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Transcript Exhibit(s)

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AZ CORP COMMISSION
DOCKET CONTROL

Docket #(s): W-20446A-14-0290

Arizona Corporation Commission

DOCKETED

JUN 10 2015

DOCKETED BY

Exhibit #: S-1 through S-3, A-1

Part 1 of 2

For Part 2, please See Barcode 0000162282

ORIGINAL

MEMORANDUM



TO: Docket Control

FROM: *FOY* Steven M. Olea
Director
Utilities Division

Amigos

DATE: May 5, 2015

RE: IN THE MATER OF THE APPLICATION OF GLOBAL WATER – SANTA CRUZ WATER COMPANY, INC. FOR AN EXTENSION ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY (DOCKET NO. W-20446A-14-0290)

Attached is the Staff Report for the above-referenced application. Staff is recommending approval of the application with conditions.

SMO:VW:red\BES

Originator: Vicki Wallace

Arizona Corporation Commission
DOCKETED
MAY 05 2015

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AZ CORP COMMISSION
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Service List for: Global Water- Santa Cruz Water Company, Inc.
Docket No. W-20446A-14-0290

Mr. Timothy Sabo
Snell & Wilmer
One Arizona Center
Phoenix, Arizona 85004

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Ms. Janice Alward
Chief, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Steven M. Olea
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Lyn Farmer
Chief, Hearing Division
Arizona Corporation Commission
1200 West Washington Street
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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

GLOBAL WATER – SANTA CRUZ WATER COMPANY, INC.

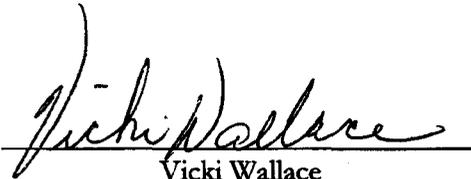
DOCKET NO. W-20446A-0290

AMENDED APPLICATION FOR AN EXTENSION OF AN EXISTING
CERTIFICATE OF CONVENIENCE & NECESSITY

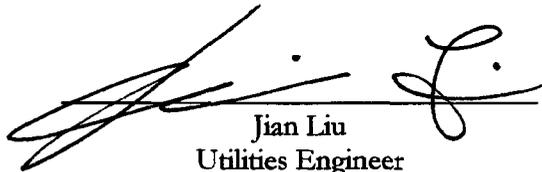
MAY 5, 2015

STAFF ACKNOWLEDGEMENT

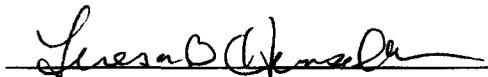
The Staff Report for Global Water – Santa Cruz Water Company, Inc. (Docket No. W-20446A-14-0290) was the responsibility of the Staff members listed below. Vicki Wallace was responsible for the review and analyses of the Company's application and preparation of the Division's Staff Report; Jian Liu was responsible for the engineering and technical analysis; and Teresa Hunsaker was responsible for the financial analysis.



Vicki Wallace
Executive Consultant



Jian Liu
Utilities Engineer



Teresa Hunsaker
Public Utility Analyst

EXECUTIVE SUMMARY
GLOBAL WATER – SANTA CRUZ WATER COMPANY, INC.
DOCKET NO. W-20446A-14-0290

On July 30, 2014, Global Water – Santa Cruz Water Company (“Santa Cruz” or “Company”) filed an application with the Arizona Corporation Commission (“ACC” or “Commission”) requesting approval for an extension of its existing Certificate of Convenience and Necessity (“CC&N”) to provide public utility water service in Pinal County. This case was originally consolidated with a request to extend wastewater service by Global Water – Palo Verde Utilities Company (Docket No. SW-020445A-14-0291), but that case was later withdrawn. On February 13, 2015, Santa Cruz filed an amended application limiting the requested service area to expedite processing.

Santa Cruz is an Arizona public service corporation, authorized by the ACC to provide water service in Pinal County, Arizona. By the amended application, Santa Cruz is seeking to extend the Santa Cruz CC&N to provide potable water service to the Estrella Gin property (“the Development”) covering approximately 65 acres in an area adjacent to the Company’s current CC&N service area. The Development is undeveloped land owned by the City of Maricopa (“City”) and consists of commercial, flex office/warehouse, and industrial use with no planned residential at this time. Santa Cruz does not need any additional plant facilities to provide service to the Development.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

1. The Company is in compliance with ADEQ, ADWR, and ACC regulations.
2. The Company has adequate production and storage capacity to serve existing customers (including the proposed extension area) and to provide reasonable growth.
3. The Company has the financial capabilities to provide service to the requested extension area.
4. It is in the public interest to approve this request for an extension of Santa Cruz’s CC&N, subject to the conditions below.

Recommendations

Staff recommends that the Commission approve Santa Cruz for an extension of its existing CC&N to include the Estrella Gin Property to provide water service, subject to compliance with the following conditions:

1. To require Santa Cruz to charge its existing rates and charges in the proposed extension area.

2. Staff is concerned about Santa Cruz's over-reliance on advances in aid of construction and contribution in aid of construction, therefore, the Company should be placed on notice that, to the extent possible, it should plan to fund future infrastructure needs with equity and long-term debt in order to bring more balance to its infrastructure.

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INTRODUCTION

On July 30, 2014, Global Water – Santa Cruz Water Company (“Santa Cruz” or “Company”) filed an application with the Arizona Corporation Commission (“ACC” or “Commission”) requesting approval for an extension of its existing Certificate of Convenience and Necessity (“CC&N”) to provide public utility water service in Pinal County. This case was originally consolidated with another application requesting to extend wastewater service by Global Water – Palo Verde Utilities Company (Docket No. SW-20445A-14-0291), but that case was later withdrawn.

The Santa Cruz application initially covered six properties: City of Maricopa – Estrella Gin; City of Maricopa – Eagle Wing PAD; Anderson Russell, LLC Property; El Dorado Holdings, Inc. – Eagle Wing; and Santa Cruz Land Development, LLC, and Pinal County – Maricopa Recycling Center. Staff issued Insufficiency Letters on August 28, September 5, and December 4, 2014, indicating that the Company’s application did not meet the sufficiency requirements of the Arizona Administrative Code (“A.A.C.”) R14-2-402. The Company subsequently filed responses to the Insufficiency Letters. To expedite the process, Santa Cruz filed an Amended Application on February 13, 2015, to cover only one of the six properties, the City of Maricopa’s Estrella Gin property. On March 10, 2015, Staff filed its Sufficiency Letter indicating that the application had met the sufficiency requirements of the A.A.C.

On March 12, and April 10, 2014, Procedural Orders were issued settling procedural matters and setting an evidentiary hearing for June 2, 2015.

BACKGROUND

Santa Cruz is an Arizona public service corporation, authorized by the ACC to provide water service in Pinal County, Arizona and is in good standing with the ACC’s Corporations Division. Santa Cruz’s parent company is Global Water Resources, Inc. (“GWRI” or “Global Parent”), a Delaware C Corporation, and 48.1% of the shares of GWRI are held by GWR Global Water Resources Corporation, a Canadian corporation.

Santa Cruz current serves approximately 17,200 customers within Pinal County, and its current rates were set by Decision No. 74364 issued February 26, 2014.

By the amended application, Santa Cruz is seeking to extend the Santa Cruz CC&N to provide potable water service to the Estrella Gin property (“Development”) covering approximately 65 acres in an area adjacent to the Company’s current CC&N service area. The Development is undeveloped land owned by the City of Maricopa (“City”) and consists of commercial, flex office/warehouse, and industrial use with no planned residential at this time. The City has scheduled Parcels 1 and 2 of Estrella Gin to be completed and occupied in 2015, and Parcels 3 and 4 to be completed and occupied in 2016. Santa Cruz does not need any additional plant facilities to provide service to the Development. Staff’s legal description and mapping of the area is attached as Exhibit 1.

According to the application, notice was provided to county and city entities within five miles of the extension area. The Company also forwarded a request for service which was received from the City of Maricopa for the 65 acres of the Estrella Gin Property.

THE WATER SYSTEM

Staff's Engineering Report, which is attached as Exhibit 2, describes the existing water system facilities in detail. The water system basically consists of six active wells for potable water use, four active wells for construction, golf course, irrigation, and lake water use purposes only, five storage tanks, hydro-pneumatic systems, and a distribution system serving approximately 17,200 current customers.

Staff concludes that the Santa Cruz water system has adequate production and storage capacity to serve its existing customers (including the proposed CC&N extension area) and to provide for reasonable growth.

FINANCE OF FACILITIES

The Company indicates in its application that Santa Cruz plans to construct and finance \$1,105,500 for Well Site No. 1 and \$421,032 for Estrella Gin On-Site Water System in three phases with a combination of advances in aid of construction ("AIAC") and hook-up fees, which will be recognized as a contribution in aid of construction ("CIAC"). The Company stated in response to Staff's data request that Well Site No 1 would not be required until 2020 and, thus, it was removed in Staff's analysis of anticipated plant costs and associated expenses.

Based upon the review of financial statements provided, Staff determined adequate funding exists for Santa Cruz's operational needs and provision of water service in the requested CC&N area.

After further assessment of the financial information submitted by the Company, Staff performed a capital structure analysis. Although the investment in Well No 1 is being disregarded since the plant will not be placed in service within five years, Staff is concerned about a continuing over-reliance on AIAC and CIAC. As a result, Staff recommends that the Company be placed on notice that, to the extent possible, it should plan to fund future infrastructure needs with equity and long-term debt in order to bring more balance to its capital structure mix in accordance with the Settlement Agreement in Decision No.74364. For the detailed financial analysis conducted by Staff, please see the Financial and Regulatory Staff Report, Exhibit 3.

PROPOSED RATES AND CONSUMER SERVICES

Santa Cruz has proposed to extend service to the extension property at its currently approved tariffed rates and charges established in Decision No. 74364 issued February 26, 2014.

A review of the Consumer Services database for complaints revealed that from 2013 to date, approximately 69 complaints (mostly billing/deposit issues) have been received for the entire Santa

Cruz CC&N water service area. All complaints have been resolved and closed. No opinions opposing this application have been received.

WASTEWATER PROVIDER

According to information provided by the Company, Global – Palo Verde will be the wastewater provider in the requested extension area.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY (“ADEQ”) COMPLIANCE

ADEQ regulates the Company’s Water System under ADEQ Public Water System (“PWS”) No. 11-131. ADEQ reported that Santa Cruz is currently delivering water that meets water quality standards required by 40 C.F.R. 141 (Title 40 Code of Federal Regulations Part 141 National Primary Drinking Water regulations) and Arizona Administrative Code, Title 18, Chapter 4. (ADEQ report dated December 4, 2014).

ARIZONA DEPARTMENT OF WATER RESOURCES (“ADWR”) COMPLIANCE

Santa Cruz is located in the Pinal Active Management Area (“AMA”) and is subject to ADWR and AMA reporting and conservation requirements. ADWR reported that Santa Cruz is currently in compliance with departmental requirements governing water providers and/or community water systems. (ADWR compliance status report dated March 26, 2015).

ACC COMPLIANCE

According to the Utilities Division Compliance Section, the Company has no delinquent ACC compliance items.

CURTAILMENT, BACKFLOW PREVENTION, AND BEST MANAGEMENT PRACTICES (“BMP”) TARIFFS

Santa Cruz has approved curtailment, backflow prevention, and BMP tariffs on file with the Commission.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

1. The Company is in compliance with ADEQ, ADWR, and ACC regulations.
2. The Company has adequate production capacity and storage capacity to serve existing customers (including the proposed extension area) and to provide reasonable growth.

3. The Company has the financial capabilities to provide service to the requested extension area.
4. It is in the public interest to approve this request for an extension of Santa Cruz's CC&N, subject to the conditions listed below.

Recommendations

Staff recommends that the Commission approve Santa Cruz for an extension of its existing CC&N to include the Estrella Gin Property to provide water service, subject to compliance with the following conditions:

1. To require Santa Cruz to charge its existing rates and charges in the proposed extension area.
2. The Company should be placed on notice that, to the extent possible, it should plan to fund future infrastructure needs with equity and long-term debt in order to bring more balance to its infrastructure.

1 Original and thirteen (13) copies
of the foregoing filed this
2 7th day of May 2015 with:

3 Docket Control
Arizona Corporation Commission
4 1200 West Washington Street
Phoenix, Arizona 85007

5
6 Copy of the foregoing emailed/mailed
this 7th day of May 2015 to:

7 Michael W. Patten
Timothy J. Sabo
8 Snell & Wilmer LLP
400 East Van Buren Street, Suite 1900
9 Phoenix, Arizona 85004
mpatten@swlaw.com
10 tsabo@swlaw.com

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Kayla Christine

MEMORANDUM

TO: Vicki Wallace
Executive Consultant III
Utilities Division

FROM: Lori H. Miller *lhml*
Programs & Projects Specialist
Utilities Division

THRU: Del Smith *DS*
Engineering Supervisor
Utilities Division

DATE: April 30, 2015

RE: GLOBAL WATER – SANTA CRUZ WATER COMPANY, INC. (DOCKET NO.
W-20446A-14-0290)
SECOND AMENDED LEGAL DESCRIPTION

The area requested by Global Water-Santa Cruz Water Company for a CC&N extension has been plotted using the Company's second amended legal description. Attached is the legal description which will replace (in its entirety) all previous legal descriptions.

Also attached is a copy of the map for your files.

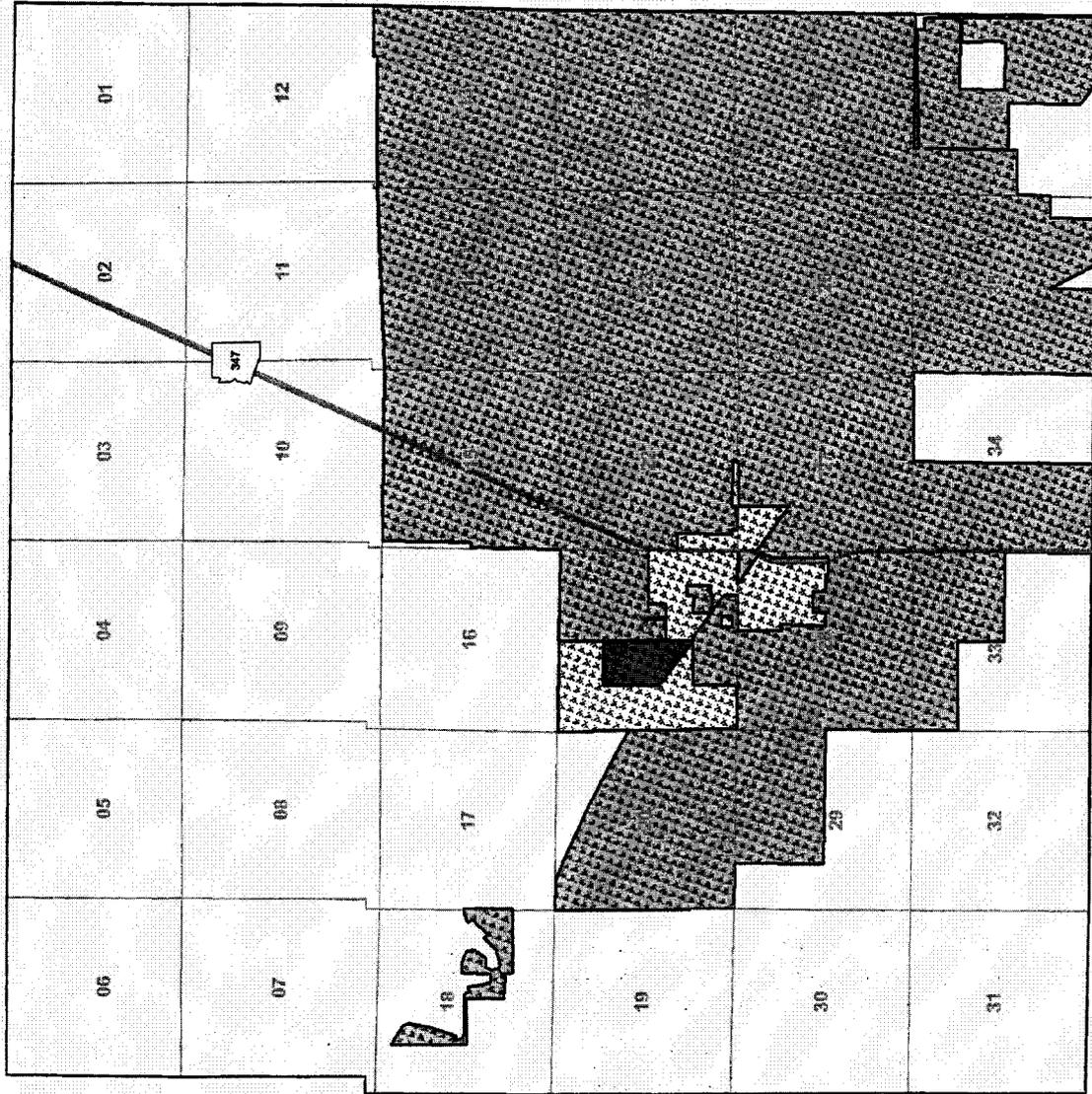
:lhm

Attachments

cc: Mr. Timothy J. Sabo
Ms. Deb Person (Hand Carried)
Mr. Jian Liu
File

PINAL COUNTY

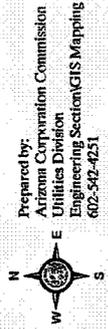
RANGE 3 East



-  Sewer SW-20445A (13)
-  Global Water - Palo Verde Utilities Company W-20446A (11)
-  Global Water - Santa Cruz Water Company

-  (1)
- Global Water - Santa Cruz Water Company
Docket No. W-204464A-14-0290
Application for Extension
(Second Amended Application)

TOWNSHIP 4 South



Prepared by:
Arizona Corporation Commission
Utilities Division
Engineering Section/GIS Mapping
602-542-4251

Pursuant to ARS § 39-121.03 this map is 'Not for Commercial Use'

TR483E 18 DEC 2014

EXHIBIT A
LEGAL DESCRIPTION

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

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

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

ALSO Except that portion described as follows:

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

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

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

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

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

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

ALSO Except that portion described as follows:

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

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

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

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

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

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

APN: 510-17-005E-6

EXHIBIT A (CONT'D)

Further excepting the following:

A strip of land 60 feet wide being 30 feet on either side of the Enid-Maricopa Highway survey as surveyed over and across the lands of Melvin S. Drake in section 21 T.4 S, R.3 E, G. & S.R.B.M. paralleling and adjacent to the North right-of-way line of the Southern Pacific Railroad and more particularly described as follows:

Beginning at the intersection of the center line of the above named survey at station 450+70 and the West line of the N.E.1/4 of the S.W.1/4 of section 21, which point lies 330 feet more or less South of the S.E. corner of the S.W.1/4 of the N.W.1/4 of section 21; running thence in a Southeasterly direction over and across the said section 21 a distance of 1650 feet more or less to a point marking the intersection of the center line of said survey at station 467+20 and the South line of the N.E.1/4 of the S.W.1/4 of section 21 which point lies 80 feet more or less West of the S.E. corner of the N.E.1/4 of the S.W.1/4 of section 21 containing 2.27 ACRES more or less, to be used for highway purposes only.

Also excepting:

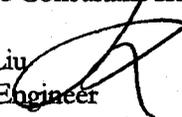
That part of the Northeast quarter of the Southwest quarter (NE $\frac{1}{4}$, SW $\frac{1}{4}$) of Section 21, Township 4 South, Range 3 East, G. & S.R.B. & M., more specifically described as follows:

A strip of land 20 feet in width lying parallel and adjacent to the North line of the existing 60 foot right-of-way .

MEMORANDUM

DATE: April 16, 2015

TO: Vicki Wallace
Executive Consultant III

FROM: Jian W. Liu 
Utilities Engineer

RE: Global Water-Santa Cruz Water Company
Docket No. W-20446A-14-0290 (Extension of Territory for water service)

Introduction and Background

On July 30, 2014, Global Water - Santa Cruz Water Company ("Santa Cruz" or "Company") filed with the Arizona Corporation Commission ("ACC" or "Commission") an application for approval to extend its Certificate of Convenience and Necessity ("CC&N") to provide water utility service by adding approximately 65 acres in an area adjacent to Santa Cruz's current CC&N service area¹. Santa Cruz provided water service to approximately 17,200 active customers within portions of Pinal County as of December 31, 2013.

Estrella Gin (the "Development") is approximately 65 acres of undeveloped land owned by the City of Maricopa ("City"). The Development consists of Commercial, Flex Office/Warehouse and Industrial Use with no planned Residential at this time. The City has scheduled Parcels 1 and 2 of Estrella Gin to be completed and occupied in 2015, and Parcels 3 and 4 to be completed and occupied in 2016. Santa Cruz does not need any additional plant facilities to provide service and intends to charge its existing rates and charges in the CC&N extension area pursuant to its filed tariffs.

Description of Existing Water System

The Santa Cruz water system facilities consist of 6 active wells with total pumping capacity of 11,315 gallons per minute ("GPM") for potable water use, 4 active wells with total pumping capacity of 4,530 GPM for construction, golf course, irrigation, and lake water use purposes only, 5 storage tanks with total storage capacity of 6,500,000 gallons, hydro-pneumatic systems and a distribution system serving approximately 17,200 active connections.

¹ On February 13, 2015, the Company amended its application to exclude all other properties, leaving only the property of Estrella Gin.

System Analysis

Staff concludes that the Santa Cruz water system has adequate production capacity and storage capacity to serve existing customers (including the proposed extension area) and reasonable growth.

Arizona Department of Environmental Quality (“ADEQ”) Compliance

ADEQ regulates the Company’s Water System under ADEQ Public Water System (“PWS”) No. 11-131. ADEQ reported that the Santa Cruz is currently delivering water that meets water quality standards required by 40 C.F.R. 141 (National Primary Drinking Water Regulations) and Arizona Administrative Code, Title 18, Chapter 4. (ADEQ report dated December 4, 2014).

Arizona Department of Water Resources (“ADWR”) Compliance

Santa Cruz is located in the Pinal Active Management Area (“AMA”) and is subject to ADWR AMA reporting and conservation requirements. ADWR reported that Santa Cruz is currently in compliance with departmental requirements governing water providers and/or community water systems. (ADWR compliance status report dated March 26, 2015).

ACC Compliance

A check with the ACC Utilities Division Compliance Section showed no delinquent compliance items for the Company. (ACC Compliance Section Email dated April 16, 2015).

Conclusions

1. ADEQ reported that Santa Cruz is currently delivering water that meets water quality standards required by 40 C.F.R. 141 (Title 40 Code of Federal Regulations Part 141 National Primary Drinking Water Regulations) and Arizona Administrative Code, Title 18, Chapter 4. (ADEQ report dated December 4, 2014).
2. ADWR reported that Santa Cruz is currently in compliance with departmental requirements governing water providers and/or community water systems. (ADWR compliance status report dated March 26, 2015).
3. A check with the ACC Utilities Division Compliance Section showed no delinquent compliance items for the Company. (ACC Compliance Section Email dated April 16, 2015).
4. Staff concludes that Santa Cruz has adequate production capacity and storage capacity to serve the existing customer base (including the proposed extension area) and reasonable growth.

MEMORANDUM

TO: Vicki Wallace
Executive Consultant III - Utilities Division

FROM: Teresa Hunsaker
Public Utilities Analyst II - Utilities Division *TH*

DATE: April 20, 2015

RE: IN THE MATTER OF THE APPLICATION OF GLOBAL WATER - SANTA CRUZ WATER COMPANY, INC. FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY (DOCKET NO. W-20446A-14-0290)

INTRODUCTION

On July 30, 2014, Global Water - Santa Cruz Water Company, Inc. ("Santa Cruz" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for an extension of its Certificate of Convenience and Necessity ("CC&N") to provide public utility water service in Pinal County, Arizona. On February 13, 2015, the Company amended its application to only include the Estrella Gin property owned by the City of Maricopa. According to the Company, the Estrella Gin property covers approximately 65 acres and no offsite infrastructure is required for this property. Santa Cruz's parent company is Global Water Resources, Inc. ("GWRI" or "Global Parent"), a Delaware C Corporation, and 48.1% of the shares of GWRI are held by GWR Global Water Resources Corp. ("GWRC"), a Canadian corporation incorporated under the *Business Corporations Act* (British Columbia).

FINANCIAL CONDITION AND CAPABILITY TO PROVIDE REQUESTED SERVICES

According to the application, the Company plans to construct and finance \$1,105,500 for Well Site No. 1 and \$421,032 for Estrella Gin On-Site Water System in three phases with a combination of advances in aid of construction ("AIAC") and hook-up fees, which will be recognized as a contribution in aid of construction ("CIAC"). The Company stated in response to Staff Data Request No. TBH 1.5(a)(2) that Well Site No. 1 would not be required until 2020 and, thus, in its analysis Staff removed Well Site No. 1 from anticipated plant costs and associated expenses.

Pursuant to the provisions of Arizona Administrative Code § R-14-2-602(B)(5)(n) through R-14-2-602(B)(5)(s), the Company's application support is to include discussions and descriptions of planned facility investments and revenue and expense estimates. The Company provided projections of its annual revenues and expenses for the first five years following the approval of the application and estimates of the value of its utility plant in service at the end of each of the first five

years following the approval of the Application. The Company projects an operating income for each of the years is as follows: Year 1, \$14,154; Year 2, \$73,239; Year 3, \$100,345; Year 4, \$130,402; and Year 5, \$153,916. However, Staff determined that the projected plant additions were outside the first five years, and therefore the associated expenses for the plant were adjusted. Staff determined that the operating income for each of the years is as follows: Year 1, \$14,154; Year 2, \$73,609; Year 3, \$101,456; Year 4, \$132,253; and Year 5, \$156,507.

The Company's application provided as Exhibit 8: "Statement of Financial Conditions". Exhibit 8 provided its unaudited balance sheet and income statement for the year ended December 31, 2013. Due to Decision No. 74364¹ dated February 26, 2014 (which resulted from the Company's last permanent rate proceeding), Staff requested the financial statements for the year ended December 31, 2014, in order to provide the most current financial condition and soundness of the Company. Staff has evaluated the unaudited balance sheet and income statement for the year ended December 31, 2014, and found that the information provided is in substantial compliance with Decision No. 74364. These financial statements² reported total assets of approximately \$96.5 million, total liabilities of approximately \$36.7 million and total equity of approximately \$59.8 million. The Company had a net operating income net of income taxes of approximately \$2.3 million.

Based upon a review of the financial statements provided, Staff found that Santa Cruz had a positive cash flow of \$5,586,083 during this financial reporting period (i.e., \$2,251,427 net operating income not inclusive of income taxes + \$3,334,656 in depreciation expense net of CIAC amortization) which is sufficient to fund Santa Cruz's operational needs and to provide water service in the requested CC&N service area.

CAPITAL STRUCTURE AND FINANCIAL CONDITION

The Company provided projected revenues based on the rate phase-in³ set forth in Commission Decision No. 74364. In Data Request No. TBH 1.2, Staff requested a complete copy of all Infrastructure Coordination and Financing Agreements ("ICFA") or ICFA type agreements covering the service area of the CC&N application. The Company's response stated that there are no ICFA agreements for the property included in the CC&N application. In Data Request No. TBH 1.3, Staff requested a complete copy of all Line Extension and/or any Main Extension Agreement ("MXA") for any projects that are part of this amended application. The Company's response stated that there is one MXA for the construction of a fire station by the City of Maricopa⁴, which is served on a contiguous basis from the existing CC&N service area. Additional MXA's will be required for the remainder of the property.

¹ W-01212A-12-0309 et al.

² The Balance Sheet for the period ending December 31, 2014, has a mathematical error in the Total Assets of \$94,969,388. The corrected amount of Total Assets is \$96,502,204. Staff is reporting the corrected amount.

³ Pursuant to the Settlement Agreement, Sub-Section 1.5 (Excerpts) - The rate phase-in for the Santa Cruz and Palo Verde Companies is over a period of eight years.

⁴ The City of Maricopa's Mayor Christian Price signed the Settlement Agreement on Page 16 therefore Global Water is to refrain from filing new rate applications until May 31, 2017. Section 2.1.1 of this Agreement discusses the Rate Stay-Out Agreement and Decision No. 74364 on Page 19 Line 18 1/2.

The Company stated in response to Staff Data Request No. TBH 1.5(a)(2) that “The Estrella Gin property is located adjacent to the Company’s current area and off-site lines already exist that can serve the property. The only off-site project related to this CC&N extension is a new domestic well. The Company currently has adequate production capacity using its current wells, and timing for the need for the new well is dependent on the timing of the Estrella Gin development and also the overall customer growth of the Company’s system. Thus, the exact date the new well will be placed in service is not known. However, the Company anticipates the well will be required in approximately 2020. The well will likely be financed through a combination of hookup fees and equity.” The Company’s financial information stated that 50 percent of the construction of the off-site infrastructures will be funded by hook-up fees.

Staff determined that the Company’s ultimate investment in Well No. 1 would not be included in its analysis because the well is not anticipated to be required until 2020. Therefore, Staff also concluded that the depreciation expense and CIAC amortization of Well No. 1 should also be disregarded since the plant will not be placed in service within five years.

A utility’s capital structure is an indicator of financial soundness. Investor owned utilities with low equity and high CIAC and/or AIAC balances may result in rate bases that are too small to be used to establish rates that are sufficient to generate enough revenue to pay for operating expenses and fund capital improvements without giving consideration to extraordinarily high rates of return to drive the revenue requirement model results. Consequently, Staff has determined that a financially sound utility company, on average, should have no more than 30 percent AIAC and/or CIAC in its capital structure.

The pro forma effect of Santa Cruz funding the entire plant expansion with AIAC would result in a capital structure mix comprised of 35.57 percent AIAC/CIAC, 62.03 percent equity, and 2.40 percent debt as shown in the table below.

	%	12/30/2014	Pro Forma Plant	Adjusted 12/30/2014	%
AIAC	33.84%	\$ 32,469,837	\$ 421,032	\$ 32,890,869	34.13%
CIAC	1.44%	\$ 1,384,628	\$ 0	\$ 1,384,628	1.44%
Equity	62.31%	\$ 59,778,004	\$ 0	\$ 59,778,004	62.03%
Debt	2.41%	\$ 2,308,473	\$ 0	\$ 2,308,473	2.40%
Total	100.00%	\$ 95,940,942	\$ 421,032	\$ 96,361,974	100.00%

Staff is concerned about a continuing over-reliance on AIAC and CIAC and as a result recommends that the Company be placed on notice that, to the extent reasonably possible, it should plan to fund future infrastructure needs with equity and long-term debt in order to bring more balance to its capital structure mix in accordance with the Settlement Agreement in Decision No. 74364. The Company’s long-term goal should be to have combined net AIAC and CIAC funding ratio significantly lower than current and pro-forma AIAC and CIAC ratios which exceed 30% of total capital.

Staff concludes that The Company has the financial capabilities to provide service to the requested extension area.

RECOMMENDATIONS

Staff recommends that:

1. To require Santa Cruz to charge its existing rates and charges in the proposed extension area.
2. The Company should be placed on notice that, to the extent possible, it should plan to fund future infrastructure needs with equity and long-term debt in order to bring more balance to its capital structure.



EXHIBIT
S-3
ADMITTED

REC'D
AZ CORP
DOCKET

2014 AUG 15 PM 3:41

1 **COMMISSIONERS**
2 BOB STUMP, Chairman
3 GARY PIERCE
4 BRENDA BURNS
5 BOB BURNS
6 SUSAN BITTER SMITH

7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 IN THE MATTER OF THE APPLICATION OF
9 VALENCIA WATER COMPANY – TOWN DIVISION
10 FOR THE ESTABLISHMENT OF JUST AND
11 REASONABLE RATES AND CHARGES FOR UTILITY
12 SERVICE DESIGNED TO REALIZE A REASONABLE
13 RATE OF RETURN ON THE FAIR VALUE OF ITS
14 PROPERTY THROUGHOUT THE STATE OF ARIZONA

Docket No. W-01212A-12-0309

ORIGINAL

15 IN THE MATTER OF THE APPLICATION OF
16 GLOBAL WATER – PALO VERDE UTILITIES
17 COMPANY FOR THE ESTABLISHMENT OF JUST AND
18 REASONABLE RATES AND CHARGES FOR UTILITY
19 SERVICE DESIGNED TO REALIZE A REASONABLE
20 RATE OF RETURN ON THE FAIR VALUE OF ITS
21 PROPERTY THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. SW-20445A-12-0310

22 IN THE MATTER OF THE APPLICATION OF WATER
23 UTILITY OF NORTHERN SCOTTSDALE, INC. FOR A
24 RATE INCREASE

Docket Nos. W-03720A-12-0311

25 IN THE MATTER OF THE APPLICATION OF
26 WATER UTILITY OF GREATER TONOPAH FOR
27 THE ESTABLISHMENT OF JUST AND REASONABLE
RATES AND CHARGES FOR UTILITY SERVICE
DESIGNED TO REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS PROPERTY
THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-02450A-12-0312

IN THE MATTER OF THE APPLICATION OF
VALENCIA WATER COMPANY – GREATER
BUCKEYE DIVISION FOR THE ESTABLISHMENT OF
JUST AND REASONABLE RATES AND CHARGES FOR
UTILITY SERVICE DESIGNED TO REALIZE A
REASONABLE RATE OF RETURN ON THE FAIR
VALUE OF ITS PROPERTY THROUGHOUT THE
STATE OF ARIZONA

DOCKET NO. W-02451A-12-0313

**NOTICE OF FILING
CODE OF CONDUCT**

Arizona Corporation Commission

DOCKETED

AUG 15 2014

DOCKETED BY

1 IN THE MATTER OF THE APPLICATION OF
2 GLOBAL WATER – SANTA CRUZ WATER COMPANY
3 FOR THE ESTABLISHMENT OF JUST AND
4 REASONABLE RATES AND CHARGES FOR UTILITY
5 SERVICE DESIGNED TO REALIZE A REASONABLE
6 RATE OF RETURN ON THE FAIR VALUE OF ITS
7 PROPERTY THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-20446A-12-0314

5 IN THE MATTER OF THE APPLICATION OF
6 WILLOW VALLEY WATER COMPANY FOR THE
7 ESTABLISHMENT OF JUST AND REASONABLE
8 RATES AND CHARGES FOR UTILITY SERVICE
9 DESIGNED TO REALIZE A REASONABLE RATE OF
10 RETURN ON THE FAIR VALUE OF ITS PROPERTY
11 THROUGHOUT THE STATE OF ARIZONA

DOCKET NO. W-01732A-12-0315

**NOTICE OF FILING
CODE OF CONDUCT**

10 Global Water – Palo Verde Utilities Company, Global Water – Santa Cruz Water
11 Company, Valencia Water Company – Town Division, Valencia Water Company – Greater
12 Buckeye Division, Water Utility of Greater Tonopah, Willow Valley Water Co. and Water Utility
13 of Northern Scottsdale (collectively, the “Global Utilities”) file the attached Code of Conduct.

14 Decision No. 74364 (February 26, 2014) requires “[t]hat all parties shall implement and
15 comply with the terms of the Settlement Agreement, with the conditions discussed herein.” (page
16 66, lines 10-11). Section 8.7 of the Settlement Agreement provides that:

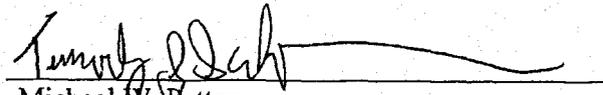
17 The Global Water and Wastewater Utilities will work with Staff to adopt a Code
18 of Conduct to apply to transactions that are between or involve the Applicants and
19 their unregulated affiliates and to assure confidential treatment of customer
20 specific information including water and wastewater usage information. This
21 Code of Conduct shall include, at a minimum, the recommendations of Staff
22 Witness Armstrong on page 34 of his Direct Testimony as well as measures
23 designed to ensure that the Global Utilities are independent and stand-alone
24 entities separate and apart from the Global Parent and its other unregulated
25 affiliates and that all transactions between these entities are on an arms-length
26 basis. The Applicants shall file the agreed upon Code of Conduct by May 2, 2014.

24 On May 2, 2014, Commission Staff filed a motion for extension of time, noting that Staff
25 and the Global Utilities were still working on the Code of Conduct. Staff and the Global Utilities
26 have continued to work on the Code of Conduct, and Staff and the Global Utilities are now in
27 agreement as to the Code of Conduct. The agreed Code of Conduct is attached.

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RESPECTFULLY SUBMITTED this ^{15th}~~13th~~ day of August, 2014.

ROSHKA DEWULF & PATTEN, PLC

By 
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Original +13 copies of the foregoing
filed this 15th day of August 2014, with:

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

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24
25 By *Jacqueline Howard*
26
27

**GLOBAL WATER AND WASTEWATER UTILITIES
CODE OF AFFILIATE CONDUCT**

I. PURPOSE.

The purpose of this Code of Affiliate Conduct (the "Code") is to govern the operational and financial activities and relationships existing between the Global regulated water and wastewater utilities and all of their affiliates and parent companies, to assure the confidential handling of customer information, and to ensure separation of the traditional roles of the regulated Global Utilities and non-regulated operations of Global. This Code is intended to implement Section 8.7 of the Settlement Agreement (attached hereto as Exhibit "A") approved in Decision No. 74364. This Code is not intended to supersede Global's obligations to comply with Commission rules, regulations or Orders.

II. DEFINITIONS.

"Global" means collectively the Global Utilities, Global Water Resources, Inc. ("GWRI" or "Global Parent"), Global Water, LLC ("GW"), and all of their affiliates.¹

"Global Utility" means each utility owned by GWRI in Arizona and subject to the jurisdiction of the Arizona Corporation Commission.

"Affiliate" with respect to the public utility, shall mean any other entity directly or indirectly controlling or controlled by, or under direct or indirect common control with, the public utility. For purposes of this definition, the term "control" (including the correlative meanings of the term "controlled by" and "under common control with"), as used with respect to any entity, shall mean that power to direct the management policies of such entity, whether through ownership of voting securities, or by contract, or otherwise.

"Arm's Length Transaction" means the standard of conduct under which unaffiliated parties, each acting in its own best interest, would carry out a particular transaction.

"Commission" means the Arizona Corporation Commission ("ACC").

"Fully Allocated Cost" means the sum of direct costs plus an appropriate share of indirect costs.

"Infrastructure Coordination and Finance Agreement" means a voluntary contract between Global Parent, and a landowner. These contracts provide for Global Parent, to coordinate the planning, financing and construction of off-site water, wastewater and recycled water plant. The Global Utilities will own and operate this plant when construction is complete. Under the ICFAs, Global Parent is responsible for funding both the planning and construction of water, wastewater and recycled water plant.

¹ To the extent the names of any affiliates change or affiliates are added or deleted, Global shall update this Code of Conduct if necessary and the attached Global organizational chart (Exhibit "B").

Effective Date:
Decision No:
Docket No: W-01212A-12-0309 et al.
ACC Approval: _____

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Phoenix, AZ 85027
623.580.9600

“RUCO” means the Residential Utility Consumer Office.

“Staff” means the ACC Staff.

III. APPLICABILITY.

- A. This Code applies to each utility owned by GWRI in Arizona and subject to the jurisdiction of the ACC and its interactions with its Affiliates. This Code is binding on Global.
- B. All Global employees shall adhere to this Code.
- C. This Code was prepared pursuant to Decision No. 74364 and any changes require prior approval of the ACC.
- D. This Code is subject to review at any time by Staff and/or RUCO. Any changes to this Code requested by Staff, RUCO, or Global which the three parties cannot agree with shall be brought to the Commission for resolution.

IV. AFFILIATE TRANSACTIONS.

- A. Separation of Global Regulated and Non-Regulated Activities and Operations.
 - 1. Global Utilities shall be separate corporate entities from the other Global entities.
 - 2. Global will not enter into any new agreements, including ICFAs, or adopt any operational changes that result in the Global Parent directly assuming the responsibilities of or typically performed by a public service corporation. Such public service corporation responsibilities are to remain the direct responsibility of the Global Utilities only.
 - 3. Each Global Utility shall keep separate books and records in accordance with the Uniform System of Accounts promulgated by the National Association of Regulatory Utility Commissioners (“NARUC”).
 - 4. Global Utilities shall keep accounting records that set forth appropriate cost allocations between Global Utilities and GWRI, GW and its affiliates which, upon request, shall be made available to the Commission in accordance with A.A.C. R14-2-804(A).

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B. Infrastructure Finance and Coordination Agreements (“ICFAs”).**1. Prohibition on new ICFAs or ICFA type agreements.**

Global will not enter into any new ICFAs or any other ICFA type agreements. Global may enter into amendments to existing ICFAs from time to time, as long as the amendments do not increase the dollar amount of the ICFA funds to be paid to Global Parent or any of its affiliates. A list of ICFAs or ICFA type agreements is attached to the Settlement Agreement approved in Decision No. 74364.

2. ICFA Fees Received After December 31, 2013, Under Existing ICFAs.

Global shall follow the procedures set out in Section 6.4 of the Settlement Agreement related to ICFA Fees received after December 31, 2013, under existing ICFAs approved in Decision No. 74364.

3. ICFA Fees Received In Excess of the Applicable HUF.

In accordance with Section 6.4.3 of the Settlement Agreement approved in Decision No. 74364, the Global Parent portion (ICFA Fee minus HUFs) is to be used only in accordance with the terms of the applicable ICFA.

4. HUF and Other Utility Funds Received.

Each Global Utility, water and wastewater, will maintain a separate, segregated bank account for all funds received under the HUF tariff and file annual reports as outlined in the Global Utility's HUF tariffs. The HUF funds may only be used by the Global Utilities for the purposes specified in the HUF tariff.

5. Use of Line Extension and Main Extension Agreements.

The Global Utilities will continue to use main extension agreements in accordance with Commission rules. Any associated funds or infrastructure (or land associated with the infrastructure which is conveyed to Global) used to provide water or wastewater will be segregated to or owned by the Global Utilities.

6. Staff and RUCO Right to Monitor Compliance.

Staff and RUCO shall have the right to monitor Global's compliance with the Settlement Agreement approved in Decision No. 74364, and review all ICFA related transactions in future rate applications that Global files, and take appropriate steps, if necessary, to ensure the continued resolution of the issues regarding ICFAs as set forth in the Settlement Agreement.

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C. Access to Books and Records.

Global shall make all Global books and records available to the ACC Staff and RUCO at any time upon request, upon a reasonable notice, in Maricopa County, Arizona. The Global Utilities shall continue to maintain their business headquarters and fully operational field, billing and complaint offices in Arizona.

D. Cost Allocation Manual.

1. Each Global Utility that receives products and/or services from an affiliate or that provides products and/or services to an affiliate, shall maintain information documenting the methodologies to allocate different costs between the Global Utilities and their affiliates and regulated and non-regulated operations. However, direct assignment of costs should be the first consideration with only the costs which cannot be reasonably directly assigned being subject to indirect cost allocation considerations.
2. Global shall provide upon request:
 - a. An organization chart of the holding company, depicting all affiliates, as well as a description of activities in which the affiliates are involved.
 - b. A listing of job position descriptions with duties and responsibilities and whether the position works for both the regulated Global Utilities and their parent and affiliates.
 - c. A description of all assets, services and products provided to and from the Global Utilities and their affiliates.
 - d. All documentation including written agreements, accounting bulletins, internal procedures, work order manuals, or related documents which govern how costs are allocated between affiliates.
 - e. Any regulatory commission rules, regulations, or orders upon which the Global Utilities rely to support cost allocations and pricing between the Global Utilities and their affiliates.
 - f. Any generally accepted accounting principles, financial accounting statements or NARUC accounting requirements that the Global Utilities rely upon for their cost allocations and pricing between the Global Utilities and their affiliates.
3. Staff and RUCO may request a copy of Global's CAM at any time.

Effective Date:
Decision No:
Docket No: W-01212A-12-0309 et al.
ACC Approval: _____

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623.580.9600

E. Valuing the Transfers of Assets, Goods and Services.

1. All dealings between Global Utilities and former affiliates shall be Arm's Length Transactions.
2. GWRI, GW, and all Global affiliates shall charge the lower of fully allocated cost or market price whenever goods, products or services are sold or provided to a Global Utility.
3. Global Utilities shall charge the higher of fully allocated cost or market price whenever goods, products or services are sold or provided by a Global Utility to GWRI, GW or any affiliate.
4. GWRI, GW and all unregulated Global affiliates shall charge the lower of book or market price whenever assets are sold to a Global Utility.
5. Global Utilities shall charge the higher of book or market price whenever assets are sold by a Global Utility to GWRI, GW or any unregulated affiliate.
6. Global shall, on a continuing basis, retain the market price information used to determine the market price for goods or services purchased until the completion of any subsequent Global Utilities rate case involving GWRI, GW and all affected affiliates.
7. Any services provided by the Global Utilities that are subject to a filed tariff shall be provided at the rates and under the terms and conditions set forth in the tariff, unless an exception is permitted by the ACC.
8. For all purchases of goods or services from an affiliate, or former affiliate, with an expected cumulative annualized value exceeding \$100,000, Global Utility(s) will solicit competitive bids from at least two non-affiliated entities. In awarding a contract to a bidder, Global Utility(s) will document the reasons for selecting the bidder, including, but not limited to the bid price, bidder's experience, and the expected time to provide the services. Global Utilities will retain copies of all bid documents, including the requests for proposal, responses, selection documentation, and the bid award.

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Effective Date:
Decision No:
Docket No: W-01212A-12-0309 et al.
ACC Approval: _____

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F. Condition Relative to Secured and Unsecured Debt.

1. The Global Utilities shall not pledge, mortgage, or use as collateral any fixed assets of the Global Utilities for the benefit of GWRI, GW or an unregulated affiliate except as authorized by the ACC.
2. The Global Utilities will not lend to or make guarantees for GWRI, GW, or an unregulated affiliate except as authorized by the ACC. Neither shall GWRI, GW, or an unregulated affiliate have any cross default provisions that affect the Global Utilities in any manner.
3. If Global or Global Utilities receive authorization from the ACC to issue secured debt backed by utility assets, such proceeds must be used for the stated utility purposes only; and when utility assets with a net book value exceeding \$100,000 are sold, and such assets are supported by, related to, or secured by utility debt issuances, the debt must be retired or follow the asset.
4. If Global or Global Utilities receive authorization from the ACC to issue unsecured debt that is not backed secured by utility assets, and the proceeds from such unsecured debt are used in whole, or in part, for nonutility purposes, and if all or any part of the nonutility operations with a net investment value exceeding \$100,000 are sold, then a proportionate share of the debt must be retired or follow the nonutility operations.
5. The Global Utilities may maintain banking, committed credit facilities and cash management arrangements which are combined with the similar cash management arrangements of GWRI, GW, and unregulated affiliates in order to achieve operational and cash management economic efficiencies. However in no instance is preferential treatment ever to be given to the financial, or cash flow, interests or demands of the non-Global Utility operations over the similar demand and interests of the Global Utilities.

GWRI may pay dividends to its shareholders as long as the level of such dividend payments is sustainable and does not compromise the ability of the Global Utilities to meet ongoing operating needs, nor compromise the continuous goal of improving the long-term financial health of the Global Utilities.

