATED
(R) = RECORDED
06.20.2014
GILA COUNTY ASSESSOR

Exhibit C, Item 16

Aerial Overlay of Arizona Water's CC&N area (as granted in 1961)

Overlay produced by the
City of Globe, Engineering Department

Map also depicts current Globe City limits
in comparison to the
Arizona Water Company, CC&N area

City of Globe/Arizona Water Company
N
City Limits
AWC Boundary
Globe Mill
Sturgeon
City Limits
AWC Boundary

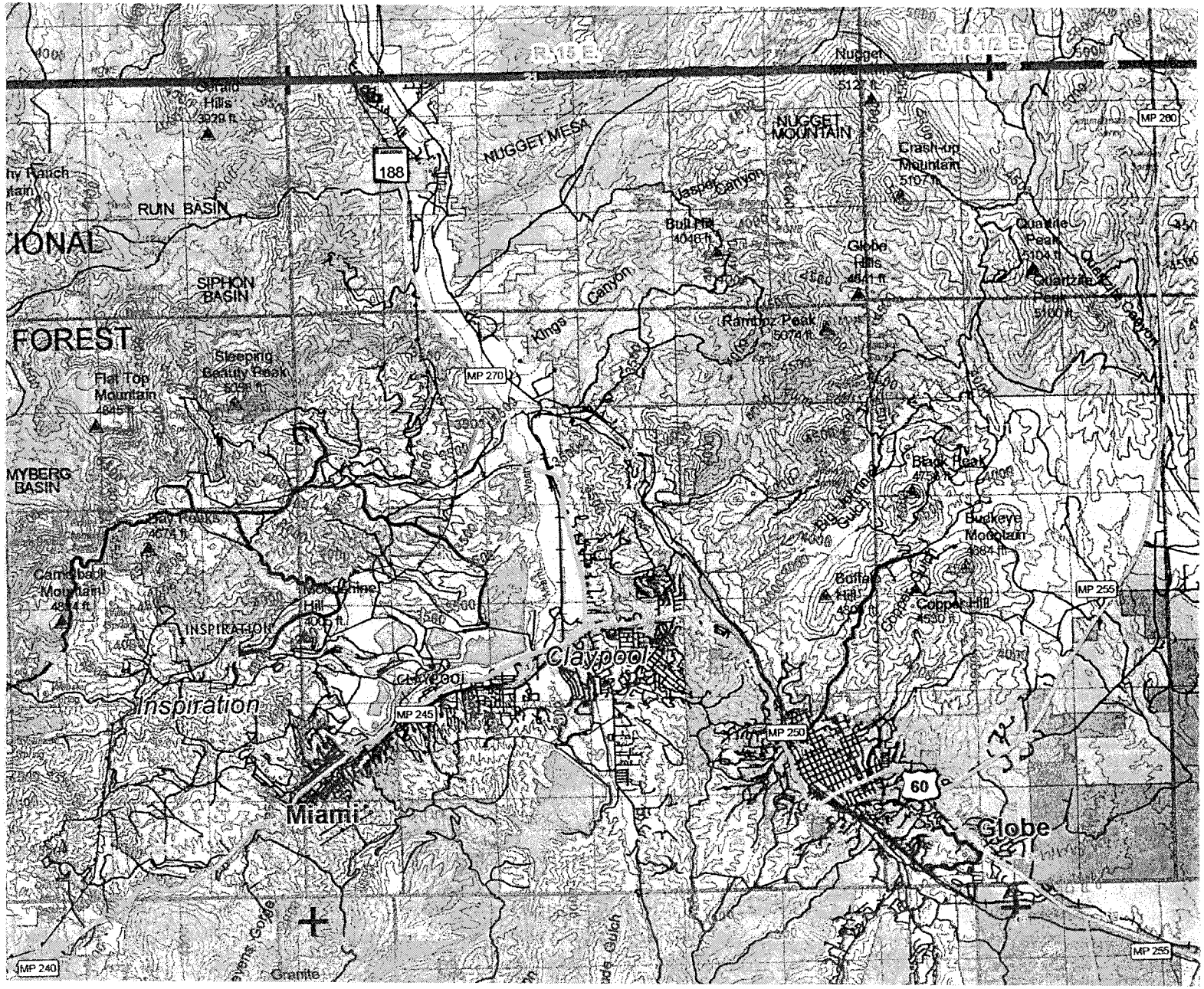
Exhibit C, Item 17

ASLD
Land Use Map
(dated 6-11-2009)

Copy of the current State of Arizona
Land Use Map (GLOBEW).

Also provided is an enlargement of the Arizona Land Use Map depicting the areas of study with labels for Sections/Township and Range.

Map also depicts current Globe City limits
in comparison to the
Arizona Water Company, CC&N area



R 15 E
R 15 1/2 E
Nugget
NUGGET MOUNTAIN
NUGGET MESA
188
Crash-up Mountain
5107 ft
Jasper Canyon
Bull Hill
4046 ft
Globe Hills
Quartzite Peak
5104 ft
Quartzite Peak
5100 ft
Rambuz Peak
5074 ft
Kings Canyon
RUIN BASIN
SIPHON BASIN
FOREST
Sleeping Beauty Peak
Flat Top Mountain
MYBERG BASIN
Black Peak
Buckeye Mountain
Buffalo Hill
Copper Hill
Big Johnnie Gulch
Copper Gulch
Bay Peaks
4674 ft
Camelback Mountain
Moonshine Hill
INSPIRATION
Claypool
CLAYPOOL
Inspiration
Miami
Globe
60
MP 240
MP 245
MP 250
MP 255
MP 260
MP 270
Granite

ADDITIONAL

LARGE LAND USE MAP

INCLUDED IN

HARD COPY REPORT

EXHIBIT C

WATER REPORT

GLOBE, ARIZONA

1957

Mayor
Louis S. Rayes

Aldermen

Tony Chiono
Golden G. Hunsaker
Carl Coppa
James T. Lewis
William J. Merrifield
William N. Sherwood

City Manager
Murray D. Snyder

Water Superintendent
Claude House

JOHN A. CAROLLO
Consulting Engineers
Phoenix, Arizona

PROPERTY OF
CITY OF GLOBE

JOHN A. CAROLLO
Consulting Engineers
3308 North Third St.
Phoenix, Arizona

October 4, 1957

Honorable Mayor and City Council
City of Globe
Globe, Arizona

Gentlemen:

We are sending you herewith 40 copies of our Report on your water works expansion program. After you have had an opportunity to examine the Report, we will be happy to come again to Globe and go over the details of the Report with the Council and the City Manager. We also would be glad to again discuss the program with the Citizens Committee appointed by the Mayor.

We want to take this opportunity of thanking Mr. Murray Snyder, City Manager, and Mr. Claude House, Water Superintendent, for their assistance in providing us with the data that has been collected in the past, and in going over the water works problem with us. We wish to also thank Mr. Creed Troutman, Chairman of the Citizens Committee, and all the members who gave their time in helping us prepare this Report.

Respectfully submitted,

JOHN A. CAROLLO
Consulting Engineers

John A. Carollo

John A. Carollo

JAC:ijs

WATER REPORT

GLOBE, ARIZONA

1957

Mayor
Louis S. Rayes

Aldermen

Tony Chiono
Golden G. Hunsaker
Carl Coppa
James T. Lewis
William J. Merrifield
William N. Sherwood

City Manager
Murray D. Snyder

Water Superintendent
Claude House

JOHN A. CAROLLO
Consulting Engineers
Phoenix, Arizona

CITY OF GLOBE, ARIZONA

WATER REPORT

It is not the intent of this Report to criticize Yost and Gardner's Water Report for the City of Globe. All basic data as set forth in Yost and Gardner's Report are accepted. We disagree with some of the conclusions of their Report in regard to the main transmission line and required elevated storage.

Yost and Gardner's population and water production requirements are shown on page 9 of their Report. The tabular data are as follows:

TABLE A

REQUIRED WATER PRODUCTION

Year	Population Excluding Transients	Average Day MGD	Max. Day MGD	Max. Hour MGD	Fire Flow Req'd Rate for 10 Hrs.	Rate-Max. Day Plus Fire Flow
1956-57	7,400 +	0.67	1.3 Est	2.5 Est	3.89	5.20
1960	8,100 Min.	0.81	1.86	3.64	4.05	5.91
	11,700 Max.	1.17	2.69	5.27	4.85	7.54
1970	10,400 Min.	1.04	2.39	4.68	4.58	6.97
	15,000 Max.	1.50	3.45	6.75	5.46	8.91
1980	12,500 Min.	1.25	2.88	5.63	5.00	7.88
	17,500 Max.	1.75	4.02	7.88	5.87	9.89

The data indicates that by 1980 the maximum population served will be 17,500; the maximum yearly average water consumption, 1.75 million gallons per day; and the maximum daily water consumption, 4.02 million gallons per day.

The Report recommends immediate installation, without purchase of any outside water utilities, of a 500 gallon per minute pump in the

existing 12-inch U.S.F.S. well, and the drilling of a new 16-inch well equipped with an 800 gallon per minute pump.

The 500 gallon per minute pump will supply 720,000 gallons per day. This amount added to the existing 1.4 million gallons per day sustained capacity (shown on page 10 of the Yost and Gardner Report) equals 2.12 million gallons per day, or more than enough to meet the average day demand of 1.75 million gallons per day for 17,500 people, the forecasted maximum population. Also, this quantity of 2.12 million gallons per day would be enough to meet the daily demand for 75% of the year in 1980 for the maximum population of 17,500. The 800 gallon per minute pump will supply, together with the existing pumps, 2.55 million gallons per day, or enough to meet the daily demand for 88% of the year in 1980 for the maximum population of 17,500. The two pumps working together with the existing pumps will meet the average demand for the peak week in 1980 for the maximum population of 17,500.

A summary of the above information is contained in the following table:

TABLE B

PERCENT OF TIME - SUPPLY VERSUS DEMAND

Existing Sustained Capacity MGD	Proposed New Pumping Capacity MGD	Total Capacity MGD	% of Year That Supply Meets Demand in 1980	% of Year Supply Does Not Meet Demand(1980)
1.4		1.4	25	75
1.4	0.72 (500 GPM)	2.12	75	25
1.4	1.15 (800 GPM)	2.55	88	12
1.4	1.87(1300 GPM)	3.27	98	2

Plate No. 1 indicates the percent of time any given pumping rate, expressed in a percentage of the yearly average water consumption, occurs.

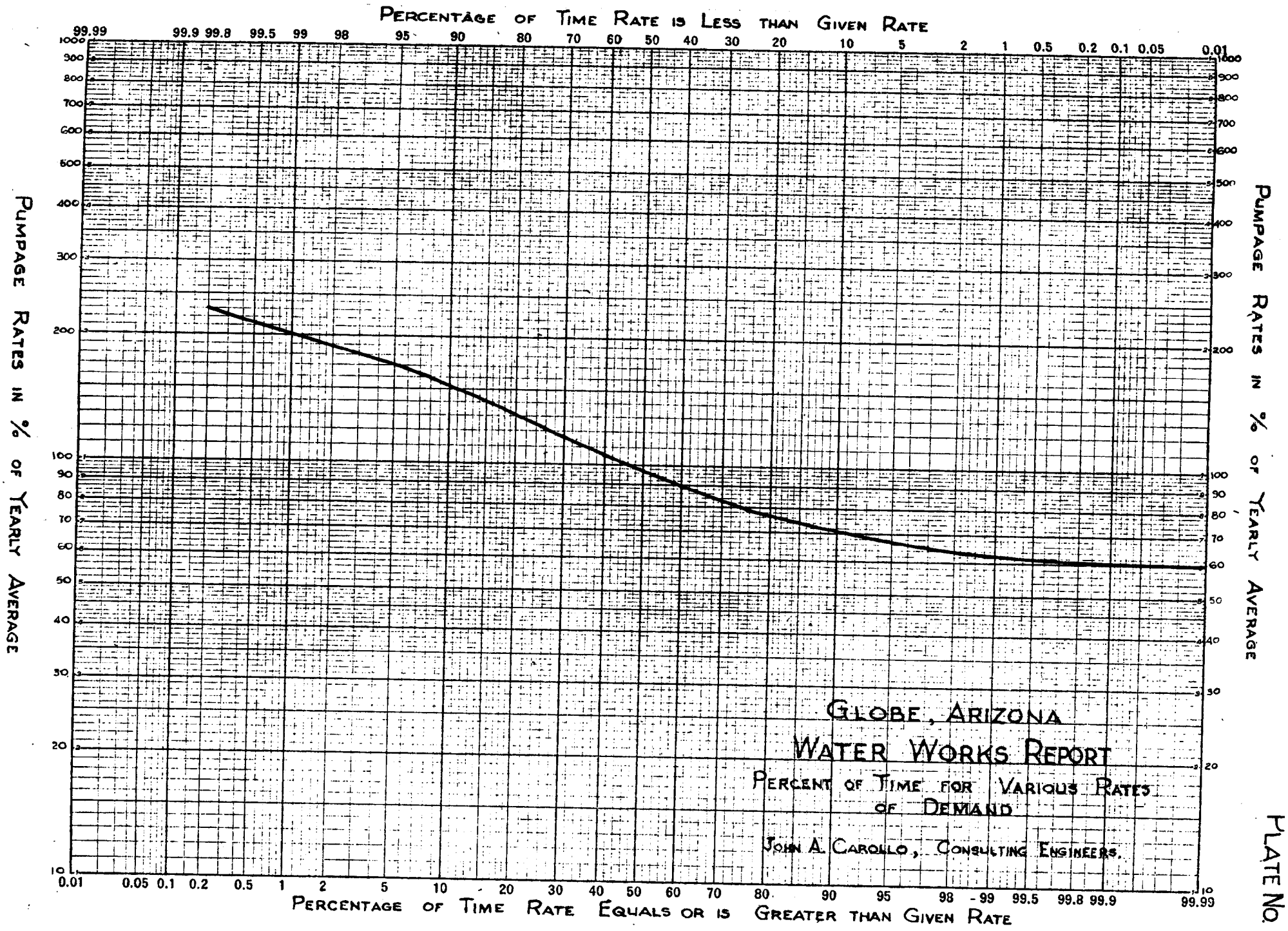

Percentage of Time Rate is Less than Given Rate
99.99 99.9 99.8 99.5 99 98 95 90 80 70 60 50 40 30 20 10 5 2 1 0.5 0.2 0.1 0.05 0.01
Pumpage Rates in % of Yearly Average
1000 900 800 700 600 500 400 300 200 100 90 80 70 60 50 40 30 20 10
Pumpage Rates in % of Yearly Average
Globe, Arizona
Water Works Report
Percent of Time for Various Rates of Demand
John A. Carollo, Consulting Engineers.
0.01 0.05 0.1 0.2 0.5 1 2 5 10 20 30 40 50 60 70 80 90 95 98 99 99.5 99.8 99.9 99.99
Percentage of Time Rate Equals or is Greater than Given Rate

Plate No. 1

It will be noted that for only 2% of the time, or approximately six days out of the year, will the demand exceed the supply for 17,500 people in 1980.

A comparison of initial costs, pumping power costs, and savings are shown in the following tables, based on pumping from the new well field to the existing tanks only when the existing sustained capacity cannot meet the demand. The existing sustained capacity can meet the 1980 demand for 25% of the time.

TABLE C

INITIAL COST OF PIPE LINE

Size Pipe Inches	Length Lin.Ft.	Cost per Foot	Total Cost
12	25,000	$ 6.30	$157,500
14	25,000	8.20	205,000
16	25,000	10.00	250,000

TABLE D

PUMPING HEADS

Pumping Rate GPM	Static Lift		Friction Loss for 25,000 L.F. of Pipe			Total Lift		
	Out of Well*	Booster to Tank*	12"	14"	16"	12"	14"	16"
500	535	324	17.5	9	4	876	868	863
800	535	324	41.8	20	10	901	879	869
1300	535	324	103.0	49	25	962	908	884

*Taken from S. F. Turner and Yost and Gardner Reports.

Ground surface elevation at wells	3485
Static water elevation	3018
Difference	467
Long term draw down, 2 wells (Page 6, Turner Report)	68
Total lift out of well	535
Reservoir working elevation	3809
Elevation of Booster Station ground	3485
	324

TABLE E

PUMPING COST

Based on continuous pump operation in 1980 and power cost of 2.1¢* per kilowatt hour.

Pump Capacity GPM	12" Pipe			14" Pipe			16" Pipe		
	Total Lift	Kw Hrs. per Yr.	Cost per Year	Total Lift	Kw Hrs. per Yr.	Cost per Year	Total Lift	Kw Hrs. per Yr.	Cost per Year
500	876	1,035,958	$21,755.12	868	1,026,509	$21,556.69	863	1,020,584	$21,432.26
800	901	1,704,836	35,801.56	879	1,663,211	34,927.43	869	1,644,287	34,530.02
1300	962	2,957,919	62,116.30	908	2,791,882	58,629.52	884	2,718,088	57,079.85

*Deduced from Appendix V-c, Yost and Gardner Report.

