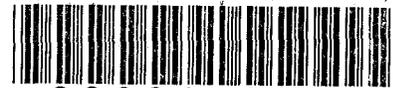


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BEFORE THE ARIZONA CORPORATION

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL

Darin P. Reber
7501 E McCormick Parkway
Scottsdale, Arizona 85258
Representing Maughan Revocable Trust of 2007

2015 AUG 31 PM 4: 22

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION
OF CIRCLE CITY WATER COMPANY
L.L.C. FOR APPROVAL TO DELETE
PORTIONS OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY AND TO
DELETE A REQUIREMENT SET FORTH IN
DECISION NO. 68246

DOCKET NO. W-03510A-13-0397
MAUGHAN REVOCABLE TRUST OF
2007 NOTICE OF FILING DIRECT
TESTIMONY

Maughan Revocable Trust of 2007 ("MRT") hereby files the Direct Testimony of Rjay
Lloyd, in-house counsel for the trustee of MRT.

RESPECTFULLY SUBMITTED this 31st day of August, 2015

By: 

Darin P. Reber
AZ Bar No. 029008
7501 E. McCormick Parkway
Scottsdale, Arizona 85258
(480)-998-8888 ext. 4120
Counsel for the Maughan Revocable Trust of 2007
and Rex G. Maughan and Ruth G. Maughan
(Trustees)

Arizona Corporation Commission
DOCKETED

AUG 31 2015

DOCKETED BY 

1 Original and thirteen (13)
2 Copies filed on August 31, 2015 with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 W. Washington Street
6 Phoenix, AZ 85007

7 COPIES of the foregoing mailed/hand
8 delivered on August 31, 2015 to:

9 Janice Alward, Chief Counsel
10 Legal Division
11 ARIZONA CORPORATION COMMISSION
12 1200 West Washington Street
13 Phoenix, AZ 85007

14 Dwight Nodes
15 Hearing Division
16 ARIZONA CORPORATION COMMISSION
17 1200 West Washington Street
18 Phoenix, AZ 85007

19 Thomas Broderick
20 Utilities Division
21 ARIZONA CORPORATION COMMISSION
22 1200 West Washington Street
23 Phoenix, AZ 85007

24 Robert Hardcastle
25 P.O. Box 82218
26 Bakersfield, California 93380-2218

27 Gary Hays
28 1702 E. Highland Ave., Suite 204
Phoenix, Arizona 85016

By: 

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

IN THE MATTER OF THE APPLICATION) DOCKET NO. W-03510A-13-0397
OF CIRCLE CITY WATER COMPANY)
LLC FOR APPROVAL TO DELETE THE)
EXTENSION OF THE CERTIFICATE OF)
CONVENIENCE AND NECESSITY THAT)
WAS GRANTED IN DECISION 68246)

DIRECT

TESTIMONY

OF

RJAY LLOYD

ON BEHALF OF

THE MAUGHAN REVOCABLE TRUST OF 2007
AND
REX G. MAUGHAN AND RUTH G. MAUGHAN

AUGUST 31, 2015

1 **I. INTRODUCTION**

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

3 A. My name is Rjay Lloyd. My business address is 7501 E. McCormick Parkway,
4 Scottsdale, AZ 85258.

5
6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by Forever Living Products International, L.L.C. as Sr. Vice President and
8 General Counsel.

9
10 **Q. Could you please describe the name of the Company?**

11 A. The name of the company is Forever Living Products International, L.L.C., which is a
12 management services company, responsible for providing management and administrative
13 services to companies owned by the Maughan Revocable Trust of 2007.

14
15 **Q. How long have you been employed by Forever Living Products International,
16 L.L.C.?**

17 A. Approximately 33 years.

18
19 **Q. Prior to working for Forever Living Products International, L.L.C., by whom were
20 you employed and in what capacity?**

21 A. Prior to working for Forever Living Products International, L.L.C., I provided legal
22 services through my law firm, R Lloyd Chartered, located in Boise Idaho. Forever Living
23 Products was a client of my law firm. Forever Living Products grew rapidly and began to
24 take more and more of my available time. I eventually decided to close my practice and
25 join Forever Living Products, on a full-time basis, as in-house Counsel.

26
27 **Q. Please summarize your educational background and other professional experience.**

28 A. I have a Bachelor of Science ("B.S.") degree in accounting and a Juris Doctor ("J.D.")
29 degree from the University of Utah and a Master of Law degree ("LLM") in taxation from
30 New York University.

31

1 **Q. Please elaborate on your roles and responsibilities at Forever Living Products**
2 **International, L.L.C.**

3 A. As General Counsel for Forever Living Products International, L.L.C., In general, I am
4 responsible for managing the Legal function, providing advice on company strategies and
5 their implementation, monitoring and overseeing the work of outside counsel, and for
6 providing counsel and guidance on all legal matters. I am involved in all business
7 transactions related to buying, selling and leasing real and personal property in the name
8 of the Maughan Revocable Trust and/or by a Trust managed company.

9
10 **Q. Please describe what the Maughan Revocable Trust of 2007 ("MRT") is.**

11 A. MRT is a revocable living trust, dated 24 August 2007. MRT is executed by Rex G.
12 Maughan and Ruth G. Maughan as Trustors/Settlors. MRT is one of the largest
13 landowners in the State of Arizona. MRT directly owns several companies and is the
14 managing member of a large number of limited liability companies.

15
16 **Q. Please describe MRT's relationship with Lake Pleasant 5000 LLC ("LP5K").**

17 A. MRT is a partner with Harvard Investments in LP5K. Additionally, MRT owns a parcel
18 of land included in the Circle City Water Company's ("CCWC") Certificate of
19 Convenience and Necessity ("CC&N"), which is commonly known as Warrick 160.

20
21 **Q. Have you ever testified at the Arizona Corporation Commission?**

22 A. No.

23
24 **Q. On whose behalf are you testifying today?**

25 A. I am testifying on behalf of the Maughan Revocable Trust of 2007.

26
27 **II. PURPOSE**

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

29 A. The purpose of my Direct testimony is to provide testimony in support of the idea that
30 LP5K and the Warrick 160 parcel have a need for water service.

31
32 **III. NEED FOR WATER SERVICE**

1 **Q. Please explain what the Warrick 160 property is.**

2 A. Certainly. The Warrick 160 property is located contiguous to the previous boundary of
3 CCWC's CC&N and is located across the US 60 from Circle City.

4

5 **Q. Does the Warrick property have a need for service?**

6 A. Yes. While it is not included in the property owned by LP5K, it is still ultimately a part of
7 the overall master plan development.

8

9 **Q. Is MRT or its partners actively entitling the Warrick 160 property?**

10 A. Yes.

11

12 **Q. What would be the effect of granting CCWC's request to delete Warrick 160 from its
13 CC&N?**

14 A. It would be catastrophic. Without water service, the property would become worthless.

15

16 **IV. CONCLUSION**

17 **Q. Do you have anything you want to add to your testimony?**

18 A. Yes. The Warrick 160 property needs water service and wishes to stay inside the CC&N
19 of CCWC.

20 **Q. Does that conclude your testimony?**

21 A. Yes, it does.