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ACC Approval:

W-01212A-12-0309 et al.

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V. ACCESS TO CUSTOMER INFORMATION.**A. Definition of Confidential Customer Information.**

“Confidential Customer Information” includes name, address, personal identification numbers (e.g., social security , driver’s license, etc.) billing information, payment history, account history, account number, meter reads, time of use information, survey results, and any other information specific to a customer of one or more Global Utilities. Confidential Customer Information does not include publicly available information or information that can be derived from publicly available information. Nor does Confidential Customer Information include consolidated or aggregate usage information as long as such aggregated information cannot be directly associated with or attributable to specific customers.

B. Prohibition Against Release of Confidential Customer Information.

The Global Utilities shall not release individually identifiable confidential customer information except as allowed for under this Code of Conduct and Commission rules, or upon affirmative consent of the customer in writing or electronically. Nothing herein shall prohibit Global Utilities from sharing Confidential Customer Information for a specific customer with that customer’s authorized representative.

C. Notice to Customers Required for Use of Confidential Customer Information by Affiliates, GWRI, GW or Third Parties.

If Global Utilities and their affiliates seek to use confidential customer information in any manner other than as necessary for the provision of utility service then Global Utilities shall send notice to customers in writing or electronically which includes the definition of confidential customer information, and explains that the customer’s consent is required before the Global Utilities and their affiliates or third parties may use, disclose or permit access to confidential customer information for a purpose which is not necessary for the provision of utility service. The notice shall list the entities that will receive the confidential customer information and the intended purpose or use of the information by the Affiliate, GMRI, GW or a third party. The customer involved must be informed how to approve or reject this request and Global Utilities must receive positive affirmation of the customer’s approval before such information is used or shared.

The notice will be provided to Commission Staff for review and approval before it is sent to customers.

Effective Date:
Decision No:
Docket No:
ACC Approval:

W-01212A-12-0309 et al.

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D. **Exception for Affiliate Access to Confidential Customer Information for Activities Necessary In the Provision of Utility Service.**

GWRI, GW, and other affiliates may access Confidential Customer Information for the following purposes in conjunction with the provision of utility service: (1) addressing customer complaints or inquiries; (2) responding to complaints or inquiries from the a governmental entity; (3) accounting or auditing purposes; (4) billing, including oversight of any third-party billing or customer service provider; or (5) leak detection, usage analysis, or other internal operational purposes necessary in the provision of utility service. The Global Utility will be required to execute a protective agreement with GWRI, GW and any other affiliates in receipt of confidential customer information pursuant to this provision in accordance with paragraph F below.

E. **Third Party Access to Customer Information for Activities Necessary In the Provision of Utility Service.**

GWRI or Global Utility may contract with a third party to provide call center, credit reporting companies, collections, customer service, billing and related services necessary for the provision of utility service. In such a case, Global Utility must execute a protective agreement in accordance with paragraph F below with the third party which requires the third party to keep all Confidential Customer Information received confidential.

F. **Confidentiality Agreement Required.**

The affected Global Utilities shall be required to execute a protective agreement with GWRI, GW, its affiliates or agents or independent contractors or third parties for any release of confidential customer information for the provision of utility service or where the customer has given his or her affirmative consent in writing or through electronic means.

G. **Sharing of Customer On-Line Activity Obtained Through the Use of Software Cookies is Prohibited.**

The sharing of data obtained through the use of software cookies by Global Utilities, GWRI, GM, or any affiliates to monitor ratepayer on-line activities is strictly prohibited.

H. **Legal Access to Confidential Customer Information.**

Global may provide access to Confidential Customer Information to comply with a legal requirement, including responding to a subpoena, court order, civil investigatory demand, regulatory agency order, or ACC data request.

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Decision No:
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ACC Approval:

W-01212A-12-0309 et al.

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I. Verification of Affirmative Customer Consent.

Global Utility(s) shall retain sufficient information to demonstrate compliance with these provisions in the event a dispute arises concerning the release of individually identifiable confidential customer information.

J. Ongoing Applicability of This Section.

If the Commission adopts new rules governing the sharing of Confidential Customer Information by water utilities, those rules shall supersede this section in its entirety when the new rules become effective. Global shall update its Code of Conduct at that time to reflect the new rules adopted.

VI. AFFIDAVIT OF COMPLIANCE.

Global's Chief Executive Officer, President, or Chief Financial Officer shall be required to file with the Commission an affidavit of compliance annually which states that the provisions of this Code of Conduct have been met.

REVISIONS

Date	Revision Number	Revisions	OPI
08/12/2014	ORIGINAL (000)		

Effective Date:
Decision No:
Docket No:
ACC Approval:

W-01212A-12-0309 et al.

Global Water Attn: Regulatory Affairs
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Phoenix, AZ 85027
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Exhibit-A

ATTACHMENT A

**PROPOSED SETTLEMENT AGREEMENT OF RATE
ADJUSTMENT APPLICATIONS OF**

**Valencia Water Company, Inc. – Town Division
Docket No. W-01212A-12-0309**

**Global Water – Palo Verde Utilities Company
Docket No. SW-20445A-12-0310**

**Water Utility of Northern Scottsdale, Inc.
Docket No. 03720A-12-0311**

**Water Utility of Greater Tonopah, Inc.
Docket No. 02450A-12-0312**

**Valencia Water Company, Inc. – Greater Buckeye Division
Docket No. 02451A-12-0313**

**Global Water – Santa Cruz Water Company
Docket No. W-20446A-12-0314**

**Willow Valley Water Co., Inc.
Docket No. 01732A-12-0315**

AUGUST 12, 2013

DECISION NO. 74364

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**PROPOSED SETTLEMENT AGREEMENT OF
GLOBAL WATER UTILITIES RATE CASE
DOCKET NOS. W-01212A-12-309 et al.**

The purpose of this Settlement Agreement ("Agreement") is to settle disputed issues related to Docket Nos. W-01212A-12-0309, SW-20445A-12-0310, W-03720A-12-0311, W-02450A-12-0312, W-02451A-12-0313, W-20446A-12-0314 and W-01732A-12-0315 (collectively, the "Global Rate Dockets"). This Agreement is entered into by the following entities:

STAFF and RUCO

Arizona Corporation Commission Utilities Division ("Staff")
Residential Utility Consumer Office ("RUCO")

Global Applicants

Valencia Water Company, Inc. – Town Division ("Valencia – Town")
Global Water– Palo Verde Utilities Company ("Palo Verde")
Water Utility of Northern Scottsdale, Inc. ("Northern Scottsdale")
Water Utility of Greater Tonopah, Inc. ("Tonopah")
Valencia Water Company, Inc. – Greater Buckeye Division
("Valencia – Buckeye")
Global Water – Santa Cruz Water Company ("Santa Cruz")
Willow Valley Water Co., Inc. ("Willow")

Global Intervenors

Global Water – Picacho Cove Water Company ("Picacho Water")
Global Water – Picacho Cove Utilities Company ("Picacho Utilities")
Hassayampa Utilities Company, Inc. ("Hassayampa")
Global Water Resources, Inc. ("Global Parent")

Other Intervenors

Province Community Homeowners Association
Rancho El Dorado Phase III Homeowners Association
Cobblestone Farms Homeowners Association

And such other intervenors or parties that may sign on pursuant to Section 11.7 of the proposed Settlement Agreement.

These entities will be referred to collectively as "Signatories;" a single entity will be referred to individually as a "Signatory." Santa Cruz, Palo Verde, Valencia – Town, Willow, Valencia – Buckeye, Tonopah, and Northern Scottsdale will be collectively referred to as the "Applicants" or the "Global Water and Wastewater Utilities." Picacho Water, Picacho Utilities, Hassayampa, and Global Parent will be collectively referred to as the "Global Intervenors," and the Global Intervenors and the Applicants will be collectively referred to as "Global."

I. RECITALS.

- 1.1 The Global Water and Wastewater Utilities each filed a separate rate application on July 9, 2012. Staff filed a letter of sufficiency on October 26, 2012, and by Procedural Order dated November 20, 2012, the applications were deemed sufficient as of November 7, 2012. The November 20, 2012 Procedural Order also established a hearing schedule and consolidated all seven of the Global Rate Dockets. The hearing was subsequently rescheduled by a Procedural Order dated April 30, 2013.
- 1.2 By Procedural Orders, the following parties were granted intervention in the Global Rate Dockets: RUCO, New World, Maricopa, the Maricopa HOAs, SNR, Willow Club, the Global Intervenors, Steven P. Tardiff, Dana J. Jennings, and Andy and Marilyn Mausser.
- 1.3 The Global Water and Wastewater Utilities filed a notice of settlement discussions on July 11, 2013, and a revised notice of settlement discussions on July 15, 2013. Settlement discussions began on July 18, 2013, and continued on July 19, 2013. The settlement discussions were open, transparent, and inclusive of all Parties to this Docket who desired to participate. All Parties to this Docket were notified of the settlement discussion process, were encouraged to participate in the negotiations, and were provided with an equal opportunity to participate. Participants in the settlement discussions included Global, Staff, RUCO, Maricopa, the Maricopa HOAs, New World, SNR, and the Willow Club.
- 1.4 The terms of this Agreement are just, reasonable, fair, and in the public interest in that they, among other things, establish just and reasonable rates for the Global Water and Wastewater Utilities; promote the convenience, comfort and safety, and the preservation of health, of the employees and patrons of the Global Water Utilities; avoid unnecessary litigation expense and delay, and resolve all issues arising from the Global Rate Dockets except the issue of a Distribution System Improvement Charge ("DISC") type mechanism for Willow. Global is working to provide the necessary information to Staff as soon as possible for a System Improvement Benefit ("SIB") mechanism so Staff can

complete its review prior to the commencement of the hearing in this matter. Global waives the right to request any acquisition premium for any of its existing systems involved in this docket.

1.5 The Signatories believe that this Agreement balances the interests of both the Global Water and Wastewater Utilities and their customers. These benefits include:

- A phase-in of rates with no rate increase in year one of the phase-in for any of the Global Water and Wastewater Utilities;
- A rate phase-in for the Santa Cruz and Palo Verde Companies over a period of eight years;
- A rate phase-in for Valencia Town, Valencia Buckeye, Willow, and Tonopah over a period of three years;
- A phase-in of the rate increases attributable to recovery of expenses in years two and three of the phase-in;
- There will be no change in revenue requirement for Northern Scottsdale as a result of this case;
- The Global Water and Wastewater Utilities agree to a rate stay-out until May 31, 2016; and if the City of Maricopa signs onto the Agreement, the stay-out will be extended to May 31, 2017 for Santa Cruz and Palo Verde;
- Continuing bill assistance for low income customers in existing Global Utilities with such programs, and expansion of the low income bill assistance program into the other Global Utilities;
- The rate design will continue to allow customers an opportunity to reduce their bill by providing a rebate when customers use less than the Conservation Rebate Threshold ("CRT"); and
- Resolution of issues regarding Infrastructure Coordination and Financing Agreements ("ICFAs").

1.6 The Signatories agree to ask the Commission: (1) to find that the terms and conditions of this Agreement are just and reasonable and in the public interest, along with any and all other necessary findings, and (2) to approve the Agreement such that it and the rates contained herein may become effective on January 1, 2014.

TERMS AND CONDITIONS

II. REVENUE REQUIREMENT AND RATE INCREASE PROVISIONS.

2.1 Rate Stay Out Agreement.

2.1.1 None of the Applicants will file a rate application before May 31, 2016. The test year for the next rate application filed by any of the Applicants shall not end before December 31, 2015. However, if the City of Maricopa joins this Agreement as a Signatory, then Santa Cruz and Palo Verde will not file a rate application before May 31, 2017, and the test year for the next rate case for Santa Cruz and Palo Verde may not end before December 31, 2016.

2.2 Rate Increase.

2.2.1 The revenue requirements and rate increases for all years of the phase-in for each of the Global Water and Wastewater Utilities are shown on Attachment A.

2.3 Fair Value Rate Base.

2.3.1 The jurisdictional fair value rate base used to establish the rates agreed to herein for each of the Global Water and Wastewater Utilities is shown on Attachment A. The Global Water and Wastewater Utilities agree to the use of original cost rate base as the fair value rate base for each of the Global Water and Wastewater Utilities for purposes of setting rates in this case.

2.3.2 The rate bases set forth on Attachment A exclude Post Test Year Plant as recommended by Staff, except for the following projects: (1) Palo Verde Lagoon Clean Closure and Conversion Project; (2) Valencia – Town Bales Fill Line; and (3) Valencia - Town Buena Vista Fill Line.

2.4 The rates agreed to herein are based on a test year ending December 31, 2011, with adjustments for known and measurable changes.

2.5 The expense levels agreed to herein are based upon the expense levels recommended by Staff, with the exception of the modified depreciation expense discussed in Section 5.1.

2.6 There will be no change in the revenue requirement for Northern Scottsdale as a result of this case.

III. BILL IMPACT AND RATE DESIGN.

- 3.1 Upon the effective date of the new rates, the monthly bill for a residential customer, with median usage, for each year of the phase-in is shown on Attachment A.
- 3.2 For the water company Applicants, the rate design includes six tiers and a CRT.¹ This follows the rate design approved in Decision No. 71878. The new CRTs will not take effect until January 1, 2015.
- 3.3 For Palo Verde and Santa Cruz, the recycled and nonpotable water rate will be \$1.6380 per 1,000 gallons, to be phased-in over eight years as shown on Attachment A. For the other Global Applicants with no existing recycled or nonpotable customers, the rate shall be \$1.6380 per thousand gallons with no phase-in.
- 3.4 The rate increase for Santa Cruz and Palo Verde will be phased in over eight years in accordance with Section 6.3.2.3. The rates of the remaining Applicants, except Northern Scottsdale, will be phased-in over three years. For all Applicants, there will be no rate increase in the first year. The Applicants waive their right to recover the revenues forgone or lost and carrying costs under the phase-ins.
- 3.5 Global withdraws its consolidation proposal for the three West Valley Systems.
- 3.6 Northern Scottsdale revenue requirements are unchanged but the rates shall be redesigned and be implemented with no phase-in.

IV. COST OF CAPITAL.

- 4.1 Staff's proposed consolidated capital structure comprised of 57.80% long term debt, 42.20% common equity will be adopted.
- 4.2 A return on common equity of 9.5% will be adopted.
- 4.3 An embedded cost of debt of 6.1 % will be adopted.
- 4.4 A fair value rate of return of 7.5% will be adopted.

¹ The Conservation Rebate is a component of Global's water utility rate design that promotes water conservation by customers. The Conservation Rebate applies to all customers who use less than the Conservation Rebate Threshold ("CRT") amount. The CRT amount for each utility is set forth in Settlement Schedule H-3 for each utility. Each Global water utility also has a Conservation Rebate percentage specified in the utility's Settlement Schedule H-3. For customers that qualify for the Conservation Rebate by using less than the specified CRT amount, the conservation rebate percentage is applied to the otherwise applicable volumetric portion of their bill.

- 4.5 The provisions set forth herein regarding the quantification of cost of capital, fair value rate base, fair value rate of return, and the revenue requirement are made for purposes of settlement only and should not be construed as admissions against interest or waivers of litigation positions related to other or future cases.

V. DEPRECIATION/AMORTIZATION.

- 5.1 The depreciation and amortization rates proposed by Staff and contained in the Direct Testimony of Staff witness Jian W. Liu will be adopted until further order of the Commission, except that a 10 year life will be used for National Association of Regulatory Utility Commissioners accounts 348 Other Tangible Plant and 398 Other Tangible Plant. The approved depreciation rates are set forth in Attachment A. The reclassifications of assets proposed by Staff (discussed at page 15 in the Direct Testimony of Staff witness Gerald Becker) are adopted.

VI. TREATMENT OF INFRASTRUCTURE COORDINATION AND FINANCE AGREEMENTS.

6.1 General

- 6.1.1 The provisions of this Agreement regarding ICFAs are divided into three parts: (1) future ICFAs; (2) treatment of past funds received under existing ICFAs; and (3) treatment of future funds received under existing ICFAs.
- 6.1.2 Staff and RUCO reserve the right to monitor Global's compliance with this Settlement Agreement and review all ICFA related transactions in future rate applications that Global files, and take appropriate steps, if necessary, to ensure the continued resolution of the issues regarding ICFAs as set forth in this Agreement.
- 6.1.3 All future capital requirements will be met with debt, equity, hook-up fees, or through main extension agreements.

6.2 Future ICFAs.

- 6.2.1 Global agrees that Global Parent (and any and all affiliates of Global Parent) will not enter into any new ICFAs or any other ICFA type agreements. This provision does not prohibit Global Parent from entering into amendments to existing ICFAs from time to time, as long as the amendments do not increase the dollar amount of the ICFA funds to be paid to Global Parent or any of its affiliates. Attachment B is a list of ICFAs or ICFA type agreements entered into by Global as of the date of this Agreement.

6.2.2 The Global Water and Wastewater Utilities, Hassayampa, Picacho Water, and Picacho Utilities will establish hook-up fees as set forth in Section VII.

6.2.3 The Global Water and Wastewater Utilities, Hassayampa, Picacho Water, and Picacho Utilities will continue to use main extension agreements in accordance with Commission rules. Any associated funds or infrastructure (or land associated with the infrastructure which is conveyed to Global) used to provide water or wastewater service will be segregated to or owned by the Global Water and Wastewater Utilities, Hassayampa, Picacho Water or Picacho Utilities.

6.3 Past Funds Received Under Existing ICFAs.

6.3.1 The Parties agree as follows with respect to the treatment of past ICFA funds received under existing ICFAs:

6.3.2 The total amounts imputed as Contributions In Aid of Construction ("CIAC") against the active rate base of Santa Cruz and Palo Verde in accordance with Exhibit B to Decision No. 71878 will be reversed and restored to rate base upon the effective date of the Commission's order in this docket.

6.3.2.1 The imputed amount to be reversed for Palo Verde is \$10,991,128 on a gross basis or \$10,323,747 net of amortization.

6.3.2.2 The imputed amount to be reversed for Santa Cruz is \$6,600,076 on a gross basis or \$6,105,227 net of amortization.

6.3.2.3 The revenue requirement impact of this restoration will be phased in over time (Years 2-8) limiting the impact to customers.

6.3.3 The \$32,391,318 attributed to the Southwest Plant Held for Future Use ("PHFFU") of Santa Cruz and Palo Verde (referred to as excess capacity in Exhibit B of Decision No. 71878) will no longer be reflected as CIAC upon the effective date of the Commission's order in this docket. (The gross and net CIAC amounts are equal because there has been no amortization associated with this level of CIAC.)

6.3.3.1 The reversal of the \$32,391,318 from CIAC Reserve for the Southwest Plant has no impact on rates in this case because this plant is not presently used and useful.

- 6.3.3.2 The Southwest Plant will be treated as PHFFU until it is placed into service, and the Southwest Plant will not be placed into rate base until it is found used and useful by the Commission in a future rate case.
- 6.3.3.3 In the event that Santa Cruz or Palo Verde seeks, during the phase-in period described in Sections 6.3.2.3 and 1.5, to include the Southwest Plant in rates, they will be limited to seeking inclusion of no more than 12.5% of the \$32,391,318 per year, with such calculation beginning January 1, 2014. An additional 12.5% will be phased-in each January 1st thereafter until the full 100% of the aforesaid value of such plant has been determined by the Commission to be suitable for inclusion in rate base in one or more future rate proceedings. Notwithstanding, Santa Cruz and Palo Verde may not seek to include such plant prior to May 31, 2016, the end of the agreed upon stay out period. The amount of Southwest Plant to be included in rate base for rate-making purposes in future rate cases shall be the lesser of the above percentages or the amount of plant determined by the Commission to be used and useful.
- 6.3.4 The total amounts imputed as CIAC against the active rate base of Tonopah in accordance with Exhibit B to Decision No. 71878 will be reversed and restored to rate base upon the effective date of the Commission's order in this docket.
- 6.3.4.1 The imputed amount to be reversed for Tonopah is \$7,085,645 on a gross basis or \$6,784,409 net of amortization.
- 6.3.4.2 There will be no revenue impact of this restoration in this case because Tonopah's rates will be set on an operating margin basis in this case.
- 6.3.4.3 For purposes of this case, Tonopah's rates will be set based upon a 10% operating margin. In subsequent rate cases filed within the 8 year phase-in referred to in Section 1.5 and 6.3.2.3 above, the rates for Tonopah will be reviewed from both a rate of return and 10 percent operating margin perspective. The rates will be set based upon whichever method results in the lowest rates for Tonopah customers.
- 6.3.4.4 In subsequent rate cases filed within the 8 year phase-in referred to above, Tonopah may include no more than

12.5% of the \$6,784,409 per year, with such calculation beginning January 1, 2014. An additional 12.5% will be phased-in each January 1st thereafter until the full 100% has been recognized.

6.3.5 The ICFA funds allocated to Hassayampa by Exhibit B to Decision No. 71878 and accounted for as "CIAC Reserve" will be reversed upon the effective date of the Commission's order in this docket.

6.3.5.1 The imputed amount to be reversed for Hassayampa is \$2,140,455 (the gross and net CIAC amounts are equal because there has been no amortization.)

6.3.5.2 Hassayampa has no customers and no rate base; and its rates will remain unchanged at this time.

6.3.6 The \$8,897,600 in ICFA funds received since December 31, 2008, the test year of the last Global Water and Wastewater Utilities rate case through December 31, 2012, will not be imputed or treated as CIAC.

6.4 Future ICFA Fees Received Under Existing ICFAs.

6.4.1 ICFA fees received after December 31, 2013, will be handled as follows: a portion of funds received by Global Parent will be paid to the associated utility as a hook-up fee ("HUF") to be established in accordance with this Agreement, and the remaining portion of the funds will be available to Global Parent for use pursuant to the provisions of the applicable ICFA.

6.4.2 For amounts due after the effective date of the Commission's order in this docket, Global Parent will agree to accept separate checks for the ICFA fees owed, as follows: (1) a check payable to the applicable water utility in the amount of the water HUF; (2) a check payable to the applicable wastewater utility in the amount of the wastewater HUF; and (3) a check payable to Global Parent for the remainder of the ICFA fee.

6.4.2.1 However, if only one check is received (regardless of the payee) for an ICFA payment, Global Parent will immediately pay the required HUFs to the applicable water and wastewater utilities out of the fees received in the check, with the remaining funds going to Global Parent in accordance with Section 6.4.4. Global Parent is prohibited from using HUF monies for any purpose. The Global Utilities and Global Intervenors shall use the

HUF monies solely for the purposes set forth in the Commission approved HUF tariffs.

- 6.4.3 The Global Parent portion (ICFA Fee minus HUFs) is to be used only in accordance with the terms of the applicable ICFA.
- 6.4.4 Because all the ICFA fees due for each Equivalent Dwelling Unit ("EDU") are not due at the same time, it is necessary to allocate any payment received between the HUF and the portion of the payment which will go to Global Parent. The Signatories agree that each payment received under the ICFA shall be allocated on the following basis: 70% of the payment shall go toward payment of the HUF and the remaining payment shall be allocated to Global Parent. However, regardless of the timing of payments that may be required for any particular ICFA, Global Parent shall be responsible for ensuring that the entire HUF is paid no later than the time the ICFA payment is received for: (1) final plat, (2) the start work date, or (3) the date required by the HUF tariffs, whichever is earliest. When constructing facilities required under a HUF or ICFA, Global Utilities shall first use the HUF moneys received, and only after those funds are spent, shall it use debt or equity financing.
- 6.4.5 All ICFA fees that are not otherwise accounted for under this Agreement, will be treated in accordance with Section 6.4.1. This shall not apply to past due amounts due prior to December 31, 2012, that otherwise would have been paid under the existing ICFA. These shall be treated in accordance with Section 6.3.6.

VII. HOOK-UP FEES.

- 7.1 The Global Water and Wastewater Utilities, Hassayampa, Picacho Water, and Picacho Utilities will establish hook-up fees in the following amounts:
- 7.1.1 Santa Cruz: \$1,250
- 7.1.2 Palo Verde: \$1,250
- 7.1.3 Picacho Water: \$1,250
- 7.1.4 Picacho Utilities: \$1,250
- 7.1.5 Valencia – Town: \$1,750
- 7.1.6 Valencia – Greater Buckeye: \$1,750

- 7.1.7 Tonopah: \$1,750
- 7.1.8 Willow: \$1,750
- 7.1.9 Northern Scottsdale: \$1,750
- 7.1.10 Hassayampa: \$1,750
- 7.2 The HUF will be in the form of Staff's standard HUF appended hereto as Attachment C. In the case of the Applicants, the HUF tariffs will take effect upon the effective date of the Commission's order in these consolidated dockets. In the case of Picacho Water, Picacho Utilities, and Hassayampa, those utilities will file, within 30 days of a Commission Decision in this case, separate applications for a HUF tariff for the amounts described in Section 7.1.
- 7.3 As required in Staff's standard form HUF tariff, each Global water and wastewater utility will maintain a separate, segregated bank account for all funds received under the HUF tariff and file annual reports as outlined in the tariffs. The HUF funds may only be used by the Global water and wastewater utilities for the purposes specified in the HUF tariff. Global's Chief Executive Officer or Chief Financial Officer shall be required to file an affidavit annually which states that the conditions of this paragraph have been met.

VIII. TARIFFS AND CODE OF CONDUCT.

- 8.1 The Global Water Utilities' existing low income tariff will remain in effect, and will apply to Northern Scottsdale upon the effective date of the Commission's order in these consolidated dockets.
- 8.2 The Central Arizona Groundwater Replenishment District ("CAGR") adjustor mechanism discussed in the Direct Testimony of Global Utilities' witness Ron Fleming (pages 13-18) and Staff witness Becker (page 27) will be approved subject to the same requirements of the adjustor mechanism approved for Johnson Utilities, L.L.C. in Decision No. 71854 pages 38-44 and appended hereto as Attachment D.
- 8.3 The Global Water and Wastewater Utilities agree to withdraw their request to eliminate their BMP tariffs. Northern Scottsdale agrees to file a BMP tariff in accordance with the Direct Testimony of Staff witness Liu.
- 8.4 The Signatories agree to the Global Water and Wastewater Utilities' Terms and Conditions tariff (Attachment 4 to the Direct Testimony of Mr. Fleming), as modified by Staff, in Attachment E.

- 8.5 The Global Water and Wastewater Utilities shall file revised tariffs reflecting all of the changes discussed in this agreement within 30 days from the date of the Commission's decision in this matter. A list of revised tariffs that the Applicants will file for each of the Global Utilities is attached as Attachment F.
- 8.6 The Global Water and Wastewater Utilities agree to withdraw their request for an Individual Case Basis ("ICB") tariff.
- 8.7 The Global Water and Wastewater Utilities will work with Staff to adopt a Code of Conduct to apply to transactions that are between or involve the Applicants and their unregulated affiliates and to assure confidential treatment of customer specific information including water and wastewater usage information. This Code of Conduct shall include, at a minimum, the recommendations of Staff Witness Armstrong on page 34 of his Direct Testimony as well as measures designed to ensure that the Global Utilities are independent and stand-alone entities separate and apart from the Global Parent and its other unregulated affiliates and that all transactions between these entities are on an arms-length basis. The Applicants shall file the agreed upon Code of Conduct by May 2, 2014.

IX. WATER LOSS:

- 9.1 The Global Water Utilities agree to file the water loss reports recommended in the Direct Testimony of Staff witness Mr. Liu.

X. COMMISSION EVALUATION OF PROPOSED SETTLEMENT.

- 10.1 All currently filed testimony and exhibits will be offered into the Commission's record as evidence.
- 10.2 The Signatories recognize that Staff does not have the power to bind the Commission. For purposes of proposing a settlement agreement, Staff acts in the same manner as any party to a Commission proceeding.
- 10.3 This Agreement will serve as a procedural device by which the Signatories will submit their proposed settlement of the Global Rate Dockets to the Commission.
- 10.4 The Signatories recognize that the Commission will independently consider and evaluate the terms of this Agreement. If the Commission issues an order adopting all material terms of this Agreement, such action will constitute Commission approval of the Agreement. Thereafter, the Signatories will abide by the terms as approved by the Commission.

- 10.5 If the Commission fails to issue an order adopting all material terms of this Agreement, any or all of the Signatories may withdraw from this Agreement, and such Signatory or Signatories may pursue without prejudice their respective remedies at law. For purposes of this Agreement, whether a term is material will be left to the discretion of the Signatory choosing to withdraw from the Agreement. If a Signatory withdraws from the Agreement pursuant to this paragraph and files an application for rehearing, the other Signatories, except for Staff, will support the application for rehearing by filing a document with the Commission that supports approval of the Agreement in its entirety. Staff will not be obligated to file any document or take any position regarding the withdrawing Signatory's application for rehearing.

XI. MISCELLANEOUS PROVISIONS.

- 11.1 This case has attracted participants with widely diverse interests. To achieve consensus for settlement, many participants are accepting positions that, in any other circumstances, they would be unwilling to accept. They are doing so because this Agreement, as a whole, is consistent with their long-term interests and with the broad public interest. The acceptance by any Signatory of a specific element of this Agreement will not be considered as precedent for acceptance of that element in any other context.
- 11.2 No Signatory is bound by any position asserted in negotiations, except as expressly stated in this Agreement. No Signatory will offer evidence of conduct or statements made in the course of negotiating this Agreement before this Commission, any other regulatory agency, or any court.
- 11.3 Neither this Agreement nor any of the positions taken in this Agreement by any of the Signatories may be referred to, cited, and/or relied upon as precedent in any proceeding before the Commission, any other regulatory agency, or any court for any purpose except to secure approval of this Agreement and enforce its terms.
- 11.4 To the extent any provision of this Agreement is inconsistent with any existing Commission order, rule, or regulation, this Agreement will control.
- 11.5 Each of the terms of this Agreement is in consideration of all other terms of this Agreement. Accordingly, the terms are not severable.
- 11.6 The Signatories will make reasonable and good faith efforts necessary to obtain a Commission order approving this Agreement. The Signatories will support and defend this Agreement before the Commission. Subject to Paragraph 10.5 above, if the Commission adopts an order approving all material terms of the Agreement, the Signatories will support and

PROPOSED SETTLEMENT AGREEMENT OF RATE ADJUSTMENT APPLICATIONS
DOCKET NOS. W-01212A-12-0309 et al.
August 12, 2013

defend the Commission's order before any court or regulatory agency in which it may be at issue.

- 11.7 This Agreement may be executed in any number of counterparts and by each Signatory on separate counterparts, each of which when so executed and delivered will be deemed an original and all of which taken together will constitute one and the same instrument. This Agreement may also be executed electronically or by facsimile. Further, any party to the Global Rate Dockets may join in this Settlement Agreement as a Signatory by filing a signed signature page for that party with the Commission's Docket Control in the Global Rate Dockets listed above.

GLOBAL WATER - PALO VERDE
UTILITIES COMPANY

By: [Signature]
Name: Ron L. Fleming
Its: President

GLOBAL WATER - SANTA CRUZ
WATER COMPANY

By: [Signature]
Name: Ron L. Fleming
Its: President

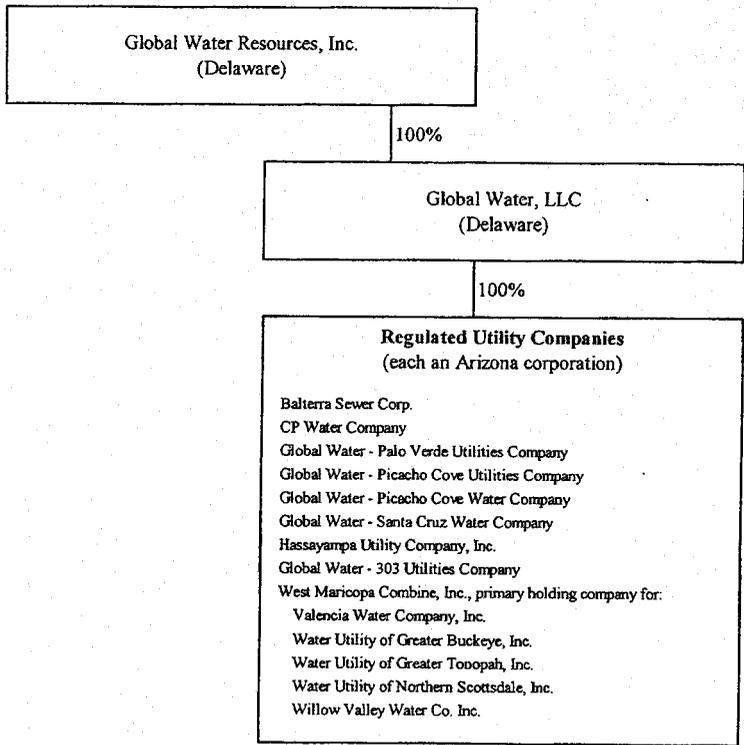
VALENCIA WATER COMPANY - TOWN
DIVISION

By: [Signature]
Name: Ron L. Fleming
Its: President

VALENCIA WATER COMPANY -
GREATER BUCKEYE DIVISION

By: [Signature]
Name: Ron L. Fleming
Its: President

Exhibit-B





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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION OF
GLOBAL WATER – SANTA CRUZ WATER
COMPANY, INC. FOR AN EXTENSION OF ITS
EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY

DOCKET NO.

**APPLICATION FOR EXTENSION OF
CERTIFICATE OF CONVENIENCE
AND NECESSITY**

Global Water – Santa Cruz Water Company, Inc. (“Applicant”) applies to the Arizona Corporation Commission (“Commission”) for approval of an extension of its Certificate of Convenience and Necessity (“CC&N”) to include the areas set forth in the legal description attached as **Exhibit 1** (the “Extension Area”). This extension is necessary at this time to ensure that adequate water facilities are in place and that service is available for the residents and businesses that will locate within the Extension Area. Applicant is qualified and prepared to provide the necessary facilities and service to the Extension Area.

Concurrent with this application, Global Water – Palo Verde Utilities Company, Inc. (“Palo Verde,” both companies are referred herein as the “Global Utilities”) will file its application for approval of an extension to its CC&N also covering the Extension Area.¹ The aquifer in the Extension Area region has a limited supply capability. As in all areas throughout the State of Arizona, water conservation is imperative in the Extension Area. The Global Utilities are recognized leaders in water conservation in Arizona employing techniques known as total water management, which has many elements but primarily is the integration of water, wastewater

¹ One property owned by Pinal County, has requested wastewater service only. Water utility service is currently provided to this property by the Maricopa Domestic Water Improvement District.

1 and recycled water utilities to drive down per capita demand. Through the total water
2 management strategy, the Global Utilities have achieved remarkable reductions in average
3 groundwater use as compared to traditional providers throughout the state. This service model
4 will be implemented in the Extension Area.

5 In support of this Application, Applicant states:

6 1. Applicant is a public service corporation formed for the purpose of providing water
7 utility service in portions of Pinal County, Arizona. Applicant will operate the utility under its
8 legal name: Global Water – Palo Verde Utilities Company, Inc., 21410 N. 19th Avenue, Suite 201,
9 Phoenix, Arizona 85027. The telephone number is 623-580-9600.

10 2. Applicant's management contact is Ron L. Fleming, 21410 N. 19th Avenue, Suite
11 201, Phoenix, Arizona 85027. Mr. Fleming's telephone number is 623-344-2801.

12 3. Applicant's attorneys are Roshka DeWulf & Patten, PLC, whose address is One
13 Arizona Center, 400 East Van Buren Street, Suite 800, Phoenix, Arizona 85004. The individual
14 attorney responsible for this application is Timothy J. Sabo. Mr. Sabo's telephone number is
15 602-256-6100. All Data Requests or other Requests for Information should be directed to Mr.
16 Sabo's attention, on behalf of Applicant.

17 4. Applicant's operator certified by the Arizona Department of Environmental
18 Quality is Patrick Giles, 22590 N. Powers Parkway, Maricopa, Arizona 85138. Mr. Giles'
19 telephone number is 520-233-2908.

20 5. Applicant's on-site manager is Jon Corwin, 22590 N. Powers Parkway, Maricopa,
21 Arizona 85138. Mr. Corwin's telephone number is 520-233-2906.

22 6. Applicant is a "C" corporation, domiciled in Arizona.

23 7. A full list of the names, titles and mailing addresses for Applicant's officers and
24 directors is attached hereto as **Exhibit 2**.

25 8. Applicant's Certificate of Good Standing from the Commission is attached as
26 **Exhibit 3**.

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1 9. The number of shares of stock authorized by Applicant is 10,000. The number of
2 shares issued is 1,000 and date of issuance was May 12, 2006.

3 10. Applicant does not have an ownership interest in any other utilities.

4 11. The Extension Area is comprised of approximately 1,411 acres. As noted above,
5 the legal description for the Extension Area is attached as **Exhibit 1**.

6 12. The Extension Area is located entirely within Pinal County. The City of Maricopa
7 (“Maricopa”) has annexed a portion of the Extension Area and portions of the Extension Area are
8 located within five miles of Maricopa. A copy of the notice to be provided to Maricopa is
9 attached as **Exhibit 4**. Portions of the Extension Area are located within five miles of the City of
10 Casa Grande (“Casa Grade”). A copy of the notice to be provided to Casa Grande is attached as
11 **Exhibit 5**.

12 13. A complete description of the facilities proposed to be constructed within each of
13 the properties comprising the Extension Area, including a preliminary engineering report with
14 specifications in sufficient detail to describe each water system, the principal components of each
15 water system, and the estimated value of Applicant’s utility plant in service for each property for
16 the first five years following approval of the application is attached as **Exhibit 6**.

17 14. The estimated total construction cost of the proposed off-site and on-site facilities,
18 including a detailed description of the proposed construction timeline for facilities, with estimated
19 starting and completion dates, and a description of the separate phases for portions of the
20 construction to be phased is attached as **Exhibit 7**. **Exhibit 7** also includes the estimated value of
21 Applicant’s utility plant in service for each of the first five years following approval of the
22 application. Construction of off-site facilities will be funded first by Hook-Up Fees (HUFs).
23 Construction of off-site facilities in excess of available HUFs will be funded through a
24 combination of debt and equity. On-site facilities will be constructed by the property owners at
25 the time of development as an advance in aid of construction, pursuant to a line extension
26 agreement.

27

1 15. Documentation establishing the Applicant's financial condition, including the
2 Applicant's current assets and liabilities and an income statement is attached as **Exhibit 8**.

3 16. The estimated annual operating revenues and expenses for the first five years of
4 operation for the Extension Area, expressed separately for residential, commercial, industrial, and
5 irrigation services, and a description of each assumption made to derive the estimates is attached
6 as **Exhibit 9**. The estimated number of customers to be served for each of the first five years of
7 operation, expressed separately for residential, commercial, industrial and irrigation customers,
8 including documentation to support the estimates is included in **Exhibit 7**.

9 17. The rates proposed to be charged for services rendered, are shown in the form of a
10 proposed tariff which is attached as **Exhibit 10**.

11 18. A copy of a request for service from each property owner within the Extension
12 Area is attached as **Exhibit 11**. There are no property owners within the Extension Area who did
13 not provide a request for service.

14 19. Maps of the Applicant's existing CC&N, the Extension Area, and each property
15 within the Extension Area are attached as **Exhibit 12**.

16 20. Each city, county, or state agency approval required by law to construct the
17 proposed facilities or operate the utility within the Extension Area will be provided prior to
18 construction and operation.

19 21. Wastewater service is to be provided in the Extension Area by Palo Verde., upon
20 approval of Palo Verde's concurrent application for an extension of its CC&N. A letter from Palo
21 Verde confirming its intent to provide wastewater service for the Extension Area is attached as
22 **Exhibit 13**.

23 22. Water conservation measures will be implemented in the proposed service area,
24 including the use of recycled water to supply parks, recreation areas, golf courses greenbelts,
25 ornamental lakes and other aesthetic water features. Copies of Applicant's Best Management
26 Practices Tariff, Backflow Prevention Tariff, and Curtailment Tariff, are attached as **Exhibit 14**.

27

1 23. A copy of the Applicant's Designation of Assured Water Supply for the Extension
2 Area is attached as **Exhibit 15**.

3 24. An e-mail from the Arizona Department of Environmental Quality ("ADEQ"),
4 dated June 17, 2014 confirming that ADEQ no longer prepares compliance status reports for
5 utilities is attached as **Exhibit 16**.

6 25. A water use data sheet for the water system being extended by Applicant is
7 included in the Pre-Engineering Water Report for each property, attached as **Exhibit 6**.

8 26. Applicant's notarized signature is attached as **Exhibit 17**.

9 WHEREFORE, Applicant respectfully requests that the Commission:

10 A. Schedule a hearing on this Application as soon as possible; and thereafter

11 B. Issue a final order:

12 1. finding that it is in the public interest to extend the CC&N of Santa Cruz to
13 include the Extension Area;

14 2. ordering that Santa Cruz's CC&N be extended to include the Extension
15 Area; and

16 3. granting such other and further relief as may be appropriate under the
17 circumstances herein.

18 RESPECTFULLY SUBMITTED this _____ day of _____ 2014.

19 ROSHKA DEWULF & PATTEN, PLC

20
21 By _____
22 Michael W. Patten
23 Timothy J. Sabo
24 One Arizona Center
25 400 East Van Buren Street, Suite 800
26 Phoenix, Arizona 85004

26 Original +13 copies of the foregoing
27 filed this _____ day of _____ 2014, with:

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

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

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

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

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

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

25
26
27
By _____



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

LIST OF EXHIBITS

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
1	Legal Descriptions of the Requested Area
2	Applicant's Officer and Director Information
3	Applicant's Certificate of Good Standing from the Arizona Corporation Commission
4	Notice to be sent to City of Maricopa
5	Notice to be sent to Casa Grande
6	Pre-Engineering Water Report for Each Property included in the Application
7	Estimated Total Construction Costs and Plant Projections
8	Applicant's General Statement of Financial Condition
9	Annual Revenue and Expenses for First Five Years
10	Applicant's Tariff – Schedule of Rates and Charges
11	Written Requests for Service
12	Maps of Existing CC&N and Requested Area
13	Letter from PVUC Confirming Provision of Wastewater
14	Best Management Practices, Backflow Prevention Tariff and Curtailment Tariff
15	Applicant's Designation of Assured Water Supply
16	E-mail Regarding Public Water System Compliance Report
17	Notarized Signature of Ron Fleming on behalf of Applicant



GLOBAL WATER
RELIABLE • RENEWABLE • REUSABLE

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

EXHIBIT 1

LEGAL DESCRIPTION OF THE REQUESTED AREA

LEGAL DESCRIPTION
ANDERSON RUSSELL, LLC

EXHIBIT "A"

PARCEL NO. 1:

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

PARCEL NO. 2:

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

PARCEL NO. 3:

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

PARCEL NO. 4:

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

PARCEL NO. 5:

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

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

LEGAL DESCRIPTION

CITY OF MARICOPA

DEVELOPMENT NAME: EAGLE WING PAD

EXHIBIT "A"

PARCEL NO. 1:

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

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 1;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PARCEL NO. 2:

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

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 6;

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

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

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

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

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

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

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

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

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

PARCEL NO. 3:

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

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 7;

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

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

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

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

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

LEGAL DESCRIPTION

CITY OF MARICOPA

DEVELOPMENT NAME: ESTRELLA GIN

EXHIBIT A
LEGAL DESCRIPTION

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

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

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

ALSO Except that portion described as follows:

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

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

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

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

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

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

ALSO Except that portion described as follows:

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

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

Thence continuing South 00 degrees 31 minutes 04 seconds East, along said North-South mid-section line of said Section 21, a distance of 563.37 feet to the 1 ¼ inch iron pipe marking the center of said Section 21;

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

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

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

APN: 510-17-005E-6

LEGAL DESCRIPTION

EL DORADO HOLDINGS, INC.