TABLE F

PUMPING COST

Based on time pumps are in operation in 1980 and power cost of 2.1¢ per kilowatt hour.
(1.4 MGD from existing City pumps good for 25 percent of time in 1980)

Pumping Rate GPM	% of Year Rate Applies	Cost Based on Use of 12" Pipe	Cost Based on Use of 14" Pipe	Cost Based on Use of 16" Pipe
500	50	$10,877.56	$10,778.34	$10,716.13
800	13	4,654.20	4,540.57	4,488.90
1300	12	7,453.96	7,035.54	6,849.58
Total	75	$22,985.72	$22,354.45	$22,054.61

CLORF00471

TABLE G

PENALTY IN PUMPING COSTS OF 12" AND 14" OVER 16" PIPE LINE

Size Pipe	Penalty in Yearly Pumping Costs for 12" & 14" Pipe in 1980	Average Yearly Penalty in Pumping Costs for 12" & 14" Pipe from 1958 to 1980	Total Penalty for 22-Year Period
12	$931	$465	$10,230
14	300	150	3,300

TABLE H

PRINCIPAL AND INTEREST SAVINGS ON INITIAL COST OF PIPE LINES

Size Pipe	First Cost Pipe Line	Annual Payments to Discharge Debt in 22 Years at 4½% Interest	Total Cost 22 Years	Savings in Total Cost of 12" & 14" Over 16"
12	$157,500	$11,419	$251,200	$147,600
14	205,000	14,863	327,000	71,800
16	250,000	18,125	398,800	-

TABLE I

SAVINGS IN TOTAL COSTS OF 12" AND 14" OVER 16" PIPE LINE

Size Pipe	Savings in Retirement Cost	Pumping Cost Penalty	Net Savings in 22 Years
12	$147,600	$10,230	$137,170
14	71,800	3,300	68,500

Additional power cost for pumping through a 12-inch line is more than offset by the interest on the savings of the first cost for installing a 12-inch line. Therefore, a 12-inch pipe is the largest pipe from the U.S.F.S. well to the existing 720,000 gallon storage tank that can be justified, even if it is assumed that there will be 17,500 people served water by the City of Globe in 1980.

The preceding tables and information are all based on the supposition that the existing sustained capacity for water production will be used as the primary source of supply. The following tables have been developed to show the effect on power cost if the U.S.F.S. well field is used as the primary source for short periods of time.

TABLE J

PERCENT OF TIME - SUPPLY VERSUS DEMAND

Existing Sustained Capacity MGD	Proposed New Pumping Capacity MGD	Total Capacity MGD	% of Year That Supply Meets Demand in 1980	% of Year Supply Does Not Meet Demand(1980)
	0.72 (500 GPM)	0.72	0	100
	1.15 (800 GPM)	1.15	5	95
	1.87 (1300 GPM)	1.87	62	38
1.4	1.87	3.27	98	2

TABLE K

PUMPING COST

Based on time pumps are in operation in 1980 and power cost of 2.1¢ per kilowatt hour

Pumping Rate GPM	% of Year Rate Applies	Cost Based on Use of 12" Pipe	Cost Based on Use of 14" Pipe	Cost Based on Use of 16" Pipe
500	0	$ -	$ -	$ -
800	5	1,790.07	1,746.37	1,726.50
1300	95	59,010.49	55,698.05	54,225.86
Total	100	$60,800.56	$57,444.42	$55,952.36

TABLE L

PENALTY IN PUMPING COSTS
OF 12" AND 14" OVER 16" PIPE LINE

Size Pipe	Penalty in Yearly Pumping Costs for 12" & 14" Pipe in 1980	Average Yearly Penalty in Pumping Costs for 12" & 14" Pipe from 1958 to 1980	Total Penalty for 22-Year Period
12	$4,848	$2,424	$53,328
14	1,492	746	16,412

The savings in total costs of a 12-inch pipe line over a 16-inch pipe line with this pumping procedure would be $147,600 less $53,328, or $94,272 instead of $137,170.

The Yost and Gardner Report on page 12 states, "Additional storage on the order of 3 million gallons or more could finally be provided in town to meet future fire flow demands. It would be wise to finally provide at least one maximum day's use in storage under any event." On page 9 in the table quoted previously, Yost and Gardner state that the maximum day plus fire flow equal 5.2 and 5.91 million gallons per day for 1956-57 and 1960, respectively. This rate is supposed to be maintained for 10 hours. If the present firm well capacity is 1.4 million gallons per day, and if a 500 and an 800 gallon per minute well are added, the total equals 3.27 gallons per day rate. The deficiency to be made up from storage is 1.93 to 2.64 million gallons per day rate for 10 hours. At 1.93 million gallons per day rate, 804,000 gallons storage are needed now in 1956-57 and 1,100,000 gallons storage will be needed by 1960. So by using the

data compiled on pages 9 and 11 of the Yost and Gardner Report, the 750,000 gallon reservoir is not large enough for fire protection at present. This is particularly true if it is assumed that the tank is not full at the time of a fire. By 1960 a deficiency in storage of about 500,000 gallons would be experienced if no storage is added now. The lack of storage directly affects the insurance rate of property owners within the present City limits. One million gallons of storage can be built in Globe for about $43,000.

A change from 16-inch to 12-inch pipe from the well field to the existing tank, and the addition of one million gallons of high level storage can be built for about $390,000. The plan, including one million gallons of added storage, provides storage needed now for fire protection compared to the plan including a 16-inch transmission main and no additional storage.

The preceding comparisons have been made on the basis of a maximum population served in 1980 of 17,500, as assumed in the Yost and Gardner Report. Perhaps a more realistic evaluation of growth of the City of Globe would be obtained if it were assumed that it would be on a median curve, between the minimum and maximum curve, as shown in Yost and Gardner's Report. This would place its population at 15,000, or approximately double its present population by 1980. The following tables have been prepared to illustrate the supply and demand factors in the year 1980 based on a population of 15,000.

TABLE M

REQUIRED WATER PRODUCTION

Year	Population Excluding Transients	Average Day MGD	Max. Day MGD	Max. Hour MGD	Fire Flow Req'd Rate for 10 Hrs.	Rate-Max. Day Plus Fire Flow
1980	15,000	1.50	3.45	6.75	5.46	8.91

TABLE N

PERCENT OF TIME - SUPPLY VERSUS DEMAND

Existing Sustained Capacity MGD	Proposed New Pumping Capacity MGD	Total Capacity MGD	% of Year That Supply Meets Demand in 1980	% of Year Supply Does Not Meet Demand(1980)
1.4		1.4	60	40
1.4	0.72 (500 GPM)	2.12	88	12
1.4	1.15 (800 GPM)	2.55	95	5
1.4	1.87 (1300 GPM)	3.27	99.5	0.5

It will be noted that for only 0.5% of the time, or approximately a little over one day out of the year, will the demand exceed the supply; so for all practical purposes, and taking into account the additional elevated storage, it may be considered that the supply meets the demand 100% of the time.

The following table is based on Tables E and N and on pumping from the well field to the tanks only when the existing sustained capacity cannot meet the demand.

TABLE O

PUMPING COST

Based on time pumps are in operation in 1980
and power cost of 2.1¢ per kilowatt hour
(1.4 MGD from existing City pumps good for 60% of the time in 1980)

Pumping Rate GPM	% of Year Rate Applies	Cost Based on Use of 12" Pipe	Cost Based on Use of 14" Pipe	Cost Based on Use of 16" Pipe
500	28	$ 6,091.43	$ 6,035.87	$ 6,001.03
800	7	2,506.11	2,444.92	2,417.10
1300	5	3,105.81	2,931.48	2,853.99
Total	40	$11,703.35	$11,412.27	$11,272.12

TABLE P

PENALTY IN PUMPING COSTS
OF 12" AND 14" OVER 16" PIPE LINE

Size Pipe	Penalty in Yearly Pumping Costs for 12" & 14" Pipe in 1980	Average Yearly Penalty in Pumping Costs for 12" & 14" Pipe from 1958 to 1980	Total Penalty for 22-Year Period
12	$431	$215	$4,730
14	140	70	1,540

TABLE Q

PRINCIPAL AND INTEREST SAVINGS
ON INITIAL COST OF PIPE LINES

Size Pipe	First Cost Pipe Line	Annual Payments to Discharge Debt in 22 Years at 4½% Interest	Total Cost 22 Years	Savings in Total Cost of 12" & 14" Over 16"
12	$157,500	$11,419	$251,200	$147,600
14	205,000	14,863	327,000	71,800
16	250,000	18,125	398,800	-

TABLE R

SAVINGS IN TOTAL COSTS
OF 12" AND 14" OVER 16" PIPE LINE

Size Pipe	Savings in Retirement Cost	Pumping Cost Penalty	Net Savings in 22 Years
12	$147,600	$4,730	$142,870
14	71,800	1,540	70,260

By examining the above tables, it is apparent that the 12-inch transmission main is the largest size justifiable.

On Maps A, B, C, and D we have illustrated fourteen alternate ways of improving the City of Globe's water supply from wells on Forest Service land east of Globe. The estimate of cost for each alternate is tabulated on the appropriate map.

Two routes from the wells to the City reservoir have been considered, one along U. S. Highway 70 and the second along U. S. 70 to the Southern Pacific Railway and then following the railroad to the existing booster station and then to the existing reservoir.

The estimates cover both 12- and 16-inch transmission mains, and both a booster station near the new well and near the present booster station.

The estimates cover a one million gallon reservoir at Crestline and near the U. S. 60 turn-off.

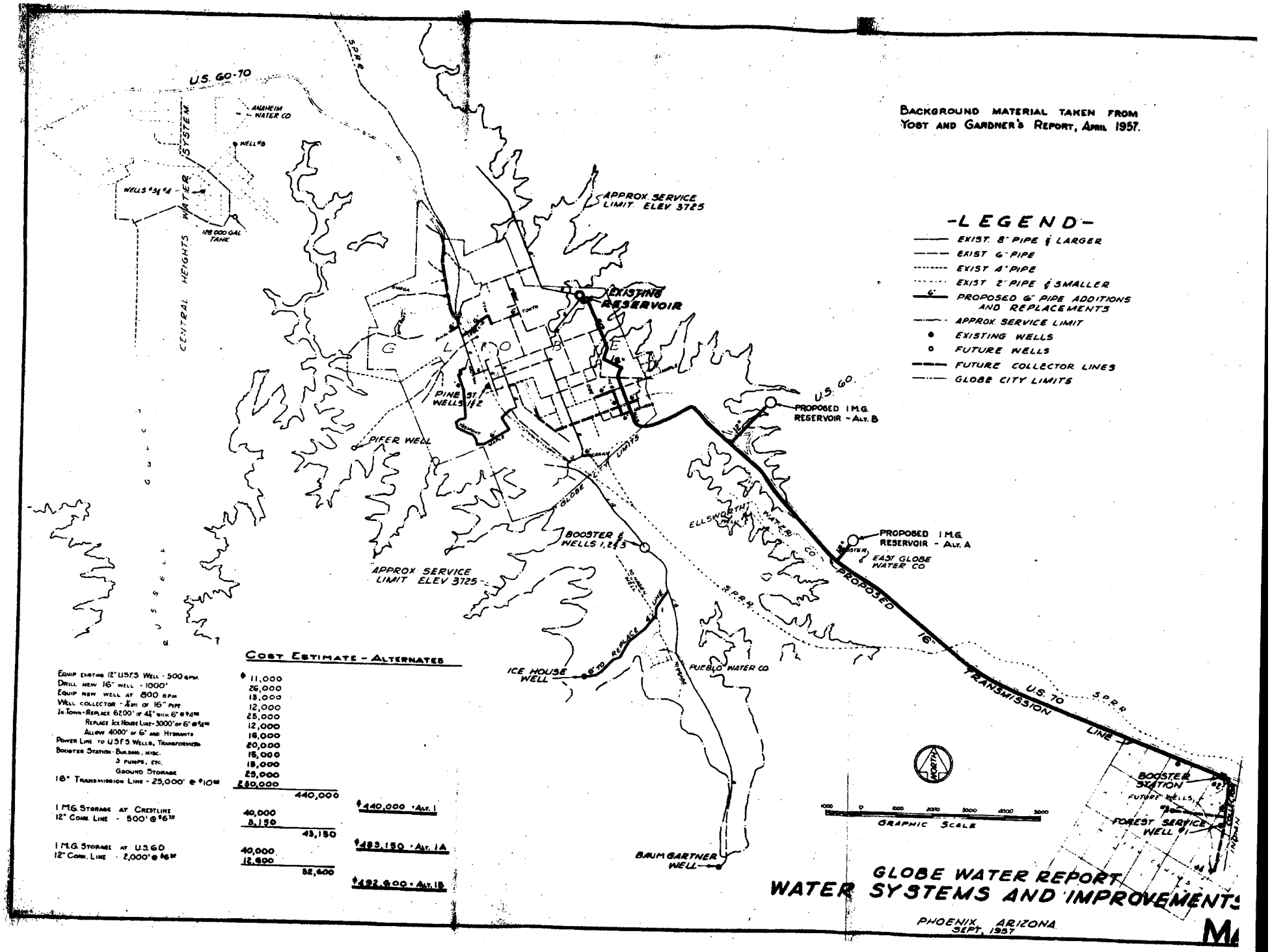
Table S lists the plans in order of their cost.

TABLE S

Alternate Plan	Cost Estimate	Description: Size Line	Ground Storage Located	Booster Station Located	Route
6	$342,840	12"	None	Well No. 1	SPRR
4	347,500	12"	None	USFS Well Field	US 70
5	357,640	12"	None	USFS Well Field	SPRR
4A	390,650	12"	Crestline	USFS Well Field	US 70
4B	400,100	12"	US 60	USFS Well Field	US 70
6A	411,190	12"	US 60	Well No. 1	SPRR
5A	425,990	12"	US 60	USFS Well Field	SPRR
3	435,200	16"	None	Well No. 1	SPRR
1	440,000	16"	None	USFS Well Field	US 70
2	450,000	16"	None	USFS Well Field	SPRR
1A	483,150	16"	Crestline	USFS Well Field	US 70
1B	492,600	16"	US 60	USFS Well Field	US 70
3A	503,550	16"	US 60	Well No. 1	SPRR
2A	518,350	16"	US 60	USFS Well Field	SPRR

We believe that one million gallons of storage should be constructed now, and that a 12-inch supply line is as large as is justified.

Table S shows that Plan 4A is the lowest cost plan that meets the above requirement. The cost of Plan 4A is $390,650.