DEVELOPMENT NAME: EAGLE WING PAD

EXHIBIT "A"

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

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

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 1;

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

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

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

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

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

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

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

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

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

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

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

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

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

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 6;

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

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

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

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

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

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

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

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

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

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

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 7;

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

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

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

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

EXHIBIT A

PINAL FEEDING
JN 04-1085

Assessor Parcel #502-06-009B

LEGAL DESCRIPTION

PHASE 1

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

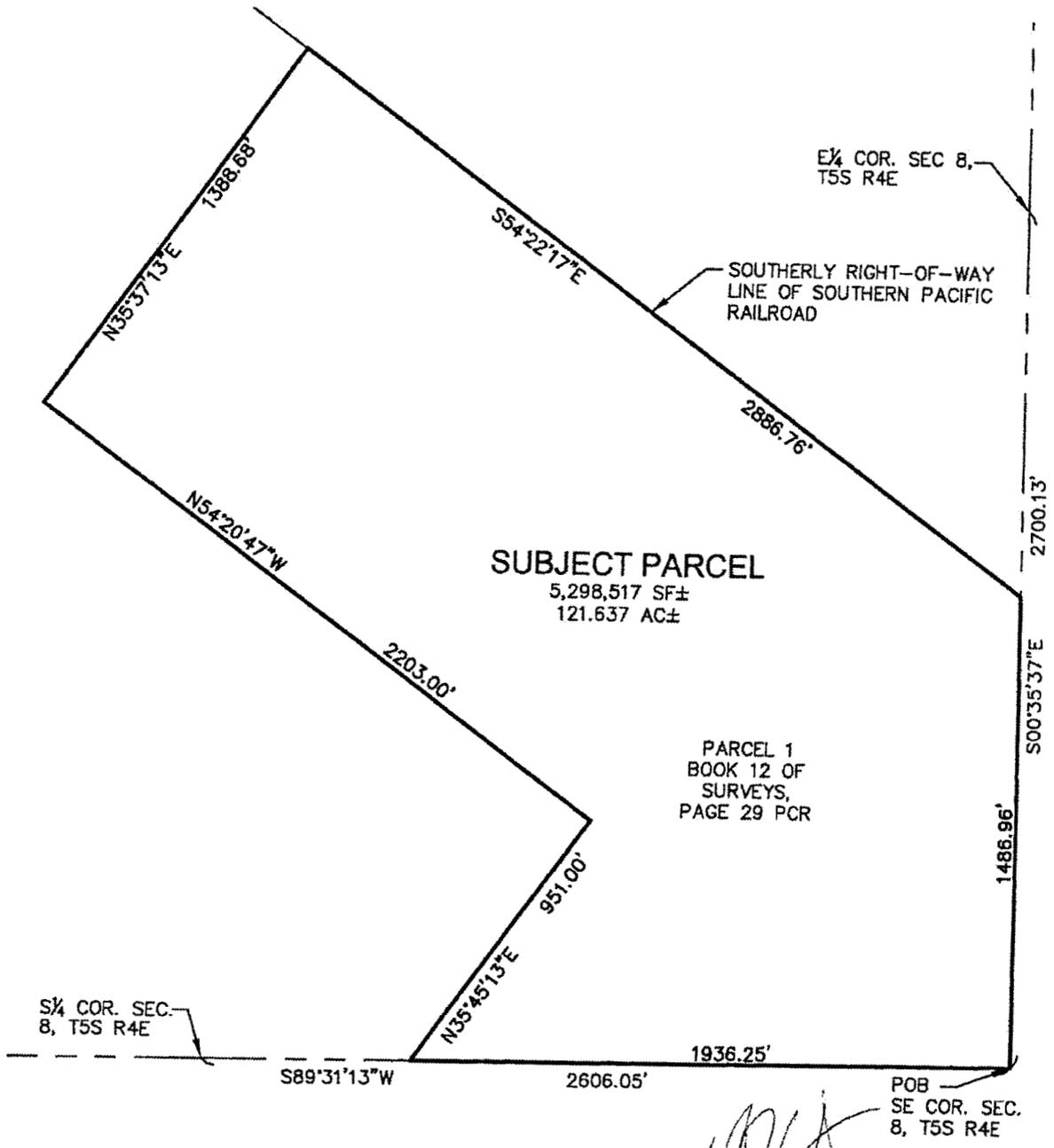
BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 8;
THENCE S89°31'13"W, ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 8, A DISTANCE OF 1,936.25 FEET TO THE SOUTHWEST CORNER OF PARCEL 1, AS SHOWN IN BOOK 12 OF SURVEYS, PAGE 29, RECORDS OF PINAL COUNTY;
THENCE N35°45'13"E, ALONG THE WESTERLY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

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

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



LEGAL DESCRIPTION PHASE 1



OLSSON ASSOCIATES
 ENGINEERS - PLANNERS - SCIENTISTS - SURVEYORS
 7250 NORTH 16TH STREET, SUITE 210 - PHOENIX, ARIZONA 85020
 602-748-1000 - FAX 602-748-1001

LINCOLN OMAHA GRAND ISLAND HOLDREGE KANSAS CITY PHOENIX DENVER

PROJECT NUMBER: 04-1085

DATE: 8-08-05



NTS

LEGAL DESCRIPTION
SANTA CRUZ LAND DEVELOPMENT, LLC

Exhibit A

LEGAL DESCRIPTION

PARCEL NO. 1

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

PARCEL NO. 2

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

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

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 21;
THENCE SOUTH 00 DEGREES 52 MINUTES 48 SECONDS EAST A DISTANCE OF 50.00 FEET ALONG THE WEST LINE OF SAID OF SAID SECTION 21, TO THE POINT OF BEGINNING;
THENCE NORTH 89 DEGREES 39 MINUTES 03 SECONDS EAST A DISTANCE OF 2900 FEET TO HE TERMINUS OF SAID LINE; AND

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

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

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

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

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

THENCE WEST ALONG SAID LINE A DISTANCE OF 50.00 FEET;

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

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



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

EXHIBIT 2

APPLICANT'S OFFICER AND DIRECTOR INFORMATION

APPLICANT'S OFFICER AND DIRECTOR INFORMATION

OFFICERS

Ron Fleming, President
21410 N. 19th Avenue, Suite 201
Phoenix, Arizona 85027

Mike Liebman, Secretary
21410 N. 19th Avenue, Suite 201
Phoenix, Arizona 85027

DIRECTORS

Ron Fleming
21410 N. 19th Avenue, Suite 201
Phoenix, Arizona 85027

Mike Liebman
21410 N. 19th Avenue, Suite 201
Phoenix, Arizona 85027



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

EXHIBIT 3

**APPLICANT'S CERTIFICATE OF GOOD STANDING FROM
THE ARIZONA CORPORATION COMMISSION**

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Jodi A. Jerich, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****GLOBAL WATER - SANTA CRUZ WATER COMPANY*****

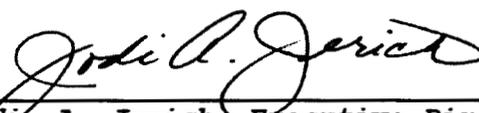
a domestic corporation organized under the laws of the State of Arizona, did incorporate on December 7, 2005.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 16th Day of June, 2014, A. D.





Jodi A. Jerich, Executive Director

By: _____ 1079801



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

EXHIBIT 4

**NOTICE TO BE SENT TO
CITY OF MARICOPA**



GLOBAL WATER

DATE

Mr. Gregory Rose, City Manager
City of Maricopa
39700 W. Civic Center Plaza
Maricopa, AZ 85138

Re: Global Water – Palo Verde Utilities Company, Inc.
Notice of Filing Application for Extension of Certificate of Convenience and Necessity
Docket No. _____

Dear Mr. Rose:

This letter serves as official notice that Global Water – Palo Verde Utilities Company, Inc. (“Applicant”) has filed an application for an extension of its Certificate of Convenience and Necessity (CC&N). The corporate limits of the City of Maricopa overlap with or are within five miles of the proposed extension area, as shown on the map attached as Exhibit A.

The Applicant’s legal name, mailing address, and telephone number is as follows:

Global Water – Palo Verde Utilities Company, Inc.
Attn: Ron Fleming, President
21410 N. 19th Ave., Suite 201
Phoenix, AZ 85027
Telephone Number: 623-344-2801

The application has been filed as of _____.

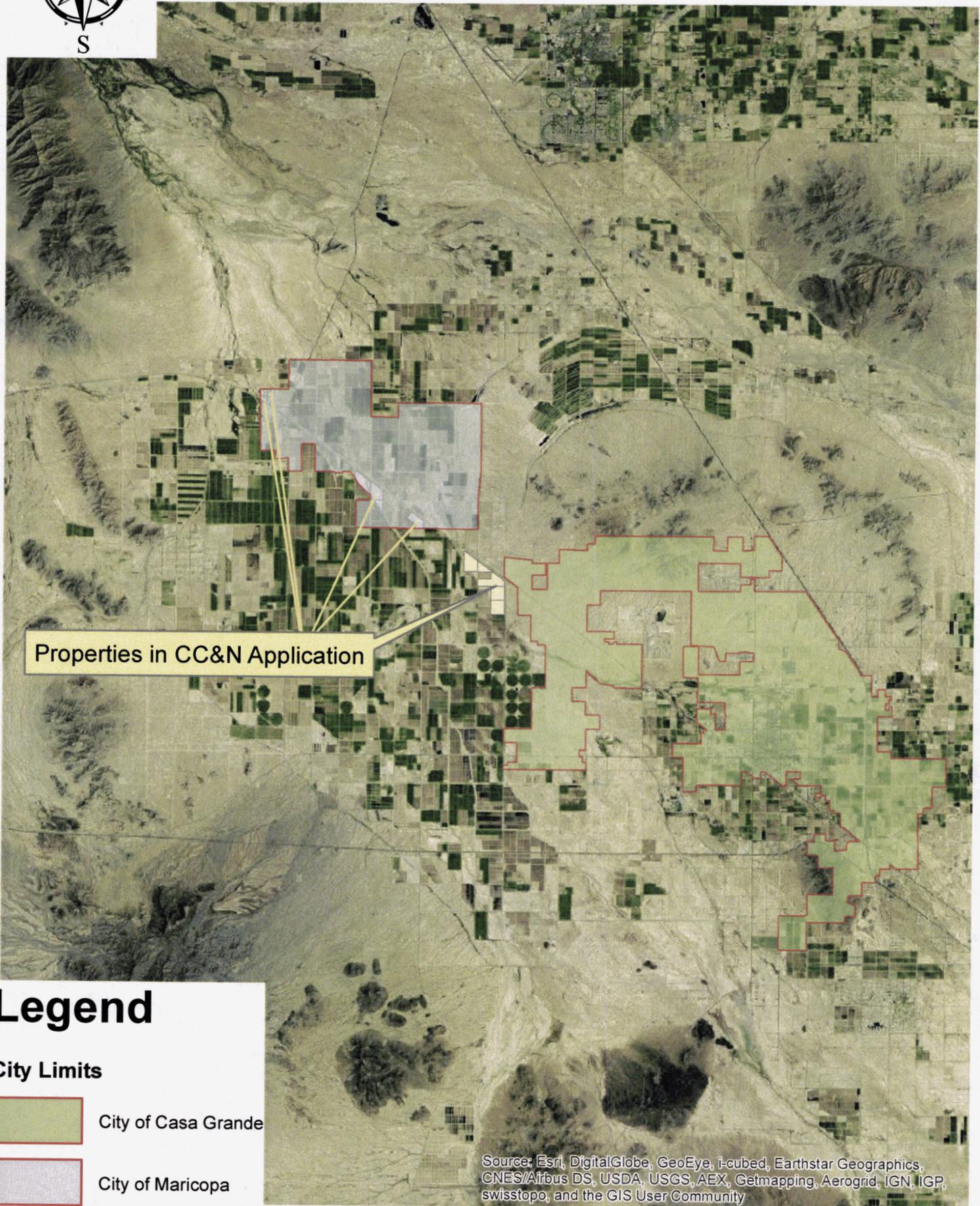
If the application is approved, the Applicant intends to provide potable water service to residential and commercial accounts within the proposed extension area. A copy of the legal description of properties within the proposed extension area is attached as Exhibit B.

A copy of the application can be found on the ACC website, <http://edocket.azcc.gov>, under the docket number _____.

Sincerely,

Ron L. Fleming
President

PROPOSED CC&N EXPANSION CITY LIMITS





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

EXHIBIT 5

**NOTICE TO BE SENT TO
CASA GRANDE**



DATE

Mr. James Thompson, City Manager
510 E. Florence Blvd.
Casa Grande, AZ 85122

Re: Global Water – Santa Cruz Water Company, Inc.
Notice of Filing Application for Extension of Certificate of Convenience and Necessity
Docket No. _____

Dear Mr. Thompson:

This letter serves as official notice that Global Water – Santa Cruz Water Company, Inc. (“Applicant”) has filed an application for an extension of its Certificate of Convenience and Necessity (CC&N). The corporate limits of the City of Maricopa overlap with or are within five miles of the proposed extension area, as shown on the map attached as Exhibit A.

The Applicant’s legal name, mailing address, and telephone number is as follows:

Global Water – Santa Cruz Water Company, Inc.
Attn: Ron Fleming, President
21410 N. 19th Ave., Suite 201
Phoenix, AZ 85027
Telephone Number: 623-344-2801

The application has been filed as of _____.

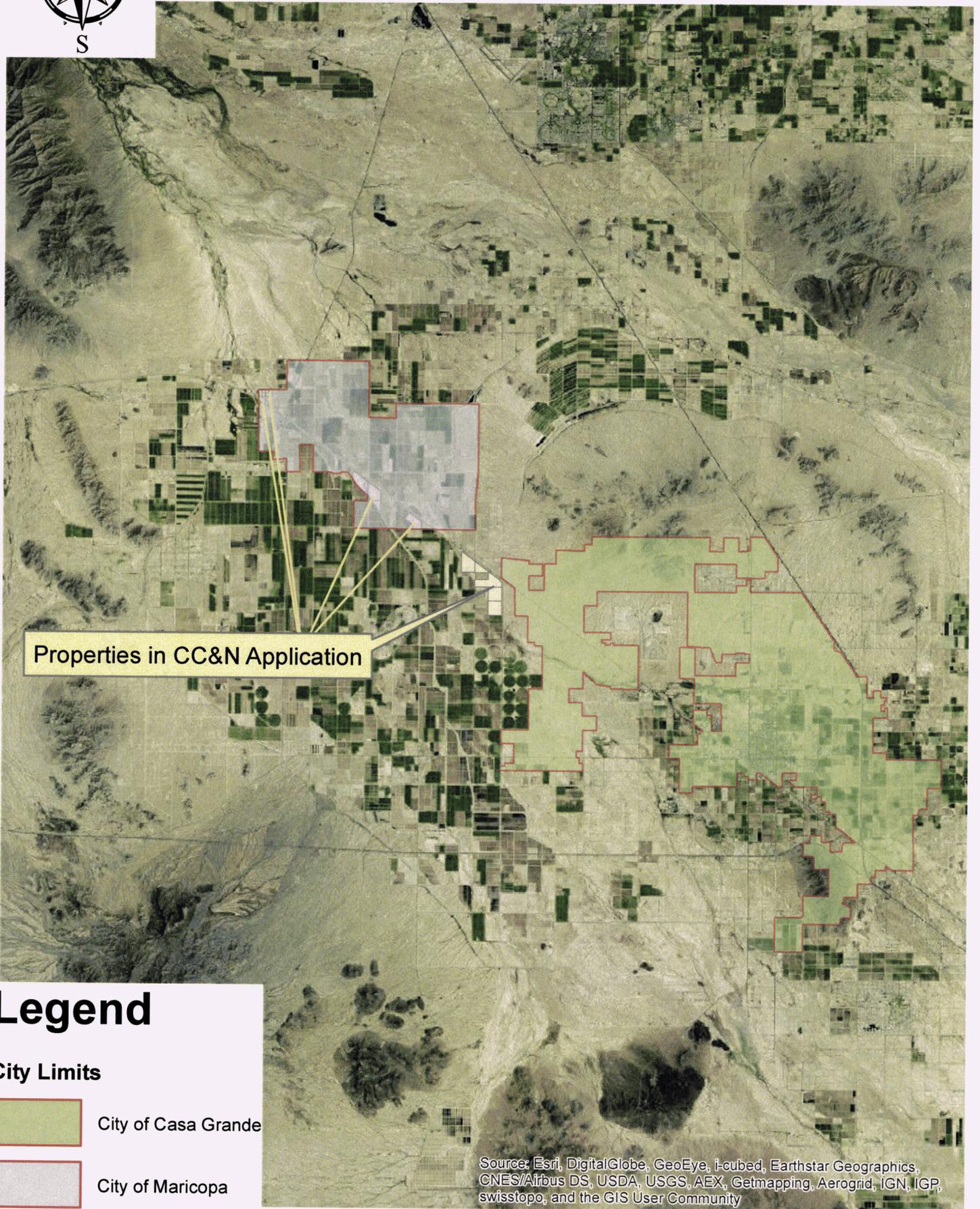
If the application is approved, the Applicant intends to provide potable water service to residential and commercial accounts within the proposed extension area. A copy of the legal description of properties within the proposed extension area is attached as Exhibit B.

A copy of the application can be found on the ACC website, <http://edocket.azcc.gov>, under the docket number _____.

Sincerely,

Ron L. Fleming
President

PROPOSED CC&N EXPANSION CITY LIMITS



Legend

City Limits



City of Casa Grande



City of Maricopa

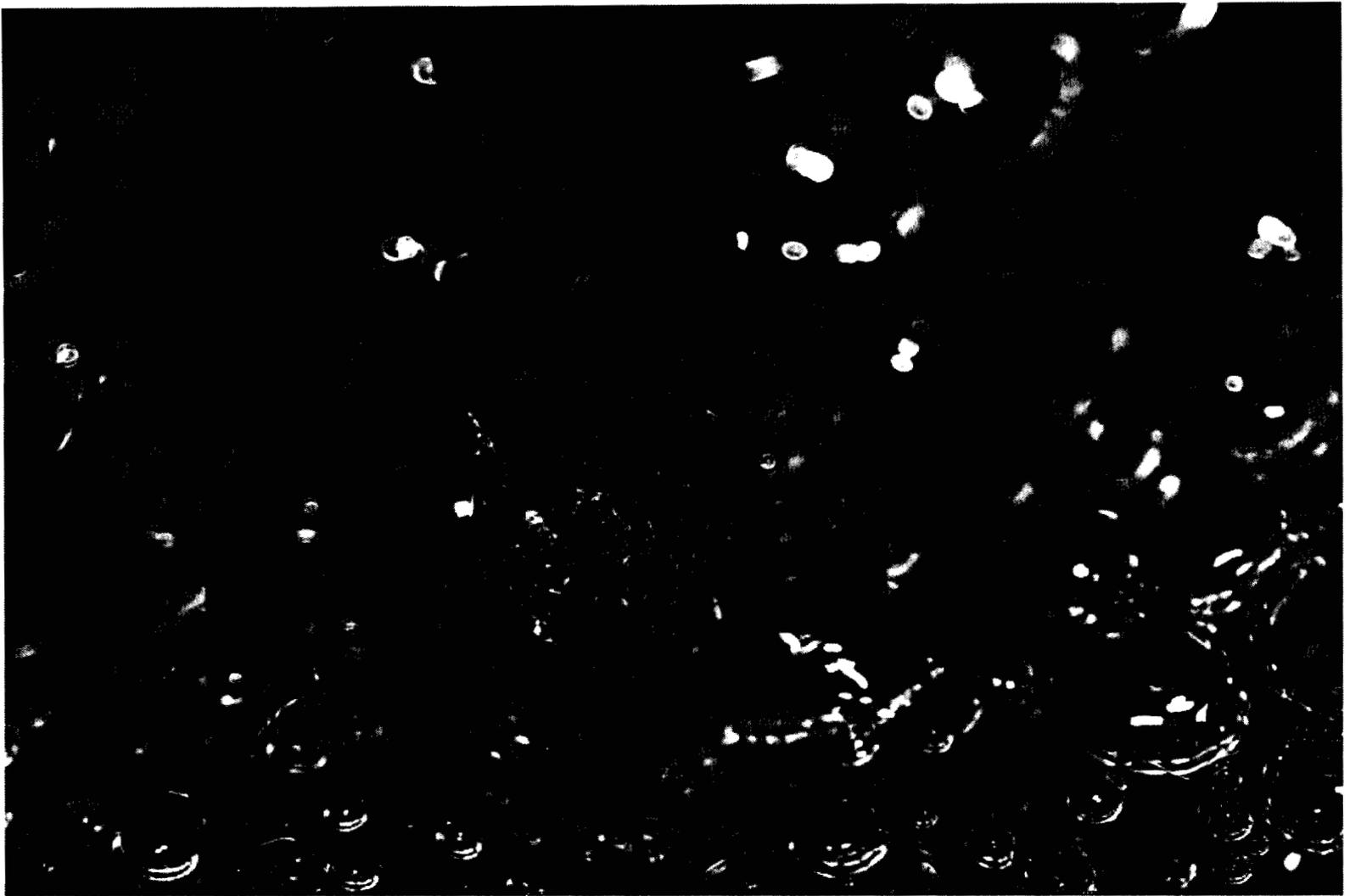
Source: Esri, DigitalGlobe, GeoEye, i-cubed, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community



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

EXHIBIT 6

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



TM

**Global Water - Santa Cruz
Water Company
2014 CC&N Expansion
Anderson Russell, LLC**



GLOBAL WATER
RELIABLE • RENEWABLE • REUSABLE

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

**ANDERSON RUSSELL, LLC PROPERTY
LOCATED WITHIN**

SECTION 22, T5S, R4E

SECTION 23, T5S, R4E

SECTION 26, T5S, R4E

PINAL COUNTY, ARIZONA

JULY, 2014

Prepared for:

ANDERSON RUSSELL, LLC

14400 N. 76TH PLACE

SCOTTSDALE, AZ 85260

Prepared By:

Global Water – Santa Cruz Water Company

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PROJECT SUMMARY

Anderson Russell, LLC's property (the "Property") is 745 acres of undeveloped land. The Property will be provided water service from Global Water - Santa Cruz Water Company (SCWC). SCWC has filed an application with the Arizona Corporation Commission with the intention to extend its Certificate of Convenience and Necessity ("CC&N") service area to include the Property.

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

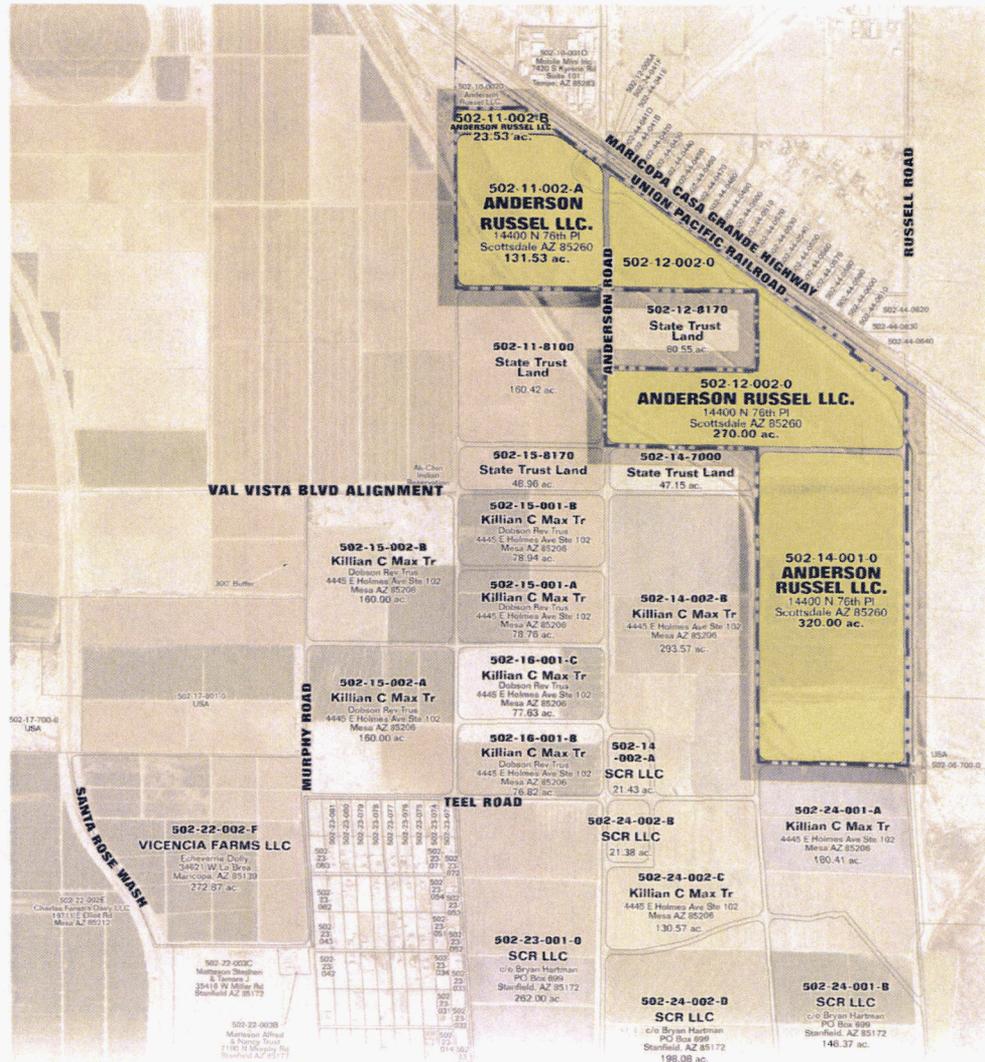
To provide water service to the Property, a 16" water line will be extended to the East side of the Property along the Teel Road alignment from the Santa Cruz Ranch Water Distribution Facility.

At this time, a final design has not been completed and an accurate water model cannot be provided. Therefore, demands have been estimated based upon pre-engineering analysis.

**Global Water - Santa Cruz Water Company
2014 CC&N Expansion: Anderson Russell, LLC**

PROJECT LOCATION

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



**South Maricopa Anderson
Corridor Annexation**

Pinal County Assessor's Map of Annexation Property
Exhibit C



10 December 2013

N:\01\0228601\Graphics\Exhibits\AndersonRussell Annexation.inxd



Global Water - Santa Cruz Water Company
2014 CC&N Expansion: Anderson Russell, LLC

LEGAL DESCRIPTION

First American Title

No. NCS-

EXHIBIT "A"

PARCEL NO. 1:

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

PARCEL NO. 2:

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

PARCEL NO. 3:

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

PARCEL NO. 4:

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

PARCEL NO. 5:

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

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

Page 3

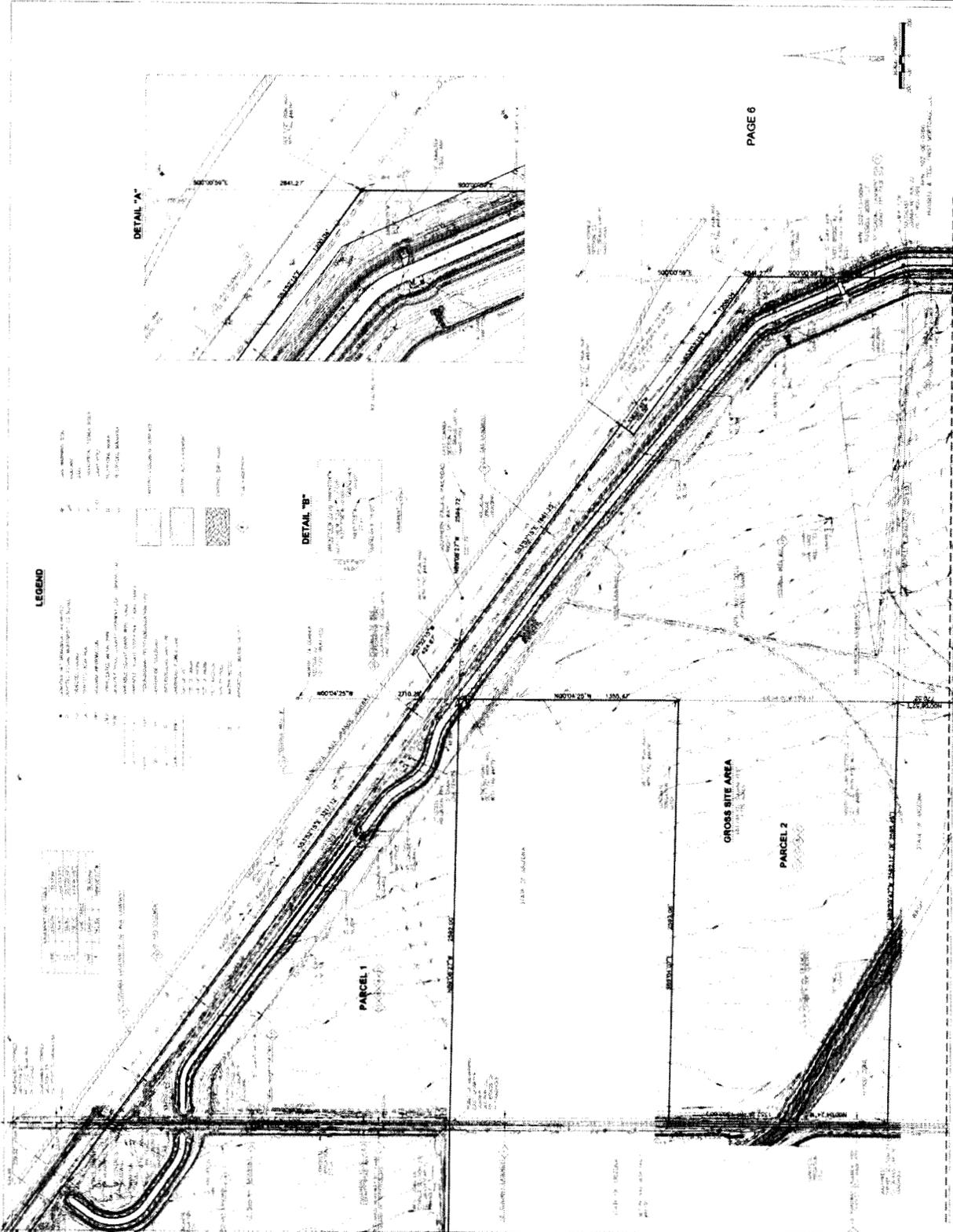
First American Title

Global Water - Santa Cruz Water Company
 2014 CC&N Expansion: Anderson Russell, LLC

ANDERSON RUSSELL PROPERTY
 LOCATED IN SECTION 15, SECTION 23, AND SECTION 28
 TOWNSHIP 5 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER MERIDIAN,
 PINAL COUNTY, ARIZONA

3 OF 4

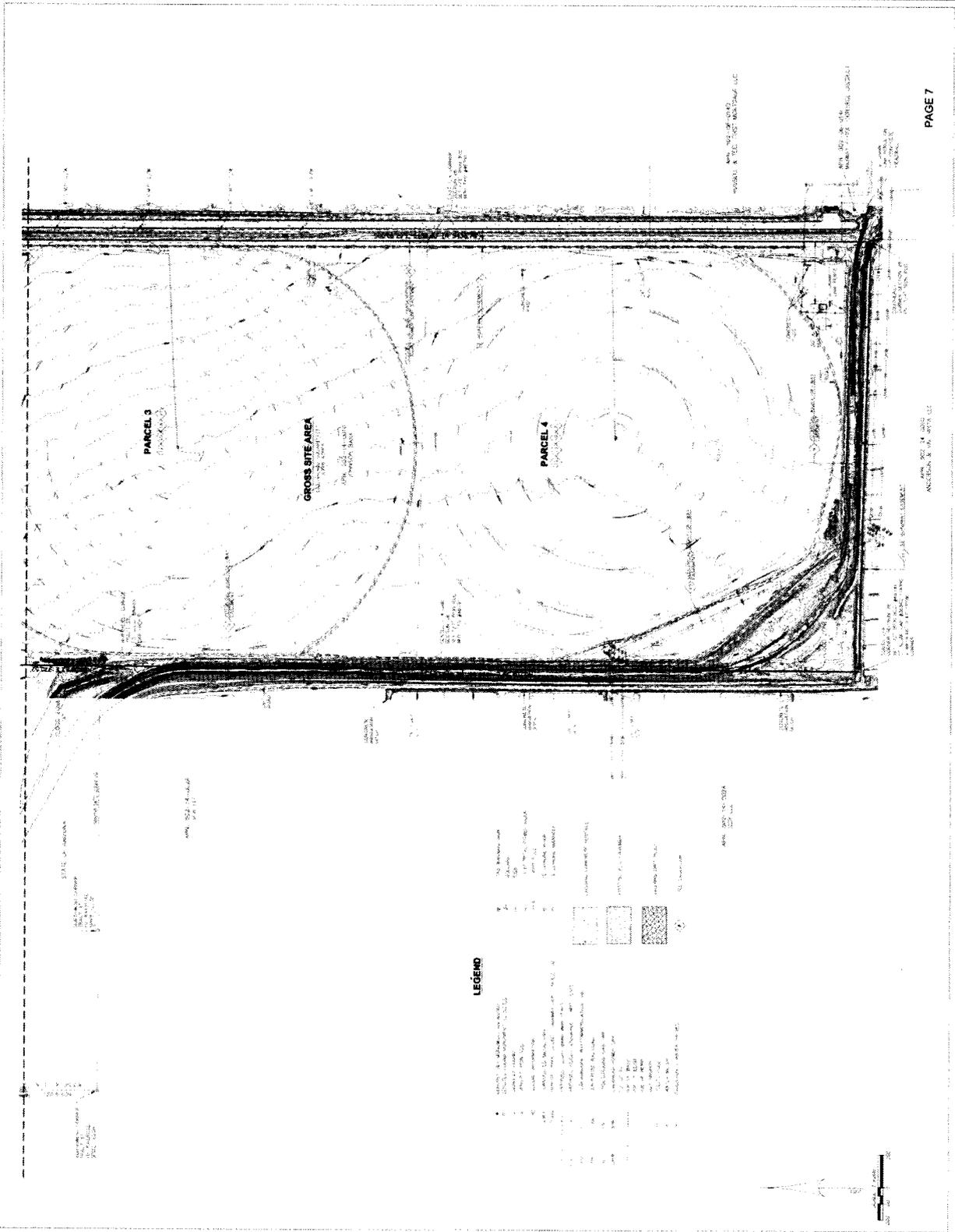




**Global Water - Santa Cruz Water Company
2014 CC&N Expansion: Anderson Russell, LLC**


ANDERSON RUSSELL PROPERTY
 LOCATED IN SECTION 16, SECTION 18, SECTION 22, AND SECTION 24,
 TOWNSHIP 9 SOUTH RANGE 4 EAST OF THE GILA AND SALT RIVER MERIDIAN,
 PINAL COUNTY, ARIZONA


 SHEET NO. 1
 DATE: 07/14/14
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 4 OF 4

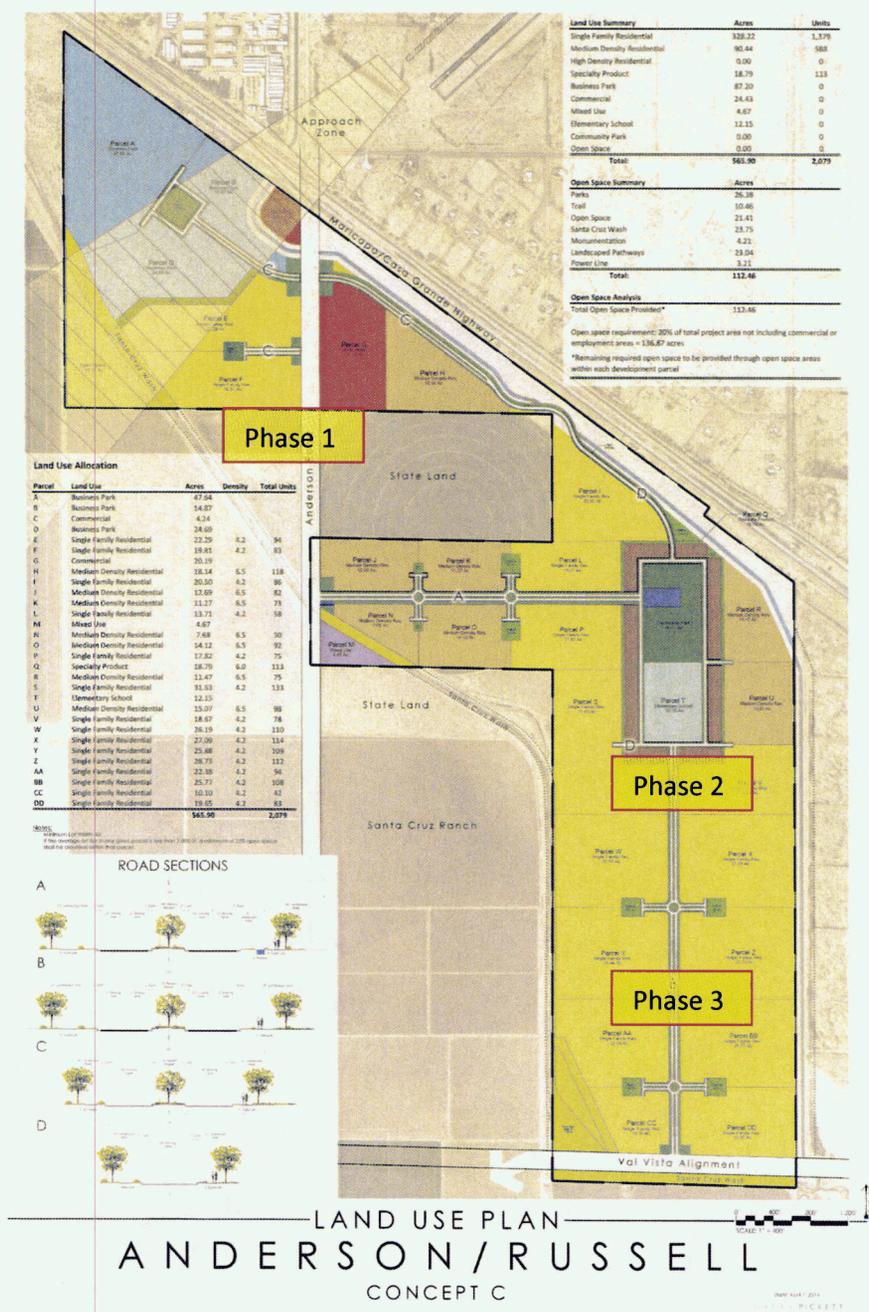


PAGE 7

**Global Water - Santa Cruz Water Company
2014 CC&N Expansion: Anderson Russell, LLC**

PROPOSED DEVELOPMENT PHASING

The Property consists of primarily Residential Use with a small amount of Commercial and Mixed Use. The development has been split into three phases, with an ultimate preliminary master plan to subdivide the Property into 27+ parcels as development occurs.



DESIGN CRITERIA



DESIGN & CONSTRUCTION STANDARDS

POTABLE/RAW WATER SYSTEM STANDARDS

I. WATER SYSTEM DESIGN CRITERIA

A. Water Demands

New domestic water systems or extensions shall be designed based on the following criteria:

Land Use	Unit	Average Daily Demand
Residential	Dwelling Unit	250 gpd
Commercial*	Square Foot of Building	0.125 gpd
	Acre of Commercial Property	2,800 gpd
Industrial*	Acre of Industrial Property	1,800 gpd
School	Student	50 gpd
Parks and Landscaped Open Space	Acre	1,800 gpd

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

The maximum day flow shall be equal to 2 times the average day flow. The peak hour flow shall be equal to 1.7 times the maximum day flow. For preliminary design only, a density of 4.5 dwelling units per acre shall be utilized for single family residential properties without a land use plan. Final design shall be based on the actual density. For utilities within Maricopa County, MCESD standards shall apply.

B. Pressure Requirements

Working pressures within the distribution system shall be between 40 and 80 psi. System pressure shall not drop below 40 psi at any point within the distribution system during peak hour demand. The minimum allowable residual pressure under maximum day demand plus fire flow conditions is 20 psi at all nodes.

C. Fire Flow Requirements

Fire flow requirements shall be in accordance with the local fire department authority in each applicable municipality or the AHJ. The system shall be designed to deliver the required flow rate while maintaining residual pressure, and shall provide the minimum required fire-storage volumes. At a minimum, the water system shall be designed to deliver a design fire flow in accordance with the latest edition of the International Fire Code while maintaining pressures in excess of 20 psi.

D. Network Analysis

The network analysis for the distribution system shall be analyzed utilizing a hydraulic model such as WaterGEMS or WaterCAD. A model shall be constructed to demonstrate that the proposed system meets the design guidelines established by Global Water. Flow conditions shall be analyzed for average day, maximum day, peak hour, and maximum day plus fire flow.

Input parameters to the model shall include a Hazen-Williams coefficient (C) equal to 130. Water supply pressures shall be determined by a fire hydrant flow test performed as close to the point of connection

**Global Water - Santa Cruz Water Company
2014 CC&N Expansion: Anderson Russell, LLC**

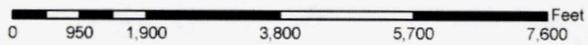
DEMANDS

Parcel	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Avg Meter Vol/Month	Total Meters
Residential	475.00	1,125	534,375	16,031,250	6,529	2455
Commercial	165.00	2,800	462,000	13,860,000	43,057	322
Industrial	19.00	1,800	34,200	1,026,000	54,864	19
Irrigation	86.00	1,800	154,800	4,644,000	140,969	33
	745.00		651,000	35,561,250		2829

EXISTING INFRASTRUCTURE AND PROPOSED NEW INFRASTRUCTURE

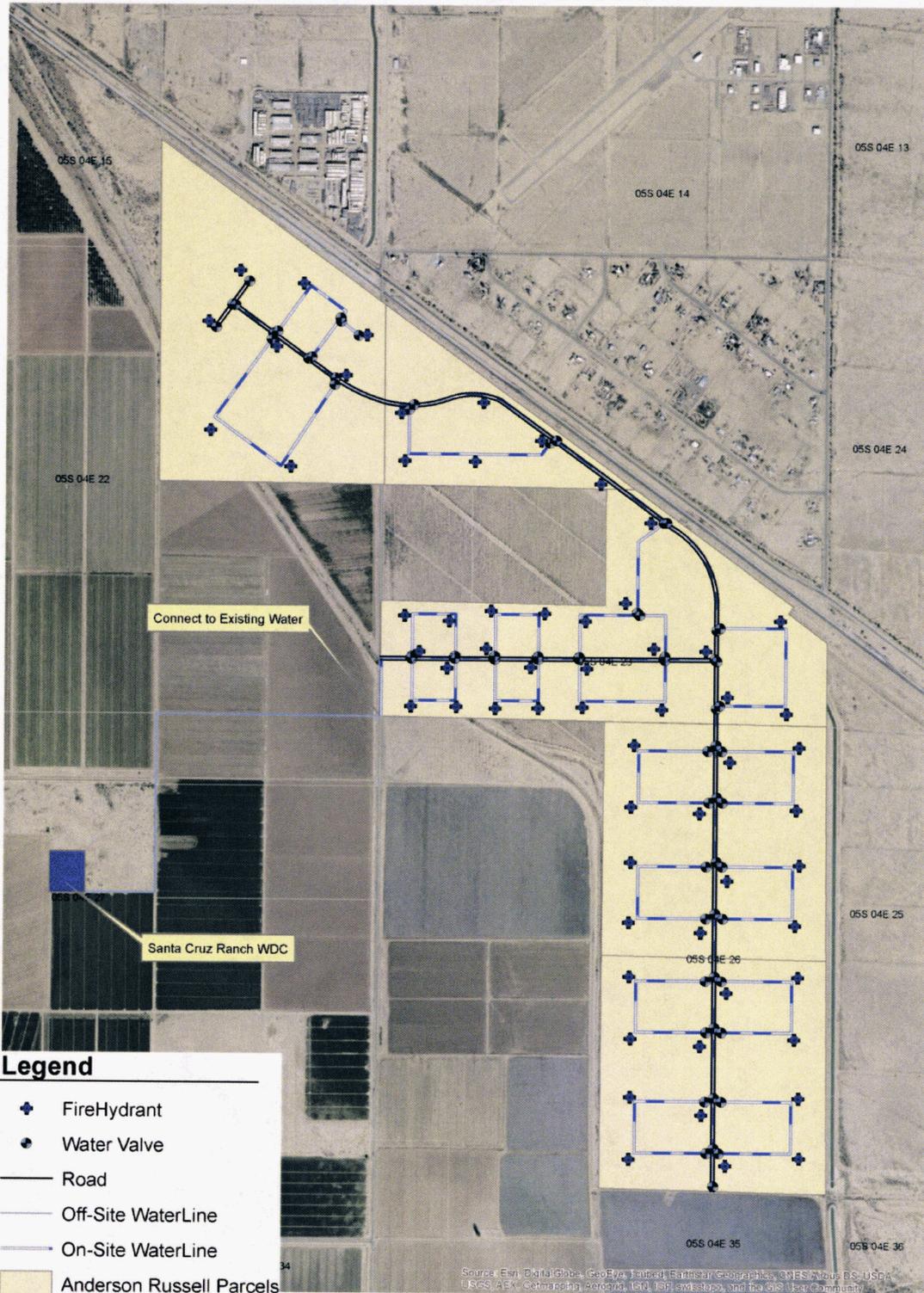


PROPOSED CC&N EXPANSION
 ANDERSON RUSSELL
 WATER EXHIBIT





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



**Global Water - Santa Cruz Water Company
2014 CC&N Expansion: Anderson Russell, LLC**

PROPOSED NEW INFRASTRUCTURE / ESTIMATED COSTS

ANDERSON RUSSELL					
Off-site Infrastructure	Quantity	Units	Unit Price	Total	NARUC
16" DIP	5,500	LF	\$ 51.00	\$ 280,500.00	331
16" Valve Box & Cover	8	ea	\$ 3,882.00	\$ 31,056.00	331
16" 90 degree bend	4	ea	\$ 518.00	\$ 2,072.00	331
22 degree bend	1	ea	\$ 355.00	\$ 355.00	331
11 - 1/4 bend	1	ea	\$ 355.00	\$ 355.00	331
Engineering and Permits	10%	ls	\$ -	\$ 31,433.80	331
Total				\$ 345,771.80	

ANDERSON RUSSELL						
Phase 1 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
16" DIP	5,000	LF	\$ 51.00	\$ 255,000.00	331	
12" DIP	0	LF	\$ 45.00	\$ -	331	
8" DIP	7103	LF	\$ 42.00	\$ 298,326.00	331	
16" Valve Box & Cover	5	Ea	\$ 3,882.00	\$ 19,410.00	331	
12" Valve Box and Cover	1	Ea	\$ 3,500.00	\$ 3,500.00	331	
8" Valve Box and Cover	16	Ea	\$ 2,500.00	\$ 40,000.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 184,098.60	331	\$ 800,334.60
Service	1375	Ea	\$ 600.00	\$ 825,000.00	333	\$ 825,000.00
Meter	1375	Ea	\$ 250.00	\$ 343,750.00	334	\$ 343,750.00
Fire Hydrant Complete	16	Ea	\$ 3,500.00	\$ 56,000.00	335	\$ 56,000.00
TOTAL PHASE 1				\$ 2,025,084.60		\$ 2,025,084.60

ANDERSON RUSSELL						
Phase 2 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
16" DIP	-	LF	\$ 51.00	\$ -	331	
12" DIP	8000	LF	\$ 45.00	\$ 360,000.00	331	
8" DIP	17503	LF	\$ 42.00	\$ 735,126.00	331	
16" Valve Box & Cover	1	Ea	\$ 3,882.00	\$ 3,882.00	331	
12" Valve Box and Cover	14	Ea	\$ 3,500.00	\$ 49,000.00	331	
8" Valve Box and Cover	25	Ea	\$ 2,500.00	\$ 62,500.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 260,675.80	331	\$ 1,471,183.80
Service	1375	Ea	\$ 600.00	\$ 825,000.00	333	\$ 825,000.00
Meter	1375	Ea	\$ 250.00	\$ 343,750.00	334	\$ 343,750.00
Fire Hydrant Complete	65	Ea	\$ 3,500.00	\$ 227,500.00	335	\$ 227,500.00
TOTAL PHASE 2				\$ 2,867,433.80		\$ 2,867,433.80

**Global Water - Santa Cruz Water Company
2014 CC&N Expansion: Anderson Russell, LLC**

ANDERSON RUSSELL						
Phase 3 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
16" DIP	-	LF	\$ 51.00	\$ -	331	
12" DIP	5200	LF	\$ 45.00	\$ 234,000.00	331	
8" DIP	16157	LF	\$ 42.00	\$ 678,594.00	331	
16 " Valve Box & Cover	0	Ea	\$ 3,882.00	\$ -	331	
12" Valve Box and Cover	5	Ea	\$ 3,500.00	\$ 17,500.00	331	
8" Valve Box and Cover	56	Ea	\$ 2,500.00	\$ 140,000.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 243,484.40	331	\$ 1,313,578.40
Service	1375	Ea	\$ 600.00	\$ 825,000.00	333	\$ 825,000.00
Meter	1375	Ea	\$ 250.00	\$ 343,750.00	334	\$ 343,750.00
Fire Hydrant Complete	56	Ea	\$ 3,500.00	\$ 196,000.00	335	\$ 196,000.00
TOTAL PHASE 3				\$ 2,678,328.40		\$ 2,678,328.40

**Global Water - Santa Cruz Water Company
2014 CC&N Expansion: Anderson Russell, LLC**

WATER COMMITMENT – TOTAL DWELLING UNITS

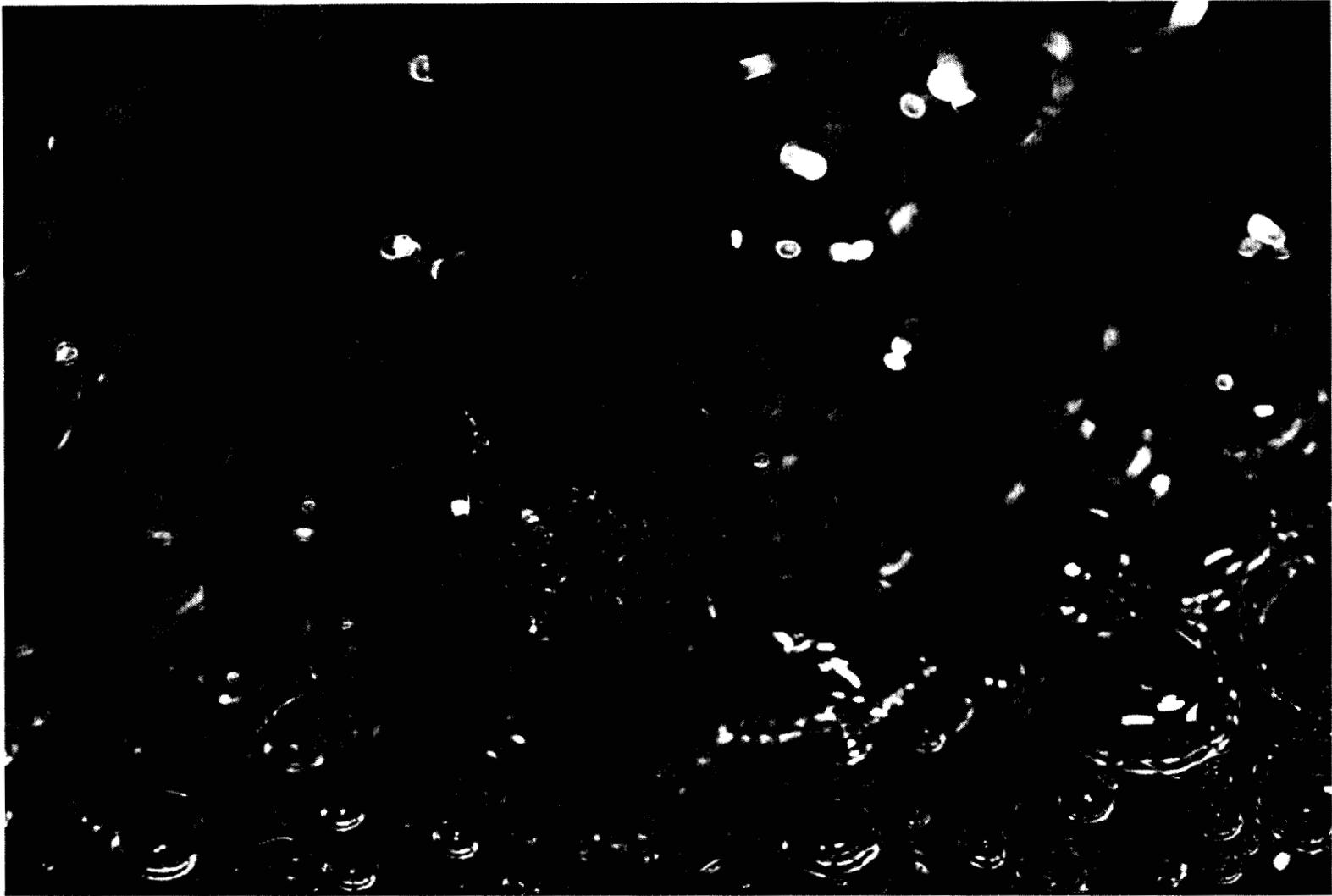
PAD OR MASTER PLAN LOCATION	TOTAL NO. OF LOTS	Water Units Committed	WATER COMMITMENTS AT 250 GPD/DU
North Region			250 GPD/DU
Rancho El Dorado	3,210	3210	802500
The Villages	1,938	1938	484500
Acacia Crossings	739	739	184750
Cobblestone Farms	891	891	
Province *	1,333	1333	333250
Santa Rosa Springs	790	647	161750
Glennwilde	2,130	1948	487000
Rancho Mirage Estates	2,153	664	166000
Sorrento Phase 1	821	821	205250
Sorrento Phase 3	651	0	0
Dunn Ranch	641	-	-
El Rancho Santa Rosa	720	-	-
Santa Rosa Crossings	351	230	57,500
Homestead Village	2,308	1,726	431,500
Rancho El Dorado Phase III	1,803	903	225,750
Del Tessa	-	-	-
Province Phase III	862	255	63,750
Tortosa NW (Cottonwood)	1,290	1,290	322,500
Tortosa South	1,172	1,172	-

**Global Water - Santa Cruz Water Company
2014 CC&N Expansion: Anderson Russell, LLC**

Tortosa NE	1,062	1,064	-
Maricopa Groves (Senita)	1,375	1,377	344,250
Smith Farms	705	601	150,250
Eagle Shadows Phase 1	1,099	-	-
Maricopa Meadows Total	1,626	1,626	406,500
Alterra North & South Total	1,005	1,005	251,250
Palo Brea Total	526	526	131,500
Desert Cedars Totals	418	418	104,500
Commercial		2,925	731,365
Anderson Russell	4,133	4,133	1,033,250
North Total	35,752	32,439	7,264,115

SUMMARY / CONCLUSION

Based upon the data and analysis provided, SCWC will have to construct the Santa Cruz Ranch Water Campus, and extend water infrastructure to provide water service to the Property. Storage and boosting requirements will be met with the Santa Cruz Ranch assets, and will have the capability to meet Peak Day, Peak Hour and Peak Day plus Fire Flow Demands. Raw water production will be handled accordingly based upon the timeline of development in conjunction with the service demands and the capacity of the system at that time. SCWC has identified additional wells that will be built and added to the system to supplement the need for raw water production at the Santa Cruz Ranch facility. The Property is contiguous to SCWC's current CC&N.



**Global Water - Santa Cruz Water
Company
2014 CC&N Expansion
City of Maricopa
Eagle Wing PAD**



GLOBAL WATER
RELIABLE • RENEWABLE • REUSABLE

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

**CITY OF MARICOPA
EAGLE WING PAD**

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

PINAL COUNTY, ARIZONA

JULY, 2014

Prepared for:

City of Maricopa

PO Box 610

Maricopa, AZ 85139

Prepared By:

Global Water – Santa Cruz Water Company

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PROJECT SUMMARY

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

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

At this time, a final design does not exist, and no water service demands have been estimated for the Property.

PROJECT LOCATION

The Property is located South of the Union Pacific Railroad in Section 1, Township 5 South, Range 3 East, and Section 6, Township 5 South, Range 4 East, Section 7, Township 5 South, Range 4 East, and Section 8, Township 5 South, Range 4 East of the Gila and Salt River Base Meridian, Pinal County, Arizona and within the incorporated City of Maricopa. The Property is bound by the Union Pacific Railroad to the North, surrounded by Eagle Wing property to the East and West, and lies on the Southern edge of Eagle Wing Property.



Global Water - Santa Cruz Water Company
2014 CC&N Expansion: City of Maricopa - Eagle Wing PAD

LEGAL DESCRIPTION

No. 242-5313948

EXHIBIT "A"

PARCEL NO. 1:

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

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 1;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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No. 242-5313948

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

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

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

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

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

PARCEL NO. 2:

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

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 6;

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

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

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

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

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

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

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

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

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

PARCEL NO. 3:

Global Water - Santa Cruz Water Company
2014 CC&N Expansion: City of Maricopa - Eagle Wing PAD

No. 242-5313948

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

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 7;

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

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

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

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

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

TOPOGRAPHIC CONDITIONS

None at this time

PROPOSED DEVELOPMENT PHASING

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

DESIGN CRITERIA



DESIGN & CONSTRUCTION STANDARDS

POTABLE/RAW WATER SYSTEM STANDARDS

I. WATER SYSTEM DESIGN CRITERIA

A. Water Demands

New domestic water systems or extensions shall be designed based on the following criteria:

Land Use	Unit	Average Daily Demand
Residential	Dwelling Unit	250 gpd
Commercial*	Square Foot of Building	0.125 gpd
	Acre of Commercial Property	2,800 gpd
Industrial*	Acre of Industrial Property	1,800 gpd
School	Student	50 gpd
Parks and Landscaped Open Space	Acre	1,800 gpd

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

The maximum day flow shall be equal to 2 times the average day flow. The peak hour flow shall be equal to 1.7 times the maximum day flow. For preliminary design only, a density of 4.5 dwelling units per acre shall be utilized for single family residential properties without a land use plan. Final design shall be based on the actual density. For utilities within Maricopa County, MCESD standards shall apply.

B. Pressure Requirements

Working pressures within the distribution system shall be between 40 and 80 psi. System pressure shall not drop below 40 psi at any point within the distribution system during peak hour demand. The minimum allowable residual pressure under maximum day demand plus fire flow conditions is 20 psi at all nodes.

C. Fire Flow Requirements

Fire flow requirements shall be in accordance with the local fire department authority in each applicable municipality or the AHJ. The system shall be designed to deliver the required flow rate while maintaining residual pressure, and shall provide the minimum required fire-storage volumes. At a minimum, the water system shall be designed to deliver a design fire flow in accordance with the latest edition of the International Fire Code while maintaining pressures in excess of 20 psi.

D. Network Analysis

The network analysis for the distribution system shall be analyzed utilizing a hydraulic model such as WaterGEMS or WaterCAD. A model shall be constructed to demonstrate that the proposed system meets the design guidelines established by Global Water. Flow conditions shall be analyzed for average day, maximum day, peak hour, and maximum day plus fire flow.

Input parameters to the model shall include a Hazen-Williams coefficient (C) equal to 130. Water supply pressures shall be determined by a fire hydrant flow test performed as close to the point of connection



**Global Water - Santa Cruz Water Company
2014 CC&N Expansion: City of Maricopa - Eagle Wing PAD**

DEMANDS

Parcel	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Avg Meter Vol/Month	Total Meters
Residential	0.00	1,125	-	-	6,529	0
Commercial	0.00	2,800	-	-	43,057	0
Industrial	0.00	1,800	-	-	54,864	0
Irrigation	0.00	1,800	-	-	140,969	0
ROW	68.00	-	-	-	140,969	0
	0.00					

EXISTING INFRASTRUCTURE AND PROPOSED NEW INFRASTRUCTURE

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

Global Water - Santa Cruz Water Company
2014 CC&N Expansion: City of Maricopa - Eagle Wing PAD

PROPOSED INFRASTRUCTURE / ESTIMATED COSTS

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

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

**Global Water - Santa Cruz Water Company
2014 CC&N Expansion: City of Maricopa - Eagle Wing PAD**

WATER COMMITMENT – TOTAL DWELLING UNITS

PAD OR MASTER PLAN LOCATION	TOTAL NO. OF LOTS	Water Units Committed	WATER COMMITMENTS AT 250 GPD/DU
North Region			250 GPD/DU
Rancho El Dorado	3,210	3210	802500
The Villages	1,938	1938	484500
Acacia Crossings	739	739	184750
Cobblestone Farms	891	891	
Province *	1,333	1333	333250
Santa Rosa Springs	790	647	161750
Glennwilde	2,130	1948	487000
Rancho Mirage Estates	2,153	664	166000
Sorrento Phase 1	821	821	205250
Sorrento Phase 3	651	0	0
Dunn Ranch	641	-	-
El Rancho Santa Rosa	720	-	-
Santa Rosa Crossings	351	230	57,500
Homestead Village	2,308	1,726	431,500
Rancho El Dorado Phase III	1,803	903	225,750
Del Tessa	-	-	-
Province Phase III	862	255	63,750
Tortosa NW (Cottonwood)	1,290	1,290	322,500
Tortosa South	1,172	1,172	-

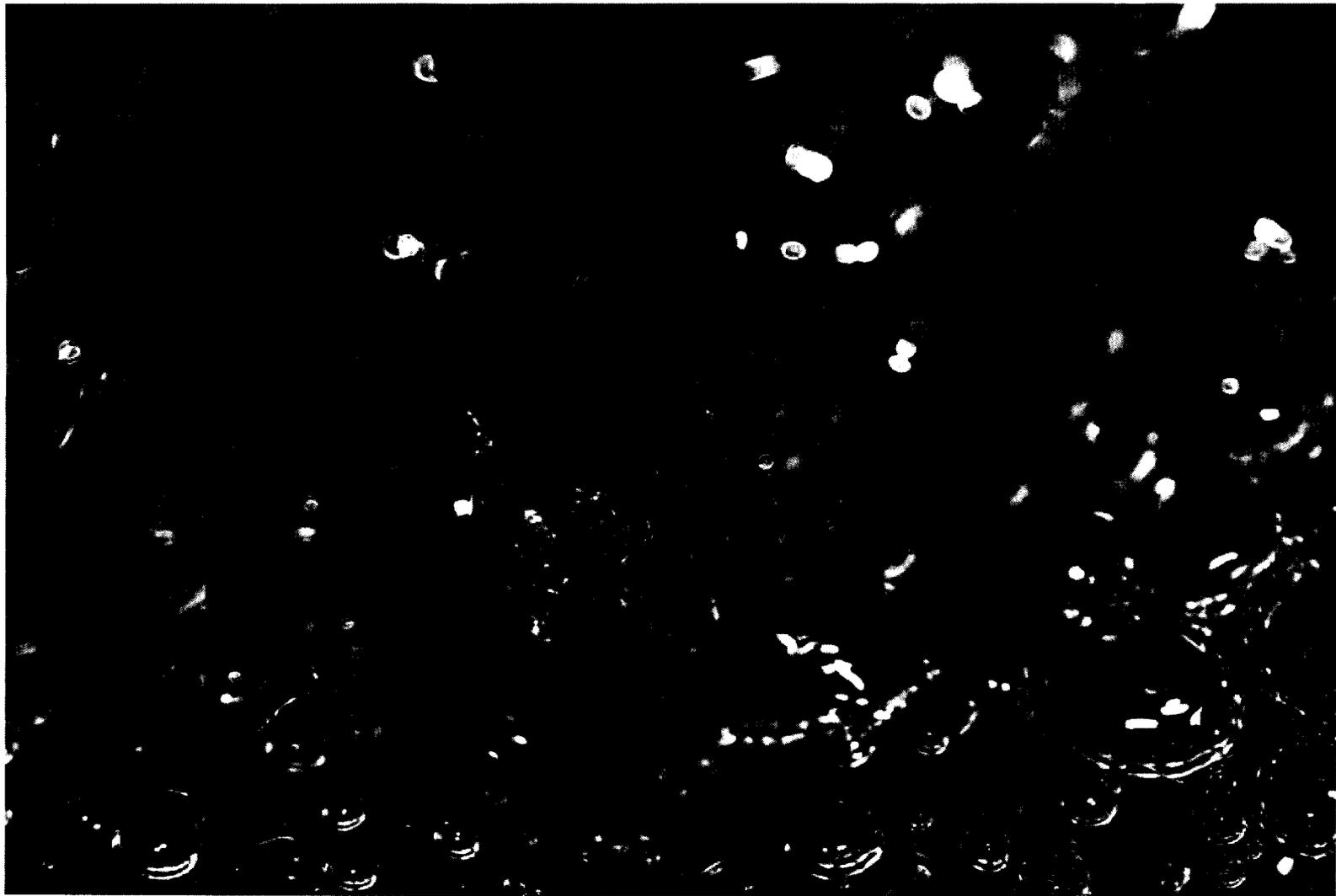
**Global Water - Santa Cruz Water Company
2014 CC&N Expansion: City of Maricopa - Eagle Wing PAD**

Tortosa NE	1,062	1,064	-
Maricopa Groves (Senita)	1,375	1,377	344,250
Smith Farms	705	601	150,250
Eagle Shadows Phase 1	1,099	-	-
Maricopa Meadows Total	1,626	1,626	406,500
Alterra North & South Total	1,005	1,005	251,250
Palo Brea Total	526	526	131,500
Desert Cedars Totals	418	418	104,500
Commercial		2,925	731,365
Eagle Wing PAD	0	0	0
North Total	31,619	27,309	6,045,615

SUMMARY / CONCLUSION

The Property is 68 acres of undeveloped land owned by the City of Maricopa. The current land plan for the Property is strictly dedicated for future road ROW, and has no determined water demands at this time. The ROW will potentially include medians and landscaping, warranting the need for water service. If water demand is required, storage and boosting requirements will be met with SCWC's existing assets, and will have the capability to meet Peak Day, Peak Hour and Peak Day plus Fire Flow Demands. Raw water production will be provided based upon the timeline of development in conjunction with the service demands and the capacity of the system at that time. SCWC has identified additional wells that will be built and added to the system to supplement the need for raw water production as growth occurs.

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



**Global Water - Santa Cruz
Water Company
2014 CC&N Expansion
City of Maricopa - Estrella Gin**



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

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

JULY, 2014

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

Prepared By:
Global Water—Santa Cruz Water Company

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PROJECT SUMMARY

Estrella Gin (the "Property") is approximately 54 acres of undeveloped land owned by the City of Maricopa. The Property will be provided water service from Global Water-Santa Cruz Water Company (SCWC). SCWC has filed this application with the Arizona Corporation Commission with the intention to extend its Certificate of Convenience and Necessity ("CC&N") service area to include the Property.

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

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

At this time, a final design has not been determined and an accurate water model cannot be provided. Design flows have been estimated based upon pre-engineering analysis.

**Global Water - Santa Cruz Water Company
CC&N Expansion- 2014: Estrella Gin**

LEGAL DESCRIPTION

Policy No.: 1002024.V7073

File No.: 01006676-010-LS

EXHIBIT A

LEGAL DESCRIPTION

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

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

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

ALSO Except that portion described as follows:

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

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

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

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

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

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

ALSO Except that portion described as follows:

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

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

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

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

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

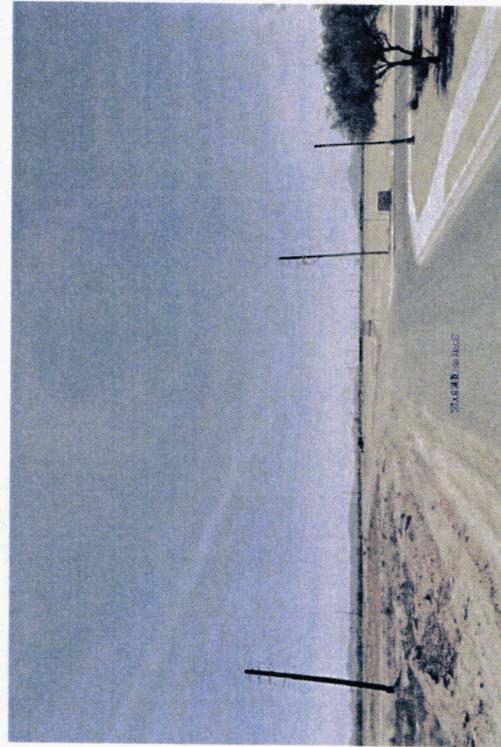
Thence Northeasterly, along said curve, through a central angle of 17 degrees 45 minutes 10 seconds, a distance of 195.20 feet to the POINT OF BEGINNING.

APN: 510-17-005E-6

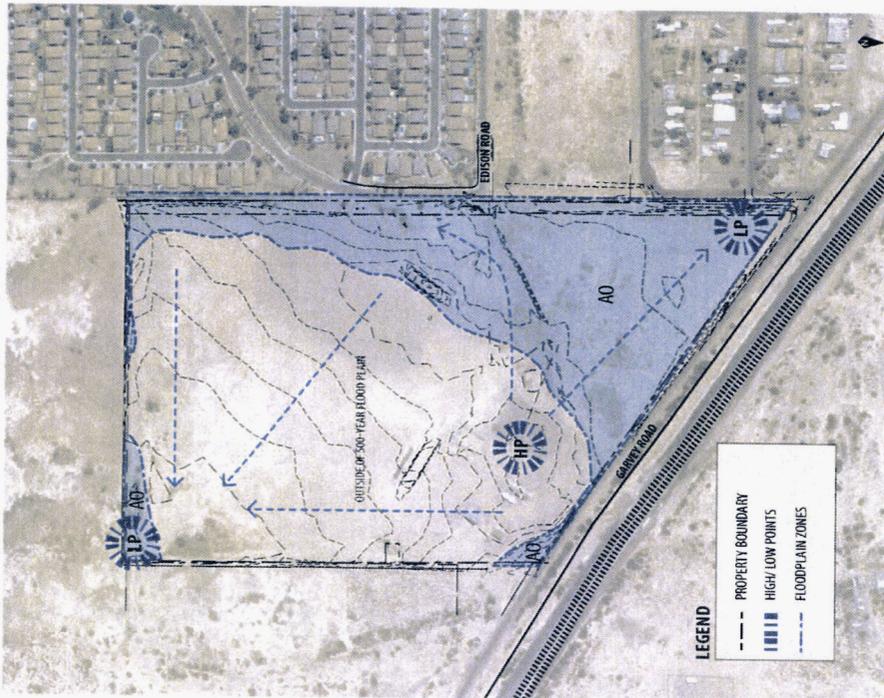
ALTA Owner's Policy (6-17-06)
Form 1402.06.A

TOPOGRAPHIC CONDITIONS

SITE ANALYSIS - TOPOGRAPHY & DRAINAGE



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



HP - High Point
 LP - Low Point
 A0 - 100 Year Floodplain, Flood Depths 1'-0" to 3'-0"

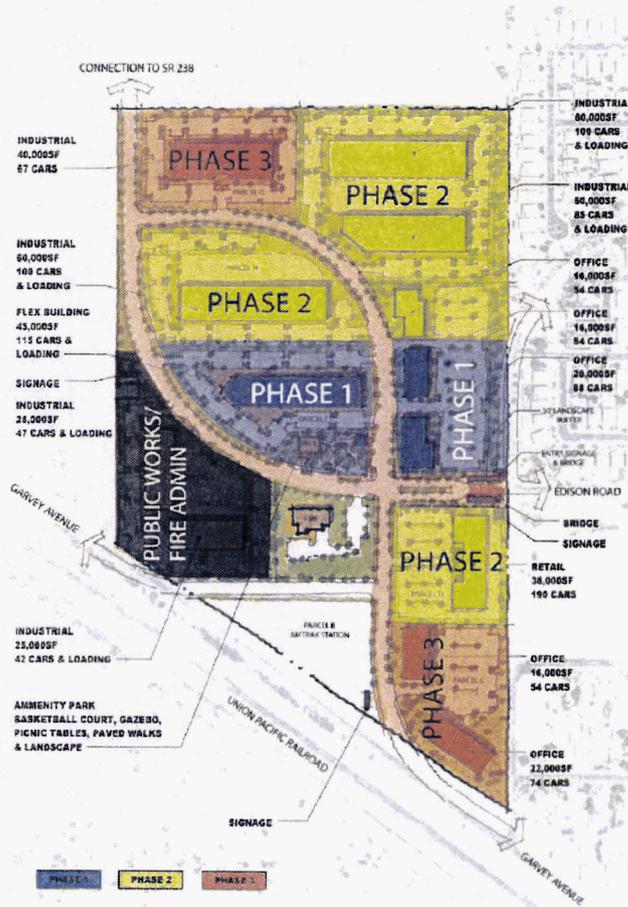
SMITHGROUP JJR

PROPOSED DEVELOPMENT PHASING

The Property consists of Commercial, Flex Office/Warehouse and Industrial Use with no planned Residential Use at this time. The development has been split into three phases, with an ultimate preliminary master plan to subdivide the Property into 12+ parcels as development occurs.

DEVELOPMENT PHASING

DEVELOPMENT PHASING CONCEPT DIAGRAM



DESIGN CRITERIA



POTABLE/RAW WATER SYSTEM STANDARDS

I. WATER SYSTEM DESIGN CRITERIA

A. Water Demands

New domestic water systems or extensions shall be designed based on the following criteria:

Land Use	Unit	Average Daily Demand
Residential	Dwelling Unit	250 gpd
Commercial*	Square Foot of Building	0.125 gpd
	Acre of Commercial Property	2,800 gpd
Industrial*	Acre of Industrial Property	1,800 gpd
School	Student	50 gpd
Parks and Landscaped Open Space	Acre	1,800 gpd

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

The maximum day flow shall be equal to 2 times the average day flow. The peak hour flow shall be equal to 1.7 times the maximum day flow. For preliminary design only, a density of 4.5 dwelling units per acre shall be utilized for single family residential properties without a land use plan. Final design shall be based on the actual density. For utilities within Maricopa County, MCESD standards shall apply.

B. Pressure Requirements

Working pressures within the distribution system shall be between 40 and 80 psi. System pressure shall not drop below 40 psi at any point within the distribution system during peak hour demand. The minimum allowable residual pressure under maximum day demand plus fire flow conditions is 20 psi at all nodes.

C. Fire Flow Requirements

Fire flow requirements shall be in accordance with the local fire department authority in each applicable municipality or the AHJ. The system shall be designed to deliver the required flow rate while maintaining residual pressure, and shall provide the minimum required fire-storage volumes. At a minimum, the water system shall be designed to deliver a design fire flow in accordance with the latest edition of the International Fire Code while maintaining pressures in excess of 20 psi.

D. Network Analysis

The network analysis for the distribution system shall be analyzed utilizing a hydraulic model such as WaterGEMS or WaterCAD. A model shall be constructed to demonstrate that the proposed system meets the design guidelines established by Global Water. Flow conditions shall be analyzed for average day, maximum day, peak hour, and maximum day plus fire flow.

Input parameters to the model shall include a Hazen-Williams coefficient (C) equal to 130. Water supply pressures shall be determined by a fire hydrant flow test performed as close to the point of connection



**Global Water - Santa Cruz Water Company
CC&N Expansion- 2014: Estrella Gin**

DEMANDS

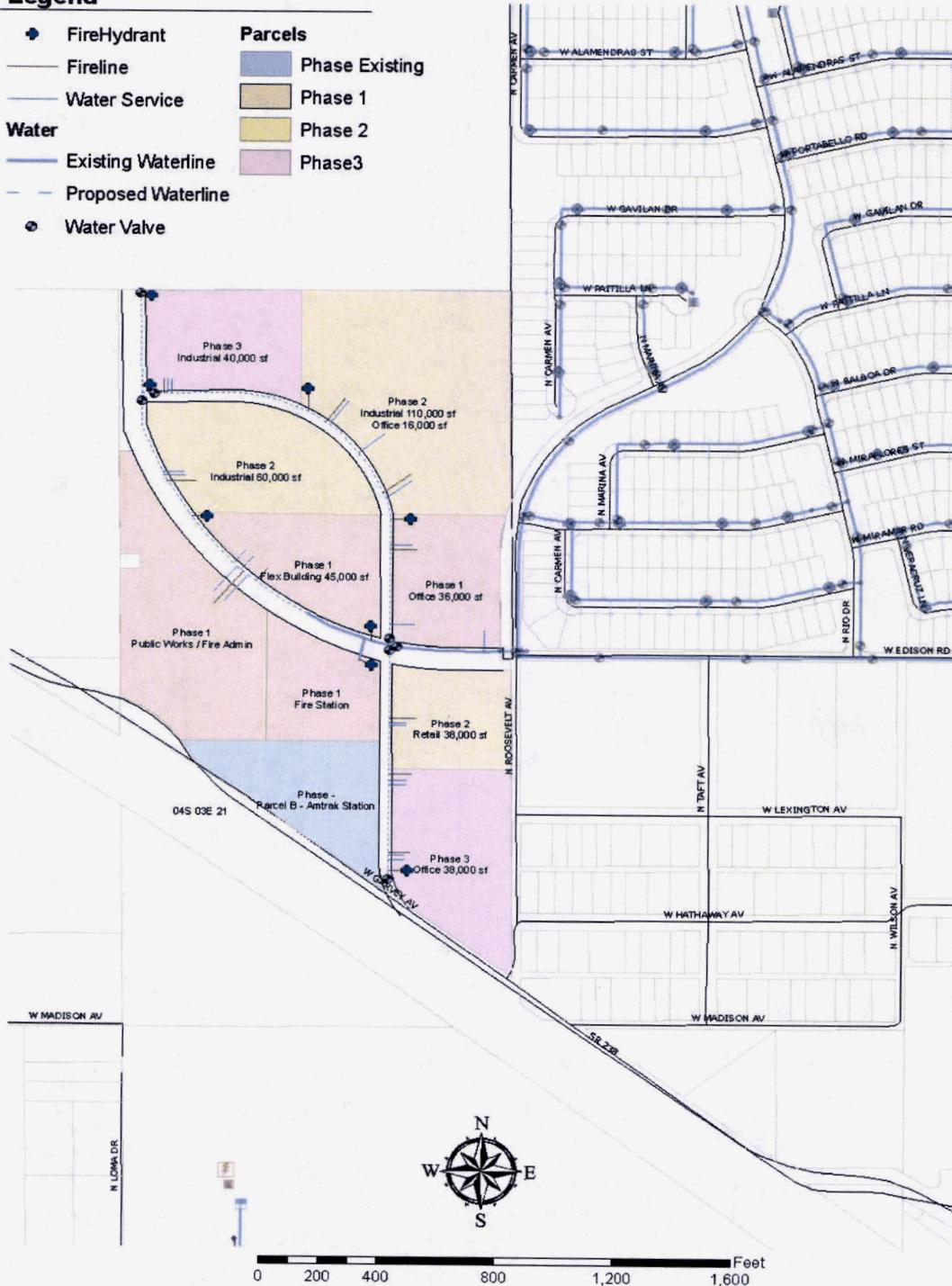
Parcel	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Avg Meter Vol/Month	Total Meters
Residential	0.00	1,125	-	-	6,529	0
Commercial	22.00	2,800	61,600	1,848,000	43,057	43
Industrial	22.00	1,800	39,600	1,188,000	54,864	22
Irrigation	10.00	1,800	18,000	540,000	140,969	4
	54.00		119,200	3,576,000		68

EXISTING INFRASTRUCTURE AND PROPOSED NEW INFRASTRUCTURE

PROPOSED CC&N WATER EXPANSION

Legend

- ◆ FireHydrant
 - Fireline
 - Water Service
 - Water**
 - Existing Waterline
 - - Proposed Waterline
 - Water Valve
- | Parcels | |
|---|----------------|
| | Phase Existing |
| | Phase 1 |
| | Phase 2 |
| | Phase 3 |



**Global Water - Santa Cruz Water Company
CC&N Expansion- 2014: Estrella Gin**

PROPOSED INFRASTRUCTURE / ESTIMATED COSTS

ESTRELLA GIN						
Offsite Infrastructure	Quantity	Units	Unit Price	Amount	NARUC	

No Offsite Infrastructure Required

ESTRELLA GIN						
Phase 1 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	543	LF	\$ 45.00	\$ 24,435.00	331	
8" DIP	464	LF	\$ 42.00	\$ 19,488.00	331	
12" Valve Box and Cover	3	Ea	\$ 3,500.00	\$ 10,500.00	331	
8" Valve Box and Cover	2	Ea	\$ 2,300.00	\$ 4,600.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 14,122.30	331	\$ 73,145.30
Services	62	Ea	\$ 600.00	\$ 37,200.00	333	\$ 37,200.00
Meters	62	Ea	\$ 250.00	\$ 15,500.00	334	\$ 15,500.00
Fire hydrant complete	5	Ea	\$ 3,500.00	\$ 17,500.00	335	\$ 17,500.00
6" Double Check Backflow Fire	4	Ea	\$ 3,000.00	\$ 12,000.00	336	\$ 12,000.00
TOTAL PHASE 1				\$ 155,345.30		\$ 155,345.30

ESTRELLA GIN						
Phase 2 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	468	LF	\$ 45.00	\$ 21,060.00	331	
8" DIP	949	LF	\$ 42.00	\$ 39,858.00	331	
12" Valve Box and Cover	1	Ea	\$ 3,500.00	\$ 3,500.00	331	
8" Valve Box and Cover	1	Ea	\$ 2,300.00	\$ 2,300.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 13,191.80	331	\$ 79,909.80
Services	62	Ea	\$ 600.00	\$ 37,200.00	333	\$ 37,200.00
Meter	62	Ea	\$ 250.00	\$ 15,500.00	334	\$ 15,500.00
Fire hydrant complete	1	Ea	\$ 3,500.00	\$ 3,500.00	335	\$ 3,500.00
6" Double Check Backflow Fire	3	Ea	\$ 3,000.00	\$ 9,000.00	336	\$ 9,000.00
TOTAL PHASE 2				\$ 145,109.80		\$ 145,109.80

ESTRELLA GIN						
Phase 3 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	365	LF	\$ 45.00	\$ 16,425.00	331	
8" DIP	445	LF	\$ 42.00	\$ 18,690.00	331	
12" Valve Box and Cover	0	Ea	\$ 3,500.00	\$ -	331	
8" Valve Box and Cover	1	Ea	\$ 2,300.00	\$ 2,300.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 10,961.50	331	\$ 48,376.50
Services	62	Ea	\$ 600.00	\$ 37,200.00	333	\$ 37,200.00
Meters	62	Ea	\$ 250.00	\$ 15,500.00	334	\$ 15,500.00
Fire hydrant complete	3	Ea	\$ 3,500.00	\$ 10,500.00	335	\$ 10,500.00
6" Double Check Backflow Fire	3	Ea	\$ 3,000.00	\$ 9,000.00	336	\$ 9,000.00
TOTAL PHASE 3				\$ 120,576.50		\$ 120,576.50

**Global Water - Santa Cruz Water Company
CC&N Expansion- 2014: Estrella Gin**

WATER COMMITMENT – TOTAL DWELLING UNITS FOR EXISTING CC&N PLUS ESTRELLA GIN

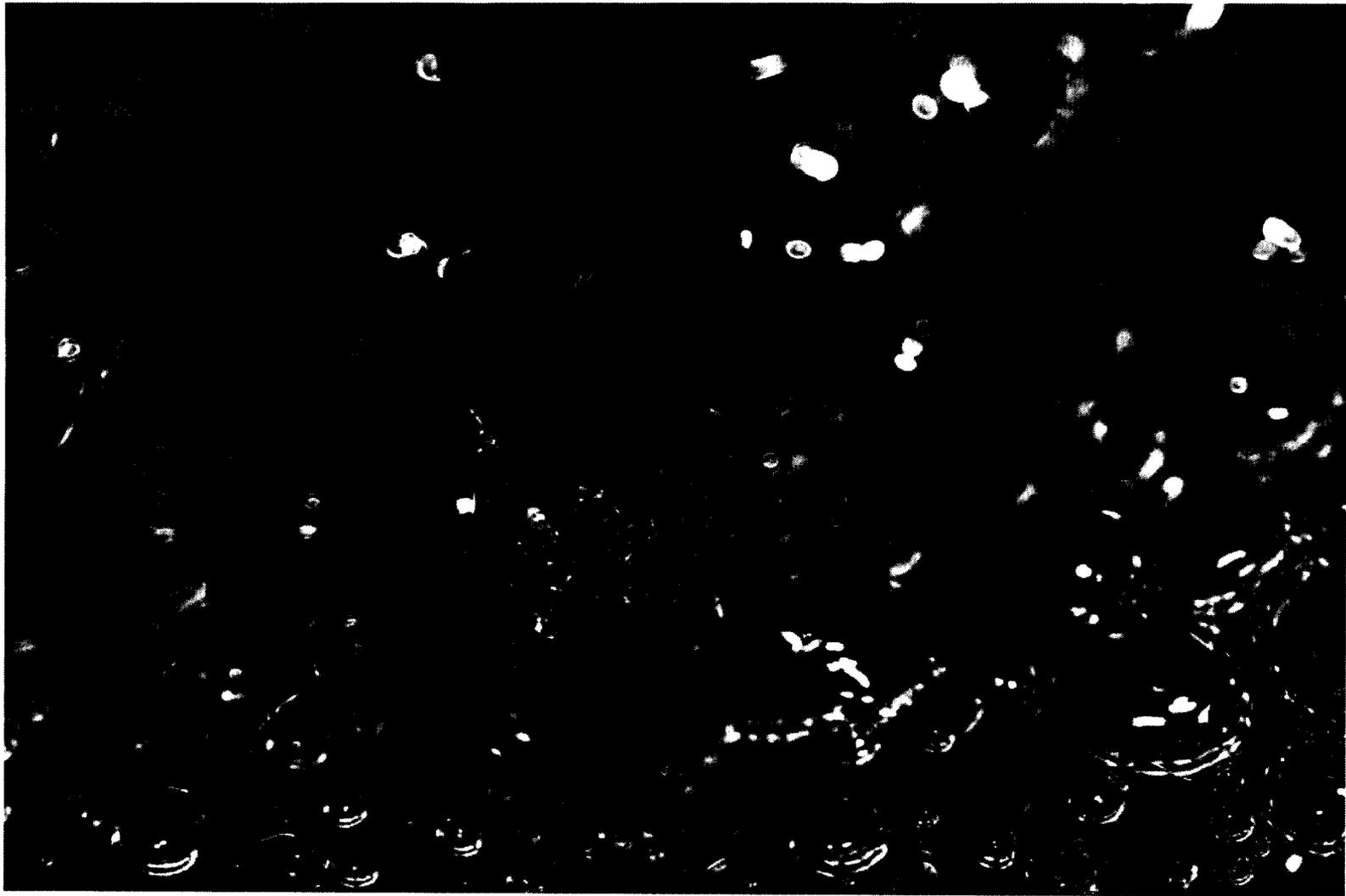
PAD OR MASTER PLAN LOCATION	TOTAL NO. OF LOTS	Water Units Committed	WATER COMMITMENTS AT 250 GPD/DU
North Region			250 GPD/DU
Rancho El Dorado	3,210	3210	802500
The Villages	1,938	1938	484500
Acacia Crossings	739	739	184750
Cobblestone Farms	891	891	
Province *	1,333	1333	333250
Santa Rosa Springs	790	647	161750
Glennwilde	2,130	1948	487000
Rancho Mirage Estates	2,153	664	166000
Sorrento Phase 1	821	821	205250
Sorrento Phase 3	651	0	0
Dunn Ranch	641	-	-
El Rancho Santa Rosa	720	-	-
Santa Rosa Crossings	351	230	57,500
Homestead Village	2,308	1,726	431,500
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Del Tessa	-	-	-
Province Phase III	862	255	63,750
Tortosa NW (Cottonwood)	1,290	1,290	322,500
Tortosa South	1,172	1,172	-

**Global Water - Santa Cruz Water Company
CC&N Expansion- 2014: Estrella Gin**

Tortosa NE	1,062	1,064	-
Maricopa Groves (Senita)	1,375	1,377	344,250
Smith Farms	705	601	150,250
Eagle Shadows Phase 1	1,099	-	-
Maricopa Meadows Total	1,626	1,626	406,500
Alterra North & South Total	1,005	1,005	251,250
Palo Brea Total	526	526	131,500
Desert Cedars Totals	418	418	104,500
Commercial		2,925	731,365
Estrella Gin Maricopa	184	184	46,000
North Total	31,803	27,493	6,091,615

SUMMARY / CONCLUSION

Based upon the data and analysis provided, SCWC's existing water distribution system can be extended to provide service to the Property as identified in the CC&N application. Storage and boosting requirements will be met with SCWC's existing assets, and will have the capability to meet Peak Day, Peak Hour and Peak Day plus Fire Flow Demands. Raw water production will be provided based upon the timeline of development in conjunction with the service demands and the capacity of the system at that time. SCWC has identified additional wells that will be built and added to the system to supplement the need for raw water production as growth occurs. The Property is contiguous to SCWC's current CC&N, with infrastructure within close proximity.



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



GLOBAL WATER
RELIABLE • RENEWABLE • REUSABLE

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

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

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

PINAL COUNTY, ARIZONA

JULY, 2014

Prepared for:

**EAGLE SHADOW, LLC
426 N. 44TH ST, SUITE 100
PHOENIX, AZ 85005**

Prepared By:

Global Water – Santa Cruz Water Company

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Global Water - Santa Cruz Water Company
CC&N Expansion- 2014: Eagle Wing Parcels 1, 2, and 3

PROJECT SUMMARY

Eagle Wing Parcels 1, 2, and 3 (the "Property") has a combined 386 acres of undeveloped land owned by Eagle Shadows, LLC c/o El Dorado Holdings, Inc. The Property will be provided water service from Global Water - Santa Cruz Water Company (SCWC). SCWC has filed an application with the Arizona Corporation Commission with the intention to expand its Certificate of Convenience and Necessity ("CC&N") service area to include the Property.

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

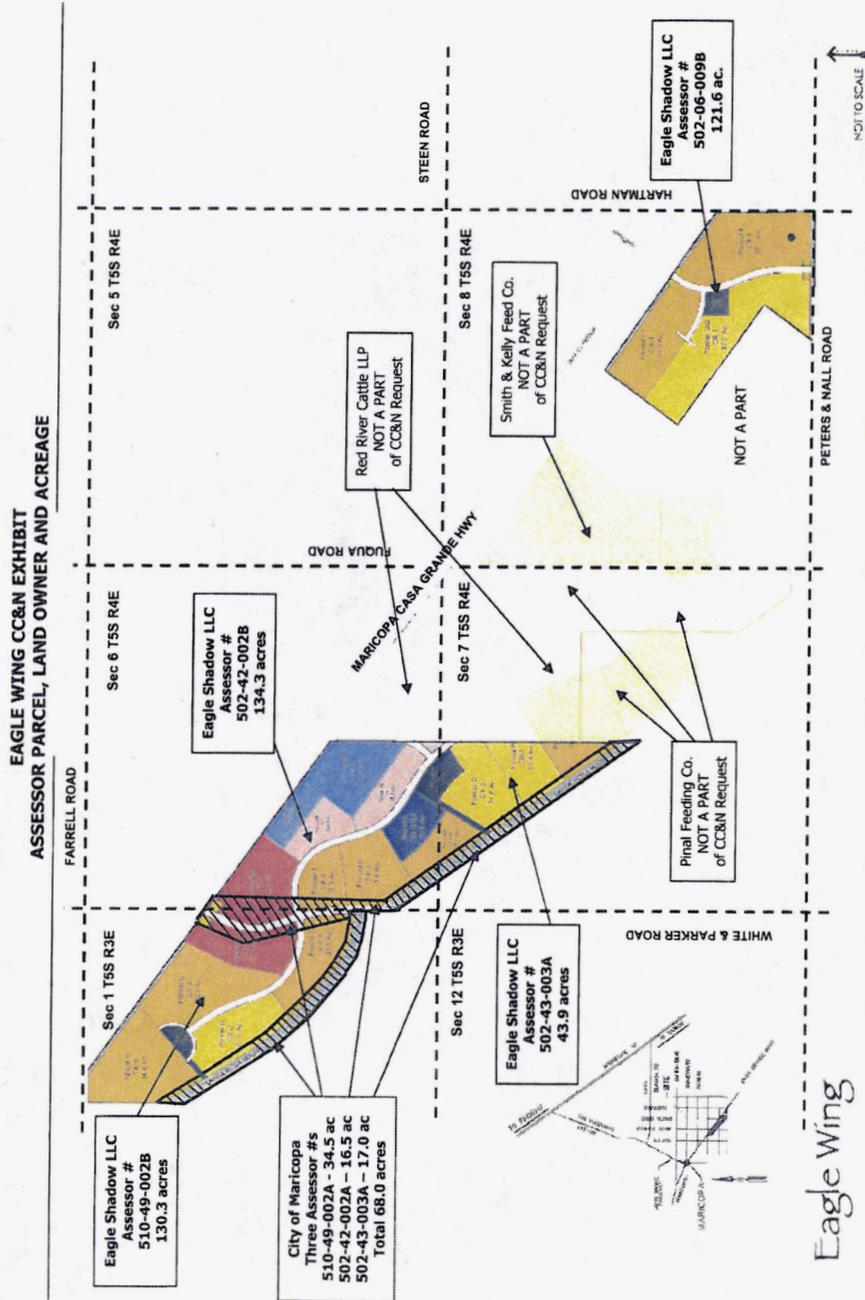
The Property consists of primarily Residential and Commercial Use, with a small amount of Industrial Use. Design criteria will be in accordance with the requirements of the most recent version of Global Water's Standards for Planning, Design and Construction. These Standards can be found online at www.gwresources.com.

To provide water service to this development, a 16" waterline will be extended to Parcels 1 and 2 and a separate waterline extension to serve Parcel 3. At this time, a final design has not been determined and an accurate water model cannot be provided. Therefore, demands have been estimated based upon pre-engineering analysis.

**Global Water - Santa Cruz Water Company
CC&N Expansion- 2014: Eagle Wing Parcels 1, 2, and 3**

PROJECT LOCATION

The Property is two separate plots of land that are not adjoining and located in Section 1, Township 5 South, Range 3 East, Section 6, Township 5 South, Range 4 East, Section 7, Township 5 South, and Section 8, Township 5 South, Range 4 East of the Gila and Salt River Base Meridian, Pinal County, Arizona and within the incorporated City of Maricopa. The Property is bound by the Maricopa Casa Grande Highway to the North, and Peters & Nall Road to the South, Porter Road to the West, and Hartmann Road to the West.



Global Water - Santa Cruz Water Company
CC&N Expansion- 2014: Eagle Wing Parcels 1, 2, and 3

LEGAL DESCRIPTION

No. NCS-504471-PHX1

EXHIBIT "A"

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

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

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 1;

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

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

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

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

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

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

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

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

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

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

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

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

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

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 6;

Global Water - Santa Cruz Water Company
CC&N Expansion- 2014: Eagle Wing Parcels 1, 2, and 3

No. NCS-504471-PHX1

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

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

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

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

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

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

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

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

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

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

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 7;

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

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

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

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

Global Water - Santa Cruz Water Company
CC&N Expansion- 2014: Eagle Wing Parcels 1, 2, and 3

EXHIBIT A

PINAL FEEDING
JN 04-1085

Assessor Parcel #502-06-009B

LEGAL DESCRIPTION

PHASE 1

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

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

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

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

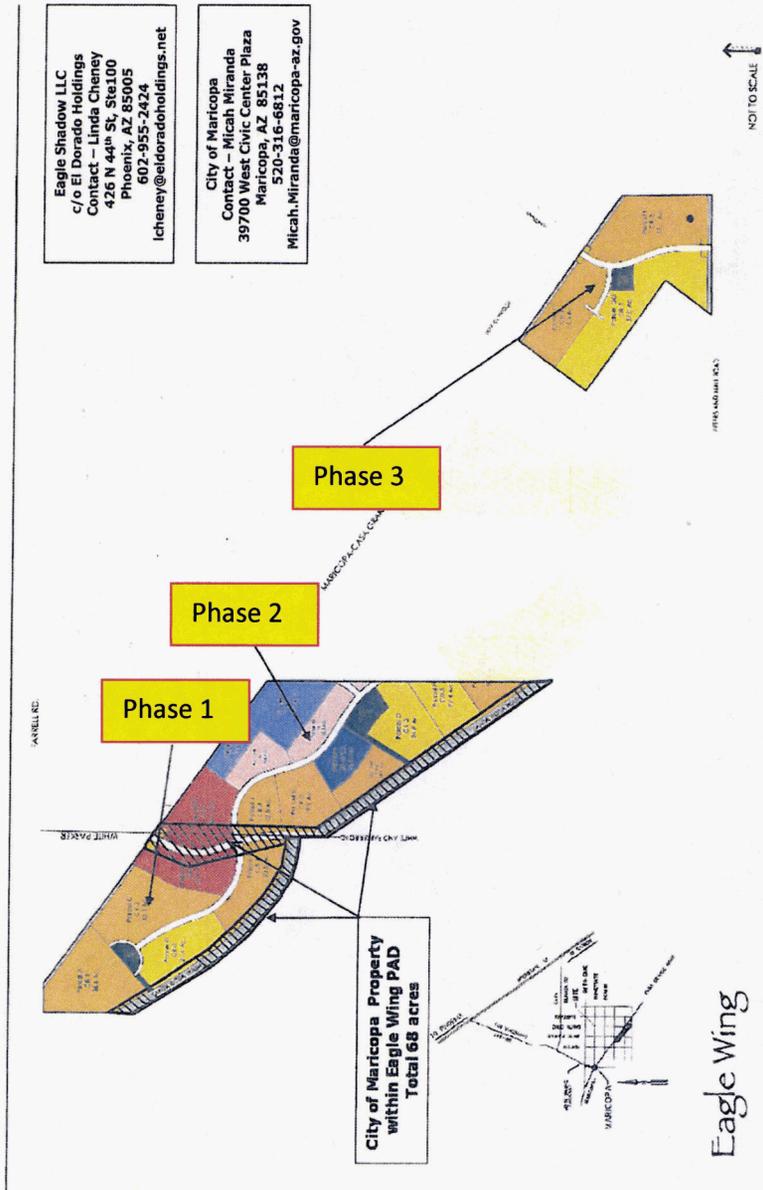


TOPOGRAPHIC CONDITIONS

NONE AVAILABLE AT THIS TIME

PROPOSED DEVELOPMENT PHASING

The Property consists primarily of Residential and Commercial Use, with a small amount of Industrial Use. The development has been split into three proposed phases, with an ultimate preliminary master plan to subdivide the property into 20+ parcels as development occurs.