BACKGROUND MATERIAL TAKEN FROM YOST AND GARDNER'S REPORT, APRIL 1957.
-LEGEND-
EXIST. 8" PIPE & LARGER
EXIST 6" PIPE
EXIST 4" PIPE
EXIST 2" PIPE & SMALLER
PROPOSED 6" PIPE ADDITIONS AND REPLACEMENTS
APPROX. SERVICE LIMIT
EXISTING WELLS
FUTURE WELLS
FUTURE COLLECTOR LINES
GLOBE CITY LIMITS
U.S. 60-70
ANAHEIM WATER CO
WELL #8
WELLS #3 & #4
128,000 GAL TANK
CENTRAL HEIGHTS WATER SYSTEM
S.P.R.R.
APPROX. SERVICE LIMIT ELEV. 3725
EXISTING RESERVOIR
PINE ST. WELLS 1 & 2
PIFER WELL
GLOBE CITY LIMITS
U.S. 60
PROPOSED 1 M.G. RESERVOIR - ALT. B
ELLSWORTH WATER CO
PROPOSED 1 M.G. RESERVOIR - ALT. A
EAST GLOBE WATER CO
BOOSTER & WELLS 1, 2 & 3
APPROX SERVICE LIMIT ELEV 3725
PROPOSED 16" TRANSMISSION LINE
U.S. 70
S.P.R.R.
ICE HOUSE WELL
6" TO REPLACE 4" LINE
PUEBLO WATER CO
BAUMGARTNER WELL
BOOSTER STATION
FUTURE WELLS
FOREST SERVICE WELL #1
NORTH
GRAPHIC SCALE
1000 0 1000 2000 3000 4000 5000
COST ESTIMATE - ALTERNATES
EQUIP EXISTING 12" U.S.F.S. WELL - 500 GPM. $11,000
DRILL NEW 16" WELL - 1000' 26,000
EQUIP NEW WELL AT 800 GPM 13,000
WELL COLLECTOR - 1/4 MI OF 16" PIPE 12,000
IN TOWN - REPLACE 6200' OF 4 1/4" WITH 6" @ $4.00 25,000
REPLACE ICE HOUSE LINE - 3000' OF 6" @ $4.00 12,000
ALLOW 4000' OF 6" AND HYDRANTS 16,000
POWER LINE TO U.S.F.S. WELLS, TRANSFORMERS 20,000
BOOSTER STATION - BUILDING, MISC. 15,000
3 PUMPS, ETC. 15,000
GROUND STORAGE 25,000
16" TRANSMISSION LINE - 25,000' @ $10.00 250,000
440,000
$440,000 - ALT. 1
1 M.G. STORAGE AT CRESTLINE 40,000
12" CONN. LINE - 500' @ $6.70 3,150
43,150
$483,150 - ALT. 1A
1 M.G. STORAGE AT U.S. 60 40,000
12" CONN. LINE - 2,000' @ $6.00 12,600
52,600
$492,600 - ALT. 1B
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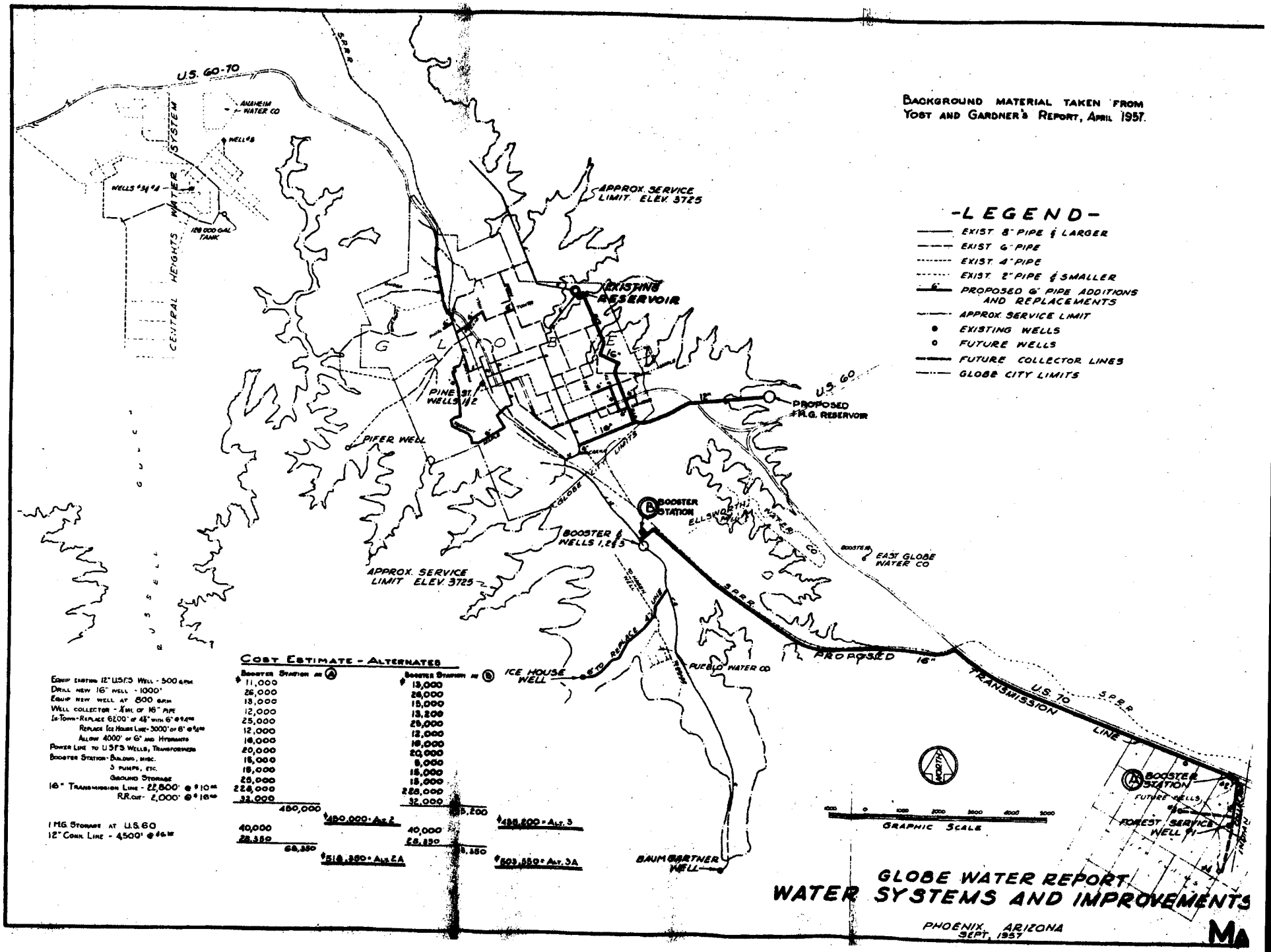
PHOENIX, ARIZONA
SEPT. 1957

GL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EXIST. 8" PIPE & LARGER
EXIST. 6" PIPE
EXIST. 4" PIPE
EXIST. 2" PIPE & SMALLER
PROPOSED 6" PIPE ADDITIONS AND REPLACEMENTS
APPROX. SERVICE LIMIT
EXISTING WELLS
FUTURE WELLS
FUTURE COLLECTOR LINES
GLOBE CITY LIMITS
U.S. 60-70
ANAHEIM WATER CO
WELL #8
WELLS #3 & 4
120,000 GAL TANK
CENTRAL HEIGHTS WATER SYSTEM
S.P.R.R.
APPROX. SERVICE LIMIT ELEV. 3725
EXISTING RESERVOIR
PINE ST. WELLS 1 & 2
PIFER WELL
U.S. 60
PROPOSED 1 M.G. RESERVOIR
GLOBE CITY LIMITS
BOOSTER STATION
ELLSWORTH WATER CO
BOOSTER & WELLS 1, 2 & 3
APPROX. SERVICE LIMIT ELEV. 3725
EAST GLOBE WATER CO
ICE HOUSE WELL
6" TO REPLACE 4" LINE
PUEBLO WATER CO
PROPOSED 16" TRANSMISSION LINE
U.S. 70
S.P.R.R.
BOOSTER STATION
FUTURE WELLS
FOREST SERVICE WELL #1
BAUMGARTNER WELL
GRAPHIC SCALE
NORTH
COST ESTIMATE - ALTERNATES
Booster Station at (A) | Booster Station at (B)
Equip existing 12" USFS Well - 500 GPM: $11,000 | $13,000
Drill new 16" well - 1000': 26,000 | 26,000
Equip new well at 800 GPM: 13,000 | 15,000
Well collector - 4 mi. of 16" pipe: 12,000 | 13,200
In-Town - Replace 6200' of 4" with 6" @ $4.00: 25,000 | 29,000
Replace Ice House Line - 3000' of 6" @ $4.00: 12,000 | 12,000
Allow 4000' of 6" and Hydrants: 16,000 | 16,000
Power Line to USFS Wells, Transformers: 20,000 | 20,000
Booster Station - Building, misc.: 15,000 | 5,000
3 pumps, etc.: 18,000 | 15,000
Ground Storage: 25,000 | 15,000
16" Transmission Line - 22,800' @ $10.00: 228,000 | 228,000
R.R. cut - 2,000' @ $16.00: 32,000 | 32,000
450,000 | 455,200
$450,000 - Alt. 2 | $455,200 - Alt. 3
1 M.G. Storage at U.S. 60: 40,000 | 40,000
12" Conn. Line - 4,500' @ $6.00: 28,350 | 28,350
68,350 | 68,350
$518,350 - Alt. 2A | $523,550 - Alt. 3A
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SEPT. 1957

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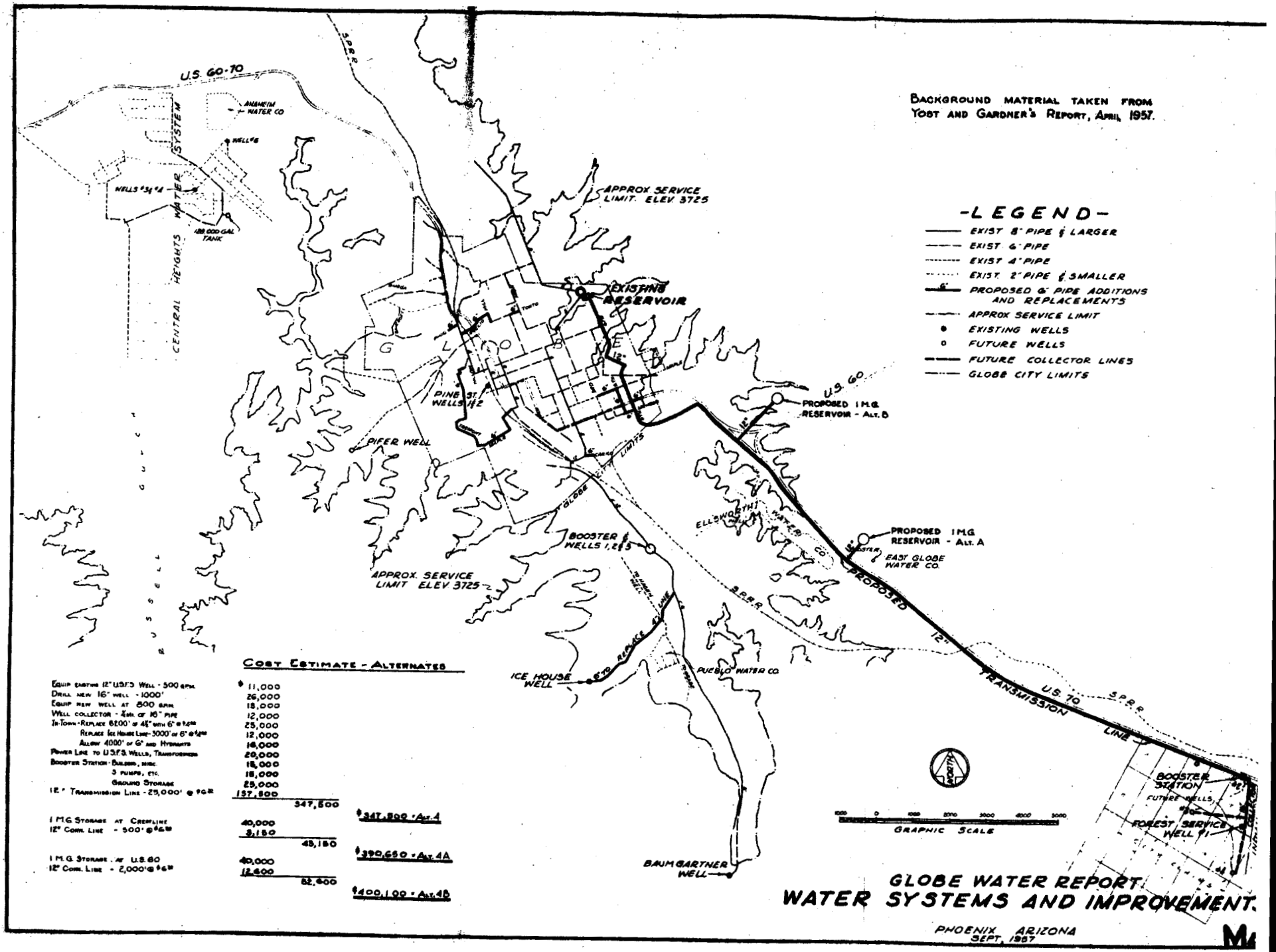
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EXIST 6" PIPE
EXIST 4" PIPE
EXIST 2" PIPE & SMALLER
PROPOSED 6" PIPE ADDITIONS AND REPLACEMENTS
APPROX SERVICE LIMIT
EXISTING WELLS
FUTURE WELLS
FUTURE COLLECTOR LINES
GLOBE CITY LIMITS
U.S. 60-70
ANAHEIM WATER CO
WELL #6
WELLS #3 & #4
128,000 GAL TANK
CENTRAL HEIGHTS WATER SYSTEM
S.P.R.R.
APPROX SERVICE LIMIT ELEV 3725
EXISTING RESERVOIR
GLOBE
PINE ST. WELLS 1 & 2
PIFER WELL
U.S. 60
PROPOSED 1 M.G. RESERVOIR - ALT. B
PROPOSED 1 M.G. RESERVOIR - ALT. A
EAST GLOBE WATER CO.
ELLSWORTH WATER CO.
BOOSTER & WELLS 1, 2 & 3
APPROX. SERVICE LIMIT ELEV 3725
PROPOSED 12" TRANSMISSION LINE
U.S. 70
ICE HOUSE WELL
PUEBLO WATER CO.
BAUMGARTNER WELL
BOOSTER STATION
FUTURE WELLS
FOREST SERVICE WELL #1
GRAPHIC SCALE
NORTH
COST ESTIMATE - ALTERNATES
Equip existing 12" U.S.F.S. Well - 500 gpm $ 11,000
Drill new 16" well - 1000' 26,000
Equip new well at 800 gpm 18,000
Well collector - ¼ mi. of 16" pipe 12,000
In-Town - Replace 6200' of 4½" with 6" @ $4.00 25,000
Replace Ice House Line - 3000' of 6" @ $4.00 12,000
Allow 4000' of 6" and Hydrants 16,000
Power Line to U.S.F.S. Wells, Transformers 20,000
Booster Station - Buildings, misc. 15,000
3 pumps, etc. 15,000
Ground Storage 25,000
12" Transmission Line - 25,000' @ $6.32 157,500
347,500
$347,500 - Alt. 4
1 M.G. Storage at Crestline 40,000
12" Conn. Line - 500' @ $6.30 3,150
43,150
$390,650 - Alt. 4A
1 M.G. Storage at U.S. 60 40,000
12" Conn. Line - 2,000' @ $6.30 12,600
52,600
$400,100 - Alt. 4B
GLOBE WATER REPORT
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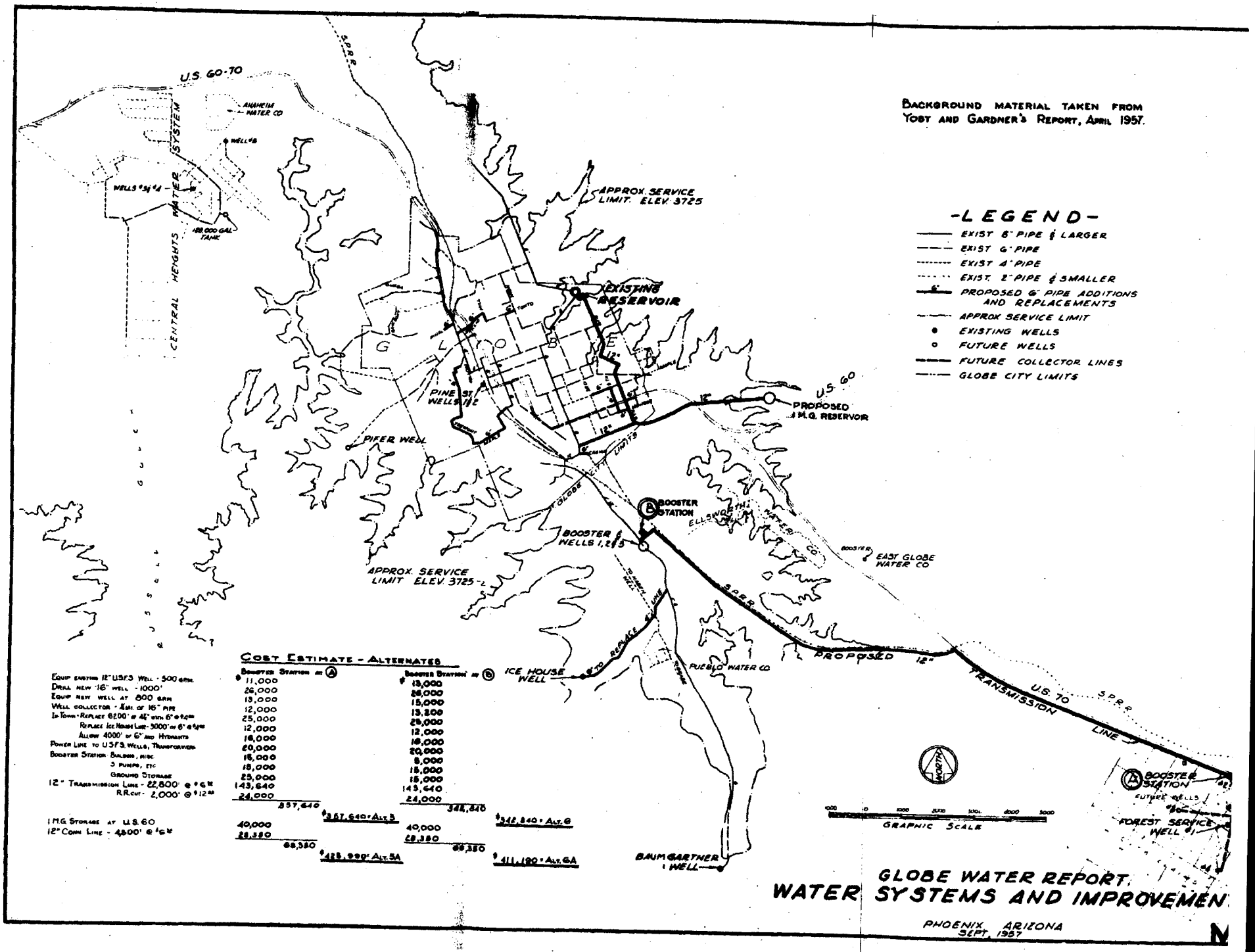