DESIGN CRITERIA



DESIGN & CONSTRUCTION STANDARDS

POTABLE/RAW WATER SYSTEM STANDARDS

I. WATER SYSTEM DESIGN CRITERIA

A. Water Demands

New domestic water systems or extensions shall be designed based on the following criteria:

Land Use	Unit	Average Daily Demand
Residential	Dwelling Unit	250 gpd
Commercial*	Square Foot of Building	0.125 gpd
	Acre of Commercial Property	2,800 gpd
Industrial*	Acre of Industrial Property	1,800 gpd
School	Student	50 gpd
Parks and Landscaped Open Space	Acre	1,800 gpd

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

The maximum day flow shall be equal to 2 times the average day flow. The peak hour flow shall be equal to 1.7 times the maximum day flow. For preliminary design only, a density of 4.5 dwelling units per acre shall be utilized for single family residential properties without a land use plan. Final design shall be based on the actual density. For utilities within Maricopa County, MCESD standards shall apply.

B. Pressure Requirements

Working pressures within the distribution system shall be between 40 and 80 psi. System pressure shall not drop below 40 psi at any point within the distribution system during peak hour demand. The minimum allowable residual pressure under maximum day demand plus fire flow conditions is 20 psi at all nodes.

C. Fire Flow Requirements

Fire flow requirements shall be in accordance with the local fire department authority in each applicable municipality or the AHJ. The system shall be designed to deliver the required flow rate while maintaining residual pressure, and shall provide the minimum required fire-storage volumes. At a minimum, the water system shall be designed to deliver a design fire flow in accordance with the latest edition of the International Fire Code while maintaining pressures in excess of 20 psi.

D. Network Analysis

The network analysis for the distribution system shall be analyzed utilizing a hydraulic model such as WaterGEMS or WaterCAD. A model shall be constructed to demonstrate that the proposed system meets the design guidelines established by Global Water. Flow conditions shall be analyzed for average day, maximum day, peak hour, and maximum day plus fire flow.

Input parameters to the model shall include a Hazen-Williams coefficient (C) equal to 130. Water supply pressures shall be determined by a fire hydrant flow test performed as close to the point of connection

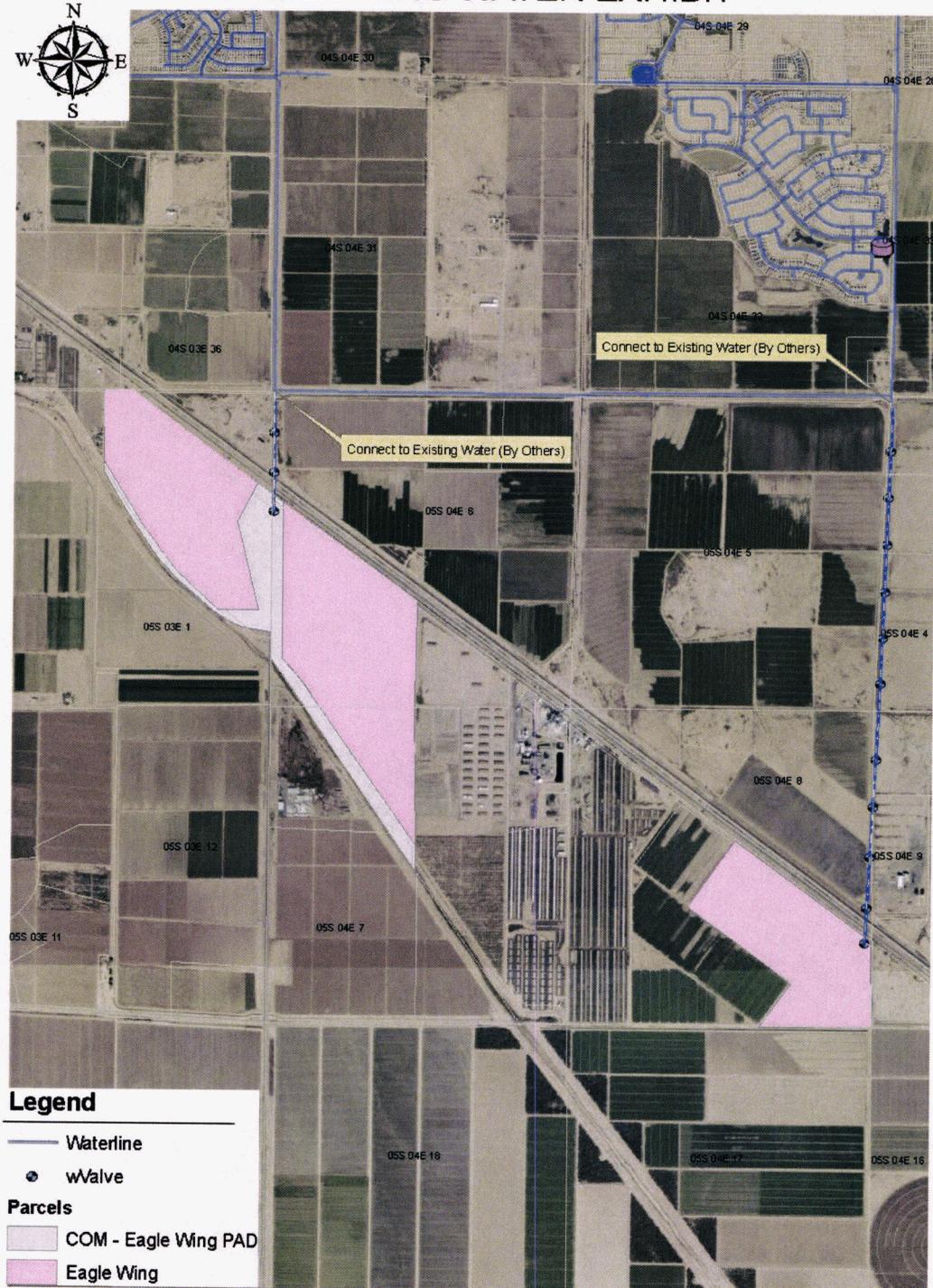
**Global Water - Santa Cruz Water Company
CC&N Expansion- 2014: Eagle Wing Parcels 1, 2, and 3**

DEMANDS

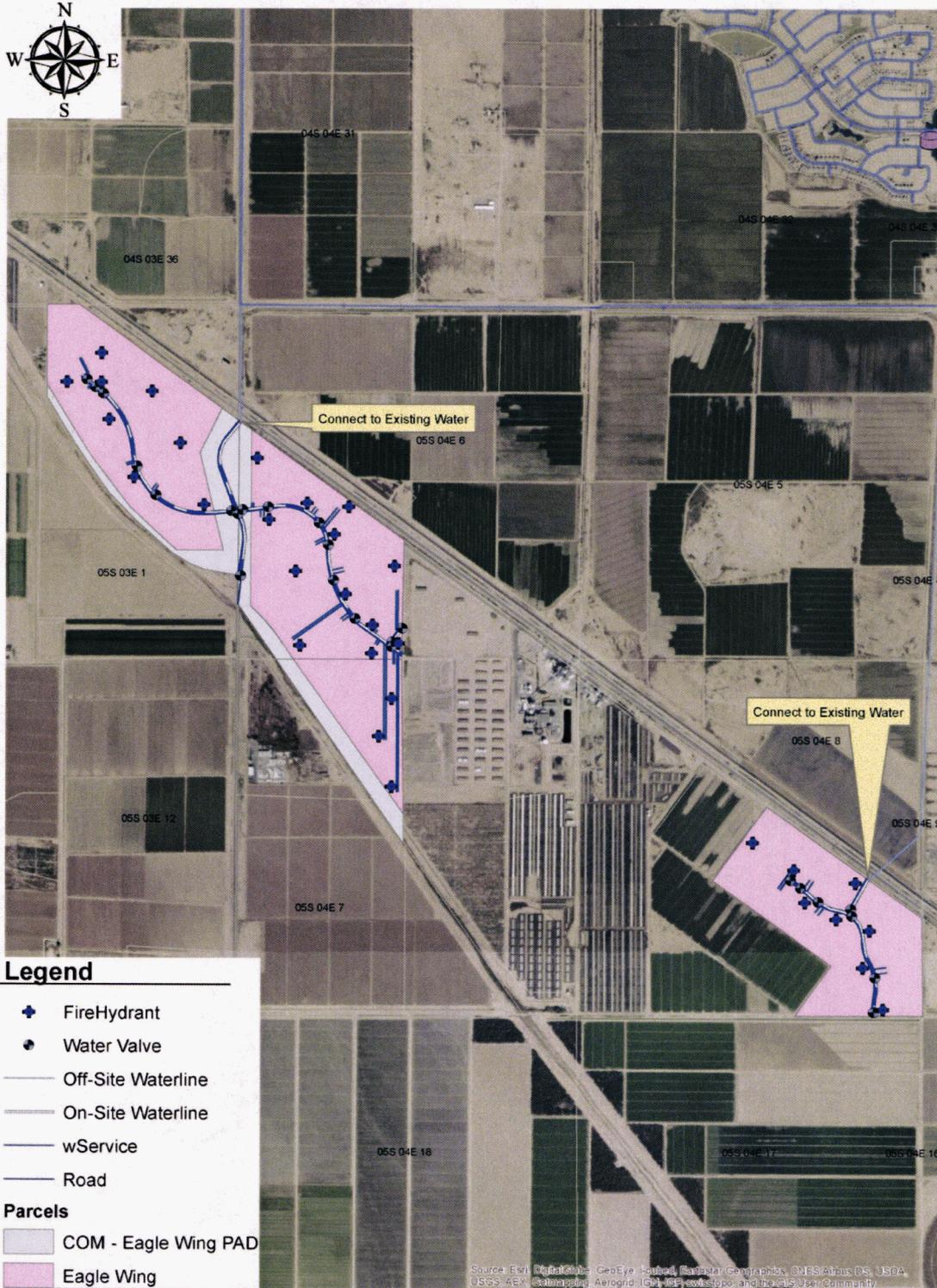
Parcel	Acres	Avg Daily Demand	Total GPD	Monthly Demand	Avg Meter Vol/Month	Total Meters
Residential	250.00	1,125	281,250	8,437,500	6,529	1292
Commercial	75.00	2,800	210,000	6,300,000	43,057	146
Industrial	15.00	1,800	27,000	810,000	54,864	15
Irrigation	46.00	1,800	82,800	2,484,000	140,969	18
	386.00		319,800	18,031,500		1471

EXISTING INFRASTRUCTURE AND PROPOSED NEW INFRASTRUCTURE

PROPOSED CC&N EXPANSION
EAGLE WING WATER EXHIBIT



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



**Global Water - Santa Cruz Water Company
CC&N Expansion- 2014: Eagle Wing Parcels 1, 2, and 3**

PROPOSED NEW INFRASTRUCTURE/ ESTIMATED COSTS

EAGLE WING						
Offsite Infrastructure	Quantity	Units	Unit Price	Total	NARUC	
16" DIP	1,960	LF	\$ 51.00	\$ 99,960.00	331	
16" Valve Box & Cover	4	ea	\$ 3,882.00	\$ 15,528.00	331	
16" 90 degree bend	2	ea	\$ 518.00	\$ 1,036.00	331	
22 degree bend	1	ea	\$ 355.00	\$ 355.00	331	
Jack and Bore	1600	LF	\$ 225.00	\$ 360,000.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 47,687.90	331	
Total				\$ 524,566.90		

Eagle Wing						
Phase 1 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	3100	LF	\$ 45.00	\$ 139,500.00	331	
12" Valve box & Cover	4	Ea	\$ 3,500.00	\$ 14,000.00	331	
8" DIP	4,100	LF	\$ 42.00	\$ 172,200.00	331	
8" Valve Box and Cover	6	LF	\$ 2,500.00	\$ 15,000.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 73,420.00	331	\$ 414,120.00
Service	430	Ea	\$ 600.00	\$ 258,000.00	333	\$ 258,000.00
Meter	430	Ea	\$ 250.00	\$ 107,500.00	334	\$ 107,500.00
Fire Hydrant Complete	8	Ea	\$ 3,500.00	\$ 28,000.00	335	\$ 28,000.00
Total				\$ 807,620.00		\$ 807,620.00

Eagle Wing						
Phase 2 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
8" DIP	5,620	LF	\$ 42.00	\$ 236,040.00	331	
8" Valve Box and Cover	8	LF	\$ 2,500.00	\$ 20,000.00	331	
Engineering and Permits	10%	ls		\$ 67,404.00	331	\$ 323,444.00
Service	430	Ea	\$ 600.00	\$ 258,000.00	333	\$ 258,000.00
Meter	430	Ea	\$ 250.00	\$ 107,500.00	334	\$ 107,500.00
Fire Hydrant Complete	15	Ea	\$ 3,500.00	\$ 52,500.00	335	\$ 52,500.00
Total				\$ 741,444.00		\$ 741,444.00

Eagle Wing						
Phase 3 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
8" DIP	3,220	LF	\$ 42.00	\$ 135,240.00	331	
8" Valve Box and Cover	6	LF	\$ 2,500.00	\$ 15,000.00	331	
Engineering and Permits	8%			\$ 43,499.20	331	\$ 193,739.20
Service	430	Ea	\$ 600.00	\$ 258,000.00	333	\$ 258,000.00
Meter	430	Ea	\$ 250.00	\$ 107,500.00	334	\$ 107,500.00
Fire Hydrant Complete	8	Ea	\$ 3,500.00	\$ 28,000.00	335	\$ 28,000.00
Total				\$ 587,239.20		\$ 587,239.20

Global Water - Santa Cruz Water Company
CC&N Expansion- 2014: Eagle Wing Parcels 1, 2, and 3

WATER COMMITMENT – TOTAL DWELLING UNITS

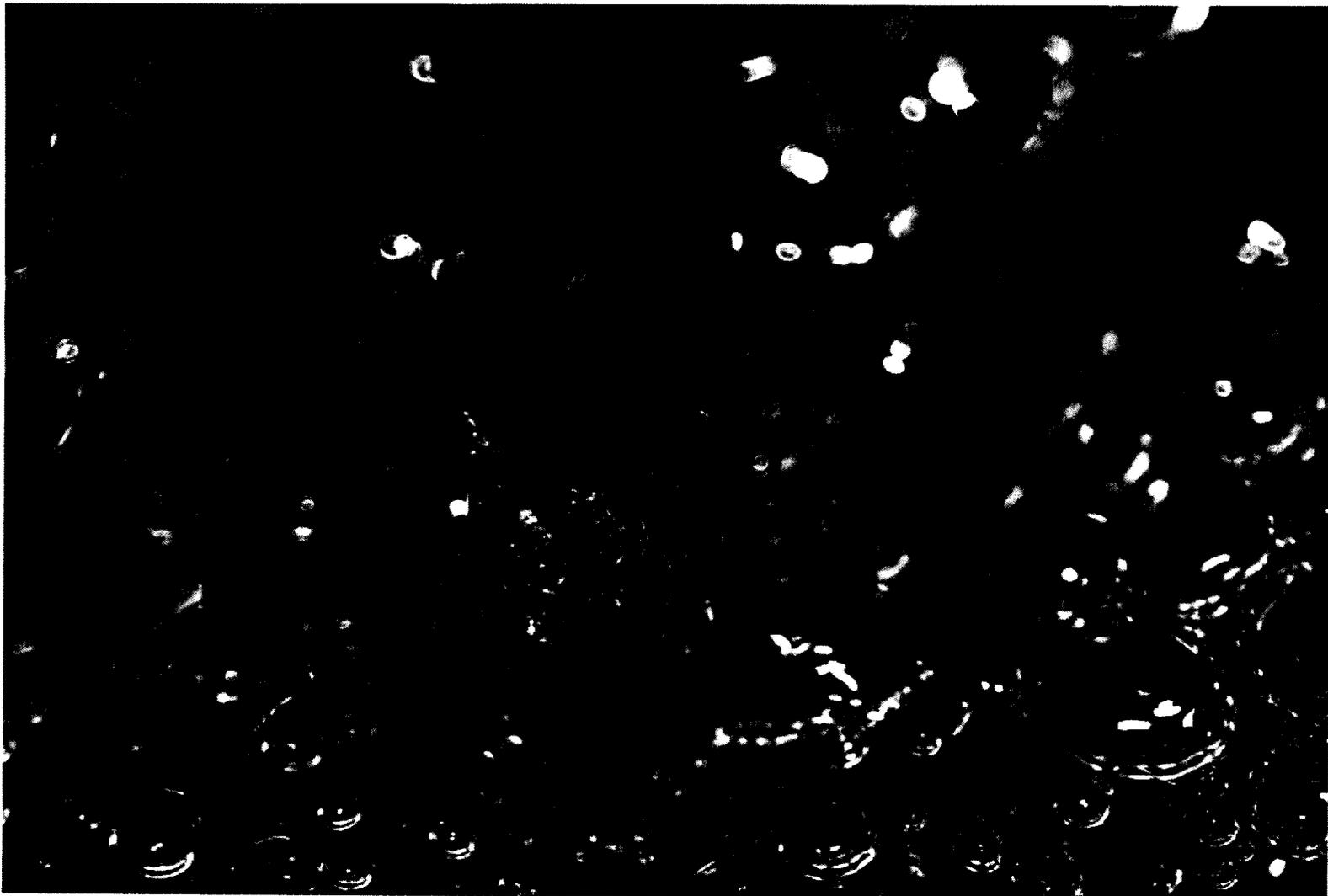
PAD OR MASTER PLAN LOCATION	TOTAL NO. OF LOTS	Water Units Committed	WATER COMMITMENTS AT 250 GPD/DU
North Region			250 GPD/DU
Rancho El Dorado	3,210	3210	802500
The Villages	1,938	1938	484500
Acacia Crossings	739	739	184750
Cobblestone Farms	891	891	
Province *	1,333	1333	333250
Santa Rosa Springs	790	647	161750
Glennwilde	2,130	1948	487000
Rancho Mirage Estates	2,153	664	166000
Sorrento Phase 1	821	821	205250
Sorrento Phase 3	651	0	0
Dunn Ranch	641	-	-
El Rancho Santa Rosa	720	-	-
Santa Rosa Crossings	351	230	57,500
Homestead Village	2,308	1,726	431,500
Rancho El Dorado Phase III	1,803	903	225,750
Del Tessa	-	-	-
Province Phase III	862	255	63,750
Tortosa NW (Cottonwood)	1,290	1,290	322,500
Tortosa South	1,172	1,172	-

**Global Water - Santa Cruz Water Company
CC&N Expansion- 2014: Eagle Wing Parcels 1, 2, and 3**

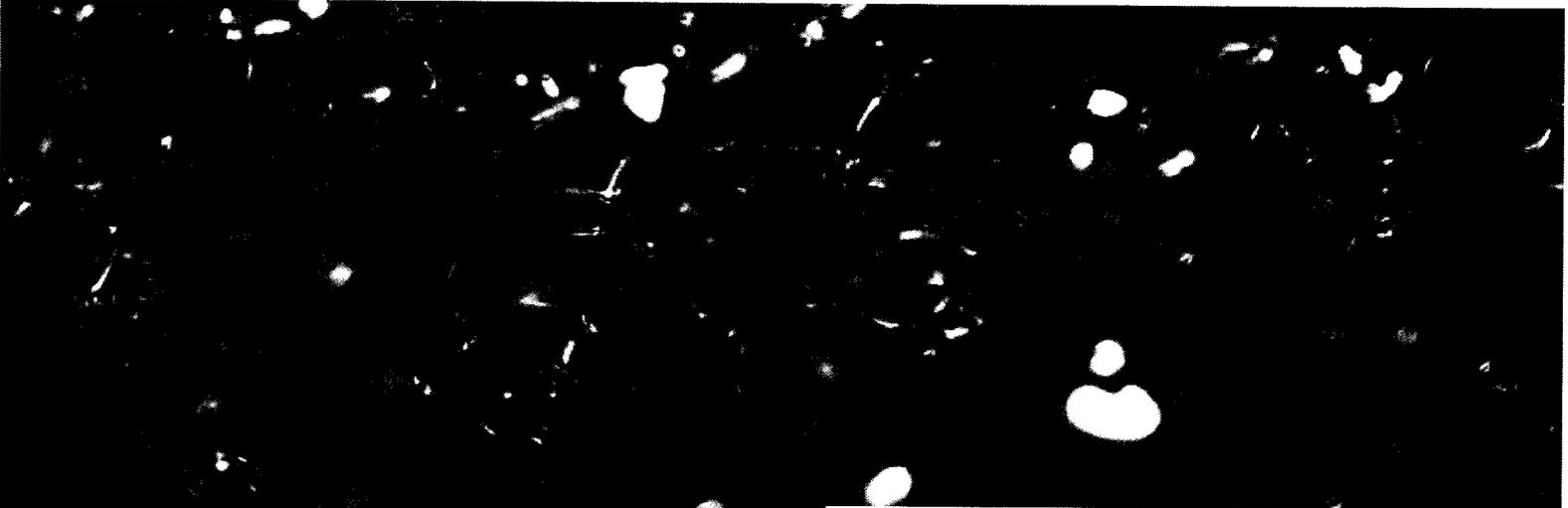
Tortosa NE	1,062	1,064	-
Maricopa Groves (Senita)	1,375	1,377	344,250
Smith Farms	705	601	150,250
Eagle Shadows Phase 1	1,099	-	-
Maricopa Meadows Total	1,626	1,626	406,500
Alterra North & South Total	1,005	1,005	251,250
Palo Brea Total	526	526	131,500
Desert Cedars Totals	418	418	104,500
Commercial		2,925	731,365
Eagle Wing	1,288	1,288	322,000
North Total	32,907	28,597	6,367,615

SUMMARY / CONCLUSION

Based upon the data and analysis provided, SCWC's existing water distribution system can be extended to provide service to the Property as identified in the CC&N application. Storage and boosting requirements will be met with SCWC's existing assets, and will have the capability to meet Peak Day, Peak Hour and Peak Day plus Fire Flow Demands. Raw water production will be provided based upon the timeline of development in conjunction with the service demands and the capacity of the system at that time. SCWC has identified additional wells that will be built and added to the system to supplement the need for raw water production as growth occurs. The Property is contiguous to SCWC's current CC&N, with infrastructure in relatively close proximity to the Property.



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



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

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

JULY, 2014

Prepared for:

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

Prepared By:

Global Water – Santa Cruz Water Company

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PROJECT SUMMARY

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

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

To provide water service to the Property, a 12" water line will be extended to the Northeast corner of the Property from a connection point that exists East of the Property along Highway 238. A 12" waterline will also be extended to the South side of Parcel 1 from the Edison Road alignment.

At this time, a final design has not been determined and an accurate water model cannot be provided. Therefore, demands have been estimated based upon pre-engineering analysis.

Global Water - Santa Cruz Water Company
2014 CC&N Expansion: Santa Cruz Land Development, LLC

PROJECT LOCATION

The Property is located North of Garvey Avenue and South of Highway 283 in Section 21, Township 4 South, Range 3 East of the Gila and Salt River Base Meridian, Pinal County, Arizona and within the incorporated City of Maricopa. The Property is bound by the Union Pacific Railroad to the South, Highway 238 to the North and undeveloped property to the Southeast, and Green Road to the West. The Property is contiguous to SCWC's current CC&N and is currently being served by SCWC.



LEGAL DESCRIPTION

LEGAL DESCRIPTION

PARCEL NO. 1

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

PARCEL NO. 2

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

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

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 21;
THENCE SOUTH 00 DEGREES 52 MINUTES 48 SECONDS EAST A DISTANCE OF 50.00 FEET ALONG THE WEST LINE OF SAID SECTION 21, TO THE POINT OF BEGINNING;
THENCE NORTH 89 DEGREES 39 MINUTES 03 SECONDS EAST A DISTANCE OF 2900 FEET TO THE TERMINUS OF SAID LINE; AND

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

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

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

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

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

THENCE WEST ALONG SAID LINE A DISTANCE OF 50.00 FEET;

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

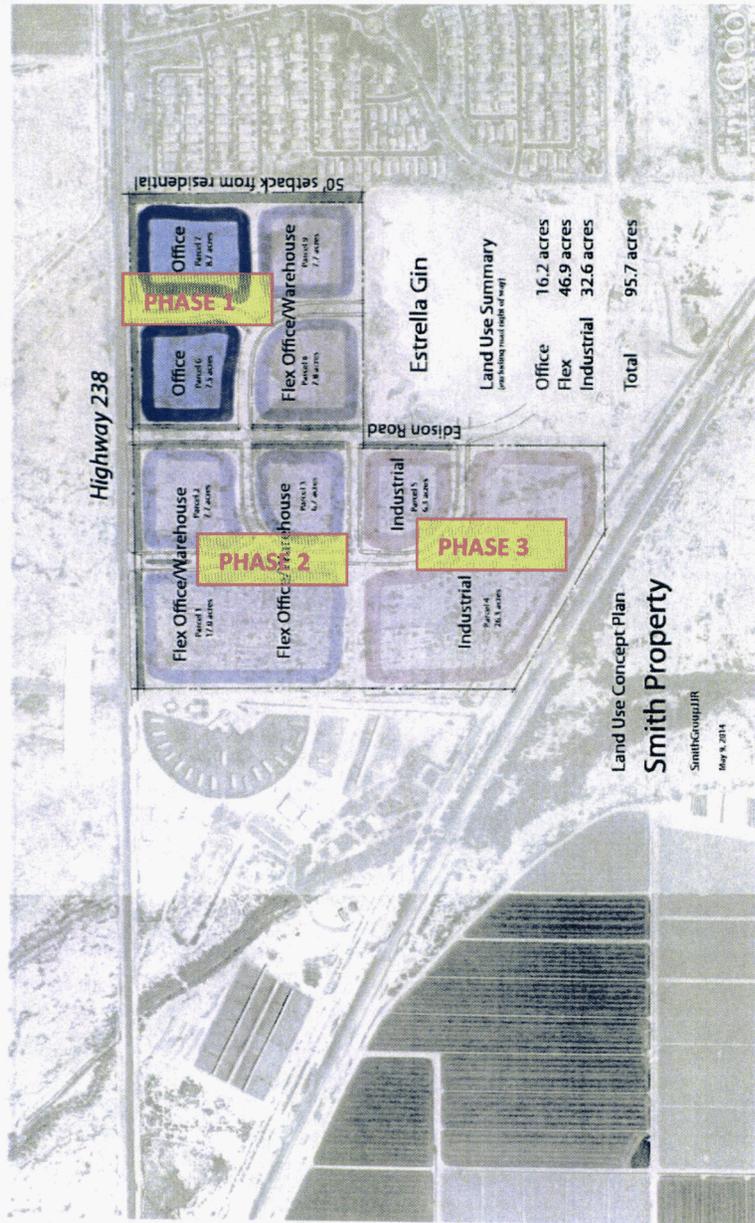
THENCE EAST ALONG SAID LINE A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING.

TOPOGRAPHIC CONDITIONS

Not available at this time

PROPOSED DEVELOPMENT PHASING

The Property consists of Commercial, Flex Office / Warehouse, and Industrial Use with no planned Residential at this time. The development has been split into three phases, with an ultimate preliminary master plan to subdivide the Property into 9+ parcels as development occurs.



DESIGN CRITERIA



POTABLE/RAW WATER SYSTEM STANDARDS

I. WATER SYSTEM DESIGN CRITERIA

A. Water Demands

New domestic water systems or extensions shall be designed based on the following criteria:

Land Use	Unit	Average Daily Demand
Residential	Dwelling Unit	250 gpd
Commercial*	Square Foot of Building	0.125 gpd
	Acre of Commercial Property	2,800 gpd
Industrial*	Acre of Industrial Property	1,800 gpd
School	Student	50 gpd
Parks and Landscaped Open Space	Acre	1,800 gpd

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

The maximum day flow shall be equal to 2 times the average day flow. The peak hour flow shall be equal to 1.7 times the maximum day flow. For preliminary design only, a density of 4.5 dwelling units per acre shall be utilized for single family residential properties without a land use plan. Final design shall be based on the actual density. For utilities within Maricopa County, MCESD standards shall apply.

B. Pressure Requirements

Working pressures within the distribution system shall be between 40 and 80 psi. System pressure shall not drop below 40 psi at any point within the distribution system during peak hour demand. The minimum allowable residual pressure under maximum day demand plus fire flow conditions is 20 psi at all nodes.

C. Fire Flow Requirements

Fire flow requirements shall be in accordance with the local fire department authority in each applicable municipality or the AHJ. The system shall be designed to deliver the required flow rate while maintaining residual pressure, and shall provide the minimum required fire-storage volumes. At a minimum, the water system shall be designed to deliver a design fire flow in accordance with the latest edition of the International Fire Code while maintaining pressures in excess of 20 psi.

D. Network Analysis

The network analysis for the distribution system shall be analyzed utilizing a hydraulic model such as WaterGEMS or WaterCAD. A model shall be constructed to demonstrate that the proposed system meets the design guidelines established by Global Water. Flow conditions shall be analyzed for average day, maximum day, peak hour, and maximum day plus fire flow.

Input parameters to the model shall include a Hazen-Williams coefficient (C) equal to 130. Water supply pressures shall be determined by a fire hydrant flow test performed as close to the point of connection

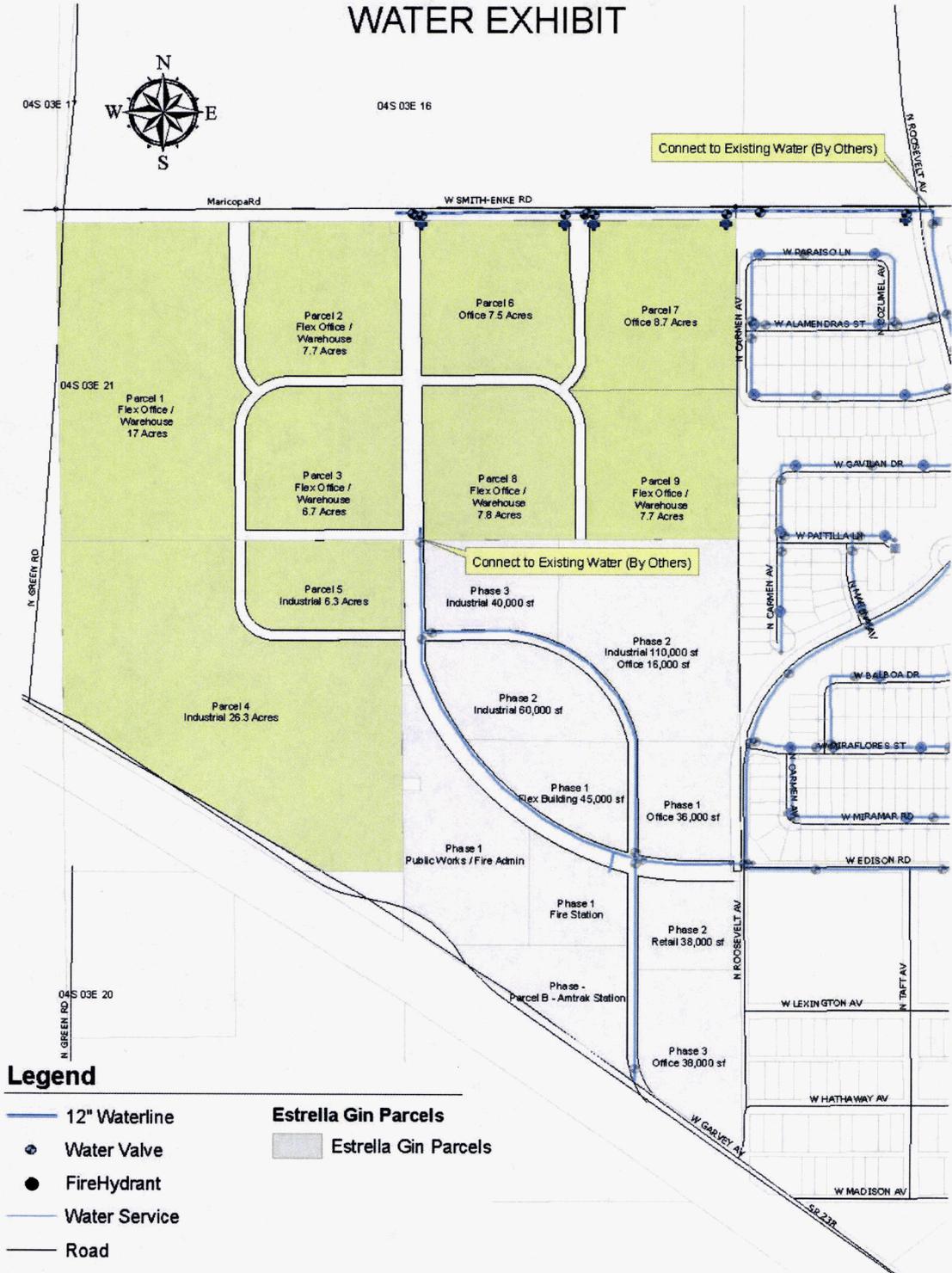
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DEMANDS

Parcel	Acres	Avg Day Demand	Total GPD	Mon/ Demand	Avg Meter Vol/Month	Total Meters
Residential	0.00	1,125	-	-	6,529	0
Commercial	63.10	2,800	176,680	5,300,400	43,057	123
Industrial	32.60	1,800	58,680	1,760,400	54,864	32
Irrigation	18.30	1,800	32,940	988,200	140,969	7
	114.00		268,300	8,049,000		162

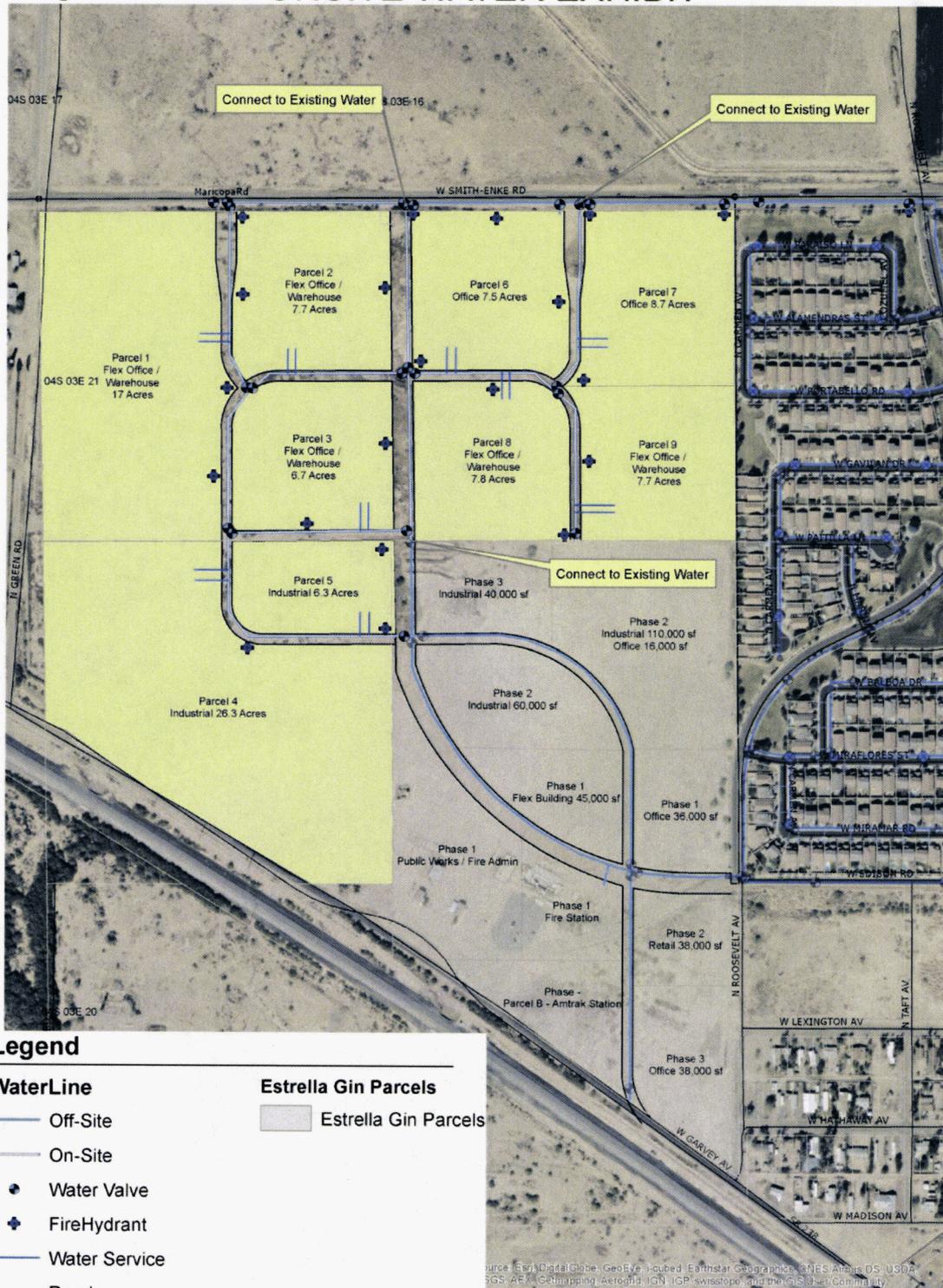
EXISTING INFRASTRUCTURE AND PROPOSED NEW INFRASTRUCTURE

PROPOSED CC&N EXPANSION
 SANTA CRUZ LAND COMPANY
 WATER EXHIBIT





PROPOSED CC&N EXPANSION SANTA CRUZ LAND COMPANY ONSITE WATER EXHIBIT



Legend

WaterLine

- Off-Site
- On-Site
- Water Valve
- ⊕ FireHydrant
- Water Service
- Road

Estrella Gin Parcels

- Estrella Gin Parcels

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, AeroGRID, IGN, IGP, swisstopo, and the GIS User Community

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PROPOSED NEW INFRASTRUCTURE / ESTIMATED COSTS

SANTA CRUZ LAND					
Offsite Infrastructure	Quantity	Units	Unit Price	Amount	NARUC
12" DIP	2518	LF	\$ 45.00	\$ 113,310.00	331
12" Valve	10	Ea	\$ 3,500.00	\$ 35,000.00	331
12"x12" Tee	1	Ea	\$ 300.00	\$ 300.00	331
Engineering and Permits	10%	ls	\$ -	\$ 14,831.00	331
Total				\$ 163,441.00	

SANTA CRUZ LAND						
Phase 1 On-Site Water System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	543	LF	\$ 45.00	\$ 24,435.00	331	
8" DIP	464	LF	\$ 42.00	\$ 19,488.00	331	
12" Valve Box and Cover	3	Ea	\$ 3,500.00	\$ 10,500.00	331	
8" Valve Box and Cover	2	Ea	\$ 2,300.00	\$ 4,600.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 20,582.30	331	\$ 79,605.30
Services	138	Ea	\$ 600.00	\$ 82,800.00	333	\$ 82,800.00
Meters	138	Ea	\$ 250.00	\$ 34,500.00	334	\$ 34,500.00
Fire hydrant complete	5	Ea	\$ 3,500.00	\$ 17,500.00	335	\$ 17,500.00
6" Double Check Backflow Fire	4	Ea	\$ 3,000.00	\$ 12,000.00	336	\$ 12,000.00
TOTAL PHASE 1				\$ 226,405.30		\$ 226,405.30

SANTA CRUZ LAND						
Phase 2 On-Site Water System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	468	LF	\$ 45.00	\$ 21,060.00	331	
8" DIP	949	LF	\$ 42.00	\$ 39,858.00	331	
12" Valve Box and Cover	1	Ea	\$ 3,500.00	\$ 3,500.00	331	
8" Valve Box and Cover	1	Ea	\$ 2,300.00	\$ 2,300.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 19,651.80	331	\$ 86,369.80
Services	138	Ea	\$ 600.00	\$ 82,800.00	333	\$ 82,800.00
Meters	138	Ea	\$ 250.00	\$ 34,500.00	334	\$ 34,500.00
Fire hydrant complete	1	Ea	\$ 3,500.00	\$ 3,500.00	335	\$ 3,500.00
6" Double Check Backflow Fire	3	Ea	\$ 3,000.00	\$ 9,000.00	336	\$ 9,000.00
TOTAL PHASE 2				\$ 216,169.80		\$ 216,169.80

SANTA CRUZ LAND						
Phase 3 On-Site Water System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	365	LF	\$ 45.00	\$ 16,425.00	331	
8" DIP	445	LF	\$ 42.00	\$ 18,690.00	331	
12" Valve Box and Cover	0	Ea	\$ 3,500.00	\$ -	331	

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8" Valve Box and Cover	1	Ea	\$ 2,300.00	\$ 2,300.00	331	
Engineering and Permits	10%	Is	\$ -	\$ 17,421.50	331	\$ 54,836.50
Services	138	Ea	\$ 600.00	\$ 82,800.00	333	\$ 82,800.00
Meters	138	Ea	\$ 250.00	\$ 34,500.00	334	\$ 34,500.00
Fire hydrant complete	3	Ea	\$ 3,500.00	\$ 10,500.00	335	\$ 10,500.00
6" Double Check Backflow Fire	3	Ea	\$ 3,000.00	\$ 9,000.00	336	\$ 9,000.00
			TOTAL PHASE 3	\$ 191,636.50		\$ 191,636.50

Global Water - Santa Cruz Water Company
2014 CC&N Expansion: Santa Cruz Land Development, LLC

WATER COMMITMENT – TOTAL DWELLING UNITS

PAD OR MASTER PLAN LOCATION	TOTAL NO. OF LOTS	Water Units Committed	WATER COMMITMENTS AT 250 GPD/DU
North Region			250 GPD/DU
Rancho El Dorado	3,210	3210	802500
The Villages	1,938	1938	484500
Acacia Crossings	739	739	184750
Cobblestone Farms	891	891	
Province *	1,333	1333	333250
Santa Rosa Springs	790	647	161750
Glennwilde	2,130	1948	487000
Rancho Mirage Estates	2,153	664	166000
Sorrento Phase 1	821	821	205250
Sorrento Phase 3	651	0	0
Dunn Ranch	641	-	-
El Rancho Santa Rosa	720	-	-
Santa Rosa Crossings	351	230	57,500
Homestead Village	2,308	1,726	431,500
Rancho El Dorado Phase III	1,803	903	225,750
Del Tessa	-	-	-
Province Phase III	862	255	63,750
Tortosa NW (Cottonwood)	1,290	1,290	322,500
Tortosa South	1,172	1,172	-

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2014 CC&N Expansion: Santa Cruz Land Development, LLC**

Tortosa NE	1,062	1,064	-
Maricopa Groves (Senita)	1,375	1,377	344,250
Smith Farms	705	601	150,250
Eagle Shadows Phase 1	1,099	-	-
Maricopa Meadows Total	1,626	1,626	406,500
Alterra North & South Total	1,005	1,005	251,250
Palo Brea Total	526	526	131,500
Desert Cedars Totals	418	418	104,500
Commercial		2,925	731,365
Santa Cruz Land	414	414	103,500
North Total	32,033	27,723	6,149,115

SUMMARY / CONCLUSION

Based upon the data and analysis provided, SCWC's existing water distribution system can be extended to provide service to the Property as identified in the CC&N application. Storage and boosting requirements will be met with SCWC's existing assets, and will have the capability to meet Peak Day, Peak Hour and Peak Day plus Fire Flow Demands. Raw water production will be provided based upon the timeline of development in conjunction with the service demands and the capacity of the system at that time. SCWC has identified additional wells that will be built and added to the system to supplement the need for raw water production as growth occurs. The Property is contiguous to SCWC's current CC&N, with infrastructure in close proximity to the Property.