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APPROX SERVICE LIMIT
EXISTING WELLS
FUTURE WELLS
FUTURE COLLECTOR LINES
GLOBE CITY LIMITS
U.S. 60-70
ANAHEIM WATER CO
WELL #6
WELLS #3 & #4
188,000 GAL TANK
CENTRAL HEIGHTS WATER SYSTEM
S.P.R.R.
APPROX. SERVICE LIMIT ELEV. 3725
EXISTING RESERVOIR
G L O B E
PINE ST. WELLS 1 & 2
PIFER WELL
U.S. 60
PROPOSED 1 M.G. RESERVOIR
GLOBE CITY LIMITS
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BOOSTER & WELLS 1, 2 & 3
ELLSWORTH WATER CO
BOOSTER
EAST GLOBE WATER CO
APPROX. SERVICE LIMIT ELEV. 3725
S.P.R.R.
PROPOSED 12" TRANSMISSION LINE
U.S. 70
S.P.R.R.
ICE HOUSE WELL
PUEBLO WATER CO
BAUMGARTNER WELL
BOOSTER STATION
FUTURE WELLS
FOREST SERVICE WELL #1
NORTH
GRAPHIC SCALE
COST ESTIMATE - ALTERNATES
Equip existing 12" U.S.F.S. Well - 500 GPM
Drill new 16" well - 1000'
Equip new well at 800 GPM
Well collector - 1/4 mi. of 16" pipe
In-Town - Replace 6200' of 4½" with 6" @ $4.00
Replace Ice House Line - 3000' of 8" @ $4.00
Allow 4000' of 6" and Hydrants
Power Line to U.S.F.S. Wells, Transformers
Booster Station - Building, misc.
3 pumps, etc
Ground Storage
12" Transmission Line - 22,800' @ $6.00
R.R. cut - 2,000' @ $12.00
1 M.G. Storage at U.S. 60
12" Conn. Line - 4,500' @ $6.00
Booster Station at (A)
$ 11,000
26,000
13,000
12,000
25,000
12,000
16,000
20,000
15,000
5,000
15,000
25,000
143,640
24,000
357,640
$357,640 = Alt. 3
40,000
28,350
68,350
$425,990 = Alt. 5A
Booster Station at (B)
$ 13,000
26,000
15,000
13,200
25,000
12,000
16,000
20,000
5,000
15,000
15,000
143,640
24,000
342,840
$342,840 = Alt. 6
40,000
28,350
68,350
$411,190 = Alt. 6A
GLOBE WATER REPORT
WATER SYSTEMS AND IMPROVEMEN
PHOENIX, ARIZONA
SEPT. 1957

GL

EXHIBIT D

Bk 69 Pg 392

Compared
183194

QUIT-CLAIM DEED

For the consideration of Ten Dollars, and other valuable considerations, I or we, Clemmie B. Jenkins (formerly Clemmie B. O'Brien) hereby quit-claim to Alfred W. O'Brien, all right, title, or interest in the following real property situated in Gila County, Arizona:

Lot Two (2). HALBY COURT, Gila County, Arizona, according to the official Plat on file in the office of the County Recorder of Gila County, Arizona, in Map File, Map No. 71;

ALSO, that certain portion of Lot Four (4) HALBY COURT, Gila County, Arizona, more particularly described as follows: BEGINNING at the Southwesterly corner of said Lot 4, and running thence Easterly parallel with the Southerly line of said Lot 4 a distance of 10.0 feet; thence Northwesterly parallel with the Westerly side line of said Lot a distance of 43.63 feet, more or less, to the Northerly side line thereof; thence Westerly 10.0 feet to the Northwesterly corner of said Lot; thence Southeasterly a distance of 43.63 feet to the point of beginning.

EXCEPT that portion of Lot 2 heretofore conveyed to the City of Globe for Street purposes by Deed recorded in Book 81, Real Estate Deeds, page 64, records of Gila County, Arizona.

Dated this 17 day of May, 1952.

Clemmie B. Jenkins
Clemmie B. Jenkins (formerly
Clemmie B. O'Brien)

STATE OF ARIZONA California)
) SS.
County of Gila Riverside)

This instrument was acknowledged before me this 17 day of May, 1952, by --.

(Seal John H. Wilson)
(Notary Public)
(Riverside Co., Calif.)
(Eureka)

John H. Wilson
Notary Public.
In and for Riverside County
State California

My commission will expire
My Commission Expires August 31, 1952.

My Commission Expires August 31, 1952.

Filed and recorded at the request of Alfred W. O'Brien on the 20th day of May, A. D., 1952 at 30 minutes past 4 o'clock P. M.

Joseph Kinsman, County Recorder.

Compared
183202

$.55 in Revenue Stamps Cancelled D.P. 5/23/52 Series 1952

TRUSTEE'S DEED.

THIS INDENTURE, made this 7th day of May, 1952, by and between C. C. FAIRES, Judge of the Superior Court of the State of Arizona in and for the County of Gila, and Trustee of Arlington Heights Townsite, in said County and State, party of the first part; and the City of Globe, a Municipal Corporation in Gila County, State of Arizona, party of the second part,

W I T N E S S E T H, THAT:

WHEREAS, the hereinafter described lots in Arlington Heights Townsite, Gila County, Arizona, remain undisposed of, and the title thereto remains in the Trustee of said Townsite; and,

WHEREAS, on the 27th day of March, 1952, the said lots were duly appraised as provided by law, and the value of each of said lots was fixed and set forth in said appraisement; and,

WHEREAS, said Trustee caused notice of the time, place and terms of the sale of said lots to be given for the time and in the manner and form prescribed by law; and,

WHEREAS, at the time and place specified in said notice, each of the hereinafter described lots was offered for sale separately by said Trustee; and that at said time and place the party of the second part herein offered to purchase said lots for the sum of FOUR and no/100 ($4.00) DOLLARS each, or a total sum of ONE HUNDRED FIFTY SIX and no/100 ($156.00) DOLLARS for said hereinafter described lots; that the amount bid for each of said lots was not less than the appraised value thereof; that said bids were the highest and best bids received for said hereinafter described lots and each of them; that thereupon the said Trustee accepted said bids and each and all of them and sold said lots to the said party of the second part for the total sum of ONE HUNDRED FIFTY SIX and no/100 ($156.00) DOLLARS.

NOW, THEREFORE, the said C. C. FAIRES, Judge of the Superior Court of the state of Arizona in and for the County of Gila, and Trustee of Arlington Heights Townsite, in said County and State, the party of the first part, for and in consideration of the sum of ONE HUNDRED FIFTY SIX and no/100 ($156.00) DOLLARS, lawful money of the United States, to him in hand paid by said party of the second part, the receipt whereof is hereby acknowledged, has granted, sold and conveyed and by these presents does grant, sell and convey unto the said City of Globe, a Municipal Corporation, the party of the second part herein, the following described real property, to-wit:

All those certain lots or parcels of land situated in Arlington Heights Townsite in Gila County, State of Arizona, according to the Map of said Townsite on file in the office of the County Recorder of Gila County, Arizona, particularly described as follows, to-wit:

Lots 1, 2, 3, 4, 5, 6, 7, and 9, 10, 11, 12 13 and 14 of Block 33.

Lots 1, 2, 3, 4, 5, 6, 7, 8 and 9 of Block 34.

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17 of Block 38.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto, in any wise belonging, unto the said City of Globe, a Municipal Corporation, the party of the second part, its successors and assigns forever.

The conveyance of the above described property is subject to any and all rights of way or easements over, upon, across or under any and all of the above described lots of record in the office of the County Recorder of Gila County, Arizona.

IN WITNESS WHEREOF, the party of the first part has hereunto set his hand the day and year first hereinabove written.

C. C. Paires
Judge of the Superior Court of the State of Arizona in and for the County of Gila, and Trustee of Arlington Heights Townsite in Gila County, State of Arizona.

STATE OF ARIZONA)
) ss:
COUNTY OF GILA)

On this the 7th day of May, 1962, before me, CULLEN A. LITTLE, the undersigned officer, personally appeared C. C. PAIRES, Judge of the Superior Court of Gila County, State of Arizona, Trustee of Arlington Heights Townsite, in said County and State, known to me to be the person described in the foregoing instrument, and acknowledged that he executed the same in the capacity therein stated, and for the purposes therein contained.

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

(Seal Cullen A. Little (Cullen A. Little
(Notary Public (Notary Public
(Gila County, Arizona)

My Commission Expires: March 13, 1956.

Filed and recorded at the request of City of Globe on the 21st day of May, A. D., 1962 at 30 minutes past 11 o'clock A. M.

Joseph Kinsman, County Recorder.

Compared
183203

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS:

That Theodore V. Marshall and Bernice N. Marshall, husband and wife, of the town of Miami, County of Gila, State of Arizona, for and in consideration of TEN and no/100 DOLLARS and OTHER VALUABLE CONSIDERATION, to them in hand paid by Thomas W. Rogers and Ethel Rogers, husband and wife, have granted, sold and conveyed, and by these presents do grant, sell and convey unto the said Thomas W. Rogers and Ethel Rogers, husband and wife, the following property described as follows, to-wit:

The south forty-foot portion of Lot No. 835 of Block No. 8 of Live Oak Addition to the Original Townsite of Miami, Gila County, Arizona, with all improvements on said forty-foot portion of said Lot No. 835 of said Block No. 8, said portion being more particularly described as follows, to-wit: Commencing at a point which is the southwest corner of said lot, thence running in a northerly direction along the westerly boundary line of said lot on Franz Avenue to a point, a distance of forty feet; thence easterly and parallel with Merritt Street to a point on the easterly boundary line of said lot, a distance of fifty feet; thence southerly and parallel with the said Franz Avenue and along the said easterly boundary line of said lot to a point, a distance of forty feet; thence westerly and along the southerly boundary line of said lot, and parallel with the said Merritt Street, to the point of beginning, a distance of fifty feet.

That certain perpetual easement and right to enter the north fifty-foot portion of said Lot No. 835 of Block No. 8 of said Original Townsite of Miami, Gila County, Arizona, for the purpose of maintaining, repairing, and replacing all necessary pipes, including water lines, plumbing pipes and etc. as they are now established, for the use and benefit of the above-described south forty-foot portion, the said north fifty-foot portion having been previously and on the 5th day of February, 1946, sold and conveyed to Harold A. Beelar and Margaret W. Beelar, husband and wife, by a Warranty Deed bearing the date of February 5, 1946, and now in escrow at the Miami Branch of the Valley National Bank, the grantors' reservation of said easement and right appearing in said Warranty Deed.

TO HAVE AND TO HOLD, all and singular, the above-described premises, together with the appurtenances, unto the said Thomas W. Rogers and Ethel Rogers, husband and wife, their heirs and assigns forever.

And the said Theodore V. Marshall and Bernice N. Marshall hereby bind themselves, their heirs, executors and administrators, to warrant and forever defend, all and singular the pre-

04 207-18-005 2 0100

CITY OF GLOBE
GLOBE, AZ 85501

SDC NTIAL PROPERTY RECORD CARD

Arlington Heights Lot 22 Blk. 4

452/117
528/614 Qrd. Collette To Sect. 15 LAND
2/27/81 — $100
528/615 Qrd. Sect. 15 To D.C Investments
2/27/81 $1800 — 4/1/81
547/727 W.D. DC INV. To First Am. TR#6944
9/4/81 — 1/2/82
585/246 Swd. First Am. To Western Savings
4/29/83 — 5/17/83 d.

.07 ac m/L per K.D. 8/14/00

ANNUAL ASSESSMENT

Year	Change	Land	Improvements	Total
19		$	$	$
19 84	11-14-83	1500		
19				
19				
19				
19				
19				
19				
19				
19				

SUMMARY OF VALUES

Property	Class	Appraised Value	%	Assess Valu
Land	[illegible]	600		$ 3/12/
		$		$
Buildings and Improvements		$		$
Household Furnishings		$		$
TOTAL VALUE		$		$

SERVICES AND AREA

Off Site Improvements		Utilities		Zoning		Neighborhood	
Paved Street		City Water		Single Family	X	Improving	
Black Topped Street		Well		Two Family		Static	
Gravelled Street		Sewer		Multi Family		Declining	
Unimproved		Septic Tank		Business		Blighted	
Public Walks		Natural Gas		Commercial			
Curbs and Gutters		Cesspool		Industrial			
Alley		L. P. Gas					
No Alley		Electricity					
Topography							

DATE OF APPRAISAL
MEASURED BY
LISTED BY
PRICED BY
REVIEWED BY DATE
POSTED BY DATE

LAND VALUE CALCULATION

Regular lot Size	Irregular Lot Size
x	x x x
[illegible] x 17344	x x x
x	x x x
x	x x x

Front Foot or Sq. Foot	Unit Value	Depth, Corner, Other Table	Factor	Value
				$ ~~[illegible]~~
				~~[illegible]~~
1984				1500

REMARKS

TR. Deed 452/117 7/11/78
Wright To Collette N/a 7/21

WESTERN SAVINGS
AND LOAN ASSOCIATION

DOCKET 639 PAGE 242

STATE OF ARIZONA
County of Gila } ss.

I hereby certify that the within instrument was filed and recorded on Feb. 22, 1985 at 12:00 P. M. In DOCKET 639 page 242 and indexed in deeds

FEE NO. 519829

at the request of Western Savings and Loan Association.

WHEN RECORDED, MAIL TO:
Western Savings & Loan Association
Barbara Nancarrow
P.O. Box 3182
Globe, Arizona 85502 425-6367

Witness my hand and official seal.
MARY V. DE PAOLI, County Recorder
By Mary V. De Paoli Recorder

COMPARED
PHOTOSTATED
FEE: ~~$5.00~~ 12.00 C

Order No.

QUIT-CLAIM DEED

For the consideration of Ten and 00/100 Dollars, and other valuable considerations, I, or we,

WESTERN SAVINGS & LOAN ASSOCIATION, AN ARIZONA CORPORATION,

hereby quit-claim to

CITY OF GLOBE, AN ARIZONA MUNICIPAL CORPORATION,

all right, title, or interest in the following described real property situate in GILA County, Arizona:

Lot Twenty-Two (22), Block Four (4), ARLINGTON HEIGHTS, according to the plat of record in the office of the County Recorder of Gila County, Arizona, recorded in Map No. 31.

207-18-5

Dated this 21st day of Febraury, 1985.
WESTERN SAVINGS AND LOAN ASSOCIATION
BY: Dana Banks
ITS: ASSOCIATE VICE-PRESIDENT

STATE OF ARIZONA
County of MARICOPA } ss.

This instrument was acknowledged before me this 21st day of FEBRUARY, 19 85, by Western Savings and Loan Association.

Debra A. Wohlforth
Notary Public

My commission will expire My Commission Expires May 22, 1988

STATE OF ARIZONA
County of _____ } ss.

This instrument was acknowledged before me this _____ day of _____, 19____, by

Notary Public

My commission will expire

14-017 (a) (7/72)

04 207-18-062/1 0100 56
City of Globe
Globe, Ariz.

RESIDENTIAL PROPERTY RECORD CARD

Arlington Heights Lot 1 ~~Blk 33~~

~~Arlington Heights Lot~~ 2 ~~Blk 33~~
~~Arlington Heights Lot~~ 3 ~~Blk 33~~

~~Arlington Heights Lot~~ 4 ~~Blk 33~~

~~Arlington Heights Lots~~ 5 thru 7; ~~incl Blk 33~~

~~Arlington Heights Lots~~ 9 thru 12; ~~incl Blk 33~~

~~Arlington Heights Lots~~ 13 & 14 Blk 33

Book 69 Page 392 .91 acm/L per K.D. 8/14/00

ANNUAL ASSESSMENT

Year	Change	Land	Improvements	Total
19 71	8-25-72	$ 425	$	$
19 84	11-16-83	15,000		
19				
19				
19				
19				
19				
19				
19				
19				

SUMMARY OF VALUES

Property	Class	Appraised Value	%	Assessed Value
Land	2	$ 325.		$
	9760	$		$
Buildings and Improvements		$		$
Household Furnishings		$		$
TOTAL VALUE		$		$

SERVICES AND AREA

Off Site Improvements		Utilities		Zoning		Neighborhood	
Paved Street		City Water		Single Family	X	Improving	
Black Topped Street		Well		Two Family		Static	
Gravelled Street		Sewer		Multi Family		Declining	
Unimproved		Septic Tank		Business		Blighted	
Public Walks		Natural Gas		Commercial			
Curbs and Gutters		Cesspool		Industrial			
Alley		L. P. Gas					
No Alley		Electricity					
Topography							

DATE OF APPRAISAL 3/10/65
MEASURED BY
LISTED BY
PRICED BY
REVIEWED BY DATE
POSTED BY DATE

LAND VALUE CALCULATION

Regular lot Size	Irregular Lot Size
x	x x x
x	x x x
x	x x x
x	x x x

Front Foot or Sq. Foot	Unit Value	Depth, Corner, Other Table	Depth, Corner, Other Factor	Value
[illegible]	50		[illegible]	$ [illegible]
1979			1.5	425
1980				15,000

REMARKS

04 207-10-070/0 0100 96

City of Globe
Globe, Ariz.