SUMMARY / CONCLUSION

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

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



GLOBAL WATER
RELIABLE • RENEWABLE • REUSABLE

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

EXHIBIT 7

ESTIMATED TOTAL CONSTRUCTION COSTS AND PLANT PROJECTIONS

**GLOBAL WATER- SANTA CRUZ WATER COMPANY CC&N EXPANSION
ESTIMATED OFFSITE WATER INFRASTRUCTURE COSTS**

SANTA CRUZ LAND

Offsite Infrastructure	Quantity	Units	Unit Price	Amount	NARUC
12" DIP	2518	LF	\$ 45.00	\$ 113,310.00	331
12" Valve	10	Ea	\$ 3,500.00	\$ 35,000.00	331
12"x12" Tee	1	Ea	\$ 300.00	\$ 300.00	331
Engineering and Permits	10%	ls	\$ -	\$ 14,831.00	331
Total			\$	163,441.00	

ESTRELLA GIN

Offsite Infrastructure	Quantity	Units	Unit Price	Amount	NARUC
No Offsite Infrastructure required					

EAGLE WING

Offsite Infrastructure	Quantity	Units	Unit Price	Total	NARUC
16" DIP	1,960	LF	\$ 51.00	\$ 99,960.00	331
16 " Valve Box & Cover	4	ea	\$ 3,882.00	\$ 15,528.00	331
16" 90 degree bend	2	ea	\$ 518.00	\$ 1,036.00	331
22 degree bend	1	ea	\$ 355.00	\$ 355.00	331
Jack and Bore	1600	LF	\$ 225.00	\$ 360,000.00	331
Engineering and Permits	10%	ls	\$ -	\$ 47,687.90	331
Total			\$	524,566.90	

ANDERSON RUSSELL

Offsite Infrastructure	Quantity	Units	Unit Price	Total	NARUC
16" DIP	5,500	LF	\$ 51.00	\$ 280,500.00	331
16 " Valve Box & Cover	8	ea	\$ 3,882.00	\$ 31,056.00	331
16" 90 degree bend	4	ea	\$ 518.00	\$ 2,072.00	331
22 degree bend	1	ea	\$ 355.00	\$ 355.00	331
11 - 1/4 bend	1	ea	\$ 355.00	\$ 355.00	331
Engineering and Permits	10%	ls	\$ -	\$ 31,433.80	331
Total			\$	345,771.80	

COM EAGLE WING PAD

Offsite Infrastructure	Quantity	Units	Unit Price	Amount	NARUC
No Offsite Infrastructure required					

**GLOBAL WAER-SANTA CRUZ WATER COMPANY CC&N EXPANSION
ESTIMATED ONSITE INFRASTRUCTURE**

SANTA CRUZ LAND						
Phase 1 On-Site Water System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	543	LF	\$ 45.00	\$ 24,435.00	331	
8" DIP	464	LF	\$ 42.00	\$ 19,488.00	331	
12" Valve Box and Cover	3	Ea	\$ 3,500.00	\$ 10,500.00	331	
8" Valve Box and Cover	2	Ea	\$ 2,300.00	\$ 4,600.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 20,582.30	331	\$ 79,605.30
Services	138	Ea	\$ 600.00	\$ 82,800.00	333	\$ 82,800.00
Meters	138	Ea	\$ 250.00	\$ 34,500.00	334	\$ 34,500.00
Fire hydrant complete	5	Ea	\$ 3,500.00	\$ 17,500.00	335	\$ 17,500.00
6" Double Check Backflow Fire	4	Ea	\$ 3,000.00	\$ 12,000.00	336	\$ 12,000.00
TOTAL PHASE 1				\$ 226,405.30		\$ 226,405.30

SANTA CRUZ LAND						
Phase 2 On-Site Water System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	468	LF	\$ 45.00	\$ 21,060.00	331	
8" DIP	949	LF	\$ 42.00	\$ 39,858.00	331	
12" Valve Box and Cover	1	Ea	\$ 3,500.00	\$ 3,500.00	331	
8" Valve Box and Cover	1	Ea	\$ 2,300.00	\$ 2,300.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 19,651.80	331	\$ 86,369.80
Services	138	Ea	\$ 600.00	\$ 82,800.00	333	\$ 82,800.00
Meters	138	Ea	\$ 250.00	\$ 34,500.00	334	\$ 34,500.00
Fire hydrant complete	1	Ea	\$ 3,500.00	\$ 3,500.00	335	\$ 3,500.00
6" Double Check Backflow Fire	3	Ea	\$ 3,000.00	\$ 9,000.00	336	\$ 9,000.00
TOTAL PHASE 2				\$ 216,169.80		\$ 216,169.80

SANTA CRUZ LAND						
Phase 3 On-Site Water System	Quan	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	365	LF	\$ 45.00	\$ 16,425.00	331	
8" DIP	445	LF	\$ 42.00	\$ 18,690.00	331	
12" Valve Box and Cover	0	Ea	\$ 3,500.00	\$ -	331	
8" Valve Box and Cover	1	Ea	\$ 2,300.00	\$ 2,300.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 17,421.50	331	\$ 54,836.50
Services	138	Ea	\$ 600.00	\$ 82,800.00	333	\$ 82,800.00
Meters	138	Ea	\$ 250.00	\$ 34,500.00	334	\$ 34,500.00
Fire hydrant complete	3	Ea	\$ 3,500.00	\$ 10,500.00	335	\$ 10,500.00
6" Double Check Backflow Fire	3	Ea	\$ 3,000.00	\$ 9,000.00	336	\$ 9,000.00
TOTAL PHASE 3				\$ 191,636.50		\$ 191,636.50

ESTRELLA GIN

Phase 1 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	543	LF	\$ 45.00	\$ 24,435.00	331	
8" DIP	464	LF	\$ 42.00	\$ 19,488.00	331	
12" Valve Box and Cover	3	Ea	\$ 3,500.00	\$ 10,500.00	331	
8" Valve Box and Cover	2	Ea	\$ 2,300.00	\$ 4,600.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 14,122.30	331	\$ 73,145.30
Services	62	Ea	\$ 600.00	\$ 37,200.00	333	\$ 37,200.00
Meters	62	Ea	\$ 250.00	\$ 15,500.00	334	\$ 15,500.00
Fire hydrant complete	5	Ea	\$ 3,500.00	\$ 17,500.00	335	\$ 17,500.00
6" Double Check Backflow Fire	4	Ea	\$ 3,000.00	\$ 12,000.00	336	\$ 12,000.00
TOTAL PHASE 1				\$ 155,345.30		\$ 155,345.30

ESTRELLA GIN

Phase 2 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	468	LF	\$ 45.00	\$ 21,060.00	331	
8" DIP	949	LF	\$ 42.00	\$ 39,858.00	331	
12" Valve Box and Cover	1	Ea	\$ 3,500.00	\$ 3,500.00	331	
8" Valve Box and Cover	1	Ea	\$ 2,300.00	\$ 2,300.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 13,191.80	331	\$ 79,909.80
Services	62	Ea	\$ 600.00	\$ 37,200.00	333	\$ 37,200.00
Meter	62	Ea	\$ 250.00	\$ 15,500.00	334	\$ 15,500.00
Fire hydrant complete	1	Ea	\$ 3,500.00	\$ 3,500.00	335	\$ 3,500.00
6" Double Check Backflow Fire	3	Ea	\$ 3,000.00	\$ 9,000.00	336	\$ 9,000.00
TOTAL PHASE 2				\$ 145,109.80		\$ 145,109.80

ESTRELLA GIN

Phase 3 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	365	LF	\$ 45.00	\$ 16,425.00	331	
8" DIP	445	LF	\$ 42.00	\$ 18,690.00	331	
12" Valve Box and Cover	0	Ea	\$ 3,500.00	\$ -	331	
8" Valve Box and Cover	1	Ea	\$ 2,300.00	\$ 2,300.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 10,961.50	331	\$ 48,376.50
Services	62	Ea	\$ 600.00	\$ 37,200.00	333	\$ 37,200.00
Meters	62	Ea	\$ 250.00	\$ 15,500.00	334	\$ 15,500.00
Fire hydrant complete	3	Ea	\$ 3,500.00	\$ 10,500.00	335	\$ 10,500.00
6" Double Check Backflow Fire	3	Ea	\$ 3,000.00	\$ 9,000.00	336	\$ 9,000.00
TOTAL PHASE 3				\$ 120,576.50		\$ 120,576.50

Eagle Wing						
Phase 1 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
12" DIP	3100	LF	\$ 45.00	\$ 139,500.00	331	
12" Valve box & Cover	4	Ea	\$ 3,500.00	\$ 14,000.00	331	
8" DIP	4,100	LF	\$ 42.00	\$ 172,200.00	331	
8" Valve Box and Cover	6	LF	\$ 2,500.00	\$ 15,000.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 73,420.00	331	\$ 414,120.00
Service	430	Ea	\$ 600.00	\$ 258,000.00	333	\$ 258,000.00
Meter	430	Ea	\$ 250.00	\$ 107,500.00	334	\$ 107,500.00
Fire Hydrant Complete	8	Ea	\$ 3,500.00	\$ 28,000.00	335	\$ 28,000.00
Total				\$ 807,620.00		\$ 807,620.00

Eagle Wing						
Phase 2 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
8" DIP	5,620	LF	\$ 42.00	\$ 236,040.00	331	
8" Valve Box and Cover	8	LF	\$ 2,500.00	\$ 20,000.00	331	
Engineering and Permits	10%	ls		\$ 67,404.00	331	\$ 323,444.00
Service	430	Ea	\$ 600.00	\$ 258,000.00	333	\$ 258,000.00
Meter	430	Ea	\$ 250.00	\$ 107,500.00	334	\$ 107,500.00
Fire Hydrant Complete	15	Ea	\$ 3,500.00	\$ 52,500.00	335	\$ 52,500.00
Total				\$ 741,444.00		\$ 741,444.00

Eagle Wing						
Phase 3 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
8" DIP	3,220	LF	\$ 42.00	\$ 135,240.00	331	
8" Valve Box and Cover	6	LF	\$ 2,500.00	\$ 15,000.00	331	
Engineering and Permits	8%			\$ 43,499.20	331	\$ 193,739.20
Service	430	Ea	\$ 600.00	\$ 258,000.00	333	\$ 258,000.00
Meter	430	Ea	\$ 250.00	\$ 107,500.00	334	\$ 107,500.00
Fire Hydrant Complete	8	Ea	\$ 3,500.00	\$ 28,000.00	335	\$ 28,000.00
Total				\$ 587,239.20		\$ 587,239.20

ANDERSON RUSSELL

Phase 1 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
16" DIP	5,000	LF	\$ 51.00	\$ 255,000.00	331	
12" DIP	0	LF	\$ 45.00	\$ -	331	
8" DIP	7103	LF	\$ 42.00	\$ 298,326.00	331	
16" Valve Box & Cover	5	Ea	\$ 3,882.00	\$ 19,410.00	331	
12" Valve Box and Cover	1	Ea	\$ 3,500.00	\$ 3,500.00	331	
8" Valve Box and Cover	16	Ea	\$ 2,500.00	\$ 40,000.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 184,098.60	331	\$ 800,334.60
Service	1375	Ea	\$ 600.00	\$ 825,000.00	333	\$ 825,000.00
Meter	1375	Ea	\$ 250.00	\$ 343,750.00	334	\$ 343,750.00
Fire Hydrant Complete	16	Ea	\$ 3,500.00	\$ 56,000.00	335	\$ 56,000.00
				TOTAL PHASE 1	\$ 2,025,084.60	\$ 2,025,084.60

ANDERSON RUSSELL

Phase 2 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
16" DIP	-	LF	\$ 51.00	\$ -	331	
12" DIP	8000	LF	\$ 45.00	\$ 360,000.00	331	
8" DIP	17503	LF	\$ 42.00	\$ 735,126.00	331	
16" Valve Box & Cover	1	Ea	\$ 3,882.00	\$ 3,882.00	331	
12" Valve Box and Cover	14	Ea	\$ 3,500.00	\$ 49,000.00	331	
8" Valve Box and Cover	25	Ea	\$ 2,500.00	\$ 62,500.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 260,675.80	331	\$ 1,471,183.80
Service	1375	Ea	\$ 600.00	\$ 825,000.00	333	\$ 825,000.00
Meter	1375	Ea	\$ 250.00	\$ 343,750.00	334	\$ 343,750.00
Fire Hydrant Complete	65	Ea	\$ 3,500.00	\$ 227,500.00	335	\$ 227,500.00
				TOTAL PHASE 2	\$ 2,867,433.80	\$ 2,867,433.80

ANDERSON RUSSELL

Phase 3 On-Site Water System	Quantity	Units	Unit Price	Total	NARUC	NARUC TOTAL
16" DIP	-	LF	\$ 51.00	\$ -	331	
12" DIP	5200	LF	\$ 45.00	\$ 234,000.00	331	
8" DIP	16157	LF	\$ 42.00	\$ 678,594.00	331	
16" Valve Box & Cover	0	Ea	\$ 3,882.00	\$ -	331	
12" Valve Box and Cover	5	Ea	\$ 3,500.00	\$ 17,500.00	331	
8" Valve Box and Cover	56	Ea	\$ 2,500.00	\$ 140,000.00	331	
Engineering and Permits	10%	ls	\$ -	\$ 243,484.40	331	\$ 1,313,578.40
Service	1375	Ea	\$ 600.00	\$ 825,000.00	333	\$ 825,000.00
Meter	1375	Ea	\$ 250.00	\$ 343,750.00	334	\$ 343,750.00
Fire Hydrant Complete	56	Ea	\$ 3,500.00	\$ 196,000.00	335	\$ 196,000.00
				TOTAL PHASE 3	\$ 2,678,328.40	\$ 2,678,328.40

COM EAGLE WING PAD

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

**GLOBAL WATER- SANTA CRUZ WATER COMPANY CC&N EXPANSION
ESTIMATED PLANT COSTS**

Well Site #1

Item Desc	Quantity	Units	Total	NARUC	NARUC TOTAL
Site Work	1	ls	\$ 35,000.00	304	
Slab	1	ls	\$ 10,000.00	304	
Power to Site	1	ls	\$ 50,000.00	304	\$ 95,000.00
Well Drilling	1	ls	\$ 550,000.00	307	
Piping and Valves	1	ls	\$ 70,000.00	307	
Hydrotank	1	ls	\$ 35,000.00	307	
Electrical	1	ls	\$ 40,000.00	307	
Engineering and Permits	10%	ls	\$ 100,500.00	307	\$ 795,500.00
Generator	1	ls	\$ 125,000.00	310	\$ 125,000.00
Well Pump	1	ls	\$ 90,000.00	311	\$ 90,000.00
Total			\$ 1,105,500.00		\$ 1,105,500.00

Well Site #2

Item Desc	Quantity	Units	Total	NARUC	NARUC TOTAL
Site Work	1	ls	\$ 35,000.00	303	
Slab	1	ls	\$ 10,000.00	303	
Power to Site	1	ls	\$ 50,000.00	303	\$ 95,000.00
Well Drilling	1	ls	\$ 550,000.00	307	
Piping and Valves	1	ls	\$ 70,000.00	307	
Hydrotank	1	ls	\$ 35,000.00	307	
Electrical	1	ls	\$ 40,000.00	307	
Engineering and Permits	10%	ls	\$ 100,500.00	307	\$ 795,500.00
Generator	1	ls	\$ 125,000.00	310	\$ 125,000.00
Well Pump	1	ls	\$ 90,000.00	311	\$ 90,000.00
Total			\$ 1,105,500.00		\$ 1,105,500.00

**GLOBAL WATER- SANTA CRUZ WATER COMPANY CC&N EXPANSION
ESTIMATED PLANT COSTS**

Santa Cruz Ranch WDC

Item Desc	Quantity	Units	Total	NARUC	NARUC TOTAL
Structures and Improvements	1	ls	\$ 600,000.00	304	\$ 600,000.00
Raw Water Supply Mains	1	ls	\$ 100,000.00	309	\$ 100,000.00
Power Generation Equipment	1	ls	\$ 300,000.00	310	\$ 300,000.00
Pumping Equipment	1	ls	\$ 275,000.00	311	\$ 275,000.00
Water Treatment Equipment	1	ls		320	\$ -
Water Treatment Plants	1	ls	\$ 400,000.00	320.1	\$ 400,000.00
Solution Chemical Feeders	1	ls	\$ 175,000.00	320.2	\$ 175,000.00
Distribution Reservoirs & Standpipes	1	ls		330	\$ -
Storage Tanks	1	ls	\$ 650,000.00	330.1	\$ 650,000.00
Pressure Tanks	1	ls	\$ 150,000.00	330.2	\$ 150,000.00
Other Plant & Misc Equipment	1	ls	\$ 75,000.00	339	
Engineering and Permits	15%	ls	\$ 307,500.00	339	\$ 382,500.00
		Total	\$ 3,032,500.00		\$ 3,032,500.00

SANTA CRUZ CC&N EXPANSION- 2014
COST SUMMARY AND SCHEDULE

Santa Cruz Land

	Year 1		Year 2		Year 3	
	% Built	Total	% Built	Total	% Built	Total
Offsite						
NARUC 331	0%	\$ 163,441.00	0%	\$ -	0%	\$ -
Phase I Onsite						
NARUC 331	0%	\$ 79,605.30	0%	\$ -	0%	\$ -
NARUC 333	0%	\$ 82,800.00	0%	\$ -	0%	\$ -
NARUC 334	0%	\$ 34,500.00	0%	\$ -	0%	\$ -
NARUC 335	0%	\$ 17,500.00	0%	\$ -	0%	\$ -
NARUC 336	0%	\$ 12,000.00	0%	\$ -	0%	\$ -
Phase II Onsite						
NARUC 331	0%	\$ 86,369.80	0%	\$ -	0%	\$ -
NARUC 333	0%	\$ 82,800.00	0%	\$ -	0%	\$ -
NARUC 334	0%	\$ 34,500.00	0%	\$ -	0%	\$ -
NARUC 335	0%	\$ 3,500.00	0%	\$ -	0%	\$ -
NARUC 336	0%	\$ 9,000.00	0%	\$ -	0%	\$ -
Phase III						
NARUC 331	0%	\$ 54,836.50	0%	\$ -	0%	\$ -
NARUC 333	0%	\$ 82,800.00	0%	\$ -	0%	\$ -
NARUC 334	0%	\$ 34,500.00	0%	\$ -	0%	\$ -
NARUC 335	0%	\$ 10,500.00	0%	\$ -	0%	\$ -
NARUC 336	0%	\$ 9,000.00	0%	\$ -	0%	\$ -
Estrella Gin						
NARUC 331	0%	\$ -	0%	\$ -	0%	\$ -
Phase I Onsite						
NARUC 331	20%	\$ 73,145.30	100%	\$ 14,629.06	100%	\$ 58,516.24
NARUC 333	20%	\$ 37,200.00	100%	\$ 7,440.00	100%	\$ 29,760.00
NARUC 334	20%	\$ 15,500.00	100%	\$ 3,100.00	100%	\$ 12,400.00
NARUC 335	20%	\$ 17,500.00	100%	\$ 3,500.00	100%	\$ 14,000.00
NARUC 336	20%	\$ 12,000.00	100%	\$ 2,400.00	100%	\$ 9,600.00
Phase II Onsite						
NARUC 331	0%	\$ 79,909.80	0%	\$ -	40%	\$ 31,963.92
NARUC 333	0%	\$ 37,200.00	0%	\$ -	40%	\$ 14,880.00
NARUC 334	0%	\$ 15,500.00	0%	\$ -	40%	\$ 6,200.00
NARUC 335	0%	\$ 3,500.00	0%	\$ -	40%	\$ 1,400.00
NARUC 336	0%	\$ 9,000.00	0%	\$ -	40%	\$ 3,600.00
Phase III						
NARUC 331	0%	\$ 48,376.50	0%	\$ -	0%	\$ -
NARUC 333	0%	\$ 37,200.00	0%	\$ -	0%	\$ -
NARUC 334	0%	\$ 15,500.00	0%	\$ -	0%	\$ -
NARUC 335	0%	\$ 10,500.00	0%	\$ -	0%	\$ -
NARUC 336	0%	\$ 9,000.00	0%	\$ -	0%	\$ -
Eagle Wing						
NARUC 331	0%	\$ 524,566.90	0%	\$ -	0%	\$ -
Phase I Onsite						
NARUC 331	0%	\$ 414,120.00	0%	\$ -	0%	\$ -
NARUC 333	0%	\$ 258,000.00	0%	\$ -	0%	\$ -
NARUC 334	0%	\$ 107,500.00	0%	\$ -	0%	\$ -
NARUC 335	0%	\$ 28,000.00	0%	\$ -	0%	\$ -
Phase II Onsite						
NARUC 331	0%	\$ 323,444.00	0%	\$ -	0%	\$ -
NARUC 333	0%	\$ 258,000.00	0%	\$ -	0%	\$ -
NARUC 334	0%	\$ 107,500.00	0%	\$ -	0%	\$ -
NARUC 335	0%	\$ 52,500.00	0%	\$ -	0%	\$ -
Phase III						
NARUC 331	0%	\$ 193,739.20	0%	\$ -	0%	\$ -
NARUC 333	0%	\$ 258,000.00	0%	\$ -	0%	\$ -
NARUC 334	0%	\$ 107,500.00	0%	\$ -	0%	\$ -
NARUC 335	0%	\$ 28,000.00	0%	\$ -	0%	\$ -

SANTA CRUZ COGN EXPANSION- 2014
COST SUMMARY AND SCHEDULE

Santa Cruz Land

	Year 4		Year 5	
	% Built	Total	% Built	Total
Offsite				
NARUC 331	0%	\$ 163,441.00	75%	\$ 122,580.75
Phase I Onsite				
NARUC 331	0%	\$ 79,605.30	75%	\$ 59,703.98
NARUC 333	0%	\$ 82,800.00	75%	\$ 62,100.00
NARUC 334	0%	\$ 34,500.00	75%	\$ 25,875.00
NARUC 335	0%	\$ 17,500.00	75%	\$ 13,125.00
NARUC 336	0%	\$ 12,000.00	75%	\$ 9,000.00
Phase II Onsite				
NARUC 331	0%	\$ 86,369.80	0%	\$ -
NARUC 333	0%	\$ 82,800.00	0%	\$ -
NARUC 334	0%	\$ 34,500.00	0%	\$ -
NARUC 335	0%	\$ 3,500.00	0%	\$ -
NARUC 336	0%	\$ 9,000.00	0%	\$ -
Phase III				
NARUC 331	0%	\$ 54,836.50	0%	\$ -
NARUC 333	0%	\$ 82,800.00	0%	\$ -
NARUC 334	0%	\$ 34,500.00	0%	\$ -
NARUC 335	0%	\$ 10,500.00	0%	\$ -
NARUC 336	0%	\$ 9,000.00	0%	\$ -
Offsite				
NARUC 331	0%	\$ -	0%	\$ -
Phase I Onsite				
NARUC 331	100%	\$ 73,145.30	100%	\$ -
NARUC 333	100%	\$ 37,200.00	100%	\$ -
NARUC 334	100%	\$ 15,500.00	100%	\$ -
NARUC 335	100%	\$ 17,500.00	100%	\$ -
NARUC 336	100%	\$ 12,000.00	100%	\$ -
Phase II Onsite				
NARUC 331	75%	\$ 79,909.80	90%	\$ 11,986.47
NARUC 333	75%	\$ 37,200.00	90%	\$ 5,580.00
NARUC 334	75%	\$ 15,500.00	90%	\$ 2,325.00
NARUC 335	75%	\$ 3,500.00	90%	\$ 525.00
NARUC 336	75%	\$ 9,000.00	90%	\$ 1,350.00
Phase III				
NARUC 331	10%	\$ 48,376.50	50%	\$ 19,350.60
NARUC 333	10%	\$ 37,200.00	50%	\$ 14,880.00
NARUC 334	10%	\$ 15,500.00	50%	\$ 6,200.00
NARUC 335	10%	\$ 10,500.00	50%	\$ 4,200.00
NARUC 336	10%	\$ 9,000.00	50%	\$ 3,600.00
Offsite				
NARUC 331	20%	\$ 104,913.38	65%	\$ 236,055.11
Phase I Onsite				
NARUC 331	20%	\$ 414,120.00	75%	\$ 227,766.00
NARUC 333	20%	\$ 258,000.00	75%	\$ 141,900.00
NARUC 334	20%	\$ 107,500.00	75%	\$ 59,125.00
NARUC 335	20%	\$ 28,000.00	75%	\$ 15,400.00
Phase II Onsite				
NARUC 331	0%	\$ 323,444.00	15%	\$ 48,516.60
NARUC 333	0%	\$ 258,000.00	15%	\$ 38,700.00
NARUC 334	0%	\$ 107,500.00	15%	\$ 16,125.00
NARUC 335	0%	\$ 52,500.00	15%	\$ 7,875.00
Phase III				
NARUC 331	0%	\$ 193,739.20	0%	\$ -
NARUC 333	0%	\$ 258,000.00	0%	\$ -
NARUC 334	0%	\$ 107,500.00	0%	\$ -
NARUC 335	0%	\$ 28,000.00	0%	\$ -

Number of Customers (Meter Sets) Per Year

	Year 1	Year 2	Year 3	Year 4	Year 5
Total	0	0	0	0	0
Res	41	0	0	0	0
Comm	11	0	0	0	20
Ind	2	0	0	0	5
Irrig	2	0	0	0	1

Res	0	0	0	0	0
Comm	41	0	0	0	0
Ind	11	0	0	0	0
Irrig	2	0	0	0	0

Res	0	0	0	0	0
Comm	41	0	0	0	0
Ind	11	0	0	0	0
Irrig	2	0	0	0	0

Res	0	0	0	0	0
Comm	14	3	11	0	0
Ind	7	1	6	0	0
Irrig	1	0	1	0	0

Res	0	0	0	0	0
Comm	14	0	0	6	5
Ind	7	0	0	3	3
Irrig	1	0	0	1	0

Res	0	0	0	0	0
Comm	14	0	0	0	0
Ind	7	0	0	0	1
Irrig	1	0	0	0	0

Res	431	0	0	0	86
Comm	49	0	0	0	10
Ind	5	0	0	0	1
Irrig	6	0	0	0	1

Res	431	0	0	0	0
Comm	49	0	0	0	0
Ind	5	0	0	0	0
Irrig	6	0	0	0	0

Res	431	0	0	0	0
Comm	49	0	0	0	0
Ind	5	0	0	0	0
Irrig	6	0	0	0	0

Eagle Wing

	Year 1		Year 2		Year 3	
	% Built	Total	% Built	Total	% Built	Total
Anderson Russett						
Offsite						
NARUC 331	0%	\$ 345,771.80	0%	\$ -	30%	\$ 103,731.54
Phase I Onsite						
NARUC 331	0%	\$ 800,334.60	0%	\$ -	0%	\$ -
NARUC 333	0%	\$ 825,000.00	0%	\$ -	0%	\$ -
NARUC 334	0%	\$ 343,750.00	0%	\$ -	0%	\$ -
NARUC 335	0%	\$ 56,000.00	0%	\$ -	0%	\$ -
Phase II Onsite						
NARUC 331	0%	\$ 1,471,183.80	0%	\$ -	0%	\$ -
NARUC 333	0%	\$ 825,000.00	0%	\$ -	0%	\$ -
NARUC 334	0%	\$ 343,750.00	0%	\$ -	0%	\$ -
NARUC 335	0%	\$ 227,500.00	0%	\$ -	0%	\$ -
Phase III						
NARUC 331	0%	\$ 1,313,578.40	0%	\$ -	0%	\$ -
NARUC 333	0%	\$ 825,000.00	0%	\$ -	0%	\$ -
NARUC 334	0%	\$ 343,750.00	0%	\$ -	0%	\$ -
NARUC 335	0%	\$ 196,000.00	0%	\$ -	0%	\$ -
Offsite						
NA	0%	\$ -	0%	\$ -	0%	\$ -
Onsite						
NA	0%	\$ -	0%	\$ -	0%	\$ -
Plant						
Well Site #1						
NARUC 304	20%	\$ 95,000.00	65%	\$ 42,750.00	100%	\$ 33,250.00
NARUC 307	20%	\$ 795,500.00	65%	\$ 357,975.00	100%	\$ 278,425.00
NARUC 310	20%	\$ 125,000.00	65%	\$ 56,250.00	100%	\$ 43,750.00
NARUC 311	20%	\$ 90,000.00	65%	\$ 40,500.00	100%	\$ 31,500.00
Well Site #2						
NARUC 304	0%	\$ 95,000.00	0%	\$ -	20%	\$ 19,000.00
NARUC 307	0%	\$ 795,500.00	0%	\$ -	20%	\$ 159,100.00
NARUC 310	0%	\$ 125,000.00	0%	\$ -	20%	\$ 25,000.00
NARUC 311	0%	\$ 90,000.00	0%	\$ -	20%	\$ 18,000.00
Santa Cruz Ranch WDC						
NARUC 304	20%	\$ 600,000.00	50%	\$ 180,000.00	100%	\$ 300,000.00
NARUC 309	20%	\$ 100,000.00	50%	\$ 30,000.00	100%	\$ 50,000.00
NARUC 310	20%	\$ 300,000.00	50%	\$ 90,000.00	100%	\$ 150,000.00
NARUC 311	20%	\$ 275,000.00	50%	\$ 82,500.00	100%	\$ 137,500.00
NARUC 320.1	20%	\$ 400,000.00	50%	\$ 120,000.00	100%	\$ 200,000.00
NARUC 320.2	20%	\$ 175,000.00	50%	\$ 52,500.00	100%	\$ 87,500.00
NARUC 330.1	20%	\$ 650,000.00	50%	\$ 195,000.00	100%	\$ 325,000.00
NARUC 330.2	20%	\$ 150,000.00	50%	\$ 45,000.00	100%	\$ 75,000.00
NARUC 339	20%	\$ 382,500.00	50%	\$ 114,750.00	100%	\$ 191,250.00
Totals						
	% Built	Total	% Built	Total	% Built	Total
NARUC 331	\$	5,808,981.90	\$	14,629.06	\$	135,695.46
NARUC 333	\$	3,609,000.00	\$	7,440.00	\$	14,880.00
NARUC 334	\$	1,503,750.00	\$	3,100.00	\$	6,200.00
NARUC 335	\$	651,000.00	\$	3,500.00	\$	1,400.00
NARUC 304	\$	790,000.00	\$	2,400.00	\$	3,600.00
NARUC 307	\$	1,591,000.00	\$	139,000.00	\$	352,250.00
NARUC 310	\$	550,000.00	\$	159,100.00	\$	437,525.00
NARUC 311	\$	455,000.00	\$	73,000.00	\$	187,000.00
NARUC 309	\$	100,000.00	\$	20,000.00	\$	50,000.00
NARUC 320.1	\$	400,000.00	\$	80,000.00	\$	200,000.00
NARUC 320.2	\$	175,000.00	\$	35,000.00	\$	87,500.00
NARUC 330.1	\$	650,000.00	\$	130,000.00	\$	325,000.00
NARUC 330.2	\$	175,000.00	\$	30,000.00	\$	75,000.00
NARUC 339	\$	382,500.00	\$	76,500.00	\$	114,750.00
Total	\$	16,901,231.90	\$	856,669.06	\$	2,286,050.46

Anderson Russett

COM Eagle Wing PAD

Plant

Totals

Number of Customers (Meter Sets) Per Year

Total	Year 1	Year 2	Year 3	Year 4	Year 5	
Res	818	0	0	0	164	106
Comm	107	0	0	0	21	14
Ind	6	0	0	0	1	1
Irrig	11	0	0	0	2	1

Total/Year	Year 1	Year 2	Year 3	Year 4	Year 5
Cumulative	5	18	9	297	380
Resid	0	5	23	32	709
Comm	3	11	6	38	61
Ind	1	6	3	5	11
Irrig	0	1	1	4	6

	Year 4	Year 5	% Built	Total
Anderson Russell				
Offsite				
NARUC 331	\$ 345,771.80	\$ -	100%	\$ 345,771.80
Phase I Onsite				
NARUC 331	\$ 800,334.60	\$ 160,066.92	20%	\$ 960,401.52
NARUC 333	\$ 825,000.00	\$ 165,000.00	20%	\$ 990,000.00
NARUC 334	\$ 343,750.00	\$ 68,750.00	20%	\$ 412,500.00
NARUC 335	\$ 56,000.00	\$ 11,200.00	20%	\$ 67,200.00
Phase II Onsite				
NARUC 331	\$ 1,471,183.80	\$ -	0%	\$ 1,471,183.80
NARUC 333	\$ 825,000.00	\$ -	0%	\$ 825,000.00
NARUC 334	\$ 343,750.00	\$ -	0%	\$ 343,750.00
NARUC 335	\$ 227,500.00	\$ -	0%	\$ 227,500.00
Phase III				
NARUC 331	\$ 1,313,578.40	\$ -	0%	\$ 1,313,578.40
NARUC 333	\$ 825,000.00	\$ -	0%	\$ 825,000.00
NARUC 334	\$ 343,750.00	\$ -	0%	\$ 343,750.00
NARUC 335	\$ 196,000.00	\$ -	0%	\$ 196,000.00
Offsite				
NA	\$ -	\$ -		\$ -
Onsite				
NA	\$ -	\$ -		\$ -
Plant				
Well Site #1				
NARUC 304	\$ 95,000.00	\$ -	100%	\$ 95,000.00
NARUC 307	\$ 795,500.00	\$ -	100%	\$ 795,500.00
NARUC 310	\$ 125,000.00	\$ -	100%	\$ 125,000.00
NARUC 311	\$ 90,000.00	\$ -	100%	\$ 90,000.00
Well Site #2				
NARUC 304	\$ 95,000.00	\$ 42,750.00	65%	\$ 137,750.00
NARUC 307	\$ 795,500.00	\$ 357,975.00	65%	\$ 1,153,475.00
NARUC 310	\$ 125,000.00	\$ 56,250.00	65%	\$ 181,250.00
NARUC 311	\$ 90,000.00	\$ 40,500.00	65%	\$ 130,500.00
Santa Cruz Ranch WDC				
NARUC 304	\$ 600,000.00	\$ -	100%	\$ 600,000.00
NARUC 309	\$ 100,000.00	\$ -	100%	\$ 100,000.00
NARUC 310	\$ 300,000.00	\$ -	100%	\$ 300,000.00
NARUC 311	\$ 275,000.00	\$ -	100%	\$ 275,000.00
NARUC 320.1	\$ 400,000.00	\$ -	100%	\$ 400,000.00
NARUC 320.2	\$ 175,000.00	\$ -	100%	\$ 175,000.00
NARUC 330.1	\$ 650,000.00	\$ -	100%	\$ 650,000.00
NARUC 330.2	\$ 150,000.00	\$ -	100%	\$ 150,000.00
NARUC 339	\$ 382,500.00	\$ -	100%	\$ 382,500.00
Totals				
	% Built	Total	% Built	Total
NARUC 331	5,808,981.90	\$ 622,650.64	886,026.42	\$ 1,209,008.32
NARUC 333	3,609,000.00	\$ 233,340.00	\$ 426,160.00	\$ 3,995,160.00
NARUC 334	1,503,750.00	\$ 97,225.00	\$ 178,400.00	\$ 1,682,150.00
NARUC 335	651,000.00	\$ 19,075.00	\$ 52,325.00	\$ 703,325.00
NARUC 304	790,000.00	\$ 4,050.00	\$ 13,950.00	\$ 803,950.00
NARUC 307	1,591,000.00	\$ 357,975.00	\$ 278,425.00	\$ 1,948,425.00
NARUC 310	550,000.00	\$ 56,250.00	\$ 43,750.00	\$ 603,750.00
NARUC 311	455,000.00	\$ 40,500.00	\$ 31,500.00	\$ 496,500.00
NARUC 309	100,000.00	\$ -	\$ -	\$ 100,000.00
NARUC 320.1	400,000.00	\$ -	\$ -	\$ 400,000.00
NARUC 320.2	175,000.00	\$ -	\$ -	\$ 175,000.00
NARUC 330.1	650,000.00	\$ -	\$ -	\$ 650,000.00
NARUC 330.2	175,000.00	\$ -	\$ -	\$ 175,000.00
NARUC 339	382,500.00	\$ -	\$ -	\$ 382,500.00
Totals	\$ 16,901,231.90	Total \$ 1,473,815.64	Total \$ 1,945,786.42	

Santa Cruz Water Company CC&N Expansion 2014		NARUC Water Depreciation Rates		2016				2017				2018					
				Year 1		Year 2		Year 3		Year 4		Year 5					
				Beginning Balance	Additions	Current year depreciation	Ending Balance	Additions	Current year depreciation	Ending Balance	Additions	Current year depreciation	Ending Balance	Additions	Current year depreciation	Ending Balance	
NARUC Acct No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)														
304	Structures & Improvements	30	3.33	\$ 139,000.00	\$ 2,316.67	\$ 136,683.33	\$ 222,750.00	\$ 8,345.83	\$ 351,087.50	\$ 352,250.00	\$ 17,929.17	\$ 685,408.33					
305	Collecting & Impounding Reservoirs	40	2.50														
306	Lake, River, Canal Intakes	40	2.50														
307	Wells & Springs	30	3.33	\$ 159,100.00	(2,651.67)	156,448.33	357,975.00	(11,269.58)	503,153.75	497,525.00	(24,527.92)	916,150.83					
308	Infiltration Galleries	15	6.67														
309	Raw Water Supply Mains	50	2.00	\$ 20,000.00	(200.00)	19,800.00	\$ 30,000.00	(700.00)	49,100.00	\$ 50,000.00	(1,500.00)	97,600.00					
310	Power Generation Equipment	20	5.00	\$ 85,000.00	(2,125.00)	82,875.00	146,250.00	(7,906.25)	221,218.75	218,750.00	(17,031.25)	422,937.50					
311	Pumping Equipment	8	12.50	\$ 73,000.00	(4,562.50)	68,437.50	123,000.00	(16,812.50)	174,625.00	187,000.00	(36,187.50)	325,437.50					
320	Water Treatment Equipment																
320.1	Water Treatment Plants	30	3.33	\$ 80,000.00	(1,333.33)	78,666.67	\$ 120,000.00	(4,666.67)	194,000.00	\$ 200,000.00	(10,000.00)	384,000.00					
320.2	Solution Chemical Feeders	5	20.00	\$ 35,000.00	(3,500.00)	31,500.00	\$ 52,500.00	(12,250.00)	71,750.00	\$ 87,500.00	(26,250.00)	133,000.00					
330	Distribution Reservoirs & Standpipes																
330.1	Storage Tanks	45	2.22	\$ 130,000.00	(1,444.44)	128,555.56	\$ 195,000.00	(5,055.56)	318,500.00	\$ 325,000.00	(10,833.33)	632,666.67					
330.2	Pressure Tanks	20	5.00	\$ 30,000.00	(750.00)	29,250.00	\$ 45,000.00	(2,625.00)	71,625.00	\$ 75,000.00	(5,625.00)	141,000.00					
331	Trans & Distribution Mains- Offsite	50	2.00														
331	Trans & Distribution Mains- Onsite	50	2.00	\$ 14,629.06	(146.29)	14,482.77	\$ 58,516.24	(877.74)	72,121.27	\$ 31,963.92	(1,782.55)	102,694.22					
333	Services	30	3.33	\$ 7,440.00	(124.00)	7,316.00	29,760.00	(744.00)	36,332.00	14,880.00	(1,488.00)	49,724.00					
334	Meters	12	8.33	\$ 3,100.00	(129.17)	2,970.83	12,400.00	(775.00)	14,595.83	6,200.00	(1,550.00)	19,245.83					
335	Hydrants	50	2.00	\$ 3,500.00	(35.00)	3,465.00	14,000.00	(210.00)	17,255.00	1,400.00	(364.00)	18,291.00					
336	Backflow Prevention Devices	15	6.67	\$ 2,400.00	(80.00)	2,320.00	9,600.00	(480.00)	11,440.00	3,600.00	(920.00)	14,120.00					
339	Other Plant & Misc Equipment	15	6.67	\$ 76,500.00	(2,550.00)	73,950.00	\$ 114,750.00	(8,925.00)	179,775.00	\$ 191,250.00	(19,125.00)	351,900.00					
340	Office Furniture & Equipment	15	6.67														
340.1	Computers & Software	3	33.33														
341	Transportation Equipment	5	20.00														
342	Stores Equipment	25	4.00														
343	Tools, Shop & Garage Equipment	20	5.00														
344	Laboratory Equipment	10	10.00														
345	Power Operated Equipment	20	5.00														
346	Communication Equipment	10	10.00														
347	Miscellaneous Equipment	10	10.00														
348	Other Tangible Plant	10															
	Total Offsite Depreciation			\$ 858,669.06	\$ (21,948.07)	\$ 836,720.99	\$ 1,531,501.24	\$ (81,643.13)	\$ 2,286,579.10	\$ 2,286,050.46	\$ (176,151.03)	\$ 4,396,478.53					
	Percent of Offsites Funded by HUF			\$ 827,600.00	\$ (21,433.61)	\$ 806,166.39	\$ 1,407,225.00	\$ (78,556.39)	\$ 2,228,006.54	\$ 2,228,006.54	\$ (170,046.48)	\$ 4,396,478.53					
	CIAC amortization (total offsite dep x 50%)			\$ 413,800.00	\$ (10,716.81)	\$ 403,089.69	\$ 703,612.50	\$ (39,278.19)	\$ 1,114,003.27	\$ 1,114,003.27	\$ (85,023.24)	\$ 2,198,236.26					

Santa Cruz Water Company CC&N Expansion 2014		NARUC Water Depreciation Rates		2019		2020			
NARUC Acct No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)	Year 4		Year 5			
				Additions	Current year depreciation	Ending Balance	Additions	Current year depreciation	Ending Balance
304	Structures & Improvements	30	3.33	\$ 42,750.00	\$ (24,512.50)	\$ 703,645.83	\$ 33,250.00	\$ (25,779.17)	\$ 711,116.67
305	Collecting & Impounding Reservoirs	40	2.50	-	-	-	-	-	-
306	Lake, River, Canal Intakes	40	2.50	-	-	-	-	-	-
307	Wells & Springs	30	3.33	357,975.00	(37,786.25)	1,236,339.58	278,425.00	(48,392.92)	1,466,371.67
308	Infiltration Galleries	15	6.67	-	-	-	-	-	-
309	Raw Water Supply Mains	50	2.00	\$ -	(2,000.00)	95,600.00	\$ -	(2,000.00)	93,600.00
310	Power Generation Equipment	20	5.00	56,250.00	(23,906.25)	455,281.25	43,750.00	(26,406.25)	472,625.00
311	Pumping Equipment	8	12.50	40,500.00	(50,406.25)	315,531.25	31,500.00	(54,906.25)	292,125.00
320	Water Treatment Equipment								
320.1	Water Treatment Plants	30	3.33	\$ -	(13,333.33)	370,666.67	\$ -	(13,333.33)	357,333.33
320.2	Solution Chemical Feeders	5	20.00	\$ -	(35,000.00)	98,000.00	\$ -	(35,000.00)	63,000.00
330	Distribution Reservoirs & Standpipes								
330.1	Storage Tanks	45	2.22	\$ -	(14,444.44)	618,222.22	\$ -	(14,444.44)	603,777.78
330.2	Pressure Tanks	20	5.00	\$ -	(7,500.00)	133,500.00	\$ -	(7,500.00)	126,000.00
331	Trans. & Distribution Mains- Offsite	50	2.00	\$ 346,953.64	(5,544.17)	444,103.70	\$ 358,635.86	(12,600.06)	790,139.49
331	Trans. & Distribution Mains- Onsite	50	2.00	\$ 275,697.00	(4,859.15)	373,140.49	\$ 527,390.57	(12,850.03)	887,641.02
333	Services	30	3.33	233,340.00	(5,625.00)	277,439.00	428,160.00	(16,650.00)	688,949.00
334	Meters	12	8.33	97,225.00	(5,859.38)	110,611.46	178,400.00	(17,343.75)	271,667.71
335	Hydrants	50	2.00	19,075.00	(568.75)	36,797.25	52,325.00	(1,282.75)	87,839.50
336	Backflow Prevention Devices	15	6.67	4,050.00	(1,175.00)	16,995.00	13,950.00	(1,775.00)	29,170.00
339	Other Plant & Misc Equipment	15	6.67	\$ -	(25,500.00)	326,400.00	\$ -	(25,500.00)	300,900.00
340	Office Furniture & Equipment	15	6.67	-	-	-	-	-	-
340.1	Computers & Software	3	33.33	-	-	-	-	-	-
341	Transportation Equipment	5	20.00	-	-	-	-	-	-
342	Stores Equipment	25	4.00	-	-	-	-	-	-
343	Tools, Shop & Garage Equipment	20	5.00	-	-	-	-	-	-
344	Laboratory Equipment	10	10.00	-	-	-	-	-	-
345	Power Operated Equipment	20	5.00	-	-	-	-	-	-
346	Communication Equipment	10	10.00	-	-	-	-	-	-
347	Miscellaneous Equipment	10	10.00	-	-	-	-	-	-
348	Other Tangible Plant	10		-	-	-	-	-	-
Total Offsite Depreciation				\$ 1,473,815.64	\$ (258,020.47)	\$ 5,612,273.70	\$ 1,945,786.42	\$ (315,803.95)	\$ 7,242,256.16
Percent of Offsites Funded by HUF				\$ 844,428.64	\$ (239,933.19)		\$ 745,560.86	\$ (265,862.42)	
CIAC amortization (total offsite dep x 50%)				\$ -	\$ (119,966.60)		\$ -	\$ (132,931.21)	
					50.00%			50.00%	



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

EXHIBIT 8

APPLICANT'S GENERAL STATEMENT OF FINANCIAL CONDITION

COMPANY NAME: GLOBAL WATER – SANTA CRUZ WATER COMPANY

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$1,800	\$1,800
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	658,686	609,770
143	Accumulated Provision for Uncollectible Accounts	(47,651)	(24,395)
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	3,483	1
162	Prepayments	13,410	11,020
173	Accrued Utility Revenues	545,519	611,484
174	Miscellaneous Current and Accrued Assets	0	110,306
	TOTAL CURRENT AND ACCRUED ASSETS	\$1,175,247	\$1,319,986
	FIXED ASSETS		
101	Utility Plant in Service	\$89,975,586	\$91,152,084
103	Property Held for Future Use	0	0
105	Construction Work in Progress	24,919,162	25,003,905
108	Accumulated Depreciation – Utility Plant	(22,083,741)	(25,401,870)
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$92,811,007	\$90,754,119
190	Accumulated Deferred Income Taxes	0	0
	TOTAL OTHER ASSETS	\$0	\$0
	TOTAL ASSETS	\$93,986,254	\$92,074,105

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

COMPANY NAME: GLOBAL WATER – SANTA CRUZ WATER COMPANY

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$1,352,296	\$596,771
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	1,342,124	1,037,501
236	Accrued Taxes	403,605	473,619
237	Accrued Interest	248,130	139,127
241	Miscellaneous Current and Accrued Liabilities	179,917	166,361
253	Other Deferred Credits	124,024	94,144
	TOTAL CURRENT LIABILITIES	\$3,650,096	\$2,507,523
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$0	\$0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$0	\$0
252	Advances in Aid of Construction	33,238,105	34,013,152
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	28,273,608	28,492,675
272	Less: Amortization of Contributions	(1,626,753)	(2,020,104)
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$59,884,960	\$60,485,723
	TOTAL LIABILITIES	\$63,535,056	\$62,993,246
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$10	\$10
211	Paid in Capital in Excess of Par Value	19,357,607	15,996,256
215	Retained Earnings	11,093,582	13,084,593
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$30,451,199	\$29,080,859
	TOTAL LIABILITIES AND CAPITAL	\$93,986,254	\$92,074,105



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

EXHIBIT 9

ANNUAL REVENUE AND EXPENSES FOR FIRST FIVE YEARS

Santa Cruz Water Company
 CC&N Expansion 2014
 Project Statement of Income

Line No:	Description:	2016 Year 1	2017 Year 2	2018 Year 3	2019 Year 4	2020 Year 5
1	Metered Water Revenue \a					
2	Residential	\$ -	\$ -	\$ -	\$ 143,675	\$ 319,999
3	Commercial	13,038	65,282	91,450	263,924	545,026
4	Industrial	9,605	48,070	67,326	103,913	176,411
5	Irrigation	2,967	14,845	20,788	66,728	133,093
6	Unmetered Water Revenue	160	638	319	10,392	13,307
7	Other Water Revenues					
8	Total Estimated Revenues	25,770	128,835	179,883	588,633	1,187,836
9						
10	Employee Labor				66,700	66,700
11	Pumping Power \1	220	1,101	1,541	15,879	34,237
12	Chemicals \1	18	90	126	1,298	2,799
13	Repairs & Maint \1	11	53	75	771	1,662
14	Insurance \1	30	149	208	2,147	4,629
15	Contract Services Fathom \2	19	96	134	1,378	2,971
16	Rent Expense Equip \1	7	37	51	528	1,138
17	Bad Debt Expense \1	4	21	30	307	663
18	Maricopa MOU \1	64	320	448	4,617	9,955
19	Postage & Mailing \1	1	3	4	38	83
20	Phone Services Expense \1	7	36	50	515	1,110
21	Computer Repair & Maint \1	7	36	51	525	1,131
22	Office Supplies Misc \1	3	17	23	238	514
23	Banking fees \1	6	29	41	418	900
24		-	-	-	-	-
25	Total Variable Costs	397	1,987	2,782	95,358	128,491
26						
27	Depreciation \3	21,948	81,643	176,151	258,020	315,804
28	CIAC Amort \4	(10,717)	(39,278)	(85,023)	(119,967)	(132,931)
29	Property Taxes \5	2,165	6,493	9,366	25,126	54,778
30	Income Taxes \6	4,507	29,036	28,521	122,895	305,917
31	Total Other Expenses	17,903	77,894	129,014	286,074	543,567
32						
33	Total Operating Expenses	18,300	79,881	131,796	381,432	672,059
34						
35	Operating Income (Expense)	\$ 7,470	\$ 48,954	\$ 48,087	\$ 207,201	\$ 515,777

- 36
- 37 \a - Based on customer growth and average revenue for typical meter
- 38 \1 - Based on 2013 average cost per account multiplied by estimated new connections.
- 39 \2 - Based on per connection FATHOM fee
- 40 \3 - Based on plant estimate & authorization depreciation rates
- 41 \4 - Based on customer growth at current HUF
- 42 \5 - ADOR property tax calculation
- 43 \6 - Based on composite rate last rate case
- 44

Santa Cruz Water Company
 CC&N Expansion 2014
 Ops Expenses

Total Variable Costs (excluding allocated Personnel Costs)

	2013 Expense Amount	Active Connections		Average Connections during 2013	Revenue per Avg Connection	Total Variable Costs (excluding allocated Personnel Costs)					
		12/31/20	12/31/20			2015	2016	2017	2018	2019	2020
Pumping Power \1	\$ 814,557	16,519	17,220	16,870	\$ 48.29	220.20	1,100.98	1,541.37	15,878.58	34,236.83	
Chemicals \1	\$ 66,585	16,519	17,220	16,870	\$ 3.95	18.00	90.00	126.00	1,297.97	2,798.64	
Repairs & Maint \2	\$ 39,540	16,519	17,220	16,870	\$ 2.34	10.69	53.44	74.82	770.78	1,661.92	
Insurance \2	\$ 110,135	16,519	17,220	16,870	\$ 6.53	29.77	148.86	208.41	2,146.92	4,629.12	
Contract Services Fathom	\$ 496,840	16,519	17,220	16,870	\$ 4.19	19.11	95.54	133.75	1,377.86	2,970.90	
Rent Expense Equip	\$ 27,065	16,519	17,220	16,870	\$ 1.60	7.32	36.58	51.22	527.60	1,137.58	
Bad Debt Expense	\$ 15,769	16,519	17,220	16,870	\$ 0.93	4.26	21.31	29.84	307.38	662.77	
Marcopa MOU	\$ 236,856	16,519	17,220	16,870	\$ 14.04	64.03	320.14	448.20	4,617.15	9,955.34	
Postage & Mailing	\$ 1,966	16,519	17,220	16,870	\$ 0.12	0.53	2.66	3.72	38.32	82.62	
Phone Services Expense	\$ 26,411	16,519	17,220	16,870	\$ 1.57	7.14	35.70	49.98	514.85	1,110.10	
Computer Repair & Maint	\$ 26,907	16,519	17,220	16,870	\$ 1.59	7.27	36.37	50.91	524.50	1,130.91	
Office Supplies Misc	\$ 12,233	16,519	17,220	16,870	\$ 0.73	3.31	16.53	23.15	238.46	514.15	
Banking fees	\$ 21,423	16,519	17,220	16,870	\$ 1.27	5.79	28.96	40.54	417.62	900.45	
	\$ 1,896,287				\$ 87	\$ 397	\$ 1,987	\$ 2,782	\$ 28,658	\$ 61,791	\$ -



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

EXHIBIT 10

APPLICANT'S TARIFF – SCHEDULE OF RATES AND CHARGES

GLOBAL WATER - SANTA CRUZ WATER COMPANY

Rates Approved in Decision: 74364

TARIFF SCHEDULE**MONTHLY USAGE CHARGE**

	March 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019	January 1, 2020	January 1, 2021
5/8" x 3/4" Meter	27.68	28.40	29.02	29.21	29.42	29.61	29.80	29.82
3/4" Meter	27.68	28.40	29.02	29.21	29.42	29.61	29.80	29.82
1" Meter	69.20	71.00	72.55	73.03	73.55	74.03	74.50	74.55
1-1/2" Meter	138.40	142.00	145.10	146.05	147.10	148.05	149.00	149.10
2" Meter	221.44	227.20	232.16	233.68	235.36	236.88	238.40	238.56
3" Meter	442.88	454.40	464.32	467.36	470.72	473.76	476.80	477.12
4" Meter	692.00	710.00	725.50	730.25	735.50	740.25	745.00	745.50
6" Meter	1,384.00	1,420.00	1,451.00	1,460.50	1,471.00	1,480.50	1,490.00	1,491.00
8" Meter	2,768.00	2,840.00	2,902.00	2,921.00	2,942.00	2,961.00	2,980.00	2,982.00

COMMODITY CHARGE (PER 1,000 GALLONS)**ALL METER SIZES AND CLASSES**

	March 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019	January 1, 2020	January 1, 2021
0 to 1,000 Gallons	1.30	1.35	1.39	1.41	1.42	1.43	1.45	1.45
1,001 to 5,000 Gallons	2.12	2.20	2.27	2.29	2.31	2.33	2.36	2.36
5,001 to 10,000 Gallons	2.94	3.05	3.15	3.18	3.21	3.24	3.27	3.27
10,001 to 18,000 Gallons	3.76	3.90	4.03	4.06	4.10	4.14	4.18	4.18
18,001 to 25,000 Gallons	4.58	4.75	4.90	4.95	5.00	5.04	5.09	5.10
Over 25,000	5.48	5.69	5.87	5.92	5.98	6.04	6.09	6.10

CONSERVATION REBATE

	RATES EFFECTIVE AS OF	
	March 1, 2014	January 1, 2015
Threshold ("CRT") in Gallons	7,001	6,001
Commodity Rate Rebate (applied if consumption is below the CRT)	65%	60%

NON-POTABLE WATER

	March 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019	January 1, 2020	January 1, 2021
Per Acre Foot	185.74	260.69	338.89	378.00	417.10	456.20	495.31	533.76
Per 1,000 Gallons	0.57	0.80	1.04	1.16	1.28	1.40	1.52	1.64

SERVICE CHARGES

Establishment of Service	35.00
Re-establishment of Service (Within 12 Months)	(a)
Reconnection of Service (Delinquent)	35.00
Meter Move at Customer Request	(b)
After Hours Service Charge	35.00
Deposit	(c)
Deposit Interest	(c)
Meter Re-Read (If Correct)	30.00
Meter Test Fee (If Correct)	30.00
NSF Check	30.00
Late Payment Charge (Per Month)	1.50%
Deferred Payment (Per Month)	1.50%

- (a) Number of Months off System times the monthly minimum per A.A.C. R14-2-403(D).
- (b) Cost to include parts, labor, overhead and all applicable taxes per A.A.C. R14-2-405(B)(5).
- (c) Per A.A.C. R14-2-403(B).

In addition to the collection of its regular rates and charges, the Company shall collect from customers their proportionate share of any privilege, sales or use tax in accordance with A.A.C. R14-2-409(D)(5)

SERVICE LINE AND METER INSTALLATION CHARGES

(Refundable Pursuant to A.A.C. R14-2-405)

RATES EFFECTIVE AS OF MARCH 1, 2014

	Service Line Charge	Meter Installation	Total
5/8" x 3/4" Meter	445.00	155.00	600.00
3/4" Meter	445.00	255.00	700.00
1" Meter	495.00	315.00	810.00
1-1/2" Meter	550.00	525.00	1,075.00
2" Turbine Meter	830.00	1,045.00	1,875.00
2" Compound Meter	830.00	1,890.00	2,720.00
3" Meter	1,045.00	1,670.00	2,715.00
3" Compound Meter	1,165.00	2,545.00	3,710.00
4" Turbine Meter	1,490.00	2,670.00	4,160.00
4" Compound Meter	1,670.00	3,645.00	5,315.00
6" Turbine Meter	2,210.00	5,025.00	7,235.00
6" Compound Meter	2,330.00	6,920.00	9,250.00
8" and Larger Meters	Cost	Cost	Cost



GLOBAL WATER
RELIABLE • RENEWABLE • REUSABLE

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

EXHIBIT 11

WRITTEN REQUESTS FOR SERVICE

March 31, 2014

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

Re: Wastewater and Reclaimed Water Services

Please accept this letter as a request for service, from the owners of the property legally described in Exhibit A, for wastewater and reclaimed water service to approximately 776 acres. We request to be included in the next application for expansion of the Certificate of Convenience and Necessity for Global Water – Palo Verde Utilities Company, Inc.

We have provided you with preliminary information regarding this request. Please contact Kelly Hall with PMC Consultants at email: khall@pmcaz.com or phone: 480.220.7393 for additional information.

Sincerely,



Anderson Russell, LLC
By: Keith J. Miller, VP, CVE, Inc., Manager

Attachments:
Exhibit A – Legal Description

May 15, 2014

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

Re: Wastewater and Reclaimed Water Services

Please accept this letter as a request for service, from the owners of the property legally described in Exhibit A, for wastewater and reclaimed water service to approximately 68 acres of the Eagle Wing PAD in the City of Maricopa. We request to be included in the next application for expansion of the Certificate of Convenience and Necessity for Global Water – Palo Verde Utilities Company, Inc.

We have provided you with preliminary information regarding this request. Please contact Micah Miranda at (520) 316-6812 or micah.miranda@maricopa-az.gov for additional information.

Sincerely,



Gregory Rose
City Manager
City of Maricopa

Attachments:
Exhibit A – Legal Description

May 15, 2014

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

Re: Wastewater and Reclaimed Water Services

Please accept this letter as a request for service, from the owners of the property legally described in Exhibit A, for wastewater and reclaimed water service to approximately 52 acres of the Estrella Gin site in the City of Maricopa. We request to be included in the next application for expansion of the Certificate of Convenience and Necessity for Global Water – Palo Verde Utilities Company, Inc.

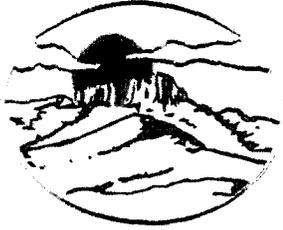
We have provided you with preliminary information regarding this request. Please contact Micah Miranda at (520) 316-6812 or micah.miranda@maricopa-az.gov for additional information.

Sincerely,



Gregory Rose
City Manager
City of Maricopa

Attachments:
Exhibit A – Legal Description



El Dorado

Holdings, Inc.

April 4, 2014

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

Re: Wastewater and Reclaimed Water Services

Please accept this letter as a request for service, from the owners of the property legally described in Exhibit A, for wastewater and reclaimed water service to approximately 430 acres of the Eagle Wing PAD in the City of Maricopa. We request to be included in the next application for expansion of the Certificate of Convenience and Necessity for Global Water – Palo Verde Utilities Company, Inc.

We have provided you with preliminary information regarding this request. Please contact Linda Cheney at El Dorado Holdings, Administrative Agent for Eagle Shadow LLC at 602-955-2424 or lcheney@eldoradoholdings.net for additional information.

Sincerely,

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

Attachments:
Exhibit A – Legal Description

Louis Andersen
Public Works Director

Scott Bender
County Engineer



PINAL COUNTY
wide open opportunity

Greg Stanley
County Manager

June 6, 2014

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

Re: Wastewater and Reclaimed Water Services

Please accept this letter as a request for service, from the owners of the property legally described in Exhibit A, for wastewater and reclaimed water service to approximately 2 acres. We request to be included in the next application for expansion of the Certificate of Convenience and Necessity for Global Water – Palo Verde Utilities Company, Inc.

We have provided you with preliminary information regarding this request. Please contact Jesus Haro at 520-866-6385, jesus.haro@pinalcountyaz.gov for additional information.

Sincerely,

Louis Andersen
Director of Public Works

Attachments:
Exhibit A – Legal Description

PUBLIC WORKS DEPARTMENT

31 North Pinal Street - Building F, PO Box 737 - Florence, AZ 85122

T: 520-509-3855 Hours: M-F 8:00 am - 5:00 pm F: 520-866-6311 www.pinalcountyaz.gov

May 29, 2014

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

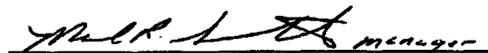
Re: Wastewater and Reclaimed Water Services

Please accept this letter as a request for service, from the owners of the property legally described in Exhibit A, for wastewater and reclaimed water service to approximately 112 acres. We request to be included in the next application for expansion of the Certificate of Convenience and Necessity for Global Water – Palo Verde Utilities Company, Inc.

We have provided you with preliminary information regarding this request. Please contact Bryant Smith at 520-400-0333 or smith.bryant@gmail.com for additional information.

Sincerely,
Bryant Smith

Santa Cruz Land Development LLC.


Bryant Smith, Manager

Attachments:

Exhibit A – Legal Description
Exhibit B -- Map

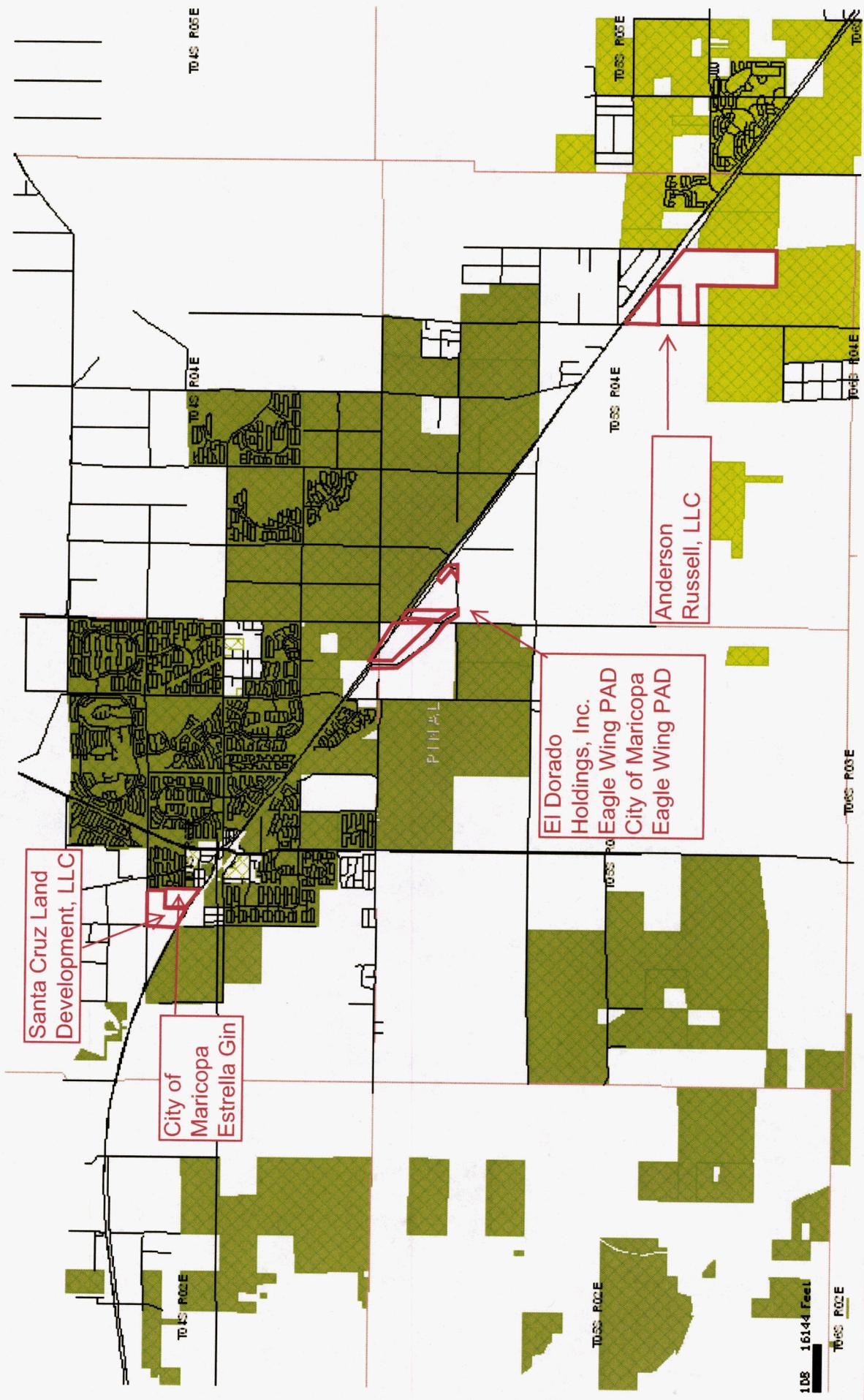


APPLICATION OF GLOBAL WATER – SANTA CRUZ WATER COMPANY
FOR AN EXTENSION OF A CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER UTILITY SERVICE IN PINAL COUNTY, AZ

EXHIBIT 12

MAP OF EXISTING CC&N AND REQUESTED AREA

**GLOBAL WATER - SANTA CRUZ WATER COMPANY
 MAP OF EXISTING CC&N AND EXTENSION AREA
 TOTAL ACREAGE: 1409 ACRES**



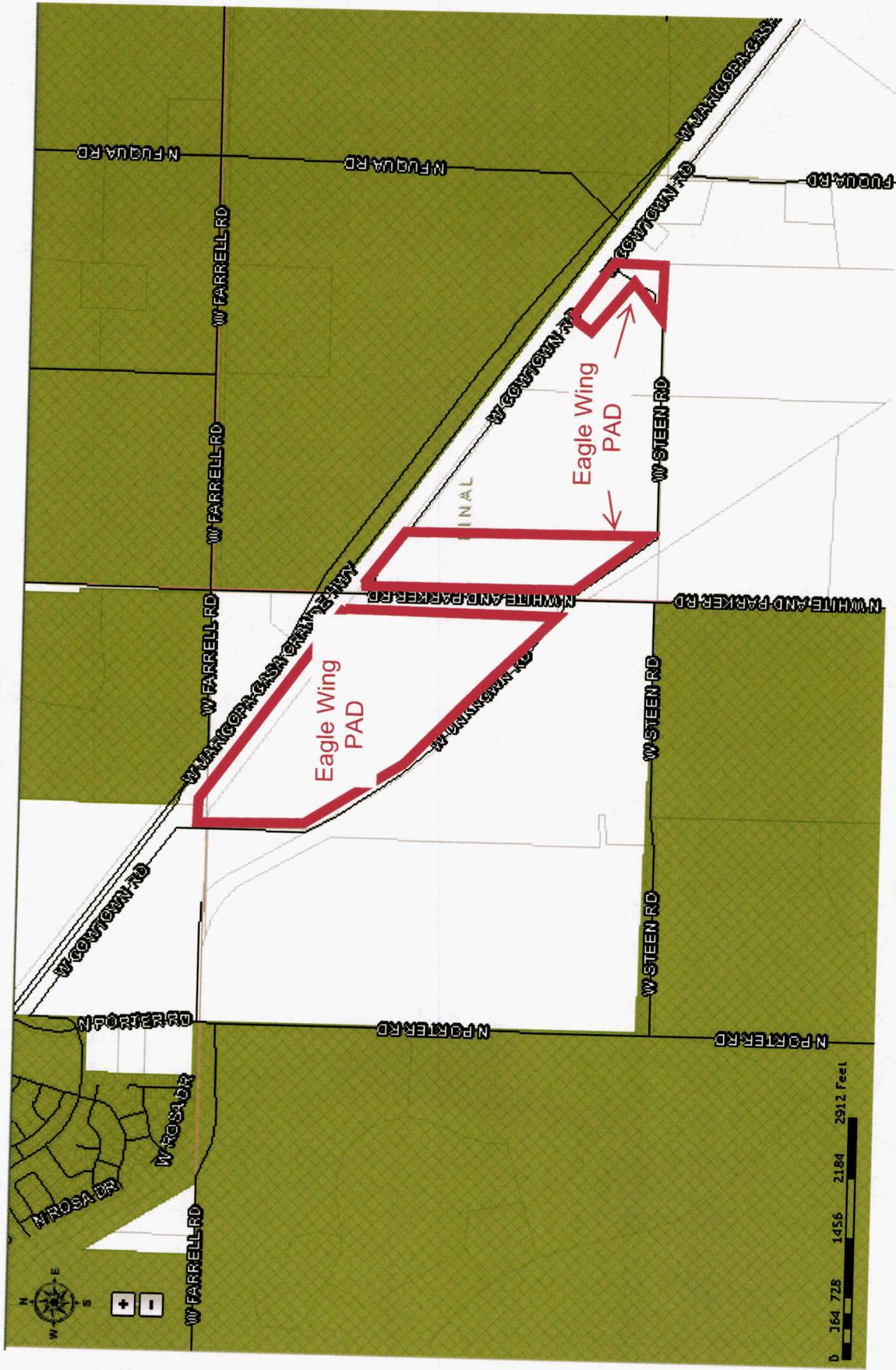
Legend:
 Green and Yellow Indicates Current Approved CC&N Area
 Red Outline Indicates Extension Area

**GLOBAL WATER - SANTA CRUZ WATER COMPANY
MAP OF EXISTING CC&N AND EXTENSION AREA
PROPERTY OWNER: ANDERSON RUSSELL, LLC
745 ACRES**



Legend: Yellow Indicates Current CC&N

**GLOBAL WATER - SANTA CRUZ WATER COMPANY
MAP OF EXISTING CC&N AND EXTENSION AGREA
PROPERTY OWNER: EL DORADO HOLDINGS, INC.
430 ACRES**



Legend: Green Indicates Current CC&N



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

EXHIBIT 13

LETTER FROM PVUC CONFIRMING PROVISION OF WASTE WATER



July 18, 2014

Global Water – Santa Cruz Water Company
21410 N. 19th Avenue, Suite 201
Phoenix, AZ 85027

Re: 2014 Certificate of Convenience & Necessity (CC&N)

To Whom It May Concern:

Global Water – Palo Verde Utilities Company (PVUC) intends to continue providing reclaimed water service to Global Water – Santa Cruz Water Company (SCWC) pursuant to the enclosed Memorandum of Understanding Regarding Service of Reclaimed Water for Purposes of Assured Water Supply, dated December 1, 2006.

PVUC will provide reclaimed water service to SCWC if the concurrent 2014 CC&N Extension is approved.

If you have any questions, please let me know.

Sincerely,

Global Water – Palo Verde Utilities Company



Ron Fleming
President

RLF/kjf

**MEMORANDUM OF UNDERSTANDING REGARDING SERVICE OF RECLAIMED
WATER FOR PURPOSES OF ASSURED WATER SUPPLY**

THIS MEMORANDUM OF UNDERSTANDING is made as of this 15th day of December, 2006 ("Effective Date"), by and between GLOBAL WATER-SANTA CRUZ WATER COMPANY, an Arizona corporation ("New Santa Cruz") and SANTA CRUZ WATER COMPANY, an Arizona limited liability company ("Current Santa Cruz") (collectively, "Santa Cruz") and GLOBAL WATER-PALO VERDE UTILITIES COMPANY an Arizona corporation ("New Palo Verde") and PALO VERDE UTILITIES COMPANY, an Arizona limited liability company ("Current Palo Verde"), (collectively, "Palo Verde"). Santa Cruz and Palo Verde are occasionally referred as the "Parties".

RECITALS

WHEREAS both Santa Cruz and Palo Verde are ultimately wholly owned subsidiaries of Global Water Resources, LLC, an Arizona limited liability company ("Global Water");

WHEREAS Current Santa Cruz has been issued Certificates of Convenience and Necessity ("CC&N") by the Arizona Corporation Commission ("ACC") authorizing it to provide water service to customers within its CC&N area located in Pinal County; and

WHEREAS Current Palo Verde has been issued CC&Ns for wastewater and reclaimed water service to its customers within its CC&N area located in Pinal County; and

WHEREAS the CC&N of Current Santa Cruz is in the process of being transferred to New Santa Cruz and the CC&N of Current Palo Verde is in the process of being transferred to New Palo Verde (*See* ACC Docket No. SW-03575A-06-0155 et al); and

WHEREAS the service provided by Santa Cruz and Palo Verde is subject to tariffs approved by and on file with the ACC; and

WHEREAS the parties are providing water, wastewater and reclaimed water (also known as effluent) service to their CC&N areas which cover essentially the same geographic lands; and

WHEREAS the parties jointly provide integrated water, wastewater and reclaimed water service to their mutual customers; and

WHEREAS Santa Cruz has been issued a Designation of Assured Water Supply ("Designation") by the Arizona Department of Water Resources ("ADWR") and desires approval from ADWR to include reclaimed water deliveries under its designation; and

WHEREAS Palo Verde has the legal right to deliver reclaimed water within its CC&N area and desires to provide such reclaimed water supplies to its customers via direct delivery service to be provided by its affiliate Santa Cruz;

WHEREAS the parties wish to legally document the ability of Santa Cruz to provide reclaimed water supplies to its customers in conjunction with the rights of its affiliate Palo Verde for the purpose of making such supplies legally available for Santa Cruz's designation of assured water supply; therefore, the parties have agreed to enter into this MOU.

MEMORANDUM OF UNDERSTANDING

A. The parties have agreed that it is mutually beneficial to enter into an agreement whereby reclaimed water supplies generated at reclamation facilities owned by Palo Verde, are provided for direct delivery to Santa Cruz's and Palo Verde's mutual customers via reclaimed water service to be provided by Santa Cruz, an affiliate of Palo Verde, in conjunction with Palo Verde, and pursuant to the terms of the parties CC&Ns and ACC tariffs.

B. The parties agree that for so long as reclaimed water supplies are generated from Palo Verde facilities, both currently constructed facilities and future planned facilities, Palo Verde shall make those effluent supplies legally available for delivery to Santa Cruz's and Palo Verde's mutual customers being served under the parties' respective CC&Ns (including extensions to the parties' respective CC&N territories as may be granted from time to time by the ACC).

C. The parties agree that Santa Cruz shall seek a modification of its Designation to add such reclaimed water supplies to its Assured Water Supply portfolio and Santa Cruz shall accept delivery of reclaimed water from Palo Verde facilities for so long as it remains a designated water provider with supplies included under its designation.

D. The parties agree that the volume of reclaimed water Palo Verde shall make legally and continuously available to Santa Cruz shall be limited to the amount necessary to service both Santa Cruz's current and future customers and those Palo Verde customers (both current and future) lying within the Santa Cruz service area .

E. The parties agree that this agreement to legally make reclaimed water supplies available to Santa Cruz shall continue and remain in effect for so long as Santa Cruz remains designated and includes such supplies on its Designation.

F. The parties agree that delivery of all reclaimed water supplies legally made available to Santa Cruz under this MOU shall be administratively completed, managed, and operated by Palo Verde, pursuant to its approved CC&N from the ACC, with Santa Cruz acting as the agent for Palo Verde and that Palo Verde shall on or before January 30th of each calendar year report all reclaimed water deliveries made under this MOU to Santa Cruz.

G. The parties agree that Santa Cruz shall report all reclaimed water supplies delivered and reported under this MOU by Palo Verde pursuant to paragraph (F) of this MOU to ADWR pursuant to the annual requirements for Santa Cruz's Designation in accordance with the annual reporting requirements as set forth under ADWR's Assured Water Supply Rules (*see* A.A.C. R12-15-711.)

F. The parties acknowledge that the terms and provisions of this MOU shall be binding and inure to the benefit of the successors, assigns, and personal representatives of the parties.

G. This MOU shall be construed in accordance with and governed by the laws of the State of Arizona.

H. The Recitals and Exhibits are by this reference fully incorporated herein.

DATED as of the date first above written.

GLOBAL WATER-SANTA CRUZ WATER COMPANY
an Arizona corporation

By: Cindy M. Liles

Name: Cindy M. Liles

Its: Senior Vice President

GLOBAL WATER-PALO VERDE UTILITIES COMPANY
an Arizona corporation

By: Cindy M. Liles

Name: Cindy M. Liles

Its: Senior Vice President

SANTA CRUZ WATER COMPANY, L.L.C.
an Arizona limited liability company

By: Cindy M. Liles

Name: Cindy M. Liles

Its: Senior Vice President

PALO VERDE UTILITIES COMPANY, L.L.C.
an Arizona limited liability company

By: Cindy M. Liles

Name: Cindy M. Liles

Its: Senior Vice President



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

EXHIBIT 14

**BEST MANAGEMENT PRACTICES, BACKFLOW PREVENTION TARIFF
AND CURTAILMENT TARIFF**

BEST MANAGEMENT PRACTICES

Company: Global Water – Santa Cruz Water Company,

Decision No.: 73268

Phone: 623-518-4000

Effective Date: 10/01/2012

Local and/or Regional Messaging Program Tariff – BMP 1.1

PURPOSE

A program for the Utility to actively participate in a water conservation campaign with local or regional advertizing (Modified Non-Per Capita Conservation Program BMP Category 1: Public Awareness/Public Relations 1.1: Local and/or Regional Messaging Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Utility or designated representative shall actively participate in water conservation campaign with local and/or regional advertising.
2. The campaign shall promote ways for customers to save water.
3. The Utility shall facilitate the campaign through one or more of the following avenues (not an all inclusive list):
 - a. Television commercials
 - b. Radio commercials
 - c. Websites
 - d. Promotional materials
 - e. Vehicle signs
 - f. Bookmarks
 - g. Magnets
4. The Utility shall keep a record of the following information and make it available to the Commission upon request.
 - a. A description of the messaging program implemented and program dates.
 - b. The number of customers reached (or an estimate).
 - c. Costs of Program implementation.
5. The Utility may request recovery of the actual costs associated with implementing this BMP in a future rate application.

Company: Global Water – Santa Cruz Water Company,

Decision No.: 73268

Phone: 623-518-4000

Effective Date: 10/01/2012

Special Events/Programs and Community Presentations Tariff – BMP 1.2

PURPOSE

A program for the Utility to give presentations and/or display and make available water conservation information and related material at community and special events (Modified Non-Per Capita Conservation Program BMP Category 1: Public Awareness/Public Relations 1.2: Special Events/Programs and Community Presentations).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Utility shall participate in but not be limited to, water related, conservation organizations which may include WaterReuse Az Section, Westmarc, WESTCAPS, Pinal Partnership, and the Pinal County Water Augmentation Authority.
2. The Utility shall provide regular presentations to external organizations; such organizations may include but are not limited to Maricopa Citizen's Leadership Academy, Maricopa Agricultural Center, US Arid Land Agricultural Research Center, and the Sustainable Pinal Citizen Task Force.
3. Presentation information shall include water saving tips, home preparation recommendations for water systems/pipes, landscape maintenance issues for summer and winter, Xeriscape information, youth education materials and any additional pertinent topics.
4. The Utility shall keep a record of the following information and make it available to the Commission upon request.
 - a. A description of each special event and the date.
 - b. The number of customers reached (or an estimate).
 - c. A description of the written water conservation material provided free to customers.
 - d. Costs of the Special Events/Programs and Community Presentations implementation.
5. The Utility may request recovery of the actual costs associated with implementing this BMP in a future rate application.

Company: Global Water – Santa Cruz Water Company,

Decision No.: 73268

Phone: 623-518-4000

Effective Date: 10/01/2012

Youth Conservation Education Program Tariff – BMP 2.2

PURPOSE

A program for the Utility to promote water conservation by increasing students' understanding of water resources and the need to conserve (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.2: Youth Conservation Education Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Utility shall maintain an active involvement in the Arizona Project WET (Water Education for Teachers) campaign which is a non-profit organization for water education for teachers, or participate in a similar program. Global Water is already an active supporter for Arizona Project WET, and will extend support by initiating the message of such programs into the local schools in the service area. Support and assistance will also be provided in the form of facility availability and curriculum material distribution.
2. The Utility shall offer guided tours of its water and water reclamation facilities for schools and community groups and provide advisory services for Project WET's SWAP program (School Water Assessment Program) and Central Arizona College's technical advisory committee.
3. The Utility shall participate in an Internship Program with local school districts and/or community colleges offering a career track for entry level technicians into the water resources management field.
4. The Utility shall provide the following teacher resources.
 - a. Offer Project WET (Water Education for Teachers) workshops to teachers.
 - b. Provide free resource materials and information upon request.
 - c. Provide in-classroom presentations upon request provided adequate notice has been given to allow for scheduling.
5. The Utility shall make available free water conservation workbooks for elementary school students.
6. The Utility shall keep a record of the following information and make it available upon request.
 - a. A description of the youth conservation education process implemented.
 - b. The number of students reached (or an estimate).
 - c. A description of the written water conservation material provided free to students.
 - d. Costs of the Youth Conservation Education Program implementation.
7. The Utility may request recovery of the actual costs associated with implementing this BMP in a future rate application.

Company: Global Water – Santa Cruz Water Company,

Decision No.: 73268

Phone: 623-518-4000

Effective Date: 10/01/2012

Customer High Water Use Inquiry Resolution Tariff – BMP 3.6

PURPOSE

A program for the Utility to assist its customers with their high water-use inquiries and complaints (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.6: Customer High Water Use Inquiry Resolution).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Utility shall handle high water use inquiries as calls are received.
2. Calls shall be taken by a customer service representative who has been trained on typical causes of high water consumption as well as leak detection procedures that customers can perform themselves.
3. Upon request by the customer or when the Utility determines it is warranted, a trained Field Technician shall be sent to the customer's residence to conduct a leak detection inspection and further assist the customer with water conservation measures.
4. The Utility shall follow up in some way on every customer inquiry or complaint and keep a record of inquiries and follow-up activities.
5. The Utility may request recovery of the actual costs associated with implementing this BMP in a future rate application.

CURTAILMENT TARIFF

Company: Global Water – Santa Cruz Water Company,

Decision No.: 73268

Phone: 623-518-4000

Effective Date: 10/01/2012

Leak Detection Program Tariff – BMP 4.1

PURPOSE

A program for the Utility to systematically evaluate its water distribution system to identify and repair leaks (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.1 Leak Detection Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Utility shall implement a comprehensive leak detection and repair program and shall seek to attain and maintain a less than 10 percent unaccounted for water loss in its system(s). The program must include auditing procedures, in-field leak detection and repair efforts. The Company shall take whatever steps, as determined by the Company to be prudent and appropriate, to ensure that its water system is operating at optimal efficiency.
2. The Utility shall employ water accounting as a routine business practice, producing monthly reports to track water use for each water system.
3. The Utility shall monitor the following parameters:
 - a. Volume of Water Distributed - generated directly from SCADA or via facility checks and rounds data.
 - b. Volume of Water Billed – this data is generated from our automated meter reading (AMR) system or through our customer information system. This information is augmented by the following automated reports:
 - i. Exception Reporting – Unusual usage patterns are flagged during routine reporting. These accounts are investigated, including field checks as necessary.
 - ii. Zero Usage Reporting - For all active accounts that have zero usage for more than a single billing period, a field investigation service order will be issued.
 - iii. Vacant Home Usage Reporting – For all vacant homes that register usage, a field investigation service order will be issued.
 - iv. Manual reads and checks – When the AMR systems do not capture a read, Global shall issue a manual read service order to prevent estimated or zero usage reads.
 - v. AMR Alerts and Reports - The AMR systems themselves indicate many different failure or alert conditions. Error will result in an immediate field investigation service order.
 - vi. Authorized Utility Usage Reports – this represents primarily internal Utility usage. These volumes are captured within our Cityworks work order management system.

Company: Global Water – Santa Cruz Water Company,

Decision No.: 73268

Phone: 623-518-4000

Effective Date: 10/01/2012

4. Inspections: Where water loss exceeds acceptable limits (is 10 percent or greater), Operations personnel shall physically walk the waterline routes inspecting for visual indications of leaks. At all locations where leakage is evident, the pipeline shall be scheduled for immediate repair. These inspections shall occur at all plant facilities, including tankage and mechanical piping, ensuring there is no on-site water loss.
5. Electronic Leak Detection: The Utility may choose to employ electronic leak detection as part of its Smart Grid for Water development.
6. The Utility shall keep accurate and detailed records concerning its leak detection and repair/rehabilitation program and the associated costs. Records of repairs shall include: possible causes of the leak; estimated amount of water lost; and date of repair. These records shall be made available to the Commission upon request.
7. The Utility shall maintain a complete set of updated distribution system maps. The Utility shall ensure that properly functioning (accurate) and appropriately sized meters are installed on all service and source connections.
8. When determined necessary by the Utility, meter inspections will be accomplished by having a Company Technician physically inspect each meter and its fittings for leaks, registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair. In addition, meters shall be randomly selected for flow testing to identify potentially under-registering meters.
9. The Utility shall conduct a water audit annually which includes the following steps to determine how efficient each water system is operating and where the losses might be.
 - a. Use coordinated monthly source and service meter readings to calculate how much water enters and leaves the system during the 12 month review period.
 - b. Track and estimate any unmetered authorized uses.
 - c. Calculate the total amount of leakage using the following formula:

$$\text{Unaccounted for water (\%)} = \frac{[(\text{Production and/or purchased water minus metered use \& estimated authorized un-metered use}) / (\text{Production and/or purchased water})] \times 100\%}{}$$
 - d. Authorized un-metered uses may include firefighting, main flushing, process water for water treatment plants, etc. Water losses include all water that is not identified as authorized metered water use or authorized un-metered use.
 - e. Determine possible reasons for leakage, including physical leaks and unauthorized uses.
 - f. Analyze results to determine the improvements needed, such as, better accounting practices, leak survey or replacing old distribution pipes.
10. The Utility shall keep accurate and detailed records concerning its annual water audit results. These records shall be made available to the Commission upon request.
11. The Utility may request recovery of the actual costs associated with implementing this BMP in a future rate application.

Company: Global Water – Santa Cruz Water Company,

Decision No.: 73268

Phone: 623-518-4000

Effective Date: 10/01/2012

Meter Repair and/or Replacement Tariff – BMP 4.2

PURPOSE

A program for the Utility to systematically assess all in-service water meters (including Company production meters) in its water service area to identify under-registering meters and to repair or replace them (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.2 Meter Repair and/or Replacement Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. On a systematic basis, the Utility will inspect 100 percent of its 1-inch and smaller in-service water meters at least once every ten years or for one of the following reasons (whichever occurs first):
 - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
 - c. A meter has been in service for ten years.
2. Meters larger than 1-inch shall be inspected for one of the following reasons:
 - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
 - b. A meter has been in service for five years.
3. The inspection will be accomplished by having a Utility Technician physically inspect each meter and its fittings for leaks, registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair. In addition, meters shall be randomly selected for flow testing to identify potentially under-registering meters.
4. The Utility shall also replace or reprogram any water meters that do not register in gallons.
5. The Utility may request recovery of the actual costs associated with implementing this BMP in a future rate application.
6. The Utility shall keep records on the number of meters that were replaced and make this information available to the Commission upon request.

Company: Global Water – Santa Cruz Water Company,

Decision No.: 73268

Phone: 623-518-4000

Effective Date: 10/01/2012

Comprehensive Water System Audit Program Tariff – BMP 4.3

PURPOSE

A program for the Utility to perform a systematic audit of its water system(s) and water records to identify and quantify water losses (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.3 Comprehensive Water System Audit Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Utility shall perform a comprehensive audit of its water distribution system(s), systems control equipment, production and treatment facilities and water records to identify and quantify water losses.
2. The audit shall include an analysis of results that includes plans for corrective measures to attain and maintain a goal of less than 10 percent unaccounted for water loss in its system(s).
3. This BMP will remain in effect as long as permitted by ADWR. To the extent ADWR request Utility to select a different BMP, the Utility shall comply with ADWR's directive and file the new BMP with the Commission
4. The Utility shall conduct a water audit which includes the following steps to determine how efficient each water system is operating and where the losses might be.
 - a. Use coordinated monthly source and service meter readings to calculate how much water enters and leaves the system during the 12 month review period.
 - b. Track and estimate any unmetered authorized uses.
 - c. Calculate the total amount of leakage using the following formula:

$$\text{Unaccounted for water (\%)} = \frac{[(\text{Production and/or purchased water minus metered use \& estimated authorized un-metered use}) / (\text{Production and/or purchased water})] \times 100}{}$$
 - g. Authorized un-metered uses may include firefighting, main flushing, process water for water treatment plants, etc. Water losses include all water that is not identified as authorized metered water use or authorized un-metered use.
 - h. Determine possible reasons for leakage, including physical leaks and unauthorized uses.
 - i. Analyze results to determine the improvements needed, such as, better accounting practices, leak survey or replacing old distribution pipes. All such improvements are subject to the appropriate financial analysis to determine viability.
5. The Utility shall take appropriate steps to ensure that its water system is operating at optimal efficiency.

Company: Global Water – Santa Cruz Water Company,

Decision No.: 73268

Phone: 623-518-4000

Effective Date: 10/01/2012

6. The Utility shall keep accurate and detailed records concerning its annual water audit results and the associated costs. These records shall be made available to the Commission upon request.
7. The Utility may request recovery of the actual costs associated with implementing this BMP in a future rate application.

Company: Global Water – Santa Cruz Water Company,

Decision No.: 73268

Phone: 623-518-4000

Effective Date: 10/01/2012

WATER SYSTEM TAMPERING TARIFF – BMP 5.2

PURPOSE

The purpose of this tariff is to promote the conservation of groundwater by enabling the Utility to bring an action for damages or to enjoin any activity against a person who tampers with the water system.

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically Arizona Administrative Code ("AAC") R14-2-410 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. In support of the Utility's water conservation goals, the Utility may bring an action for damages or to enjoin any activity against a person who: (1) makes a connection or reconnection with property owned or used by the Utility to provide utility service without the Utility's authorization or consent; (2) prevents a Utility meter or other device used to determine the charge for utility services from accurately performing its measuring function; (3) tampers with property owned or used by the Utility; or (4) uses or receives the Utility's services without the authorization or consent of the Utility and knows or has reason to know of the unlawful diversion, tampering or connection. If the Utility's action is successful, the Utility may recover as damages three times the amount of actual damages.
2. Compliance with the provisions of this tariff will be a condition of service.
3. The Utility shall provide to all its customers, upon request, a complete copy of this tariff and AAC R14-2-410. The customers shall follow and abide by this tariff.
4. If a customer is connected to the Utility water system and the Utility discovers that the customer has taken any of the actions listed in No. 1 above, the Utility may terminate service per AAC R14-2-410.
5. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

Company: Global Water – Santa Cruz Water Company,

Decision No.: 73268

Phone: 623-518-4000

Effective Date: 10/01/2012

Development of Industry Partnerships Tariff – BMP 7.6

PURPOSE

A program for the Utility to encourage and implement collaborative efforts and activities to conserve and promote the conservation of water (Modified Non-Per Capita Conservation Program BMP Category 7: Research/Innovation Program 7.6: Development of Industry Partnerships).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Utility shall encourage and implement collaborative efforts and activities with community/industry partners to conserve and promote the conservation of water.
2. The Utility shall remain current on new products, advice, and innovations through on-going communication with manufacturers of water conservation technologies, other water providers, landscape watering equipment providers and landscape providers and experts.
3. The Utility shall maintain records of each partnership the Utility enters into and make copies of the partnership documents available to the Commission upon request.
4. The Utility shall keep records of the ongoing and any future efforts relating to the partnership objectives and make it available to the Commission upon request.
5. The Utility may request recovery of the actual costs associated with implementing this BMP in a future rate application.

Company: Global Water – Santa Cruz Water Company,

Decision No.: 73268

Phone: 623-518-4000

Effective Date: 10/01/2012

**Providing Financial Support or In-kind Services for Development
of New Conservation Technologies and Products Tariff –
BMP 7.7**

PURPOSE

A program for the Utility to encourage and implement collaborative efforts and activities to conserve and promote the conservation of water (Modified Non-Per Capita Conservation Program BMP Category 7: Research/Innovation Program 7.7: Providing Financial Support or In-kind Services for Development of New Conservation Technologies and Products).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Utility shall encourage and implement New Conservation Technologies and Products to conserve and promote the conservation of water.
2. The Utility shall submit documentation that includes a description of the utilities involvement/participation and method(s) of support and a description of the analysis and results.
3. The Utility shall keep a record of the documentation, and make it available to the Commission upon request.
4. The Utility may request recovery of the actual costs associated with implementing this BMP in a future rate application.

TARIFF SCHEDULE

Utility: Global Water – Santa Cruz Water Company
Docket: W-20446A-09-0218

Effective: 7 June 2009

Global Water – Santa Cruz Water Company
CROSS-CONNECTION OR BACKFLOW TARIFF

PURPOSE:

The purpose of this tariff is to protect Global Water – Santa Cruz Water Company (“GW-SCWC”) water from the possibility of contamination caused by the backflow of contaminants that may be present on the customer’s premises by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code (“A.A.C.”) R14-2-405.B.6 and A.A.C. R18-4-215

REQUIREMENTS:

In compliance with the Rules of the Arizona Corporation Commission (“Commission”) and the Arizona Department of Environmental Quality (“ADEQ”), specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-215 relating to backflow prevention:

1. GW-SCWC may require a customer to pay for and to have installed a backflow-prevention assembly if A.A.C. R18-4-215.B or C applies.
2. A backflow-prevention assembly required to be installed by the customer under paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-215.D and E.
3. Subject to the provisions of A.A.C. R14-2-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, GW-SCWC may terminate service or may deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff
4. GW-SCWC shall give any existing customer who is required to install a backflow - prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is **not** applicable, the customer shall be given thirty (30) days from the time such written notice is received in which to comply with this notice. If the customer can show good cause as to why he cannot install the device within thirty (30) days, GW-SCWC or Commission Staff may suspend this requirement for a reasonable period of time.
5. Testing shall be in conformance with the requirements of A.A.C. R18-4-215.F. GW-SCWC may require the customer to pay to have the backflow prevention assembly tested as long as GW-SCWC does not require an unreasonable number of tests.
6. The customer shall provide GW-SCWC with records of installation and testing. For each backflow-prevention assembly, these records shall include:
 - a. assembly identification number and description;
 - b. location
 - c. date(s) of test(s);
 - d. description of repairs and recommendations for repairs made by tester; and
 - e. the tester’s name and certificate number

TARIFF SCHEDULE

Utility: Global Water – Santa Cruz Water Company
Docket: W-20446A-09-0218

Effective: 7 June 2009

7. In the event the backflow-prevention assembly does not function properly or fails any test, and an obvious hazard as contemplated under A.A.C. R14-2-410.B.1.a. exists, GW-SCWC may terminate service immediately and without notice. The backflow prevention assembly shall be repaired or replaced by the customer and retested.

8. In the event the backflow-prevention assembly does not function properly or fails any test, or in the event that a customer fails to comply with the testing requirement, and A.A.C. R14-2-410.B.1.a. is not applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency or dysfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C. R14-2-410.

ADDITIONAL INFORMATION: (supplement to the above tariff)

Specific details regarding the GW-SCWC Cross Connection/Backflow Prevention Program are outlined in the following pages.

Effective Date: 7 June 2009

TARIFF SCHEDULE

Utility: Global Water – Santa Cruz Water Company
Docket: W-20446A-09-0218

Effective: 7 June 2009

**Global Water – Santa Cruz Water Company
PWS AZ04-11-131
Cross Connection/Back Flow Prevention Program**

Rationale

In accordance with Arizona Administrative Code R18-04-215, a public water system shall protect its system from contamination caused by backflow through unprotected cross-connections by requiring the installation and periodic testing of backflow prevention assemblies. AAC R14-2-405.B.6 requires that any customer's lines be installed so as to prevent cross-connection or backflow.