RESIDENTIAL PROPERTY RECORD CARD

Arlington ~~Heights~~ Lot 1 ~~Blk 36~~

~~Arlington Heights Lot 2 Blk 36~~
~~Arlington Heights Lot 3 Blk 36~~

~~Arlington Heights Lot 4 Blk 36.~~

~~Arlington Heights Lots~~ 5 thru 17 incl Blk 36

Book 69 Page 392

1.08 AC M/L per K.D 8/14/00

ANNUAL ASSESSMENT

Year	Change	Land	Improvements	Total
19 74	8-25-78	$ 635	$	$
19 84	11-16-83	12,750		
19				
19				
19				
19				
19				
19				
19				
19				

SUMMARY OF VALUES

Property	Class	Appraised Value	%	Assessed Value
Land	9/160	$ 425.		$
	9/160	$		$
Buildings and Improvements	3	$		$
Household Furnishings		$		$
TOTAL VALUE		$		$

SERVICES AND AREA

Off Site Improvements		Utilities		Zoning		Neighborhood	
Paved Street		City Water		Single Family	X	Improving	
Black Topped Street		Well		Two Family		Static	
Gravelled Street		Sewer		Multi Family		Declining	
Unimproved		Septic Tank		Business		Blighted	
Public Walks		Natural Gas		Commercial			
Curbs and Gutters		Cesspool		Industrial			
Alley		L. P. Gas					
No Alley		Electricity					
Topography							

DATE OF APPRAISAL 2/10/6
MEASURED BY
LISTED BY
PRICED BY
REVIEWED BY DATE
POSTED BY DATE

LAND VALUE CALCULATION

Regular lot Size	Irregular Lot Size
x	x x x
x	x x x
x	x x x
x	x x x

Front Foot or Sq. Foot	Unit Value	Depth, Corner, Other Table	Factor	Value
5	50			$
1984				12,750

REMARKS

04 207-16-004/3 0100 30

City of Globe
Globe, Ariz.

RESIDENTIAL PROPERTY RECORD CARD

Arlington ~~Heights~~ Lot 1 ~~Blk 34~~

~~Arlington Heights Lot 2 Blk 34~~
~~Arlington Heights Lot 3 Blk 34~~

~~Arlington Heights Lot 4 Blk 34~~

~~Arlington Heights Lots~~ 5 thru 9 incl Blk 34

Book 69 Page 392

.59 acm/L per KD 8/14/00 Exempt

ANNUAL ASSESSMENT

Year	Change	Land	Improvements	Total
1979	8-25-78	$ 335	$	$
1984	11-16-83	6750		
19				
19				
19				
19				
19				
19				
19				
19				

SUMMARY OF VALUES

Property	Class	Appraised Value	%	Assessed Value
Land	~~12~~ 9750	$ 225.		$
		$		$
Buildings and Improvements	0	$		$
Household Furnishings		$		$
TOTAL VALUE		$		$

SERVICES AND AREA

Off Site Improvements		Utilities		Zoning		Neighborhood	
Paved Street		City Water		Single Family	X	Improving	
Black Topped Street		Well		Two Family		Static	
Gravelled Street		Sewer		Multi Family		Declining	
Unimproved		Septic Tank		Business		Blighted	
Public Walks		Natural Gas		Commercial			
Curbs and Gutters		Cesspool		Industrial			
Alley		L. P. Gas					
No Alley		Electricity					
Topography							

DATE OF APPRAISAL
MEASURED BY
LISTED BY
PRICED BY
REVIEWED BY DATE
POSTED BY DATE

LAND VALUE CALCULATION

Regular lot Size	Irregular Lot Size
x	x x x
x	x x x
x	x x x
x	x x x

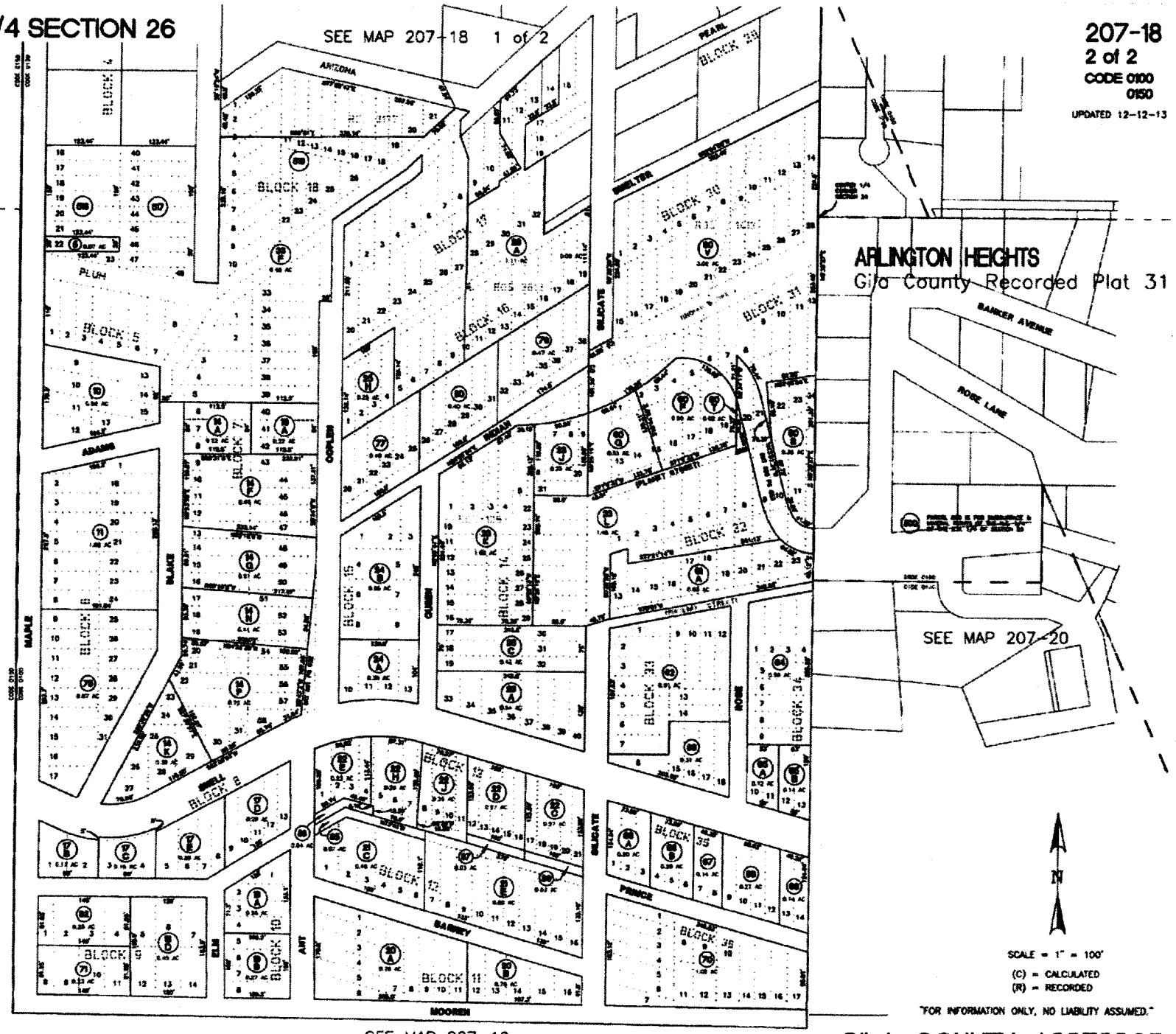
Front Foot or Sq. Foot	Unit Value	Depth, Corner, Other Table	Factor	Value
[illegible]	50		[illegible]	$ 225
1979			1.05	~~[illegible]~~
1984				6750

REMARKS

PT NE 1/4 SW 1/4 SECTION 26
T1N R15E

SEE MAP 207-18 1 of 2

207-18
2 of 2
CODE 0100
0150
UPDATED 12-12-13



GILA COUNTY ASSESSOR

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER-SMITH – Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

IN THE MATTER OF THE PETITION OF ARIZONA WATER COMPANY FOR AN INCREASE OF AREA TO BE SERVED AT CENTRAL HEIGHTS, ARIZONA.	DOCKET NO. W-01445A-14-0305

DIRECT

TESTIMONY

OF

ERNEST G. JOHNSON SR.

ON BEHALF OF

CITY OF GLOBE

JULY 10, 2015

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EXECUTIVE SUMMARY
ERNEST G. JOHNSON SR.
DOCKET NO. W-01445A-14-0305

As a policy matter, "getting it right" is not only in the public interest, but in my opinion, it is the public interest. The essential regulatory function is to promote and to protect the broad public interest. Regulation is premised upon a public need and exists for the benefit and protection of those impacted by regulatory outcomes. The regulatory assessment of the public interest is not a static consideration; it requires continual vigilance on the part of the regulator. In this case, the public interest has never been truly satisfied because of the obvious and troubling lack of notice afforded to the City of Globe. Regulatory vigilance, good public policy and the public interest all require that the commission amend and correct Decision 33424 as requested by the City of Globe. After consideration of the facts present in this case, I conclude that sound regulatory policy supports effectuating regulatory intent and correcting regulatory error or mistake consistent with the Commission's duty and responsibility to regulate in the public interest. During my career as a utility regulator, I found that public trust and confidence in the Commission's actions and decisions was and remains a crucial component in advancing, promoting and protecting the public interest. I believe that the affected public and the regulated community each expect that the Commission will passionately pursue the public interest and ultimately make the right policy call after consideration and assessment of the various factors implicating public interest considerations. Notice of regulatory proceedings is a significant and crucial regulatory consideration, and I believe is relevant in assessing whether the public interest has been promoted or protected and whether regulatory intent has been effectuated. In my regulatory experience developing, recommending and implementing utility regulatory policy, I don't recall a single instance where deficient or defective notice of a pending agency action was ever considered as being in the public interest nor consistent with good regulatory policy. Regulators must take all reasonable steps to insure that the opportunity to effectively participate in regulatory proceedings is protected. Notice is the first step in ensuring a reasonable opportunity for public participation in utility regulatory proceeding and must be protected consistent with the broad public interest. Unfortunately, it appears that the City of Globe was foreclosed from participating in the proceeding giving rise to Decision 33424 due to a lack of Notice. For the reasons previously stated, I believe this result is inconsistent with good regulatory policy and the broad public interest.

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Ernest G. Johnson Sr., Post Office Box 12376, Chandler, Arizona, 85249.

Q. By whom are you employed and in what capacity?

A. I am employed by STRATEGUS, as Principal Consultant.

Q. Could you please describe STRATEGUS?

A. Yes, STRATEGUS is a strategic thinking and regulatory consulting firm, providing client assistance in strategic thinking, regulatory communications and expert testimony in utility regulatory matters.

Q. How long have you been employed by STRATEGUS?

A. I founded STRATEGUS in 2013 after serving over 25 years as a utility regulator. I have over twenty-five years of public utility regulatory experience spanning all aspects of water, sewer, electric, natural gas and telecommunication services.

Q. Prior to founding STRATEGUS, by whom were you employed and in what capacity?

A. Prior to establishing STRATEGUS, I was employed by the Arizona Corporation Commission ("ACC" or "Commission") from October 2001 until early 2013.

Q. Please elaborate?

A. I began employment with the ACC in October 2001, as Director of the Utilities Division. I was subsequently selected as Executive Director in July 2009, and served in that capacity until the end of 2012.

Q. Please describe your responsibilities as Utilities Director.

A. I was responsible for the day-to-day operations of the Utilities Division.

Q. Please describe your responsibilities as Executive Director.

A. As Executive Director, I was responsible for the overall operations and agency functions at the commission.

Q. Please summarize your educational background and other professional experience.

A. In 1979 and 1982, respectively, I earned Bachelor of Science and Juris Doctorate degrees, both from the University of Oklahoma. In December 1986, I began my regulatory career at the Oklahoma Corporation Commission serving as Staff Attorney, Deputy General Counsel and Utilities Director. In 1993, I was named acting Utilities Director and served in that position until mid-1994. I served as the permanent Utilities Director from mid-1994 until October of 2001 when I joined the ACC staff as Utilities Director. I have also served as an Adjunct Professor of Law at the Arizona Summit School of Law, located in Phoenix, Arizona, where I taught Renewable Energy Law.

Q. You stated that you have been involved in the regulation of public utilities since 1986, is that correct?

A. Yes, that is correct.

Q. Could you please estimate the approximate number of utility regulatory proceedings that you have participated in since 1986?

A. I could only guess, but it would be quite a few.

Q. Could you please elaborate on your areas of experience and expertise in utility regulation?

A. Yes, my regulatory experience covers most areas of utility regulation including electric, natural gas, telecommunications, water, cotton gins and pipeline safety.

Q. During your tenure as a regulator, did you participate in both federal and state regulatory proceedings?

A. Yes, I have participated in federal, regional and state regulatory proceedings involving various aspects of utility regulation.

Q. **During your tenure as a regulator, did you participate in matters involving Certificates of Convenience and Necessity ("CC&N")?**

A. Yes, as a utility regulator for over twenty-five years, I estimate that I have been involved in hundreds of CC&N proceedings involving all types of utilities.

Q. Have you participated in utility regulatory policy formulation during your regulatory career?

A. Yes, I have been involved in utility regulatory policy discussions and policy formulation for over twenty-five years at the federal, regional and state levels concerning electric, natural gas, telecommunications and water issues.

Q. You stated that you served as staff attorney, utilities director and executive director, is that correct?

A. Yes, that is correct.

Q. Did you ever testify in utility regulatory proceeding in any of those capacities?

A. Yes, as Utilities Director, I participated in many regulatory proceedings and offered testimony before the Oklahoma Corporation Commission, the Oklahoma State Legislature, and the ACC. Additionally, during my career as a regulator I participated in regulatory policy panel discussions and made presentations concerning utility regulation and utility regulatory issues at both the federal and state level.

Q. On whose behalf are you testifying today?

A. I have been retained by the Applicant, the City of Globe, Arizona. (Applicant, City)

II. PURPOSE

Q. What is the purpose of your Direct testimony in this proceeding?

A. The purpose of my Direct testimony is to provide testimony in support of the public interest policy issues raised by the City in its application. I share my experience, knowledge and opinion with the Commission concerning the public interest policy issues and regulatory policy considerations that I believe are both present in and relevant to this proceeding.

Q. Mr. Johnson, is your testimony in this proceeding focused on and limited to discussion of public interest and utility regulatory policy matters?

A. Yes, that is correct. Although I am a licensed attorney in the State of Oklahoma and have taught at a local law school, I will not be offering any legal opinions or conclusions in my testimony in this case. My testimony will be focused on and limited to utility regulatory policy matters and consideration of the public interest. My testimony is premised upon knowledge gained over approximately twenty -five years as a utility regulator. I will be sharing my opinions, observations, experiences and knowledge concerning utility

regulatory policy. It is not my intent nor is it my purpose to offer or provide any legal opinions in this testimony and any such suggestion or characterization would be incorrect.

III. PUBLIC INTEREST POLICY ISSUES RAISED BY THE APPLICATION

Q. Mr. Johnson, what is your understanding of the public interest policy issues raised by the Applicant in this proceeding?

A. It is my understanding that the City of Globe is requesting that the Commission correct an alleged error contained in Decision No. 33424 because it is in the public interest to do so[1]. It is also my understanding that the City believes that the regulatory cornerstone of public interest supports its requested relief.

Q. Mr. Johnson, do you agree with the Applicant's assertions that public interest policy considerations support correcting regulatory error?

A. Yes. As a general proposition and as a fundamental regulatory policy, I believe that the public interest is best served when regulatory error is avoided or corrected.

Q. Mr. Johnson is your view regarding correcting regulatory error limited to any particular time frame.

A. No. While the passage of time would be a consideration, it would not be determinative from a public interest policy perspective. As I will discuss later in this testimony, I believe that the public interest is generally best served when the utility regulator focuses on "getting it right" consistent with the public interest. Additional factors would also be relevant, including regulatory intent and impact on the affected public. I would be particularly concerned if failure to correct regulatory error has or is likely to have an adverse impact on ratepayers or the affected public.

[1] Petition to Amend Decision 33424, Docket No. W-01445A-14-0305, filed August 18, 2014 by the City of Globe,

Q. As a former Utilities Director, was it important to you that ACC decisions in utility matters correctly reflect the Commissions intent?

A. Yes. As Utilities Director I sought to insure that Commission decisions correctly reflected the Commissions intent, particularly those Decisions originating from or prepared by Utility Division staff.

Q. Mr. Johnson, as Utilities Director, if you became aware of a situation involving issuance of an incorrect ACC decision, would you seek to bring that awareness to the attention of the Commission?

A. Yes. I would work with appropriate agency Staff to bring the suspected error to the Commissions attention for its review, consideration and possible action.

Q. In your opinion, would it also be reasonable for others with knowledge of possible regulatory error to bring that information to the attention of the Commission?

A. Yes. I not only believe that bringing regulatory error to the Commissions attention is a reasonable act, I also believe doing so is an expected action.

IV. PUBLIC INTEREST

Q. Mr. Johnson, from a public interest policy perspective, what do you believe is the proper focus of this case?

A. I believe that assessing and addressing the public interest policy issues raised by the Application is the proper focus of these proceedings.

Q. Please Explain.

A. As I will more fully discuss later in my testimony, public interest is the bedrock theoretical and policy principle underlying utility regulation. As a matter of fact, decisions made by the Arizona Corporation Commission and, to my knowledge, most public utility

commissions, generally base decisions on regulatory principles and policies that regularly and necessarily consider and assess the broad public interest. Utility regulators, for both policy and practical reasons, are necessarily concerned about the impact that agency decisions will have upon ratepayers and the affected public as part of their consideration of issues impacting the broad public interest.

Q. Based upon having served as a utility regulator for over twenty-five years, what is your understanding of the term "public interest" as used in the utility regulatory context?

A. In the utility regulatory context, it is my general understanding that the term or phrase "public interest" refers to the general welfare, interest or well being of the affected public. As I previously stated, the public interest serves as the regulatory platform from which utility regulatory policy is developed.

Q. Who might be the affected public that you are referencing?

A. The affected public could be ratepayers, customers or any interest that might be subject to or affected by a Commission decision.

Q. How is the public interest relevant to this proceeding?

A. The public interest is the paramount regulatory consideration. This concept is expressed in Article 15, Section 3 of the Arizona State Constitution.

Q. Please Explain.

A. Among other things, Article 15 section 3 of the Arizona State Constitution empowers the Commission to make reasonable rules, regulations and orders governing the operations of public service corporations doing business in Arizona.[2]

During the drafting of the Arizona Constitution, the majority of the delegates were determined to protect the public interest by including in the Constitution broad power to regulate utilities.[3]

Q. How is the public interest relevant to a proceeding involving amending or correcting an alleged error in the issuance of a certificate of convenience and necessity?

A. As a utility regulator for over 25 years, it is my opinion that the public interest is not only relevant, but is the primary regulatory policy consideration any time a CC&N is being issued, amended, corrected or otherwise modified. This is because the Commission considers the public convenience and necessity as a necessary component in determining whether to grant, amend, correct or modify a CC&N. In CC&N matters, the utility regulatory Commission, as a matter of practice and general regulatory policy, seeks to ascertain whether a need exists and whether the public would benefit from granting the request to meet that public need. Also, when considering making corrections or

[2]Article 15, Section 3. The corporation commission shall have full power to, and shall prescribe just and reasonable classifications to be used and just and reasonable rates and charges to be made and collected, by public service corporations within the state for service rendered therein, and make reasonable rules, regulations and orders, by which such corporations shall be governed in the transaction of business within the state, and may prescribe the forms of contracts and the systems of keeping accounts to be used by such corporations in transacting such business, and make and enforce reasonable rules, regulations and orders for the convenience, comfort, and safety, and the preservation of the health, of the employees and patrons of such corporations. Provided, that incorporated cities and towns maybe authorized by law to exercise supervision over public service corporations doing business therein, including the regulation of rates and charges to be made and collected by such corporations; provided further that classifications, rates, charges, rules, regulations, orders, and forms or systems prescribed or made by said corporation commission may from time to time be amended or repealed by such commission.

[3] The Corporation Commission: Preserving its Independence, by Deborah Scott Engelby, Ariz. St. L. J., Volume 20, No. 1 at 243. As a result, the Commission is constitutionally obligated to regulate public service corporations in the public interest. supra at 245

modifications to CC&N's, utility regulatory commissions regularly seek to determine whether their actions both reflect and are consistent with the public interest. Thus, from a regulatory policy perspective, ascertaining the public interest is both a fundamental and a primary consideration in matters concerning a CC&N - including the issues presented in this proceeding.

Q. Do you have any additional comments?

A. Yes, in my experience as a utility regulator, identifying, considering and protecting the public interest are all viewed as inherent and necessary regulatory responsibilities and are essential considerations in matters involving CC&N's. Also, it is my observation and general understanding that identifying, considering and protecting the public interest is consistent with the Commission's constitutional and statutory responsibilities and would extend to and include CC&N proceedings.

Q. As a former utility regulator, has it been your experience that regulatory policies are generally the result of the Commission performing its general duties and responsibilities?

A. Yes. It has been my observation and experience that regulatory policies are generally associated with or result from some aspect of the regulators general duties and regulatory authority and are intended to provide guidance to regulatory staff and others involved in the regulatory process.

Q. While serving as Utilities Director in both Oklahoma and Arizona, did you routinely make utility regulatory policy recommendations to Commissioners?

A. Yes. As part of my duties and responsibilities and in conjunction with other staff, I developed or assisted in the development of regulatory policy positions for consideration by the Commission.

Q. Was consideration of the public interest a necessary component in developing and proposing regulatory policy for Commission consideration?

A. Yes. In my experience, the public interest is routinely and necessarily implicated when developing regulatory policy.

Q. Was consideration of the public interest a routine consideration in performing your duties as Utilities Director in both Oklahoma and Arizona?

A. Yes, consideration of both the public interest and impact to ratepayers were always important considerations.

Q. Was consideration of the public interest part of your focus in developing staff positions in matters involving CC&N related matters?

A. Yes, as I stated earlier, public convenience and necessity is always a regulatory policy consideration in matters involving a CC&N and public interest is routinely implicated when considering public need. In my experience, public interest considerations become and remain both primary and paramount regulatory policy considerations in matters affecting a CC&N, including proceedings initiated for the purpose of correcting a mistake in the issuance of a CC&N.

Q. Do you believe that the public interest is implicated in this proceeding?

A. Yes. In its application, the City of Globe asserts that it is in the public interest to correct Decision No. 33424 because it was a mistake to grant the CC&N in the initial Decision.[4] Additionally, the Applicant asserts that the expense of transferring customers to Arizona Water Company ("AWC") would be borne both by customers and citizens of Globe.[5] In light of these claims and based upon my regulatory experience and understanding of the term "public interest, the issues raised by the Applicant, if true, would impact the general welfare and the interest or well-being of the affected public thereby implicating the public interest and public interest policy considerations. In my opinion and based upon my review of the Application, the ACC is being asked to state, clarify or affirm its policy regarding ensuring the correctness of its decisions and to articulate or clarify its policy regarding correcting regulatory error consistent with the public interest.

Q. In your opinion as a former utility regulator, is the public interest inherent in the rates, terms and services of public utilities?

A. Yes, in my regulatory experience, utility rates, terms and conditions of service have always and necessarily involved consideration of the broad public interest. I have observed that the utility regulatory authority, as a matter of policy or due to other considerations, has recognized both a need and a responsibility to balance competing interests in conjunction with consideration of matters affecting rates, terms and conditions of service.

Q. Mr. Johnson, based upon your utility regulatory training and experience, what is your understanding of the term "regulatory policy" as used in the context of public utility regulation?

A. Based upon my experience as Utilities Director in both Arizona and Oklahoma, it is my understanding that a regulatory policy is a statement or affirmation reflecting the position,

[4] Id. at page.5, lines 23-24
[5] Id. at p.8, lines 13-15

general view or predisposition of the utility regulatory authority with regard to a particular issue or type of issues. I have observed that regulatory policy pronouncements by a utility regulatory authority may be stated or issued and are intended to provide clarity or guidance to affected interests concerning a certain matter or issue.

Q. In your opinion and based upon your review of the Application and the assertions of the Applicant, what is the primary utility regulatory policy issue in this case?

A. In my opinion, the primary utility regulatory policy issue presented by the Application is whether the ACC is inclined to or is ready, willing and able to correct regulatory error, consistent with the broad public interest.

Q. Mr. Johnson, why have you characterized the issue you've identified as the primary regulatory policy issue in this proceeding?

A. I have characterized this issue as the primary regulatory policy issue for several reasons. First, considering the definition of regulatory policy that I previously offered and after reviewing and assessing the facts presented in this case, I believe that the Applicant is essentially requesting that the ACC articulate its general view and provide guidance regarding regulatory error[6] and identify the process by which it will assess, consider and correct cases of regulatory error consistent with the broad public interest[7] and as part of performing its essential regulatory function. I am referencing the essential regulatory function of protecting and promoting the public interest. Based upon my review of the Application, the ACC is being asked to state its view or predisposition with respect to the correctness of its regulatory decisions and the facts and rational supporting its decisions. This request has very broad policy implications for the ACC and those subject to and affected by its decisions. In addition, the ACC is being asked to provide clarity with regard to the ability of the public to rely upon the correctness of agency decisions and the

[6] Id. at p.6, lines 18-22
[7] Id. at p.10, lines 18-23

assertions made in support of those decisions[8]. In my opinion, each of these considerations is a fundamental regulatory policy consideration, with each implicating and impacting the broad public interest. I would note that in this specific instance, the broad public interest of all residents of the City of Globe, particularly, water and sewer customers who may be subject to increased costs or other adverse impacts[9], highlights the need to focus on the essential regulatory function of protecting and promoting the broad public interest. Finally, and I believe most importantly, "getting it right" was and continues to be both the practical and policy consideration underpinning agency actions. I believe the ACC should continue to focus on getting the policy right and to review the issues presented in this case with a broad view, consistent with the essential regulatory function of protecting and promoting the public interest.

Q. In your opinion, when is the public interest a policy consideration in utility regulatory matters?

A. As I stated previously, in my view, the public interest is routinely implicated in matters affecting or impacting utility rates, terms and conditions of service. In my experience, regulatory policy considerations are implicated when a broader, common interest or the essential regulatory function is implicated. In the instant matter, both considerations are present. I believe that rates, terms and conditions of service may be impacted adversely, unless regulatory error is corrected.

It is my understanding that AWC does not currently have in place the plant required to provide service to customers and would need to acquire or construct the necessary facilities[10]. If my understanding is correct, current utility rates may need to be adjusted and possibly increased to pay for the acquisition, construction and /or implementation of any required facilities. The broader public interest is implicated when issues of regulatory

[8] Id. at p.8, lines 7-8
[9] Id. at p.9, lines 16-19
[10] Id. at p.8, lines 8-10

error are presented to the ACC, particularly involving errors in the assumptions or rationale supporting the agency Decision, as is the present case. In my opinion, the ACC response to the request to correct regulatory error, will signal utility customers in the area and the general public, concerning the Commission's policy regarding ensuring the correctness of its Decisions and the process by which the agency will consider, assess and address regulatory error. I believe that the resulting ACC action will indicate or state a general view or predisposition on the part of the Commission and will therefore meet my proffered definition of regulatory policy. In my experience, both ratepayers and regulated utilities rely upon and expect that the regulatory authority will be vigilant in its efforts to "get it right."

V. PUBLIC INTEREST STANDARD

Q. As the utilities director in both Oklahoma and Arizona over a span of approximately fifteen years, did you develop an understanding of the public interest standard?

A. Yes. The public interest standard is a regulatory principle that by its very definition requires consideration of the broad public interest in the regulatory decision-making process. It is the standard by which regulatory authorities such as the ACC must assess, evaluate, weigh and consider their actions.

Q. Please Continue.

A. The public interest standard requires that the Commission decision consider the impact upon the affected public including health, safety and general welfare. This is a broad obligation placed upon the utility regulator and necessitates a broad inquiry in the decision-making process.

Q. How is the public interest standard relevant to this case?

A. The public interest standard is relevant because the issues raised by the Applicant for Commission decision, if true, could impact the health, safety and general welfare of the affected public. Also, the general public welfare could be harmed due to increased rates or other costs to ratepayers or the citizens of Globe resulting from not correcting regulatory error.

Q. Do you believe that the public interest standard should be utilized by the ACC in assessing the regulatory policy issues raised by the Applicant?

A. Yes, I believe that in matters involving a CC&N, a broad inquiry by the Commission is necessary because the inherent purpose of a CC&N is to meet a public need to the benefit of the affected public. In this case, if an alleged mistake in the issuance of the CC&N is not corrected, ratepayers and the citizens of Globe may experience cost increases and be subject to possible adverse health and safety consequences. None of these possible outcomes would benefit, protect or promote the broad public interest.

Q. Do you believe that the public interest standard would assist the ACC in analyzing the public interest policy issues present in this case?

A. Yes, I believe that the public interest standard would be a helpful tool or measure by which the ACC could consider, evaluate and address the public interest policy issues that are present in this case.

Q. Do you have a recommendation regarding the public interest analysis that should be utilized in considering the public interest issues relevant to and implicated in this proceeding?

A. Yes, I am recommending that the ACC utilize the public interest analysis described below.

VI. PUBLIC INTEREST POLICY ANALYSIS

Q. Could you please describe your training, experience and expertise in developing utility regulatory policy?

A. Yes, I have extensive experience in the development of utility regulatory policy concerning electric, natural gas, water and telecommunications. As Utilities Director in both Arizona and Oklahoma, a primary component of my responsibilities was working with utility division staff and others in developing public interest based regulatory policy. The policy was usually expressed as rules, agency policy statements or otherwise and was developed in both generic and individual proceedings.

Q. Please describe your training, experience and expertise in drafting utility regulatory policy?

A. I have significant and varied experience drafting language for Commission consideration involving diverse utility policy matters during my twenty-five year career as a utility regulator.

Q. Please describe your training, experience and expertise in analyzing utility regulatory policy?

A. I have extensive experience analyzing regulatory policy involving electric, natural gas, water and telecommunications related issues.

Q. Mr. Johnson, have you made recommendations to utility regulatory commissions concerning public interest and regulatory policy?

A. Yes, having served as Utilities Director in two jurisdictions for approximately fifteen years, I have made numerous public interest based policy related recommendations to Commissioners concerning electric, natural gas, water and telecommunications policy matters.

Q. Mr. Johnson, as a former utility regulator who has developed, drafted, analyzed and recommended public interest based utility regulatory policy for Commission consideration, what approach or framework did you utilize?

A. I primarily utilized an approach or analytical framework focusing on the broad public interest and specific public interest regulatory considerations that in my experience are both present and inherent in utility regulatory matters.

Q. What analytical components did you find essential in analyzing regulatory policy?

A. In my opinion and based upon my regulatory experience, I have found it helpful to recognize that the public interest, in addition to being a broad regulatory concept, is the essential regulatory cornerstone in matters relating to or impacting utility regulatory policy.

Q. Do you have a recommended analytical framework for the Commission to utilize in examining the public interest policy issues present in this proceeding?

A. Yes, I have developed an analytical framework comprised of the fundamental regulatory components that I believe will aid the Commission in its consideration and determination of the public interest policy issues raised by the Application. The analytical framework that I am recommending is essentially a process, which I believe is useful in developing and assessing utility regulatory policy and in understanding the role that the public interest plays in the process of developing regulatory policy. My analysis focuses on the essential regulatory function of protecting and promoting the public interest. The analytical framework that I am proposing is a qualitative approach, based upon my utility knowledge, experience and judgment; it is an art, not an exact science.

Q. Please describe the analytical framework that you are recommending to the Commission.

A. The analytical framework that I am recommending for consideration by the Commission is a four-step process intended to assist the ACC in balancing important competing interests while continuing to perform the essential regulatory function of protecting and promoting the public interest. In my recommended process or framework, I assess the public interest policy implications of correcting regulatory error while considering the five regulatory cornerstones that I have identified and believe are pertinent to this proceeding. As I will explain later in my testimony, I use these regulatory cornerstones to consider, assess and determine whether the essential regulatory function of protecting and promoting the public interest is satisfied. In my analysis, I consider the question of whether the broad public interest on balance, is best served by correcting regulatory error, notwithstanding considerations such as the passage of time. In considering the public interest policy issues raised thru this proceeding, the passage of time is an important consideration, however, I believe that it is even more important that a regulatory agency make every reasonable effort to "get it right". In my opinion, the facts and circumstances presented by this case necessitate correcting regulatory error despite the passage of time and are supported by the five fundamental public interest policy cornerstones that I utilize in my analysis.

Q. Did you describe your regulatory framework as a process?

A. Yes, The framework is a four-step process: **Step One** recognizes the essential regulatory function, which is to protect and promote the broad public interest. **Step Two** focuses on balancing competing interests-City of Globe, AWC and ratepayers. In **Step Three** I apply the five regulatory cornerstones, which I believe will assist the Commission in fully considering and examining the broad public interest policy issues that are raised by the application. In **Step Four** I conclude my analysis with a holistic consideration and assessment of steps one through three.

Q. Could you please identify the five regulatory policy cornerstones supporting your analysis?

A. Yes, the five regulatory cornerstones underlying and supporting my proposed analysis are stated below:

A. Public need initiates public interest

B. Public interest is inherent in the rates and services of public utilities

C. Public interest is at the center/core of utility regulatory Commission functions

D. Public interest is a fundamental regulatory concern and necessitates constant and vigilant regulatory consideration

E. Public trust, confidence and reliance on the correctness of agency decisions and the assertions supporting those decisions are fundamental and crucial components in meeting and preserving the public interest

Q. Could you please explain and discuss each premise?

A. Yes. My analysis begins with recognition that the public interest is the paramount regulatory consideration in utility regulatory matters and that public need initiates public interest. The first cornerstone that I identify recognizes the practical order and sequence by which the public interest is initiated. My analysis recognizes that public need must precede public interest, however both elements are necessary when identifying and considering matters affecting the welfare, interests or well being of the affected public. My second cornerstone is based upon my experience and observation of many regulatory decisions and my review of the public interest rational expressed in support of numerous utility regulatory decisions. My understanding and observation of utility commission regulatory authority, policy and practice in Arizona and Oklahoma has clearly and consistently identified the public interest as an inherent consideration in matters affecting utility rates and charges. In my utility regulatory experience, regulatory decisions routinely refer to the regulatory authority's duties and obligations, including the obligation

to regulate in the public interest by ensuring that utility rates and charges are fair, just and reasonable. The third regulatory cornerstone focuses on the functions and operations of a utility regulatory authority, such as the ACC. This regulatory cornerstone is a reminder of why utility regulatory commissions were created. The utility regulatory authority must have the public interest as the core consideration as it performs it regulatory functions in order to properly fulfill its regulatory purpose. The purpose of regulation is to regulate for the benefit of the broad public interest at all times and in all appropriate matters. The fourth regulatory cornerstone recognizes that vigilance in protecting and promoting the public interest is a fundamental regulatory necessity and requires focus and diligence on the part of regulators. In this case, the ACC is being asked to remain diligent in its consideration of the broad public interest by ensuring the correctness of its Decisions and the underlying rationale supporting those Decisions. In my experience, the obligation to be diligent with regard to the correctness of regulatory decisions isn't limited by the mere passage of time. I believe as a policy matter, that the ACC should be ready, willing and able to correct regulatory error whenever and wherever it is identified. This is a very serious policy consideration by the ACC. The facts of this case are clear, regulatory error is apparent and the need for regulatory vigilance is required. The fifth and final regulatory cornerstone focuses on the issue of public trust and confidence. This cornerstone is absolutely critical if the ACC or any regulatory authority is to be truly effective in the performance of its duties and is to effectively serve the public interest. A utility regulatory authority such as the ACC must take all reasonable and prudent steps to ensure itself and the public for which it regulates, that it can reasonably rely upon the correctness of the representations made in support of its decisions. Absent public trust in its decisions, the regulatory authority fails in its mission to regulate for the benefit of the public and in the public interest.

Q. Why did you develop your recommended analytical approach?

A. I developed my analytical approach to assist in my efforts to understand, assess and analyze the public interest policy issues presented by the Application. Also, I developed my recommended analytical framework to guide and assist me in making my ultimate recommendation to the ACC regarding its assessment, consideration and determination of the request made by the Applicant.

Q. When did you develop your analytical framework?

A. I developed this specific analysis as part of my research and preparation to file testimony in this case concerning the public interest and related utility regulatory policy considerations. However, I have used this approach generally for decades to assist and guide me in developing, analyzing, assessing and recommending utility regulatory policy.

Q. Mr. Johnson, in addition to your training, experience and expertise, could you identify some of the other resources that you considered in developing the public interest analytical framework that you utilized in the preparation of your testimony?

A. Yes, some of the additional sources that I reviewed and considered include the Arizona State Constitution, a law review article authored by Ms. Deborah Scott Engelby, entitled, "The Corporation Commission: Preserving its Independence, 40 A.R.S. sections 252, 281-285, 361, ACC Decision No. 33424 and various national and state regulatory websites including; National Association of Utility Regulatory Commissioners and the National Regulatory Research Institute.

Q. What conclusions did you reach after consideration of the resources that you reviewed?

A. I was reminded that the public interest is a broad regulatory consideration in utility regulatory matters and requires careful and deliberate consideration by regulators. I was also reminded of the critical need for an analytical assessment of the policy issues in regulatory matters, which give rise to and impact the public interest.

Q. Please explain how your proposed analysis is useful in assessing public interest policy issues?

A. I believe my proposed analysis will allow for a comprehensive qualitative analytical consideration of the broad public interest, particularly the important role that the public interest plays in the development, assessment, consideration and application of utility regulatory policy.

Q. Please describe how your analysis is relevant and helpful when assessing the public interest policy issues present in this proceeding?

A. The primary policy issue in this proceeding is whether the ACC, as a policy matter, is ready, willing and able to rectify regulatory error, particularly in the context of the issuance of a Certificate of Convenience and Necessity. My proposed analysis begins by focusing on a fundamental regulatory cornerstone: public need gives rise to the broad public interest. In the instant matter, there is clearly a need for water and wastewater service in the area at issue in this proceeding. It is my understanding that the City of Globe began providing one or both of these services in the disputed area prior to the time that a CC&N was granted to Arizona Water Company and continues to provide these services even today. Thus, the **first** public interest cornerstone, public need, was met and continues to be met by the City of Globe. The **second** cornerstone recognizes that the public interest is inherent in the rates and services of public utilities. Essentially, this cornerstone is the recognition of the financial considerations, impacts and consequences of regulatory decisions. As I discuss later in this testimony, financial considerations, impacts and consequences, good or bad, are a very real result of regulatory policy decisions. It is my understanding that current water and wastewater customers of the City of Globe may be subject to increased rates and charges, unless the ACC corrects regulatory error. In my analysis and in my opinion, the ACC should carefully consider the adverse financial impact that may be experienced by customers unless regulatory error is corrected. The

third cornerstone of my analysis recognizes that the public interest is at the core of utility regulatory commission functions. In my experience and observation, utility regulatory commissions are constitutional or legislative creations, generally charged with the essential regulatory function of identifying, protecting and promoting the broad public interest in matters involving regulated public utilities. As a necessary consequence, utility regulatory authorities routinely develop internal structures and functions, which facilitate fulfilling their constitutional and/or statutory responsibilities. Utility regulatory bodies meet the public need and perform necessary regulatory functions, keenly aware of and consistent with the broad public interest. In my experience with the ACC and its utility regulatory functions, I have observed that the ACC has consistently been focused on ensuring that public interest considerations remain paramount in all utility regulatory matters, including CC&N proceedings. The **fourth** regulatory cornerstone in my analysis recognizes that the public interest is a fundamental regulatory concern and necessitates constant and vigilant regulatory consideration. In my experience, utility regulators recognize the critical importance of constant and vigilant consideration of the broad public interest when developing, assessing and implementing regulatory policy. In the instant case, the ACC is faced with the task of being vigilant in assuring the correctness of its Order concerning the issuance of a CC&N and the underlying assertions and rationale supporting its decision to issue a CC&N in favor of Arizona Water Company. I believe that the ACC can clearly demonstrate its regulatory vigilance by correcting apparent regulatory error as requested by the Applicant. The **fifth** and final regulatory cornerstone in my analysis recognizes that public trust and confidence in the correctness of agency decisions and the assertions supporting those decisions are fundamental and crucial components in meeting and preserving the public interest. In addressing this regulatory cornerstone, I believe that it is absolutely critical that the ACC examine and consider the policy implications of not correcting apparent regulatory error, such as that which is present in this case. The broad public interest rests upon the ability of the public to trust in

both the agency decision and the underlying rationale and assertions supporting the decision. As a former regulator, I am concerned about the potential for significant detrimental public interest and regulatory policy ramifications should the ACC not correct an obvious case of regulatory error.

Q. Why should the ACC utilize your proposed analysis?

A. The ACC should utilize my proposed analytical framework in the same manner as it would any other available resource that it believes would assist it in addressing the public interest policy issues presented in this proceeding. I have presented my analytical framework as a tool, based on twenty-five years of direct, relevant utility regulatory experience. I believe that my proposed analytical framework can help focus attention on the broad public interest which gives rise to public utility regulation and underscores the need for careful, holistic and deliberate consideration of the significant public interest policy issues presented by the Application.

Q. How is your proposed analysis relevant to public interest policy issues involving correcting regulatory error associated with the issuance of a CC&N?

A. The analytical framework that I am proposing would be relevant to any proceeding where utility regulatory policy is under consideration. The instant case happens to involve a request to correct an alleged regulatory error that occurred during the issuance of a CC&N to Arizona Water Company. I believe that the primary policy issue in this proceeding is whether the ACC will correct regulatory error consistent with the broad public interest. In my opinion, the ACC's treatment of this policy issue will signal its general regulatory view, predisposition or likely treatment of similar issues in other cases.

Q. How is your recommended analytical framework helpful in addressing the public interest policy issues implicated in this proceeding?

A. The analytical framework or process that I recommend be utilized in considering the regulatory policy issues presented in this case provides the ACC with a clear, focused and efficient analytical approach by which it can appropriately recognize, assess and consider the broad public interest policy implications present in this case.

Q. How should your analytical framework be applied to the facts present in this case?

A. I recommend that my proposed analytical framework be applied holistically and in three phases. **Phase one** would focus on the essential regulatory function. **Phase two** applies the regulatory balancing act. **Phase Three** would involve the application and assessment of the five regulatory cornerstones. I believe all five-cornerstones should be considered and assigned equal weight in the ACC's holistic analysis of the policy issues present in this case.

Q. What are your conclusions after applying your analytical framework to the facts present in this case?

A. After considering and applying my recommended analytical framework to the facts in this case as I understand them to be, I can only conclude that regulatory error must be corrected consistent with the broad public interest and good regulatory policy.

Q. Please explain.

A. In my analysis, I first considered and evaluated the essential regulation function of protecting and promoting the public interest against the proposition of doing nothing, I concluded that choosing not to correct clearly identifiable regulatory error was not an acceptable outcome and was inconsistent with the essential regulatory function of protecting the broad public interest. Next, I applied the regulatory balancing function, a

regulatory decisional tool that has generally been utilized by utility regulatory commissions to recognize and balance competing interests in regulatory proceedings. In my consideration, I weighed the proposition of doing nothing or electing not to correct regulatory error against the likely adverse impact to ratepayers and other affected interests. In my estimation, proper regulatory balance would support correcting regulatory error in circumstances where an adverse outcome, such as increased costs, customer confusion and duplicative infrastructure could be the result absent correcting regulatory error. Finally, I reviewed and considered the five regulatory cornerstones that I have previously identified. I was quickly reminded of the fact that public trust and confidence in the correctness of agency decisions and the assertions supporting those decisions are fundamental and crucial components in meeting and preserving the public interest. It became very clear to me that the public interest and the public trust in the regulatory process requires correcting the regulatory error present in this case. After a holistic assessment of the essential regulatory function, the regulatory balancing act and the five regulatory cornerstones, the decision was obvious to me.

Q. Based on your analysis, what is your recommendation to the ACC concerning the public interest policy issues presented in this proceeding?

A. Based upon my analysis, I conclude that a comprehensive, holistic review of the broad public interest considerations present in this case necessitate that the ACC correct the apparent regulatory error as requested by the Applicant, the City of Globe.

As someone who has participated in utility regulatory proceedings for over twenty-five years, I can't adequately stress the importance of the policy message that the ACC will be sending to ratepayers, Arizona citizens and those who have occasion to participate in utility proceedings, by how it considers and resolves the regulatory error present in this case consistent with the broad public interest.

VII. REGULATORY CONSIDERATIONS AND THE PUBLIC INTEREST

Q. Mr. Johnson you previously testified that in your experience as utilities director in Arizona and Oklahoma, you have developed, analyzed, recommended and implemented various utility regulatory policies affecting the public interest, is that correct?

A. Yes, I have experience developing, drafting, analyzing, recommending and implementing utility regulatory policy involving electric, water, natural gas and telecommunication issues including issuance of CC&N.

Q. Mr. Johnson, when you developed, drafted, analyzed, recommended and implemented utility regulatory policies, did you consider the effect, impact or consequences of those regulatory decisions on the public?

A. Yes, in the performance of my duties as a utility regulator, consideration of regulatory actions and outcomes were important and necessary regulatory considerations in matters affecting the public interest. As Utilities Director in both Oklahoma and Arizona, I routinely considered the likely effect, impact and consequences of Staff recommendations and Commission decisions on the affected public.

Q. Mr. Johnson, could you please explain what you mean by regulatory considerations?

A. Yes, when I discuss regulatory considerations, my perspective is that of a former Utilities Director. The definition that I offer is based upon my utility policy experience gained in Oklahoma and Arizona and is based upon my knowledge, experience and observations. In my experience and observation, regulatory considerations have generally been concerns held by public utility regulators concerning the intended or unintended consequences of their actions and have included consideration of such things as impact on ratepayers, utilities and communities from a health, safety and financial perspective. Additional

regulatory considerations have included regulatory clarity, regulatory intent, regulatory error or mistake.

Q. Mr. Johnson, are regulatory considerations different from public interest policy considerations?

A. Regulatory considerations and Public Interest Policy considerations are generally similar, but may not be identical and may vary in different circumstances. While both focus on achieving the essential regulatory function of protecting and promoting the public interest, regulatory considerations may be more limited in application or impact. Generally, public interest policy considerations reflect a broader perspective and would generally have a broader application or impact.

Q. Do regulatory considerations and public interest considerations share a similar purpose or focus?

A. Yes, as I previously stated, protecting and promoting the public interest is the key consideration from both the regulatory and public interest policy perspective.

Q. Can both regulatory considerations and public interest policy considerations be present in the same proceeding?

A. Yes, an example would be the instant case, where I believe there are both Regulatory and Public Interest Policy considerations. The Applicant has alleged regulatory error[11] and expense of transferring customers[12] in support of its requested relief. Additionally, the Applicant has requested that the ACC remedy the alleged error or mistake consistent with the public interest[13]. In my view, the Applicant has raised both Regulatory and Public Interest Considerations. Public interest policy considerations would support correcting

[11] Id. at p.6, lines 18-22
[12] Id. at p.8, lines 13-15
[13] Id. at p.5, lines 23-24

regulatory error or mistake consistent with the ACC's general duty to protect and promote the public interest. Regulatory considerations such as health and safety, rate impact, additional customer costs and duplication of facilities should also be considered as the Commission seeks to balance the various competing interests in order to render a decision consistent with the broad public interest. Additional considerations such as public confidence in and reliance upon ACC Decisions, regulatory clarity and regulatory intent would present both public interest policy and regulatory considerations. The ACC's consideration and determination of these issues will impact the parties to this proceeding and likely impact the broader public interest, to the extent that the decision rendered in the instant matter signals probable or similar treatment by the Commission in future proceedings.

Q. Are regulatory considerations helpful to the regulator when dealing with public interest policy issues such as those presented by this case?

A. Yes, as I stated previously, the essential regulatory function and paramount public interest policy consideration is to protect and promote the public interest. Regulatory considerations are part of the public interest analysis and generally focus on the effect of the public interest policy decision or outcome. In my view, assessing and addressing regulatory considerations can assist the Commission to comprehensively and holistically evaluate all matters affecting the public interest.

Q. In your opinion, can consideration of the regulatory issues that you have identified assist the ACC in determining the public interest issues raised by the applicant?

A. Yes, In this case, the primary public interest policy question is whether the ACC should correct regulatory error consistent with the public interest. In analyzing that question, the ACC should ascertain, assess and evaluate regulatory considerations that give rise to or make up the broad public interest and which are necessarily implicated by the public

interest policy question. ACC assessment and holistic consideration of health and safety, rates and charges, duplicative infrastructure and additional costs are appropriate considerations in promoting and protecting the public interest and deciding the primary public interest policy question. Ultimately, determination of what is in the broad public interest will require that the ACC consider, evaluate and balance the competing regulatory considerations and interests present in this case.

Q. In your opinion should the ACC consider the regulatory considerations that you have identified as it seeks to address the public interest issues present in this proceeding?

A. Yes, Absolutely, Commission consideration and holistic assessment of those matters affecting and impacting the public interest is a fundamental regulatory requirement. The regulatory considerations that I have identified are core issues that should be assessed in examining and determining the broad public interest. Good Regulation is accomplished consistent with the broad public interest and for the benefit of the affected public. Therefore, rates and charges, health and safety, duplicative infrastructure and possible increased consumer costs should be part of the regulatory assessment in determining the public interest.

Q. Mr. Johnson, when should a utility regulatory commission consider regulatory considerations such as those that you previously identified?

A. In my experience, the regulatory considerations that I have identified would be relevant and appropriately considered anytime a utility regulatory body is examining issues affecting, impacting or implicating the broad public interest.

Q. Based upon your experience and observation, would regulatory intent be a regulatory consideration?

A. Yes, as I stated earlier, regulatory intent can be both a regulatory consideration and a policy consideration based primarily upon its limited or broad application to a particular issue or set of facts. In my experience as a regulator, understanding the intention of the regulatory authority was critical in determining whether the regulatory outcome was consistent with the public interest. In this case, a review of record suggests that the ACC intended to issue a CC&N based upon the representation that there was a need for service in the identified area, proper notice had been provided to affected interests in the area and upon the representation that there was no existing service. If any of these representations were not factual, then in my opinion the intention of the ACC as expressed in Decision No. 33424 was not accomplished[14]. As a result, the public interest was not promoted or protected, either as a matter of policy or as a regulatory consideration.

Q. Based upon your experience and observation, would regulatory error be a regulatory consideration?

A. Yes, similar to regulatory intent, regulatory error raises both regulatory and public interest considerations based primarily upon their application to a given issue or set of facts. In this case, the Applicant has asserted that regulatory error occurred because of a lack of notice to the City. Although the notice complained of would be specific to this proceeding, the treatment of the issue by the ACC could have broad public interest implications.

[14] Decision 33424

Q. Based upon your experience and observation, would regulatory mistake be a regulatory consideration?

A. Yes, regulatory mistake also raises both regulatory and public interest considerations based upon their application to a given issue or set of facts. In the instant case, regulatory mistake may have occurred if the ACC's intended outcome wasn't the actual outcome. Although the regulatory mistake complained of may be specific to this proceeding, the remedy or treatment fashioned by the ACC may have broader public interest considerations.

Q. How is regulatory intent, error or mistake relevant to this proceeding?

A. Regulatory intent, error and mistake are relevant in determining and ascertaining whether the public interest has been appropriately served. As I stated earlier, the essential function of regulation from a policy perspective, is to protect and promote the broad public interest. Regulatory error or mistake could thwart regulatory intent and thereby hinder the regulators ability to protect or promote the public interest. In this case, the Applicant has alleged that Decision No. 33424 was issued in error based upon incomplete or incorrect information and that the error or mistake should be corrected consistent with the public interest. From my perspective, part of the regulatory consideration in this case, is whether regulatory error or mistake has occurred and whether the public interest has been adversely impacted. The ultimate question from either a regulatory or policy perspective, is what will be the regulatory response upon a finding of regulatory error.

Q. In your opinion, would regulatory intent, error or mistake be relevant regulatory considerations in this case?

A. Yes, utility regulators have a fundamental responsibility to protect and promote the public interest. Ensuring the correctness of regulatory decisions is consistent with that fundamental regulatory purpose.

Q. Would customer impact be a regulatory consideration?

A. Yes, regulators would be very concerned about the impact that a regulatory decision would have on ratepayers.

Q. Would impact to the City of Globe be a regulatory consideration?

A. Yes, Understanding, assessing and evaluating the impact of regulatory decisions upon the City of Globe would be a normal regulatory consideration.

Q. Would duplication of facilities be a regulatory consideration?

A. Yes, duplicative infrastructure would concern regulators primarily because of potential increased and possibly unnecessary costs that might be borne by end-users.

Q. Would increased customer rates and charges be a regulatory consideration?

A. Yes, impact to customer rates and charges is a very high regulatory consideration and understanding the impact to customers is a fundamental regulatory consideration and responsibility.

Q. Would customer confusion be a regulatory consideration?

A. Yes, It is extremely important that utility customers have a clear understanding concerning the financial, health and safety factors that impact both utility costs and services. In the instant case, I believe that the ACC must carefully consider the potential for customer confusion, which could result from a change in utility service providers. In my regulatory experience, customer confusion generally leads to customer dissatisfaction, customer anger and subsequently to customer complaints to and about their utility service provider. In my former capacity as Utilities Director, I received numerous calls from ratepayers expressing both concern and confusion regarding rates, terms and conditions of service. In my experience, many customer complaints to utility regulators result from customer

confusion and are avoidable. I would recommend that the ACC seriously assess whether the possibility for customer confusion would be in the public interest.

Q. Would impact to AWC be a regulatory consideration?

A. Yes, Utility Regulators seek to balance competing interests, including the impact or outcome of a regulatory decision upon an affected interest, such as Arizona Water Company.

VIII. REGULATORY POLICY ANALYSIS

Q. Mr. Johnson, you previously identified some of the regulatory concerns that you believe are present in this case, correct?

A. Yes, I believe that customer rates and charges, duplicative infrastructure and additional costs are appropriate regulatory considerations that need to be evaluated, considered and assessed as the ACC addresses the public interest issues raised in this proceeding. In my regulatory experience, these issues are fundamental regulatory considerations and are routinely considered and evaluated by utility regulators when considering issues affecting, impacting or implicating the broad public interest. Additional regulatory considerations would include regulatory intent, error or mistake as each of these considerations could impede the Commissions ability to promote and protect the public interest.

Q. Mr. Johnson is it your opinion that protecting and promoting the broad public interest necessitates consideration of the regulatory considerations that you've identified.

A. Yes, that is my opinion and is based upon my experience and observation, having served as Utilities Director for over fifteen years in Arizona and Oklahoma.

Q. As a former regulator, have you been involved in utility regulatory proceedings in Arizona or Oklahoma where the regulatory concerns that you just identified were under consideration by either Commission?

A. Yes, in my experience as Utilities Director in both Arizona and Oklahoma I was routinely involved in individual proceedings (including CC&N), rate cases, rulemakings and general utility regulatory proceedings where one or several of the regulatory considerations that I previously identified where part of the overall regulatory assessment by the Commissions, as they considered and evaluated issues impacting the broad public interest.

Q. What was the approach you took as Utilities Director in assessing or analyzing regulatory considerations such as the ones that you previously identified?

A. As a regulator, my analysis or approach routinely began with identifying, determining and assessing the public interest issues present in and associated with a particular matter or proceeding. It involved assessing and evaluating things such as customer impact or harm, understanding and evaluating the applicable facts, applying regulatory policy principles and consideration of relevant background or specific history relied upon in support or opposition to issues present in the case. My ultimate recommendation would reflect my efforts to balance the various facts, arguments and policies consistent with the broad public interest.

Q. In your experience and observation, is the analytical approach that you outlined a generally used approach in utility regulatory proceedings when reviewing, assessing and reaching ultimate conclusions regarding regulatory considerations like the one's that you previously identified?

A. Yes, the approach that I outlined is the approach that I utilized as a regulator and in my experience and observation is generally utilized when addressing regulatory

1 considerations, such as those that I have identified. I believe that this approach assists the
2 regulator in fulfilling the fundamental regulatory goal of regulating for the benefit of the
3 affected public. Additionally, under this regulatory analytical approach, the primary
4 regulatory focus remains the public interest.
5
6 **Q. Do you believe that the regulatory considerations that you have identified are present**
7 **in this proceeding?**
8 A. Yes, I do. In my review of the Application filed by the City of Globe, I found that the
9 regulatory considerations that I've identified are raised and discussed within the
10 Application and are at issue is this case.
11
12 **Q. Which regulatory considerations did you specifically analyze for purposes of your**
13 **testimony?**
14 A. I specifically address the regulatory considerations associated with regulatory intent, error
15 or mistake.
16
17 **Q. Why are you addressing regulatory intent, error or mistake?**
18 A. From a policy perspective, regulatory intent, error or mistake implicate the broad public
19 interest and are critical considerations in determining whether the regulatory outcome
20 expressed thru Decision No. 33424 was and remains consistent with the broad public
21 interest.
22
23 **Q. Please describe your experience as a regulator dealing with regulatory intent.**
24 A. During the fifteen years that I served as Utilities Director, my daily responsibilities
25 included working to insure that Staff recommendations were factually accurate and based
26 on sound regulatory policy principles. The reason was fairly basic; the Commissioners
27 relied upon Staff to provide credible, factually accurate and sound policy

recommendations for its consideration. As part of its duties, staff would be concerned about insuring that clear and proper notice was provided to customers and other affected interests in matters pending before the Commission. However, the Applicant had the ultimate responsibility to insure that all affected interests were provided accurate and timely notice of matters that impacted or could affect their interests. Oftentimes, the Commission or Administrative Law Judge would prescribe the Notice to be given by the Applicant to affected interests and the Applicant was charged with complying with the Commission directive concerning Notice. In my experience and observation, Notice was the initial step in establishing regulatory intent because subsequent Commission action was premised upon the understanding that affected interests had been provided Notice of and afforded a reasonable opportunity to participate in the pending matter. Generally, if the Applicant represented to the Commission that proper Notice was provided to affected interests and no opposition or contrary information was forthcoming, then the Commission oftentimes granted the requested relief based upon the representations of the Applicant, similar to what occurred in this case. In matters involving the issuance, extension or modification of a CC&N, proper Notice to affected interests, lack of opposition to the requested relief and the representations of the Applicant, would all be factors considered and utilized by the Commission in determining whether the requested relief was consistent with the broad public interest. If any of these representations were found not to be factual, particularly deficiencies in the required Notice, the public interest findings by the Commission would be based upon an inaccurate assumption or conclusion and could lead to flawed conclusions regarding the public interest. If this were the case, the Commissions intent regarding the public interest would not and could not be accomplished. This outcome would be a very significant shortcoming from a regulatory perspective and would necessitate correction.

Q. Mr. Johnson could you please elaborate upon your prior statement.

A. Yes, in my review of Decision No. 33424 the Commission stated that its decision and actions were based upon oral and documentary testimony, agency files and records.[15] The Commission thereafter concluded that the request of Arizona Water Company did not conflict with any other person or corporation furnishing a service of a like character in the additional area sought to be certificated.[16] If the oral or documentary testimony, agency files and records that formed the Commission's findings (particularly regarding the public interest), were inaccurate, then the intent of the Commission would not be fully accomplished because the ACC clearly relied upon oral testimony and documentation representing that there was no present conflict with any other person or corporation[17]. As a former utility regulator cognizant of public interest considerations, I personally know the value, importance and reliance that regulators place upon public interest considerations, such as the Notice given to affected interests. I also know how hard Staff works to implement the intent of the Commission. The Commissions ability to rely upon the accuracy of the representations of the Applicant regarding the provision of timely and accurate notice is a crucial factor in fulfilling regulatory intent and promoting and protecting the public interest. From a public interest perspective, I believe regulatory intent was not realized and couldn't be realized unless proper Notice had been provided, which does not appear to be the case. I believe that the Application filed by the City of Globe provides the ACC with an opportunity to finally effectuate its true intent consistent with the broad public interest.

Q. Please describe your experience as a regulator dealing with regulatory error.

A. During my career as a utility regulator, I occasionally became aware of or was involved in matters involving regulatory error. Regulatory error generally involved some action by the regulator that was subsequently determined to be inaccurate, contain some inaccuracy or was premised upon some inaccuracy. I generally recall that some of the issues involved

[15] Decision 33424
[16] Id.
[17] Petition to Amend, p.2, line 23

typos, incorrect attachments or some other relatively minor issue, which necessitated correction. Sometimes, it was necessary to correct a schedule in the context of a rate case or verbiage in the context of a rulemaking proceeding. I do recall the importance that the Commission and Staff placed upon immediately correcting any error found to exist. Part of the regulatory concern was that rights and responsibilities could be impacted by the error and that business or personal decisions could be impacted by the error. Particular importance was placed on immediately correcting any error involving health and safety related issues. The alleged regulatory error in this case would appear to involve the issue of Notice, which I believe is a very significant public interest issue. As I reviewed the Application, the Applicant contends that it did not receive any Notice of the proceeding to extend or modify. Notice to the affected public was part of the ACC's consideration in determining that the public interest was served by granting the CC&N extension requested by Arizona Water Company [18]. In my experience and observation, this contention if found to be true would be viewed quite seriously from a Staff perspective and I believe from a Commission perspective as well, because Notice is a fundamental concern by utility regulators seeking to ascertain the public interest. The Applicant has asserted that the public interest supports modification of Decision No. 33424 based upon an error in Notice and the ACC's reliance upon that error in rendering its decision.[19] As a former regulator, I would recommend to the Commission that serious consideration be given to correcting any regulatory error found to exist, regardless of when it is found, if and when the Commission determines that doing so, is consistent with the regulators duty and responsibility to promote and protect the broad public interest.

Q. Please describe your experience as a regulator dealing with regulatory mistake.

A. Similar to regulatory error, regulatory mistake in my experience and observation involved some regulatory action that was ultimately determined to be incorrect. Regulatory mistake

[18] Decision 33424
[19] Petition to Amend, p.6, 18-22

could involve some inadvertent action or oversight by the regulatory authority that was discovered subsequent to the regulatory action, such as the failure to include a rate schedule. The regulatory concern would be essentially the same as in cases of regulatory error and would necessitate correction when the regulatory authority determined that correction was necessary and consistent with the public interest. In the present case, if regulatory mistake were determined to exist, I would urge the ACC to correct the mistake consistent with the public interest. As a former regulator, I cannot recall a single instance where regulatory error or mistake was ever determined to be consistent with the public interest. In my experience and observation as a regulator, utility regulatory authorities have been very diligent in addressing issues of regulatory mistake or error because of the public reliance and confidence in regulatory actions or decisions. In my view, it would be extremely difficult for utility regulators to protect and promote the broad public interest and simultaneously fail to address or correct regulatory error or regulatory mistake when doing so would be consistent with the same broad public interest.

Q. Please summarize your conclusions regarding how the public interest is affected by regulatory intent, regulatory error or regulatory mistake.

A. The public interest is broad in its scope, significant in its impact and can encompass a multitude of affected interests. Determining the public interest concerning a given matter can be a fairly complicated regulatory undertaking. Once determined, assessing the public interest boils down to a fundamental question, Does the contemplated regulatory action or decision advance, promote or protect the public interest consistent with the primary regulatory function. In this proceeding, there is clearly a significant issue regarding the lack of Notice to the City of Globe and whether the ACC's intended action was indeed accomplished or even could have been accomplished due to the apparently inaccurate representations regarding Notice and the ACC's clear reliance upon those inaccurate representations. In my opinion and regulatory experience, regulatory error or regulatory

mistake can significantly affect the utility regulators ability to fully effectuate its intent. In my experience and observation, the ACC has spoken through its writings, whether identified as Orders or Decisions and its intent has been derived from its writings. Unfortunately, in this case regulatory intent has been clearly thwarted. The ACC's action and intent was clearly premised upon advancing, protecting or promoting the public interest as indicated in Decision No. 33424 [20]. However, the nagging regulatory question is, '*how was the public interest advanced, protected or promoted based upon an inaccurate representation.*' In my opinion, from a policy perspective and based upon the facts presented in this case, the public interest was not and could not be advanced, promoted or protected due to the inaccurate representations regarding Notice, particularly, the lack of notice to the City of Globe. As a policy matter, regulation is for the benefit of the affected public and regulatory actions should work for the benefit of the affected public and not to its detriment.

IX. REGULATORY POLICY RESPONSE

Q. Mr. Johnson, based upon your experience and observations having served as Utilities Director for over fifteen years in two regulatory jurisdictions, would you have any comments regarding the regulatory policy response that you would recommend to the Commission in this proceeding?

A. Yes, I would recommend that the Commission consider, evaluate and decide the issues raised in this proceeding consistent with the broad public interest and common good. Simply put, in my opinion, the ACC would be advancing, protecting and promoting the broad public interest by granting the relief request by the Applicant.

As I previously stated, the essential regulatory purpose or function is to promote and protect the broad public interest and to regulate for the benefit of those impacted by the regulation. In this proceeding, for the reasons that I previously discussed, I believe the

[20] Decision 33424

appropriate regulatory policy response would be to correct regulatory error or mistake as requested by the Applicant and consistent with the public interest.

Q. Mr. Johnson, from a regulatory policy perspective and in your opinion, would the correction of a regulatory error or mistake be an appropriate regulatory response?

A. Yes. In my opinion, experience and based upon my review of the facts in this case, I do believe that sound utility regulatory policy supports effectuating regulatory intent and correcting the regulatory error or mistake presented in this case. In the instant matter, I believe correcting regulatory error or mistake would be consistent with the Commission's duty and responsibility to regulate in the public interest. During my career as a utility regulator, I found that public trust and confidence in the Commission's actions and decisions was and remains a crucial component in advancing, promoting and protecting the public interest. I believe that the affected public and the regulated community each expect that the Commission will passionately pursue the public interest and ultimately make the right policy call after consideration and assessment of the various factors implicating public interest considerations. Notice of regulatory proceedings is a significant and crucial regulatory consideration, and I believe is relevant in assessing whether the public interest has been promoted or protected and whether regulatory intent has been effectuated. In my regulatory experience developing, recommending and implementing utility regulatory policy, I don't recall a single instance where deficient or defective notice of a pending agency action was ever considered as being in the public interest nor consistent with good regulatory policy. Regulators must take all reasonable steps to insure that the opportunity to effectively participate in regulatory proceedings is protected. Notice is the first step in ensuring a reasonable opportunity for public participation in utility regulatory proceeding and must be protected consistent with the broad public interest. Unfortunately, it appears that the City of Globe was foreclosed from participating in the proceeding giving rise to Decision 33424 due to a lack of Notice. For

the reasons previously stated, I believe this result is inconsistent with good regulatory policy and the broad public interest.

X. CONCLUSION

Q. Mr. Johnson, do you have any final thoughts concerning the issues raised in this proceeding?

A. Yes, as a policy matter, "getting it right" is not only in the public interest, but in my opinion, is the public interest. The essential regulatory function is to promote and protect the broad public interest. Regulation is premised upon a public need and exists for the benefit and protection of those impacted or affected by regulatory outcomes. The regulatory assessment of the public interest is not a static consideration; it requires continual vigilance on the part of the regulator. In this case, the public interest has never truly been satisfied because of the lack of Notice to the City of Globe. Regulatory vigilance, good public policy and the public interest require that the Commission correct the regulatory error present in this case.

Q. Does that conclude your testimony?

A. Yes, it does.