Global Water – Santa Cruz Water Company (“GW-SCWC”) requires backflow prevention assemblies to be installed and/or retrofitted at the service connection of those establishments where there exists a possibility of contamination caused by backflow through unprotected cross-connections which are not specifically exempted by the subject rule.

In all cases, the need for and the type of backflow prevention assembly will be specified by GW-SCWC, and will be located on the customer's side of the service connection. The approved backflow prevention device will be installed, owned, tested and maintained by the customer. The minimum level of backflow protection that is provided to protect a public water system shall be the level recommended in:

Section 7.2 of the Manual of Cross-Connection Control
Ninth Edition, USC-FCCCHR
KAP-200 University Park MC-2531
Los Angeles, California 90089-2531
December 1993 (and no future editions or amendments)

The type of backflow-protection assembly (“BPA”) installed will be determined by the relative hazards posed by each customer account in its category. Inspecting and testing of installed BPA's must be conducted by a certified backflow tester who shall submit a written report to GW-SCWC. All BPA's will be subjected to annual testing to be performed by a certified backflow tester.

Procedure for Existing Customers

All customer accounts will be reviewed by customer listing as well as on site surveys as needed, and placed into one of five categories.

Category # 1: Animal clinics, car washes, laundries, pest control, some restaurants, etc.
BPA required: Reduced Pressure Backflow Assembly

TARIFF SCHEDULE

Utility: Global Water – Santa Cruz Water Company
Docket: W-20446A-09-0218

Effective: 7 June 2009

Category # 2: Restaurants, schools, medical/dental offices, retail establishments
BPA required: Reduced Pressure Backflow Assembly

Category # 3 Multi-family residences with common and dual plumbing
BPA required: Reduced Pressure or Double Check

Category # 4 Non chemical dispensing irrigation systems and zoned horse and/or animal acreage properties
BPA required: Reduced Pressure or Double Check

Category # 5 Class 1 and 2 fire protection systems
BPA required: To be determined

The type of BPA required will depend upon the level of potential contamination. If the potential is low, then a lower grade of BPA may be installed on receipt of approval by GW-SCWC.

Non- Exempt Single Family Residences

Backflow Prevention Assemblies are required in single family residences if any of the the following conditions exist and subjected to be determined by GW-SCWC:

1. Customer owns a private own well and is served additionally by the utility
BPA required- **Reduced Pressure**
2. Zoned horse and/or animal acreage properties
BPA required- **Double Check Valve or Reduced Pressure**
3. Operating a home business whose business is subjected to receipt, generation or storage of hazardous materials
BPA required- **Double Check Valve or Reduced Pressure**
4. Residential properties where the potential for cross connections exists (eg. landscape irrigation with recycled water, dual water main installations with potable and non-potable water)
BPA required- **Reduced Pressure**

Procedure for New Construction

GW-SCWC has the sole discretion to require the installation of a backflow prevention assembly (BPA) in order to protect the public water supply. This requirement and type of BPA will be determined at the plan review stage, and may be amended by a Cross-Connection Survey (see Appendix A) completed by GW-SCWC.

TARIFF SCHEDULE

Utility: Global Water – Santa Cruz Water Company
Docket: W-20446A-09-0218

Effective: 7 June 2009

Installation and Testing

The following types of notification will be provided to GW-SCWC customers:

1. Information letter - This letter is for existing and new customers and explains Backflow prevention and the need for compliance. See **Appendix B**.
2. Notice to install a backflow prevention assembly - Initial notice sent to the customer after the utility establishes the customer's requirement to have a BPA determined by the survey results. The customer is given notice to comply with this requirement within **30** days. See **Appendix C**.
3. Second notice to install or test a BPA - Reminder notice of the requirement to install or test. The customer is given notice to comply with this requirement within **14** days. See **Appendix D**.
4. Final Notice to install or test a **BPA** - Final notice to the customer to comply with the requirement of the backflow prevention program and a determination to disconnect service. See **Appendix E**.
5. Disconnection Notice - Notice to disconnect service with the date of disconnect if customer does not comply with the requirements of the backflow prevention program. See **Appendix F**.

Termination of Service

All customers who fail to comply with the requirements of the backflow prevention program will be notified in accordance with AAC R14-2-410 of the termination of their water service.

If service is terminated, service will not be restored until an approved BPA is installed and tested and any reconnection fees are paid in accordance with GW-SCWC's approved tariffs.

Notice

The backflow prevention program is subject to periodic review therefore the procedures may be changed or altered as deemed necessary for the protection of public health. All changes shall comply with the current and/or future laws as well as the rules and regulations of the regulatory agencies. Any and all changes in procedure shall be forwarded to the jurisdictional regulatory agency for review prior to promulgation

TARIFF SCHEDULE

Utility: Global Water – Santa Cruz Water Company
Docket: W-20446A-09-0218

Effective: 7 June 2009

Appendix A

CROSS CONNECTION SURVEY

Date:

Customer:

Water service address:

Account #:

Meter #:

Does the property have a:

Private operating well or other alternate water supply YES NO

Retention area (pond) supplied by potable water supply YES NO

Automatic irrigation system or other facility with potential for
dispensing of chemical contamination YES NO

Thermal Solar energy system YES NO

Agricultural use or livestock (horses) related activity YES NO

All commercial business YES NO

Home business using possible hazardous material YES NO

If you answered “YES” to any of the above, you are required to **INSTALL** a Backflow-prevention assembly. It must be **tested** at the time of installation and **ANNUALLY** thereafter. Reminder letters will be sent out each year prior to the anniversary date of the previous year’s test.

Type of device required:

- Live stock – Double Check Assembly
- All others – Reduced Pressure Assembly

Thank you for your assistance in the protection of your water supply.

The backflow prevention program is instituted and enforced to help supply all of our customers with potable water that meets the requirements of the Federal Safe Drinking Water Act.

TARIFF SCHEDULE

Utility: Global Water – Santa Cruz Water Company
Docket: W-20446A-09-0218

Effective: 7 June 2009

Appendix B

Backflow Prevention Information

Dear Customer,

This letter is to inform you the **Global Water – Santa Cruz Water Company** is required to implement a cross connection/backflow prevention program in your service area.

What is backflow prevention?

Backflow prevention protects a public water supply from contamination caused by backflow through unprotected cross-connections. A backflow prevention program is a requirement of the Safe Drinking Water Act and AAC R18-4 *et seq.*

What is a Backflow Prevention Program?

A backflow prevention program requires the installation and annual testing of backflow prevention assemblies in all areas considered to be a potential cross-contamination hazard. A public water system shall maintain records of installations and tests performed on backflow-prevention assemblies in its service area. Records shall be retained by the public water system for at least three years and shall be made available for review by the Arizona Department of Environmental Quality (“ADEQ”) or its designee upon request.

What is a backflow prevention assembly device?

A backflow prevention device is a device that prevents the reversal of flow when pressures changes within a distribution system.

Who is Responsible for Acquiring, Installing, Maintaining, and Testing a Backflow Prevention Assembly?

The Customer is responsible for acquiring, installing, maintaining and testing an approved BPA. Testing is required annually. The Customer must contact a certified installer in order to have the BPA properly installed. Installation and annual test certificates must be provided to the GW-SCWC.

Where is a backflow prevention assembly installed?

A backflow prevention assembly shall be installed as close as practicable to the service connection. (Usually just past the water meter on the customer’s side).

Who is required to have a backflow prevention assembly installed?

1. Any residential service connection with livestock on the premises.
2. Any residential service connection with on site irrigation or dual plumbing,
3. Any residential service connection with a water supply that is not accepted as an additional source by the public water system or is not approved by ADEQ or its designee. (This source is commonly a private well).

TARIFF SCHEDULE

Utility: Global Water – Santa Cruz Water Company

Effective: 7 June 2009

Docket: W-20446A-09-0218

4. All commercial establishments.
5. Any connections considered by ADEQ or GW-SCWC to be a hazard.

Who installs the backflow prevention assemblies?

Installation and testing must be performed by a person who is currently certified as a general tester by the California-Nevada section of the American Water Works Association (CA-NV Section, AWWA), the Arizona State Environmental Technical Training (ASETT) Center, or other certifying authority approved by ADEQ or its designee.

Who will supply the installation and certification information?

Once you have hired a certified tester, the tester must provide GW-SCWC with the original certificate of installation and test. We recommend you retain a copy for your records. It is the customer's responsibility to provide proof of test and certification.

The information that must be supplied:

1. Assembly identification number and description,
2. Location,
3. Date of test,
4. Description of repairs and recommendations for repairs made by the tester, and
5. The tester's name and certificate number.

****Important Information****

In accordance with the Federal Safe Drinking Water Act Amendments of 1986 and the provisions of the Arizona Administrative Code R18-4-215, failure to comply with this requirement shall be sufficient cause for termination of your water service. Upon request, GW-SCWC can provide you with a copy of the Arizona Administrative Code R18-4-215. We appreciate your cooperation in this very important matter. If you should have any questions, please contact our main office at 623-580-9600.

TARIFF SCHEDULE

Utility: Global Water – Santa Cruz Water Company
Docket: W-20446A-09-0218

Effective: 7 June 2009

Appendix C

NOTICE TO INSTALL AND/OR TEST BACKFLOW PREVENTION ASSEMBLY

Date:

Customer:

Water Service Connection at:

Account #:

The Arizona Administrative Code, R18-04-215, as adopted by the Arizona Department of Environmental Quality for Cross-Connection requires mandatory installation and periodic testing of backflow assemblies, where it is determined that backflow is likely to occur.

In accordance with the Federal Safe Drinking Water Act Amendments of 1986 and the provisions of the R18-04-215, you are required to install and annually test one of the following approved backflow prevention assemblies for the purpose of protecting the potable water supply from substances which could endanger public health.

- Double Check Valve Assembly
- Reduced Pressure Principal Device
- Pressure Vacuum Breaker

Reason for installation: _____

A list of reduced pressure principle backflow prevention assemblies that have been evaluated and approved by the Foundation for Cross-Connection Control and Hydraulic Research of the University of California should be available through certified plumbers. These assemblies have been adopted and approved by the State of Arizona and must be installed within **30** days from the date of this letter.

Backflow prevention assemblies are to be purchased, installed, maintained and annually tested at the customer's expense. The backflow prevention assemblies must be **tested by a Certified Backflow prevention Assembly Tester at the time of installation.** Once the assembly has been installed and tested you should receive a copy of the certification. The Certified Tester will need to forward the original test report to:

**Global Water – Santa Cruz Water Company
21410 N. 19th Avenue Suite 201
Phoenix, AZ 85027**

If you should have any questions or require further information, please contact the main office at 623-580-9600. Thank you for your cooperation in this very important matter.

Tariff Sheet No: 9 of 12

TARIFF SCHEDULE

Utility: Global Water – Santa Cruz Water Company

Effective: 7 June 2009

Docket: W-20446A-09-0218

Appendix D

SECOND NOTICE

NOTICE TO INSTALL/ TEST BACKFLOW PREVENTION ASSEMBLY

Date:

Customer:

Water service address:

Account #

Dear Customer,

We recently wrote to you explaining the regulatory requirements for installing and /or testing your backflow prevention assembly. Installing and /or testing your BFP assembly are of the utmost importance as it is in place to protect the public water supply from possible contamination. We previously sent you a notice to comply with the requirements of the Arizona Administrative Code R18-4-215 regarding the requirements of backflow prevention.

If you have had your backflow prevention assembly installed and / or tested, please forward the report to:

**Global Water – Santa Cruz Water Company
21410 N. 19th Avenue Suite 201
Phoenix, AZ 85027**

If you have not complied with the requirements, please call us with the approximate date you expect to have your BFP assembly tested or installed. You are required to comply with this requirement within 14 days of this notice.

If you should have any questions or require further information, please contact our office at 623-580-9600.

Thank you for cooperation in this very important matter.

TARIFF SCHEDULE

Utility: Global Water – Santa Cruz Water Company
Docket: W-20446A-09-0218

Effective: 7 June 2009

Appendix E

FINAL NOTICE

TO INSTALL AND TEST BACKFLOW PREVENTION ASSEMBLY

Date:

Customer:

Water service address:

Account #

Dear Customer,

We recently wrote to you explaining the regulatory requirements for installing and /or testing your backflow prevention assembly. Installing and /or testing your BFP assembly are of the utmost importance as it is in place to protect the public water supply from contamination. We previously sent you 2 reminder notices to comply with the requirements of the Arizona Administrative Code R18-4-215 regarding the requirements of backflow prevention.

If you have had your backflow prevention assembly installed and / or tested, please forward the report to:

**Global Water – Santa Cruz Water Company
21410 N. 19th Avenue Suite 201
Phoenix, AZ 85027**

If you have not complied with the requirements, please call us with the approximate date you expect to have your BFP assembly tested. You are required to comply with this requirement immediately after receiving this notice.

Failure to comply with the requirements of the Backflow prevention program will result in a disconnection of your service.

If you should have any questions or require further information, please contact our office at 623-580-9600.

Thank you for your cooperation in this very important matter.

Tariff Sheet No: 11 of 12

TARIFF SCHEDULE

Utility: Global Water – Santa Cruz Water Company
Docket: W-20446A-09-0218

Effective: 7 June 2009

Appendix F

DISCONNECT NOTICE

FAILURE TO INSTALL AND TEST BACKFLOW PREVENTION ASSEMBLY

Date:

Customer:

Water service address:

Account #

Dear Customer,

We recently wrote to you explaining the regulatory requirements for installing and /or testing your backflow prevention assembly. Installing and /or testing your BFP assembly are of the utmost importance as it is in place to protect the public water supply from contamination. We previously sent you 3 reminder notices to comply with the requirements of the Arizona Administrative Code R18-4-215 regarding the requirements of backflow-prevention.

Our records indicate you have failed to comply with the requirements of the backflow prevention program.

Your service will be **DISCONNECTED** on:

If you have had your backflow prevention assembly installed and / or tested, please forward the report to:

Global Water – Santa Cruz Water Company
21410 N. 19th Avenue Suite 201
Phoenix, AZ 85027

If your backflow prevention assembly is scheduled for testing, please have the company performing the testing contact our office at the numbers listed below to avoid any service interruption.

If you should have any questions or require further information, please contact our office at 623-580-9600. Thank you for your cooperation in this very important matter.

BACKFLOW PREVENTION TARIFF

TARIFF SCHEDULE

Utility: Global Water–Santa Cruz Water Company
Docket No.: SW 03575A-04-0767 & W03576A-04-0767
Phone No.: 623-580-9600

Tariff Sheet No.: 1 of 4
Decision No.: 67830
Effective: April 30, 2008

CURTAILMENT PLAN FOR GLOBAL WATER–SANTA CRUZ WATER COMPANY (SCWC)

ADEQ Public Water System No: 11-131

Global Water–Santa Cruz Water Company (“Company”, or “GW–SCWC”) is authorized to curtail water service to all customers within its certificated area under the terms and conditions listed in this tariff.

The purpose of the curtailment tariff is to preserve water for the production of potable water, and reduce in a graduated fashion discretionary use of water.

This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of the tariff or no later than sixty (60) days after the effective date of the tariff.

The Company shall provide a copy of the curtailment tariff to any customer, upon request.

Definitions

Potable Water is water delivered to the potable distribution system from the Company’s water treatment facilities.

Raw Water is ground water supplied from wells owned by the Company that also supply the potable system. This water has not been passed through the Company’s water treatment facilities.

Stage 1 Exists When:

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage systems.

Restrictions: Under Stage 1, the Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

Stage 2 Exists When:

- a. Company’s water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

TARIFF SCHEDULE

Utility: Global Water–Santa Cruz Water Company
Docket No.: SW 03575A-04-0767 & W03576A-04-0767
Phone No.: 623-580-9600

Tariff Sheet No.: 2 of 4
Decision No.: 67830
Effective: April 30, 2008

Restrictions: Under Stage 2, the Company may request customers to voluntarily employ water conservation measures to reduce water consumption by approximately 25 percent of Stage 1 Consumption. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

The Company shall implement restrictions on the discretionary use of water including:

- i. Potable or Raw Water supply to any hydrant meter, recreational impoundment, lake or irrigation impoundment shall be provided at the sole discretion of the Company and may be completely curtailed; and
- ii. No new hydrant, HOA or landscape irrigation meters employing potable or raw water will be deployed.

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

Stage 3 Exists When:

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, Company shall request the customers to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent of Stage 1 Consumption. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible. Standpipe service shall be suspended.

The Company shall implement restrictions on the discretionary use of water including:

- i. Construction water will be curtailed by locking of hydrant meters. No new hydrant meters shall be deployed;

TARIFF SCHEDULE

Utility: Global Water–Santa Cruz Water Company
Docket No.: SW 03575A-04-0767 & W03576A-04-0767
Phone No.: 623-580-9600

Tariff Sheet No.: 3 of 4
Decision No.: 67830
Effective: April 30, 2008

- ii. Potable or Raw Water supply to any recreational impoundment or irrigation impoundment will be curtailed. The Company will isolate and lock all irrigation meters from the raw/potable supply system.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Beginning with Stage 3, Company shall post signs showing the curtailment stage at all well sites, tank sites and other Company-owned facilities. In addition, signs shall be posted at the entrance to major subdivisions served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.

Stage 4 Exists When:

- a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, Company shall inform the customers of a **mandatory** restriction and of the requirement to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection.

The following uses of water shall be prohibited¹:

- i. Irrigation of outdoor lawns, trees, shrubs, or any plant life with potable or raw water is prohibited;
- ii. With the exception of reclaimed water meters receiving reclaimed water from Global Water–Palo Verde Utilities Company, no irrigation water will be provided by the Company (Company staff will isolate and lock all HOA meters from the potable distribution

¹ Fire suppression systems are specifically exempt from any curtailment.

TARIFF SCHEDULE

Utility: Global Water-Santa Cruz Water Company
Docket No.: SW 03575A-04-0767 & W03576A-04-0767
Phone No.: 623-580-9600

Tariff Sheet No.: 4 of 4
Decision No.: 67830
Effective: April 30, 2008

- system). No potable or raw water will be delivered to any irrigation or recreational impoundment;
- iii. Washing of any vehicle with raw or potable water is prohibited;
 - iv. The use of raw or potable water for dust control or any outdoor cleaning uses is prohibited;
 - v. The use of drip or misting systems for outside irrigation or cooling systems employing raw or potable water of any kind is prohibited;
 - vi. The filling of any swimming pool, spas, fountains or ornamental pools is prohibited;
 - vii. The use of raw or potable water for construction water is prohibited. No construction water will be provided by Company (Company staff will isolate and lock all hydrant meters);
 - viii. Restaurant patrons shall be served water only upon request;
 - ix. Any other potable or raw water-intensive-activity for outside-use is prohibited;
 - x. Any standpipe operations are prohibited;
 - xi. The addition of new service lines and meter installations is prohibited.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Company shall post signs showing the curtailment stage at all well sites, tank sites and other Company-owned facilities. In addition, signs shall be posted at the entrance to major subdivisions served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

Customers who fail to comply with the above restrictions will be given a written notice to end all outdoor use. Failure to comply within two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.



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

EXHIBIT 15
APPLICANT'S DESIGNATION OF ASSURED WATER SUPPLY

ARIZONA DEPARTMENT OF WATER RESOURCES

Office of Assured and Adequate Water Supply

3550 North Central Ave., 2nd Floor, Phoenix, AZ 85012

Telephone 602 771-8585

Fax 602 771-8689



JANET NAPOLITANO
Governor

HERB GUENTHER
Director

December 27, 2007

Cindy Liles
Global Water Resources
21410 N 10th Ave, Ste 201
Phoenix, AZ 85027

Re: Designation of Assured Water Supply (DWR No. 26-402008) Santa Cruz Water Company

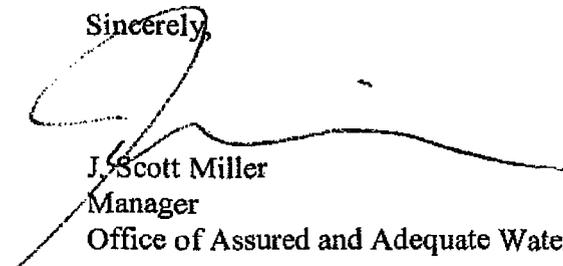
Dear Ms. Liles:

I am pleased to inform you that the Department of Water Resources has approved the application for a Designation of Assured Water Supply for Santa Cruz Water Co. We have enclosed the formal Decision and Order. The Decision and Order includes an itemization of the Santa Cruz Water Company's responsibilities in maintaining the Designation.

The Santa Cruz Water Company's status as a designated water provider demonstrates that the Santa Cruz Water Company is taking a long-term perspective in managing water resources. The Santa Cruz Water Company's commitment to sound water management represents a major contribution to the State's water management goal of achieving safe-yield in the Pinal Active Management Area.

If you have any questions regarding these documents, please contact me at (602) 771-8604.

Sincerely,



J. Scott Miller
Manager

Office of Assured and Adequate Water Supply

cc: Mr. Roy Tanney, Arizona Department of Real Estate
Mr. Cliff Neal, Central Arizona Groundwater Replenishment District
Phoenix AMA Director

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**DEPARTMENT OF WATER RESOURCES
BEFORE THE DIRECTOR**

**IN THE MATTER OF THE APPLICATION OF) AWS No. 2007-001
SANTA CRUZ WATER COMPANY)
FOR A DESIGNATION AS HAVING AN ASSURED) DECISION AND ORDER
WATER SUPPLY)
_____) No. 26-402008.0000**

I. INTRODUCTION

On January 24, 2006, the Department of Water Resources (Department) received an application from the Santa Cruz Water Company (Santa Cruz) requesting that the Department modify Santa Cruz's designation of assured water supply pursuant to A.R.S. § 45-576(D) and A.A.C. R12-15-701, *et seq.* On October 27, 2006, the Department determined the application to be complete. On February 1, 2007 and February 8, 2007, the Department gave public notice pursuant to A.R.S. § 45-578 and no objections were filed with the Department.

After receiving Santa Cruz's application to modify its designation of assured water supply, the Department reviewed relevant information regarding the modification request, including: 1) the hydrologic study for the proposed groundwater supply submitted with the application and other information on file with the Department; 2) information regarding Santa Cruz's consistency with the management plan and management goal for the Pinal Active Management Area (AMA); and 3) information regarding Santa Cruz's financial capability to construct the necessary delivery system, treatment works and storage facilities. Based on that information the Department makes the following Findings of Fact, Conclusions of Law, and Order of Designation and Conditions of Designation:

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II. FINDINGS OF FACT

1. Santa Cruz is a private water company regulated by the Arizona Corporation Commission (ACC) and is a wholly owned subsidiary of Global Water Resources, LLC (Global).
2. Santa Cruz currently serves water through its distribution system to its customers.
3. On October 24, 2003, Santa Cruz was designated as having an assured water supply in Decision and Order AWS 2003-006, No. 26-400804.0000.
4. On May 4, 2006, the Department issued Decision and Order AWS No. 2006-001, No. 26-401667.0000, modifying Decision and Order AWS 2003-006 and ordering that Santa Cruz's designation as having an assured water supply continue.
5. Santa Cruz has the legal authority to provide water service to its customers located within the geographic area described in its Certificate of Convenience and Necessity (CC&N). *See* ACC Decision No. 67830, May 5, 2005; ACC Decision No. 68448, Feb. 2, 2006.
6. On March 31, 2005, Global entered into an agreement with Sonoran Utility Services, LLC, the operator of the 387 Domestic Water Improvement District in Pinal County (387 District), in which Global assumed operation of the 387 District.
7. In April 2005, Global interconnected the distribution systems for Santa Cruz and the 387 District.
8. Since April 2005, Santa Cruz has effectively provided water service to the 387 District.
9. On June 15, 2005, Santa Cruz acquired the assets of the 387 District.
10. On June 30, 2005, Santa Cruz applied to the ACC for an extension of its CC&N to provide water service to the public in the area served by the 387 District. (The area sought to be added to Santa Cruz's CC&N is referred to herein as the "387 District area.") Santa Cruz is continuing to pursue that application.

1
2 **Physical and Continuous Availability of Groundwater: Service Area No. 56-001355.0000**

- 3 11. Santa Cruz has the right to withdraw and deliver groundwater to its customers pursuant to
4 Service Area Right No. 56-001355.0000 within its current service area (Service Area No.
5 56-001355.0000).
- 6 12. Santa Cruz's current demand for its Service Area No. 56-001355.0000 as of calendar
7 year 2006 is 4,278.98 acre-feet per year ("Service Area No. 56-001355.0000 current
8 demand").
- 9 13. Santa Cruz's committed demand for its Service Area No. 56-001355.0000 as of calendar
10 year 2006 is 3,228 acre-feet per year (Service Area No. 56-001355.0000 committed
11 demand). This includes committed demand within the 387 District area.
- 12 14. Santa Cruz's projected demand for its Service Area No. 56-001355.0000 for 2013, the
13 sixth calendar year from the date of this Decision and Order, is 14,997.78 acre-feet
14 (Service Area No. 56-001355.0000 2013 projected demand). The Service Area No. 56-
15 001355.0000 2013 projected demand does not include the Service Area No. 56-
16 001355.0000 current demand or the Service Area No. 56-001355.0000 committed
17 demand, but does include the demand at build-out of plats reasonably projected to be
18 approved through calendar year 2013. The Service Area No. 56-001355.0000 2013
19 projected demand includes the projected demand within the 387 District area.
- 20 21
22 15. Santa Cruz's Service Area No. 56-001355.0000 annual estimated water demand, which is
23 the sum of the Service Area No. 56-001355.0000 current demand, the Service Area No.
24 56-001355.0000 committed demand and the Service Area No. 56-001355.0000 2013
25 projected demand, is 22,504.76 acre-feet per year. (Service Area No. 56-001355.0000
26 annual estimated water demand.)
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16. Historic hydrologic information demonstrates that the depth-to-static water level within Santa Cruz's service areas currently ranges from approximately 437 feet to 623 feet below land surface.

17. Santa Cruz demonstrated in a previous application that after one hundred years of withdrawing 25,575.21 acre-feet per year of groundwater within Service Area No. 56-001355.0000, the depth-to-static water level is not expected to exceed 1,100 feet below land surface.

18. Santa Cruz has demonstrated that wells of sufficient capacity are in place to deliver 25,575.21 acre-feet per year of groundwater to its Service Area No. 56-001355.0000.

Physical and Continuous Availability of Groundwater: Southwest Service Area

19. Santa Cruz has submitted an Initial Notice of Intent to Establish a New Service Area Right for a separate service area (Southwest Service Area), which was approved by the Department on February 9, 2007. The Initial Notice includes the following information:

- a. Santa Cruz has obtained permits for Well No. 55-612247 and Well No. 55-592236.
- b. Santa Cruz has leased Type 2 Non-Irrigation Grandfathered Right No. 58-109249.0007 for 250 acre-feet per year through December 31, 2008.

20. Santa Cruz's current demand for its Southwest Service Area as of calendar year 2006 is 0 acre-feet per year (Southwest Service Area current demand).

21. Santa Cruz's committed demand for its Southwest Service Area as of calendar year 2006 is 0 acre-feet per year (Southwest Service Area committed demand).

22. Santa Cruz's projected demand for its Southwest Service Area for 2013, the sixth calendar year from the date of this Decision and Order, is 1,474.57 acre-feet (Southwest Service Area 2013 projected demand). The Southwest Service Area 2013 projected

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2 demand does not include the Southwest Service Area current demand or the Southwest
3 Service Area committed demand, but does include the demand at build-out of plat
4 reasonably projected to be approved through calendar year 2013 within the Southwest
5 Service Area.

6 23. Santa Cruz's Southwest Service Area annual estimated water demand, which is the sum
7 of the Southwest Service Area current demand, Southwest Service Area committed
8 demand and the Southwest Service Area 2013 projected demand, is 1,474.57 acre-feet
9 per year. (Southwest Service Area annual estimated water demand.)
10

11 24. Historic hydrologic information demonstrates that the depth-to-static water level within
12 Santa Cruz's service areas currently ranges from approximately 437 feet to 623 feet
13 below land surface.

14 25. Santa Cruz has demonstrated that after one hundred years of withdrawing 16,806.90 acre-
15 feet per year of groundwater within the Southwest Service Area, the depth-to-static water
16 level is not expected to exceed 1,100 feet below land surface.
17

18 26. Santa Cruz has demonstrated that wells of sufficient capacity are in place to deliver
19 1,474.57 acre-feet per year of groundwater to its Southwest Service Area.

20 **Consistency with Management Goal**

21 27. As of the date of this Decision and Order, Santa Cruz's groundwater allowance pursuant
22 to A.A.C. R12-15-725(A)(2)(a) is 4,266.1 acre-feet per year, based on the service area
23 population as of October 1, 2007. As of the date of this Decision and Order, Santa Cruz
24 has not yet provided information regarding residential lots within plats recorded prior to
25 October 1, 2007, but not yet served water as of that date, and to which Santa Cruz has
26 commenced water service. The Department will modify Santa Cruz's groundwater
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allowance during the term of the designation as Santa Cruz submits the necessary information.

28. Pursuant to A.A.C. R12-15-725(A)(3), the Director shall add a volume of incidental recharge to Santa Cruz's groundwater allowance each calendar year based on its total water use from any source in the previous calendar year. Santa Cruz's incidental recharge volume for calendar year 2007 is 171.16 acre-feet. The Director will continue to add a volume of incidental recharge to Santa Cruz's groundwater allowance each calendar year, in accordance with A.A.C. R12-15-725(A)(3).

29. As of October 1, 2007, Santa Cruz pledged a total of 8,692.52 acre-feet per year of extinguishment credits to its designation, as shown in Attachment A to this Decision and Order. These extinguishment credits will be calculated according to A.A.C. R12-15-722(E)(3)(a).

30. During the effective period of this Decision and Order, Santa Cruz intends to pledge additional extinguishment credits in support of its designation. Such extinguishment credits shall be calculated according to R12-15-722(E)(2) or R12-15-722(E)(3)(b), as appropriate.

31. The Director previously issued Certificates of Assured Water Supply for subdivisions within the 387 District area. In order to demonstrate that proposed groundwater withdrawals for these subdivisions will be consistent with the management goal for the Pinal AMA, extinguishment credits were pledged to each subdivision. The extinguishment credits pledged to the subdivisions total 1,224.7 acre-feet per year, as shown in Attachment A to this Decision and Order. These extinguishment credits shall be calculated according to R12-15-722(E)(3)(b).

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32. Prior to October 1, 2007, Santa Cruz had a balance of 12,028.86 acre-feet of combined unused extinguishment credits and unused groundwater allowance from previous calendar years.

Consistency with the Management Plan

33. Santa Cruz is currently regulated as a large municipal provider under the Municipal Conservation Program in the Third Management Plan for the Pinal AMA (Management Plan). As of the date of this order, Santa Cruz has not been found to be out of compliance with the Third Management Plan.

Water Quality

34. Santa Cruz is regulated by ADEQ as a public water system, pursuant to A.R.S. § 49-351, *et seq.*, and is not in significant noncompliance, as of the date of this Decision and Order.

Financial Capability

35. In accordance with ACC Rules and Regulations, Santa Cruz finances extensions of its distribution system through equity and by line extension agreements with owners of new developments. Any owner of a new subdivision served by Santa Cruz must prove financial capability to construct the necessary water infrastructure to the appropriate platting entity and the Arizona Department of Real Estate pursuant to Titles 9, 11, and 32 of Arizona Revised Statutes.

III. CONCLUSIONS OF LAW

Having reviewed the Findings of Fact, the Department makes the following Conclusions of Law:

1. Santa Cruz has demonstrated that 22,504.76 acre-feet per year of groundwater will be physically available, continuously available and legally available within its Service Area No. 56-001355.0000 for at least 100 years and will be consistent with the management

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goal. See A.A.C. R12-15-716; R12-15-717; R12-15-718; R12-15-722. This volume of groundwater, 22,504.76 acre-feet per year, is equal to Santa Cruz's Service Area No. 56-001355.0000 annual estimated water demand, which is 22,504.76 acre-feet per year. See Attachment B to this Decision and Order.

2. Santa Cruz has demonstrated that 1,474.57 acre-feet per year of groundwater will be physically available, continuously available and legally available within its Southwest Service Area for at least 100 years and will be consistent with the management goal. See A.A.C. R12-15-716; R12-15-717; R12-15-718; R12-15-722. This volume of groundwater, 1,474.57 acre-feet per year, is equal to Santa Cruz's Southwest Service Area annual estimated water demand, which is 1,474.57 acre-feet per year. See Attachment B to this Decision and Order.

3. For purposes of A.A.C. R12-15-716(B)(3)(c)(ii), Santa Cruz's annual estimated water demand that will be met with groundwater within its Service Area No. 56-001355.0000 is 22,504.76 acre-feet per year, and its annual estimated water demand that will be met with groundwater within its Southwest Service Area is 1,474.57 acre-feet per year.

4. In accordance with the requirements of A.A.C. R12-15-722(E), Santa Cruz has demonstrated that its projected use of groundwater is consistent with the management goal of the Pinal Active Management Area.

5. The water supply served by Santa Cruz will be of adequate quality, pursuant to A.A.C. R12-15-719(A)(1).

6. In accordance with A.A.C. R12-15-721, Santa Cruz meets the standard established for determining consistency with the Management Plan for the Pinal AMA.

7. Santa Cruz has satisfied the financial capability criteria prescribed in A.A.C. R12-15-720.

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2 8. Santa Cruz has satisfied all requirements for a designation of assured water supply.

3 **IV. ORDER OF DESIGNATION AND CONDITIONS OF DESIGNATION**

4 Having reviewed the Conclusions of Law, the Director hereby issues this Decision and Order
5 designating Santa Cruz as having an assured water supply, subject to the following conditions:

- 6 1. The Department reserves the right under A.A.C. R12-15-711(C) to periodically review
7 and modify the designation as conditions warrant.
8
9 2. Pursuant to A.A.C. R12-15-711(F), the Department may revoke this designation if the
10 findings of fact or the conclusions of law upon which the designation is based change or
11 are invalid, or if an assured water supply no longer exists.
12 3. The Director's determination that an assured water supply exists for Santa Cruz is based
13 on its review of the water supplies pledged by Santa Cruz.
14 4. Santa Cruz shall submit an application to modify this decision and order designating
15 Santa Cruz as having an assured water supply to increase the term of the designation
16 when the sum of Santa Cruz's current demand, committed demand and two-year
17 projected demand for its Service Area No. 56-001355.0000 exceeds 22,504.76 acre-feet
18 per year, when the sum of Santa Cruz's current demand, committed demand and two-year
19 projected demand for its Southwest Service Area exceeds 1,474.57, or by January 1,
20 2012, whichever is earlier.
21
22 5. Pursuant to A.A.C. R12-15-711(F)(3), Santa Cruz shall continue to comply with A.A.C.
23 Title 18, Chapter 4 after the date of this designation.
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25 6. Santa Cruz shall notify the Department when the ACC issues any order, including a final
26 decision and/or order, regarding its CC&N.
27 7. This Decision and Order designating Santa Cruz as having an assured water supply shall
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apply to Santa Cruz's legally authorized service area, including the 387 District area.

8. Santa Cruz shall comply with any applicable requirements in A.R.S. Title 45, Chapter 15.

9. Santa Cruz may pledge additional extinguishment credits to its designation as its service areas develop. If Santa Cruz intends to add extinguishment credits to its groundwater account, it must notify the Department's Office of Assured and Adequate Water Supply to add these credits to its groundwater account.

10. Santa Cruz shall annually provide to the Department the following information in the manner prescribed in A.A.C. R12-15-711(A):

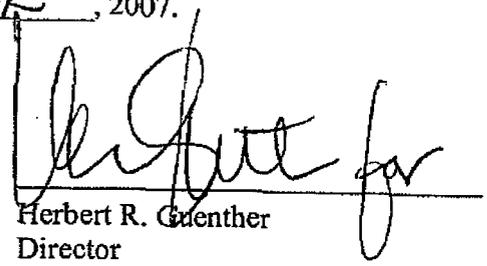
- a. An estimate of the demand of platted, undeveloped lots located within Santa Cruz's Service Area No. 56-001355.0000.
- b. An estimate of the demand at build-out of customers within Santa Cruz's Service Area No. 56-001355.0000 with which Santa Cruz has entered into a notice of intent to serve agreement in the calendar year.
- c. An estimate of the demand of platted, undeveloped lots located within Santa Cruz's Southwest Service Area.
- d. An estimate of the demand at build-out of customers within Santa Cruz's Southwest Service Area with which Santa Cruz has entered into a notice of intent to serve agreement in the calendar year.
- e. A report regarding Santa Cruz's compliance with water quality requirements.
- f. The depth-to-static water level of all wells from which Santa Cruz withdrew water during the calendar year.

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g. Any other information requested by the Director to determine whether to continue Santa Cruz is continuing to meet all the requirements necessary to maintain this designation of assured water supply.

IT IS HEREBY ORDERED THAT SANTA CRUZ WATER COMPANY BE DESIGNATED AS HAVING AN ASSURED WATER SUPPLY UNTIL DECEMBER 31, 2013.

DATED this 27th day of DECEMBER, 2007.

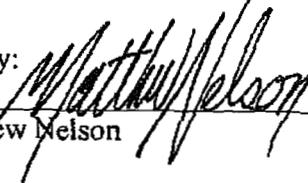


Herbert R. Guenther
Director
Arizona Department of Water Resources

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A copy of the foregoing
Decision and Order mailed
by certified mail this 27th
day of December,
2007 to the following:

Certified Mail No.
7006 0810 0004 6002 6352

Sent by: 
Matthew Nelson

Cindy Liles
Global Water Resources, LLC
21410 North 19th Avenue, Suite 201
Phoenix, Arizona 85027

First class mail copies to:

Clear Creek Associates
6155 E. Indian School Rd., Ste 200
Scottsdale, AZ 85251-5499

Michael J. Pearce, Esq.
Maguire and Pearce, P.L.L.C.
2999 N. 44th St., Suite 630
Phoenix, AZ 85018

Mr. Roy Tanney
Arizona Department of Real Estate
2910 N. 44th Street
Phoenix, Arizona 85018

Mr. Randy Edmond
Pinal AMA
1729 N. Trekell Rd., Suite 105
Casa Grande, Arizona 85222

ATTACHMENT A: Summary of Santa Cruz Water Company Extinguishment Credits Extinguished and Pledged prior to October 1, 2007
 Designation of Assured Water Supply for Santa Cruz Water Company 26-401667.0000

Extinguishment No.	Acro-feet/year	Year Signed	Year Applied	Pledged to:
Santa Cruz Water Company pledged extinguishments:				
58-102952.0003	450.01	2000	2000	26-400360.0000 (Original designation)
58-102952.0008	207.30	2003	2003	26-400804.0000 (Modification of 26-400360.0000)
58-102952.0009	232.60	2003	2003	26-400804.0000 (Modification of 26-400360.0000)
58-102952.0010	42.00	2003	2003	26-400804.0000 (Modification of 26-400360.0000)
58-102952.0012	53.54	2005	2003	26-401667.0000 (Modification of 26-400804.0000)
58-102625.0008	180.50	2005	2005	26-401667.0000 (Modification of 26-400804.0000)
58-150035.0009	360.00	2005	2003	26-401667.0000 (Modification of 26-400804.0000)
58-150035.0007	282.00	2005	2003	26-401667.0000 (Modification of 26-400804.0000)
58-102625.0011	800.15	2006	2003	26-401667.0000 (Modification of 26-400804.0000)
58-111746.0003	204.30	2005	2005	26-400804.0000 (Modification of 26-400360.0000)
58-100025.0009	281.86	2007	2006	26-401667.0000 (Modification of 26-400804.0000)
58-101962.0015	249.00	2007	2006	26-401667.0000 (Modification of 26-400804.0000)
58-111941.0022	370.50	2005	2004	26-401667.0000 (Modification of 26-400804.0000)
58-103658.0005	232.50	2006	2006	26-400804.0000 (Modification of 26-400360.0000)
58-101962.0010	718.50	2006	2005	26-400804.0000 (Modification of 26-400360.0000)
58-150081.0002	309.00	2006	2005	26-400804.0000 (Modification of 26-400360.0000)
58-111746.0002	809.70	2007	2007	26-401667.0000 (Modification of 26-400804.0000)
58-102628.0006	15.00	2007	2007	26-401667.0000 (Modification of 26-400804.0000)
58-101962.0014	440.33	2007	2007	26-401667.0000 (Modification of 26-400804.0000)
58-102342.0032	196.50	2007	2007	26-401667.0000 (Modification of 26-400804.0000)
58-102952.0015	1,050.08	2007	2007	26-401667.0000 (Modification of 26-400804.0000)
58-150022.0007	416.70	2007	2007	26-401667.0000 (Modification of 26-400804.0000)
58-150022.0006	374.25	2007	2007	26-401667.0000 (Modification of 26-400804.0000)
58-102628.0003	114.00	2007	2007	26-401667.0000 (Modification of 26-400804.0000)
58-102629.0006	145.50	2007	2007	26-401667.0000 (Modification of 26-400804.0000)
58-104816.0010	132.00	2007	2007	26-401667.0000 (Modification of 26-400804.0000)
58-104816.0009	171.00	2007	2007	26-401667.0000 (Modification of 26-400804.0000)
58-102626.0007	73.50	2007	2007	26-401667.0000 (Modification of 26-400804.0000)
TOTAL	8,692.52			
Extinguishment Credits pledged to the Subdivisions:				
58-102329.0005	329.10	2004	2003	27-401014.0004 (Maricopa Meadows - later re-issued as 27-401309.0000)
58-109710.0002	210.31	2004	2004	27-401185.0000 (Smith Farms)
58-103658.0004	84.41	2004	2003	27-401143.0000 (Palo Brea)
58-111941.0016	270.82	2005	2004	27-401726.0000 (Tortosa South)
58-111941.0014	330.08	2005	2004	27-401243.0000 (Tortosa)
Subtotal	1,224.72			
TOTAL	9,917.24			

Attachment B
 Santa Cruz Water Company Designation Application
 Water Source and Supply Summary
 File No. 26-402008.0000

Source	Physical Availability	Capacity	Legal Authority	Consistency with goal	TOTAL (meets all assured water supply requirements)
<i>Groundwater:</i>					
Santa Cruz Water Company main system	25,575.21 af/yr	Available well capacity = 26,502 af/yr	Service Area Right #56-001355.0000	1) Groundwater allowance based on October 1, 2007 service area population = 4,266.1 af/yr ¹ 2) Incidental recharge = 171.16 af/yr ¹ 3) Extinguishment credits as of October 1, 2007 = 8,692.52 af/yr ² 4) Extinguishment credits as of October 1, 2007 associated with Certificates of Assured Water Supply in the 387 District = 1,224.7 af/yr ² 5) Groundwater allowance balance prior to October 1, 2007 = 12,028.86 acre-feet ²	22,504.76 acre-feet per year
Santa Cruz Water Company southwest service area	16,806.90 af/yr	Available well capacity = 2,903 af/yr	Pending service area right - Initial Notice of Intent approved by the Department February 9, 2007		1,474.57 acre-feet per year

NOTES:

¹Any unused balance after each calendar year shall not be added to the balance of the following calendar year.

²Any unused balance after each calendar year shall be added to the balance of the following calendar year.



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

EXHIBIT 16
E-MAIL REGARDING PUBLIC WATER SYSTEM COMPLIANCE REPORT

Jason Thuneman

From: Daniel Czecholinski [Czecholinski.Daniel@azdeq.gov]
Sent: Tuesday, June 17, 2014 2:52 PM
To: Jason Thuneman
Cc: Jon Corwin
Subject: RE: Compliance Status Report

Jason,

This email is to confirm that ADEQ is no longer preparing compliance status reports for utilities.

Daniel

From: Jason Thuneman [mailto:jason.thuneman@gwresources.com]
Sent: Tuesday, June 17, 2014 11:15 AM
To: Daniel Czecholinski
Cc: Jon Corwin
Subject: RE: Compliance Status Report

Daniel,

Thanks for getting back to me so quickly. Is there any way I can get a letter from ADEQ stating they no longer issue these reports? If not, then perhaps an email will suffice, but this is a requirement of the ACC so I would like to have at least this at a minimum for them.

Thanks for your help!



Jason Thuneman Phn 623.580.9600 x123
Director, Project Management Office Fax 623.580.9659
jason.thuneman@gwresources.com Cell 602.550.1239

Global Water
21410 N. 19th Avenue, Suite 201, Phoenix, AZ 85027
www.gwresources.com

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Please consider the environment before printing this email.

From: Jason Thuneman
Sent: Tuesday, June 17, 2014 9:54 AM
To: 'Czecholinski.Daniel@azdeq.gov'
Cc: Jon Corwin
Subject: Compliance Status Report

Hi Daniel,

Global Water is going to file a CC&N Expansion with the Arizona Corporation Commission, and a requirement of the application for each utility is to provide an updated compliance report from ADEQ.

I was wondering if you could help me obtain this letter, or point me in the right direction. The Utilities filing an application are Palo Verde Utilities, and Santa Cruz Water Company, and I attached a previous letter we received, but need an updated one for each utility.

Thanks for your help- I look forward to hearing from you.



Jason Thuneman

Director, Project Management Office

jason.thuneman@gwresources.com

Phn 623.580.9600 x123

Fax 623.580.9659

Cell 602.550.1239

Global Water

21410 N. 19th Avenue, Suite 201, Phoenix, AZ 85027

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GLOBAL WATER
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EXHIBIT 17

**NOTARIZED SIGNATURE OF RON FLEMING
ON BEHALF OF APPLICANT**

AFFIDAVIT OF RON L. FLEMING

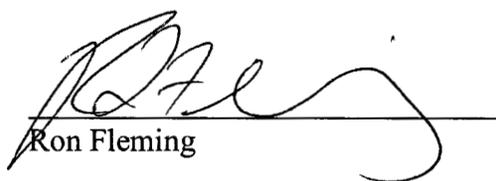
STATE OF ARIZONA)
) ss.
County of Maricopa)

Ron L. Fleming, being duly sworn, deposes and says:

1. I am a resident of Maricopa County, over 18 years of age, and make this affidavit based on my own personal knowledge.

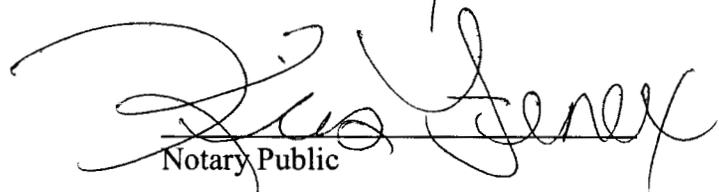
2. I am the President of Global Water – Santa Cruz Water Company.

3. The Application for Extension of Certificate of Convenience and Necessity, to which this affidavit is attached, was prepared under my supervision.



Ron Fleming

SUBSCRIBED and sworn to me this 18th day of July, 2014



Notary Public

My Commission Expires:

