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Transcript Exhibit(s)

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AZ CORP COMMISSION
DOCKET CONTROL

Docket #(s): W-31536A-15-0269

Arizona Corporation Commission

DOCKETED

NOV 24 2015

DOCKETED BY	<i>KC</i>
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Exhibit #: 3-1, A-1

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EXHIBIT
S-1
ADMITTED

MEMORANDUM

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2015 OCT -9 P 2:55

AZ CORP COMMISSION
DOCKET CONTROL

TO: Docket Control Center

FROM: Thomas M. Broderick
Director
Utilities Division

Thomas M. Broderick

DATE: October 9, 2015

RE: IN THE MATTER OF THE APPLICATION OF BOX 1, INC. DBA LAZY C
WATER SERVICE FOR AN EXTENSION OF ITS EXISTING CERTIFICATE
OF CONVENIENCE AND NECESSITY (DOCKET NO. W-01536A-15-0269)

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

TMB:JL:VW:nr/ML

Originator: Vicki Wallace

Arizona Corporation Commission
DOCKETED

OCT 09 2015

DOCKETED BY *JK*

Service List for: Box 1 Inc. dba Lazy C Water Service
Docket No. W-01536A-15-0269

Mr. Patrick Farrell
Farrell & Bromiel, P.C.
One South Church Avenue, Suite 2130
Tucson, Arizona 85701

Ms. Rebecca Hiser
Post Office Box 1
Tucson, Arizona 85702

Mr. Bob Canfield, II
Post Office Box 1
Tucson, Arizona 85702

Box 1 Inc.
Attn: Robert Canfield
Post Office Box 1
Tucson, Arizona 85702

Mr. Thomas Broderick
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

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

Mr. Dwight Nodes
Chief Administrative Law Judge
Hearing Division
1200 West Washington
Phoenix, Arizona 85007

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

BOX 1 INC. DBA LAZY C WATER SERVICE

DOCKET NO. W-01536A-15-0269

IN THE MATTER OF THE APPLICATION OF BOX 1, INC. DBA LAZY C WATER
SERVICE INC. FOR AN EXTENSION OF ITS EXISTING
CERTIFICATE OF CONVENIENCE & NECESSITY

OCTOBER 9, 2015

STAFF ACKNOWLEDGEMENT

The Staff Report for Box 1, Inc. dba Lazy C Water Service (Docket No. W-01536A-15-0269) 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, and Jeff Francis was responsible for the engineering and technical analysis.



Vicki Wallace
Executive Consultant



Jeff Francis
Utilities Engineer

EXECUTIVE SUMMARY
BOX 1, INC., DBA LAZY C WATER SERVICE
DOCKET NO. W-01536A-15-0269

On July 17, 2015, Box 1, Inc. dba Lazy C Water Service ("Lazy C" or "Company"), a certificated Arizona public service corporation, filed an application with the Arizona Corporation Commission ("ACC" or "Commission") requesting approval for an extension of an existing Certificate of Convenience and Necessity ("CC&N").

Lazy C was initially certificated by the Commission to provide water services in Arizona, pursuant to Decision No. 30454, dated August 16, 1957. By this application, Lazy C is seeking to extend its CC&N to two, ten-acre parcels located in the vicinity of the Company's existing service area, but not contiguous to the existing CC&N. No other areas are requested, and no new development in the requested extension area is planned. The individual owner (customer) of these parcels is already being served by Lazy C and is included in the current 132 customer base.

CONCLUSIONS

1. Staff concludes that the existing water system has adequate production and storage capacity to serve the existing and proposed CC&N area within a conventional five year planning period, and can reasonably be expected to develop additional storage and production as required in the future.
2. Based on data submitted by the Company, Arizona Department of Environmental Quality ("ADEQ") has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141 (National Primary Drinking Water Regulations) and Arizona Administrative Code ("A.A.C."), Title 18, Chapter 4, and is in compliance.
3. Staff concludes that the Company has no delinquencies with the ACC at this time.
4. Arizona Department of Water Resources ("ADWR") has determined that the Company is currently non-compliant with departmental requirements governing water providers and/or community water systems.
5. Staff concludes that Lazy C is operating at a 14.7 percent level of water loss, which exceeds acceptable limits.
6. Staff concludes that if the Company receives additional requests for service from within the proposed CC&N extension area, or if the single current customer within the proposed extension area changes, then the Company should request a Main Extension Agreement and install a minimum 6-inch main from their existing system into the proposed extension area in accordance with A.A.C. R14-2-406.
7. Staff concludes that it is in the public interest to approve this request for an extension of Lazy C's CC&N.

RECOMMENDATIONS

Staff recommends that the Commission approve Lazy C's request for an extension of its existing CC&N to provide water service to the two parcels that are the subject of this application, subject to compliance with the following conditions:

1. To require Lazy C to charge its existing rates and charges in the proposed extension area.
2. To require Lazy C to monitor the water system and submit the gallons pumped and sold to determine the non-account water for one full year. The Company should coordinate when it reads the well meter each month with customer billing so that an accurate accounting is determined. The results of this monitoring and reporting shall be docketed as a compliance item in this case within 13 months of the effective date of the order issued in this proceeding. If the reported water loss is greater than 10 percent, the Company shall prepare a report containing a detailed analysis and plan to reduce the water loss to 10 percent or less. If the Company believes it is not cost effective to reduce the water loss to less than 10 percent, it should submit a detailed cost benefit analysis to support its opinion. In no case shall the Company allow water loss to be greater than 15 percent. The water loss reduction report or the detailed analysis, whichever is chosen to be submitted, shall be docketed as a compliance item within 13 months of the effective date of the order issued in this proceeding.

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INTRODUCTION

On July 17, 2015, Box 1, Inc. dba Lazy C Water Service ("Lazy C") 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").

After Staff's initial review and discussion, the ACC Utilities Division Staff ("Staff") filed a Sufficiency Letter on August 24, 2015, indicating that the Company's application had met the sufficiency requirements of the Arizona Administrative Code ("A.A.C.") R14-2-402.

On August 28, 2015, a Procedural Order was issued setting the matter for hearing November 12, 2015.

BACKGROUND

Lazy C is a "C" Corporation, certificated by the Commission to provide water service in Arizona, pursuant to Decision No 30454, dated August 16, 1957. The original CC&N was issued to Mrs. Joseph Canfield dba Lazy C Water Service. In Decision No. 56606, dated August 24, 1989, the Commission authorized the current owner, Box One, Inc., to acquire Lazy C. The Company is currently in Good Standing with the ACC Corporations Division. The Company serves an area of approximately 1 and 1/2 square miles that is approximately six miles northwest of downtown Tucson in Pima County. Lazy C has been issued a Franchise Agreement by Pima County. Lazy C is currently providing water to 132 residential customers based on rates and charges that were approved in Decision No. 71832 issued August 10, 2010.

By this application, Lazy C is seeking to extend its CC&N to two ten-acre parcels, located in the vicinity of the Company's existing service area but not contiguous to the existing CC&N. The legal description and maps of the proposed extension area are shown as Exhibit 1. No other areas are requested, and no new development in the requested extension area is planned. The individual owner of these parcels is already being served by Lazy C and is included in the 132 customer base mentioned above.

At one time, the owner of the two parcels comprising the requested area was not connected to the Lazy C water system as he had his own operating well. Sometime in 1997, his well went dry and was abandoned. The property owner subsequently requested service from Lazy C. After receiving a positive response from the Company, the property owner then built, at his own expense, a service connection from his property to a meter within the Lazy C certified area and has been a customer since that time. A follow-up letter was sent from the property owner to the Company expressing his desire to have the Company's CC&N formally extended to include his parcels. Subsequently, Lazy C requested a CC&N to cover this area; however, to date, this matter has not been successfully resolved. Thus, when the instant application was filed, Staff conducted a field visit of the area and discussed the extension request with both Lazy C and the parcel owner (customer). An updated Request for Service letter for the two parcel area from Mr. Thomas Wiewandt (customer) is attached as Exhibit 3.

THE EXISTING WATER SYSTEM

Staff's Engineering Report which is attached as Exhibit 2 describes the existing water system in detail. Lazy C's system has a total production capacity of 78 gallons per minute. The Company's system also has an interconnection with the City of Tucson water system ("Tucson"), which can supply 90 gallons per minute. This interconnection is designed such that if the Lazy C system pressure falls below 70 psi, water will automatically flow from Tucson.

Even if there was growth in the existing service area as discussed in the Engineering Report, Staff concludes that the existing system has adequate production and storage capacity to serve the existing area and any proposed CC&N area within a conventional five year planning period. Also, the Company can reasonably be expected to develop additional storage and production as required in the future.

PROPOSED RATES

Lazy C has indicated the proposed service area would be charged at its currently approved tariffed rates and charges established in Decision No. 71832 issued August 10, 2010.

CONSUMER SERVICES AND PUBLIC INTEREST

A research of the Consumer Services database for complaints revealed that in the last three years, no complaints have been received. Any prior complaints have been resolved and closed. No opinions opposing this application have been received.

Staff concludes that it is in the public interest to approve this request for an extension of Lazy C's CC&N.

WASTEWATER PROVIDER

Wastewater service in the requested extension area is provided through individual septic systems designed within each residence and permitted at the time of construction of the individual residence.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY ("ADEQ") COMPLIANCE

ADEQ regulates the Lazy C water system under ADEQ Public Water System I.D. #10-065. Based on data submitted by the Company, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141 (National Primary Drinking Water Regulations) and A.A.C., Title 18, Chapter 4, and is in compliance.

ARIZONA DEPARTMENT OF WATER RESOURCES ("ADWR") COMPLIANCE

The Lazy C water system is located within the Tucson Active Management Area. ADWR, as of the Compliance report completion date, has determined that Lazy C is currently non-compliant with departmental requirements governing water providers and/or community water systems.

The non-compliant items in the ADWR report fall into two categories: missing or late reporting, and water loss greater than 10 percent. Further investigation shows the Lazy C system is operating at a 14.7 percent level of water loss, which exceeds acceptable limits.

ACC COMPLIANCE

A check of the Utilities Division Compliance Database indicates that there are currently no ACC delinquencies for "Box 1, Inc., dba Lazy C Water Service" at this time.

CURTAILMENT AND BACKFLOW PREVENTION TARIFFS

Lazy C has approved curtailment and backflow prevention tariffs on file with the Commission.

CONCLUSIONS

1. Staff concludes that the existing water system has adequate production and storage capacity to serve the existing and proposed CC&N area within a conventional five year planning period and can reasonably be expected to develop additional storage and production as required in the future.
2. Based on data submitted by the Company, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141 (National Primary Drinking Water Regulations) and A.A.C., Title 18, Chapter 4, and is in compliance.
3. Staff concludes that the Company has no delinquencies with the ACC at this time.
4. ADWR has determined that the Company is currently non-compliant with departmental requirements governing water providers and/or community water systems.
5. Staff concludes that Lazy C is operating at a 14.7 percent level of water loss, which exceeds acceptable limits.
6. Staff concludes that if the Company receives additional requests for service from within the proposed CC&N extension area, or if the single current customer within the proposed extension area changes, then the Company should request a Main

Extension Agreement and install a minimum 6-inch main from their existing system into the proposed extension area in accordance with A.A.C. R14-2-406.

7. Staff concludes that it is in the public interest to approve this request for an extension of Lazy C's CC&N.

RECOMMENDATIONS

Staff recommends that the Commission approve Lazy C's request for an extension of its existing CC&N to provide water service to the two parcels that are the subject of this application, subject to compliance with the following conditions:

1. To require Lazy C to charge its existing rates and charges in the proposed extension area.
2. To require Lazy C to monitor the water system and submit the gallons pumped and sold to determine the non-account water for one full year. The Company should coordinate when it reads the well meter each month with customer billing so that an accurate accounting is determined. The results of this monitoring and reporting shall be docketed as a compliance item in this case within 13 months of the effective date of the order issued in this proceeding. If the reported water loss is greater than 10 percent, the Company shall prepare a report containing a detailed analysis and plan to reduce the water loss to 10 percent or less. If the Company believes it is not cost effective to reduce the water loss to less than 10 percent, it should submit a detailed cost benefit analysis to support its opinion. In no case shall the Company allow water loss to be greater than 15 percent. The water loss reduction report or the detailed analysis, whichever is chosen to be submitted, shall be docketed as a compliance item within 13 months of the effective date of the order issued in this proceeding.

Exhibit 1

Legal Description and Maps

MEMORANDUM

TO: Vicki Wallace
Executive Consultant III
Utilities Division

FROM: Lori H. Miller 
Programs and Projects Specialist II
Utilities Division

THRU: Del Smith 
Engineering Supervisor
Utilities Division

DATE: August 24, 2015

RE: LAZY C WATER SERVICE (DOCKET NO. W-01536A-15-0269)

The area requested by Lazy C for an extension has been plotted with no complications using the legal description provided with the application (a copy of which is attached).

Also attached are copies of the maps for your files.

/lhm

Attachments

cc: Mr. Robert J. Canfield
Ms. Deb Person (Hand Carried)
Mr. Jeff Francis
File

**LAZY C WATER SERVICE
LEGAL DESCRIPTION**

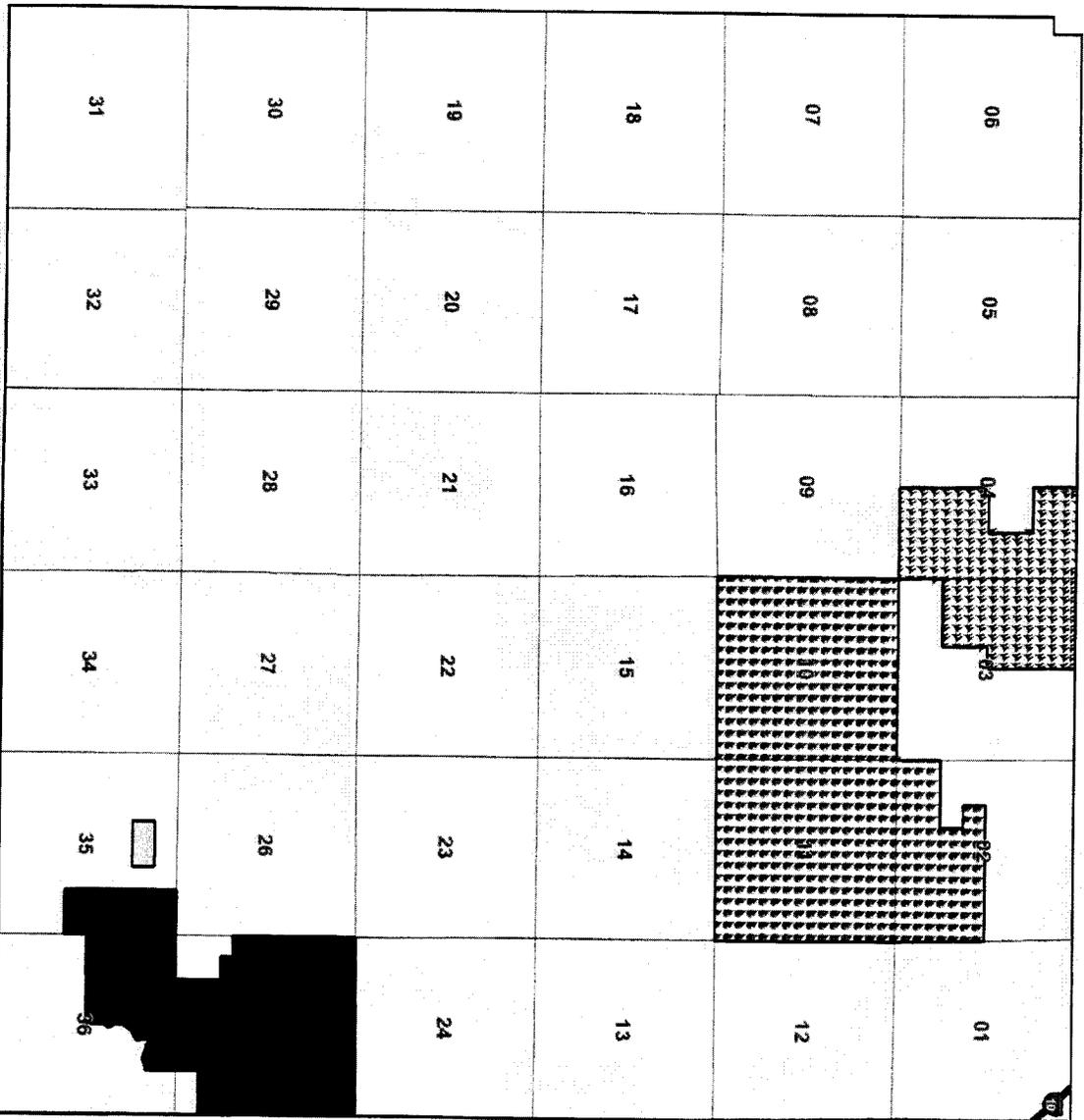
Southwest Quarter of the Northwest Quarter of the Northeast Quarter of Section 35, Township 13 South, Range 12 East; and

Southeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 35, Township 13 South, Range 12 East.

PIMA COUNTY

Map No. 17

RANGE 12 East



TOWNSHIP 13 South

W-01536A (2)

Lazy C Water Service

(8)

City of Tucson (Nonjurisdictional)

(4)

Town of Marana (Nonjurisdictional)

(1)

Lazy C Water Service
Docket No. W-01536A-15-0269
Application for Extension

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



Prepared by:
Arizona Corporation Commission
Utilities Division
Engineering Section/GIS Mapping
602-542-4251
TR13S12E 06 AUG 1998

PARCEL C (10 acres)

5795 W. Sweetwater Dr.

DIRT ROAD

WELL SITE

ORIGINAL WATER LINES



5795 W. Sweetwater Dr.

PARCEL B (10 acres)

PARCEL D (10 acres)

PARCEL A (20 acres)

1" WATER METER

LAZARUS DRIVE - CANNONVILLE UTILITY

5861 W. Sweetwater Dr.



Hanke Residence

WEST SWEETWATER DRIVE

SON, AZ 85745

q

x

1 MONTH

1

+

Exhibit 2

Engineering Report

MEMORANDUM

DATE: September 29, 2015

TO: Vicki Wallace
Executive Consultant III

FROM: Jeff Francis
Utilities Engineer

RE: Lazy C Water Service
Docket No. W-01536A-15-0269 (CC&N Extension)

Introduction

Box 1 Inc. dba Lazy C Water Service ("Lazy C" or "Company") filed an application with the Arizona Corporation Commission ("ACC" or "Commission"), on July 17, 2015, to extend its Certificate of Convenience and Necessity (CC&N). The requested extension area consists of two parcels located in Section 35 of Township 13 South, Range 12 East in the vicinity of the Company's existing service area which is approximately six miles northwest of downtown Tucson in Pima County. The requested area is not contiguous to the existing service area, and will add 20 acres to the currently certificated area of approximately 1-1/2 square miles. The Company is currently providing water service to 132 customers, which includes the single customer within the requested area. No new development in the requested extension area is planned.

At one time the owner of the two parcels comprising the requested area was not connected to the Lazy C water system, as he had an operating well which was providing water for the two homes he owns, one on each parcel. Sometime in 1997 the well went dry and was abandoned, and the property owner subsequently requested service from the Company. The Company responded, "Your request to have your property added to the Lazy C Water Service Certificate of Convenience and Necessity has been verbally received and this answer to you is positive."¹ The property owner then built, at his expense, a service connection from his property to a meter within the Lazy C certificated area, and has been a customer ever since. A follow up letter was sent from the property owner to the Company expressing his desire to have the Company's CC&N formally extended to include his parcels, "I am writing to formally request that my property be added to Lazy C Water District's Certificate of Convenience and Necessity."²

¹ Excerpt from September 21, 1997 letter from Lazy C Water Service to Thomas Wiewandt/David Morton.

² Excerpt from January 5, 2009 letter from Thomas Wiewandt to Lazy C Water Service.

Existing Water System

The Lazy C water system's plant is located on four separate sites and consists of two wells with a total production capacity of 78 gal/min, three storage tanks with a total capacity of 135,000 gallons, three booster pumps, three pressure tanks, and a distribution system serving 132 connections. The Company's system also has an interconnection with the City of Tucson water system ("Tucson"), which can supply 90 gal/min. This interconnection consists of a 1-1/2 inch meter with a back flow assembly, check valve, and a pressure regulator set at 70 psi. It is designed such that if the Lazy C system pressure falls below 70 psi water will automatically flow from Tucson.

Based on historical growth rates, it is anticipated that the existing service area would have 134 total customers at the end of five years. Therefore, Engineering concludes that the existing system has adequate production and storage capacity to serve the existing and proposed CC&N area within a conventional five year planning period and can reasonably be expected to develop additional storage and production as required in the future.

Arizona Department of Environmental Quality ("ADEQ") Compliance

ADEQ regulates the Lazy C system under ADEQ Public Water System I.D. # 10-065. Based on data submitted by the Company, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141 (National Primary Drinking Water Regulations) and Arizona Administrative Code ("A.A.C."), Title 18, Chapter 4, and is in compliance.³

Arizona Department of Water Resources ("ADWR") Compliance

The Lazy C water system is within the Tucson Active Management Area ("AMA"). ADWR, as of the Compliance Report completion date, has determined that the Company is currently non-compliant with departmental requirements governing water providers and/or community water systems.⁴

The non-compliant items in the ADWR report fall into two categories: missing or late reporting, and water loss greater than 10 percent. Further investigation shows the Lazy C system is operating at a 14.7 percent level of water loss⁵, which exceeds acceptable limits.

ACC Compliance

A check of the Compliance Database indicates that there are currently no delinquencies for "Box 1, Inc. DBA Lazy C Water Service" at this time.⁶

³ ADEQ Drinking Water Compliance Status Report dated September 10, 2015.

⁴ ADWR Water Provider Compliance Report dated September 1, 2015.

⁵ Based on the 2014 water use numbers filed in this application.

⁶ Per ACC Compliance status check email dated September 2, 2015.

Curtailment Tariff

*Lazy C has an approved curtailment tariff on file with the Commission.*⁷

Backflow Prevention Tariff

*Lazy C has an approved backflow prevention tariff on file with the Commission.*⁸

Summary

Conclusions

1. Staff concludes that the existing system has adequate production and storage capacity to serve the existing and proposed CC&N area within a conventional five year planning period and can reasonably be expected to develop additional storage and production as required in the future.
2. Based on data submitted by the Company, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141 (National Primary Drinking Water Regulations) and A.A.C., Title 18, Chapter 4, and is in compliance.
3. A check of the Compliance Database indicates that there are currently no delinquencies for "Box 1, Inc. DBA Lazy C Water Service" at this time. The Company is therefore "in Compliance" with the Compliance Database.
4. Staff concludes that if the Company receives additional requests for service from within the proposed CC&N extension area, or if the single current customer within the proposed extension area changes, then the Company should request a Main Extension Agreement and install a minimum 6-inch main from their existing system into the proposed extension area in accordance with A.A.C. R14-2-406.

Recommendations

1. The Lazy C system is operating at a 14.7 percent level of water loss, which exceeds acceptable limits. Staff recommends that Lazy C monitor the water system and submit the gallons pumped and sold to determine the non-account water for one full year. The Company should coordinate when it reads the well meter each month with customer billing so that an accurate accounting is determined. The results of this monitoring and reporting shall be docketed as a compliance item in this case within 13 months of the effective date of the order issued in this proceeding. If the reported water

⁷ Docket No. W-01536A-03-0591.

⁸ Docket No. W-01536A-04-0318.

loss is greater than 10 percent, the Company shall prepare a report containing a detailed analysis and plan to reduce the water loss to 10 percent or less. If the Company believes it is not cost effective to reduce the water loss to less than 10 percent, it should submit a detailed cost benefit analysis to support its opinion. In no case shall the Company allow water loss to be greater than 15 percent. The water loss reduction report or the detailed analysis, whichever is submitted, shall be docketed as a compliance item within 13 months of the effective date of the order issued in this proceeding.

Exhibit 3

Request for Service

1 October 2015

Robert Canfield
Lazy C Water Service
P. O. Box 1
Tucson, AZ 85702

Dear Mr. Canfield:

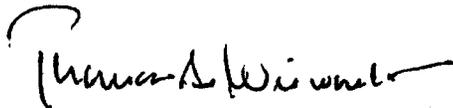
This will serve as an update to my previously requested service letter. I am formally requesting that my property be added to Lazy C's Water Service's Certificate of Convenience and Necessity. The property's legal parcel descriptions are as follows:

5757 W. Sweetwater Dr.: SW4 NW4 NE4 10 AC SEC 35-13-12
5795 W. Sweetwater Dr.: NW4 SW4 NE4 10 AC SEC 35-13-12

I am not requesting service to any additional parcels nor do I anticipate further requests within the near future.

Thank you for considering this request, and if you have any further questions, please advise.

Sincerely,



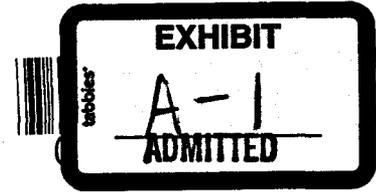
Thomas Wiewandt
tom@wildhorizons.com
tel. 520-743-4848 or 743-4551
mobile: 520-780-1235 (when traveling only)
5757 W. Sweetwater Dr., Tucson, AZ 85745

Cc: Jeff Francis, ACC Engineering

ORIGINAL

NEW APPLICATION

ATTACHMENT "A"

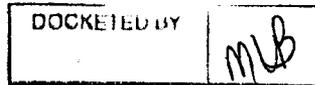


Arizona Corporation Commission
DOCKETED

JUL 23 2015

Box 1 Inc.
Db a Lazy C Water Service
P.O. Box 1
Tucson, AZ 85702

July 17, 2015



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

Attached is an application by Box 1 Inc., dba Lazy C Water Service, for an Extension of Certificate of Convenience and Necessity. The purpose of this application is to satisfy the request of an adjacent property owner for the inclusion in the Lazy C Water Service certificated area.

Rebecca C Hiser
Rebecca C Hiser
Lazy C Water Service

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DOCKET CONTROL

ARIZONA CORPORATION COMMISSION

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

WATER AND/OR SEWER

A. The legal name, mailing address and telephone number of the Applicant (Company) is:

BOX 1 INC.
P.O. BOX 1 (520) 743-0758
TUCSON, AZ 85702

B. If the applicant operates under a "d.b.a." or under a name other than the Applicant (Company) name listed above, specify:

LAZY C WATER SERVICE

C. List the full name, mailing address and telephone number of the management contact:

ROBERT J CANFIELD, P.O. BOX 1, TUCSON,
AZ 85702, 520-743-0758

D. List the full name, mailing address and telephone number of the attorney for the Applicant:

PATRICK FARRELL, ONE SOUTH CHURCH,
TUCSON, AZ 85701-1620 520-882-6400

E. List the full name, mailing address and telephone number of the operator certified by the Arizona Department of Environmental Quality who is or will be working for the Applicant:

BOB CANFIELD II, P.O. BOX 1, TUCSON, AZ 85702
520-743-0758 CELL 520-977-5872

F. List the full name, mailing address and telephone number of the on-site manager of the utility:

BOB CANFIELD II, P.O. BOX 1, TUCSON, AZ 85702
520-743-6758 CELL 520-977-5872

G. The Applicant is a:

<input checked="" type="checkbox"/> Corporation: ___ "C", ___ "S", ___ Non-Profit ___ Arizona, ___ Foreign	<input type="checkbox"/> Partnership ___ Limited, ___ General ___ Arizona, ___ Foreign
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Company (LLC)
<input type="checkbox"/> Other (Specify)	

H. If Applicant is a corporation:

1. List full names, titles and mailing addresses of all Officers and Directors:

Officers

ROBERT J CANFIELD, P.O. BOX 1, TUCSON, AZ 85702 - PRESIDENT
BOB CANFIELD II, P.O. BOX 1, TUCSON, AZ 85702 - TREASURER
REBECCA C HIBER, P.O. BOX 1, TUCSON, AZ 85702 - SECRETARY

Directors

N/A

2. Attach a copy of the corporation's "Certificate of Good Standing" issued by the Corporation's Division of the Arizona Corporation Commission.
3. Attach a certified copy of the Articles of Incorporation.
4. Attach a certified copy of the corporation's By-Laws.
5. If a for-profit corporation, indicate the number of shares of stock authorized for issue:
6. If stock has been issued, indicate the number of shares issued and date of issue:

450 SHARES

I. If the Applicant is a partnership:

1. List the full name and mailing address of the general partners:

2. List the full name, address and telephone number of the managing partners:

3. Attach a copy of the Partnership's Articles of Partnership.

• If the Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" filed with the Arizona Secretary of State.

J. If the Applicant is a Limited Liability Company:

1. List the full name and mailing address of all the Applicant's managers or, if management is reserved to the members, the Applicant's members:

2. Attach a copy of the Articles of Organization.

K. List the legal name and mailing address of each other utility in which the applicant has an ownership interest:

N/A

REQUESTED
FROM ADEQ

L. Provide a compliance status report from the Arizona Department of Environmental Quality ("ADEQ"), dated no more than 30 days of the CC&N extension application, for each water and wastewater systems as identified by a separate ADEQ Public Water & Wastewater System Identification number.

Attach a legal description of the requested service area, expressed in terms of CADASTRAL (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted.

Attach a detailed map using the form provided as Attachment "B". Shade and outline the area requested. Also, indicate any other utility within the general area using different colors.

M. List the name of each county in which the requested extension area is located and a description of the area's location in relation to the closest municipality, which shall be named:

PIMA COUNTY - WEST OF
TUCSON, AZ

SEE
ATTACHED
DOCUMENT FOR
'N'

N. Attach a complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to describe each water system and the principal components of each water system (e.g., source, storage, transmission lines, distribution lines, etc.) to allow verification of the estimated costs provided under R14-2-402 subsection (B)(5)(o) and verification that the requirements of the Commission and the Arizona Department of Environmental Quality can be met.

REFER TO
'N'

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

N/A P. Explain the method of financing utility facilities. Refer to the instructions, item no. 7. (Use additional sheets if necessary):

SEE 'N'

Attach financial information in a format similar to Attachment "C". Include current assets and liabilities, an income statement, estimated revenue and expenses and the estimated value of the applicant's utility plant in service for the first five years following approval of the application.

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

REFER TO 'N' ATTACHED T. Provide a copy of any requests for service from persons who own land within the proposed extension area, which shall identify the applicant by name.

U. Provide maps of the proposed extension area identifying:

1. The boundaries of the area, with the total acreage noted;
2. The land ownership boundaries within the area, with the acreage of each separately owned parcel within the area noted;
3. The owner of each parcel within the area;
4. Any municipality corporate limits that overlap with or are within five miles of the area;
5. The service area of any public service corporation, municipality, or district currently providing water or wastewater service within one mile of the area, with identification of the entity providing service and each type of service being provided;
6. The location within the area of any known water service connections that are already being provided service by the applicant;
7. The location of all proposed developments within the area;
8. The proposed location of each water system and the principal components described in R14-2-402 subsection (B) (5) (n); and
9. The location of all parcels for which a copy of a request for service has been submitted.

N/A V. Provide a copy of each notice to be sent, as required, to a municipal manager or administrator. NOTICE IN PUBLIC NEWSPAPER

N/A W. A copy of each notice sent, as required, to a landowner not requesting service.

X ATTACHED REFER TO 'S' For each landowner not requesting service, provide either the written response received from the landowner or, if no written response was received, a description of the actions by the applicant to obtain a written response.

Y. Attach proposed Tariffs using either the water or sewer format of Attachment "D", unless the Utilities Division, prior to the filing of this application, approves another form.

Attach the following permits (if any of these permits have not yet been obtained, please provide the status of their application):

1. The franchise from either the City or County for the area requested.
2. The Arizona Department of Environmental Quality (or its designee's) approval to construct facilities.
3. (SEWER ONLY) Copy of the Aquifer Protection Permit issued by ADEQ.
4. The Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.)
5. Any U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.)

ATTACHED⁶

(WATER ONLY) If the area requested is within an Active Management Area, attach a copy of the utility's Designation of an Assured Water Supply, or the developer's Certificate of Assured Water Supply issued by the Arizona Department of Water Resources, whichever applies.

- a. If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources, if applied for by the developer.
 - b. If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detail to prove that adequate water exists to provide water to the area requested.
7. Provide a copy of your estimated property taxes. This may be obtained by contacting the Arizona Department of Revenue, Division of Property Valuation and Equalization. You must provide them with a five (5) year projection of the original cost of the plant, depreciation expense, the location of the property and the school district.

Z. Indicate the estimated number of customers, by class, to be served in each of the first five years of operation. Include documentation to support the estimates.

Residential:

First Year | Second Year | Third Year | Fourth Year | Fifth Year |

N/A Commercial:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____ Fifth Year _____

N/A Industrial:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____ Fifth Year _____

N/A Irrigation:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____ Fifth Year _____

AA. Indicate the projected annual water consumption or sewerage treatment, in gallons, for each of the customer classes for each of the first five years of operation:

Residential:

First Year 119,000
Second Year 119,000
Third Year 119,000
Fourth Year 119,000
Fifth Year 119,000

N/A **Industrial:**

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

N/A **Commercial:**

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

N/A **Irrigation:**

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

BB. Indicate the total estimated annual operating revenue for each of the first five years of operation:

Residential:

First Year 876.00
Second Year 900.00
Third Year 900.00
Fourth Year 900.00
Fifth Year 900.00

N/A **Industrial:**

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

N/A **Commercial:**

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

N/A **Irrigation:**

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

P. Indicate the total estimated annual operating expenses for each of the first five years of operation:

Residential:

First Year 100,000
 Second Year 100,000
 Third Year 100,000
 Fourth Year 120,000
 Fifth Year 120,000

N/A **Industrial:**

First Year _____
 Second Year _____
 Third Year _____
 Fourth Year _____
 Fifth Year _____

N/A **Commercial:**

First Year _____
 Second Year _____
 Third Year _____
 Fourth Year _____
 Fifth Year _____

N/A **Irrigation:**

First Year _____
 Second Year _____
 Third Year _____
 Fourth Year _____
 Fifth Year _____

N/A
REFER TO 'N'

DD. Attach an itemized list of the major components of the water or sewer system (see Attachment C-3).

EE. Indicate the total estimated cost to construct utility facilities: *N/A-REFER TO 'N'*

N/A
REFER TO 'N'

FF. Provide a description of how water and/or wastewater service is to be provided in the proposed extension area and the name of each water and wastewater service provider for the area, if any.

N/A
N/A

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

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

- i. A description of the information about water conservation or water saving measures that the utility will provide to the public and its customers;
- ii. A description of how the applicant will work with each wastewater service provider identified under subsection (B)(5)(aa) to encourage water conservation;
- iii. A description of the sources of water that will be used to supply parks, recreation areas, golf courses, greenbelts, ornamental lakes, and other aesthetic water features;
- iv. A description of any plans for the use of reclaimed water;
- v. A description of any plans for the use of recharge facilities;
- vi. A description of any plans for the use of surface water; and
- vii. A description of any other plans or programs to promote water conservation;

TIERED WATER RATES - SEE ATTACHMENT 'D'

- II. Provide a backflow prevention tariff that complies with Commission standards, if not already on file. **ON FILE**
- JJ. Provide a curtailment tariff that complies with Commission standards, if not already on file. **ON FILE**
- KK. Provide a copy of a Physical Availability Determination, Analysis of Adequate Water Supply, or Analysis of Assured Water Supply issued by the Arizona Department of Water Resources for the proposed service area or extension area or, if not yet obtained, the status of the application for such approval; **SEE ATTACHED**

Rebecca C. Hiser
(Signature of Authorized Representative)

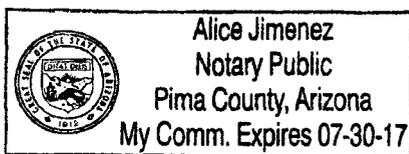
REBECCA C. HISER
(Type or Print Name Here)

SECRETARY
(Title)

SUBSCRIBED AND SWORN to before me this 17 day of July, 2015

[Signature]
NOTARY PUBLIC

My Commission Expires 07.30.17



ATTACHMENT "C"

- SEE ATTACHED 2014 ANNUAL REPORT ASSETS & LIABILITIES Pgs 6&7

PROFORMA BALANCE SHEET (WATER)

ASSETS

Current Assets

Cash \$ _____

Accounts Receivable _____

Other _____

Total Current Assets _____

Fixed Assets

Utility Plant in Service _____

(Less) Accumulated Depreciation _____

Net Plant in Service _____

Other _____

TOTAL ASSETS \$ _____

LIABILITIES AND CAPITAL

Current and Accrued Liabilities

Accounts Payable \$ _____

Notes Payable _____

Accrued Taxes _____

Accrued Interest _____

Other _____

Total Current and Accrued Liabilities _____

Long-Term Debt \$ _____

Other _____

Deferred Credits

Advances in Aid of Construction \$ _____

Contributions in Aid of Construction _____

Accumulated Deferred Income Tax _____

Total Deferred Credits \$ _____

TOTAL LIABILITIES \$ _____

CAPITAL ACCOUNT

Common Stock \$ _____

Preferred _____

Paid in Capital _____

Retained Earnings _____

Total Capital \$ _____

TOTAL LIABILITIES AND CAPITAL \$ _____

PROFORMA INCOME STATEMENT (WATER)

	<u>YR ONE</u>	<u>YR TWO</u>	<u>YR THREE</u>
REVENUE:			
Water Sales	<u>876.00</u>	<u>900.00</u>	<u>900.00</u>
Establishment Charges	_____	_____	_____
Other Operating Revenue	_____	_____	_____
Total Operating Revenue	\$ <u>876.00</u>	\$ <u>900.00</u>	\$ <u>900.00</u>
OPERATING EXPENSES: - SEE ATTACHED ANNUAL REPORT 2014 pg 8			
Salaries and Wages	\$ _____	\$ _____	\$ _____
Purchased Water	_____	_____	_____
Power Costs	_____	_____	_____
Water Testing	_____	_____	_____
Repairs and Maintenance	_____	_____	_____
Office Supplies Expense	_____	_____	_____
Outside Services	_____	_____	_____
Rents	_____	_____	_____
Transportation Expense	_____	_____	_____
Taxes Other than Property and income	_____	_____	_____
Depreciation	_____	_____	_____
Health and Life Insurance	_____	_____	_____
Income Taxes	_____	_____	_____
Property Tax	_____	_____	_____
Miscellaneous Operating	_____	_____	_____
Total Operating Expense	\$ <u>100.00</u>	\$ <u>100.00</u>	\$ <u>100.00</u>
OPERATING INCOME OR (LOSS)	\$ _____ \$	_____	\$ _____
OTHER INCOME/EXPENSES:			
Interest Income	\$ _____	\$ _____	\$ _____
Other Income	_____	_____	_____
Other Expenses	_____	_____	_____
Interest Expenses	_____	_____	_____
TOTAL OTHER INCOME/EXPENSE	\$ _____	\$ _____	\$ _____
NET INCOME (LOSS)	\$ <u>776.00</u>	\$ <u>800.00</u>	\$ <u>800.00</u>

PROFORMA UTILITY PLANT IN SERVICE (WATER)
FIRST YEAR

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	\$ _____	\$ _____	\$ _____
Franchises	_____	_____	_____
Land and Land Rights	<u>3,016</u>	_____	<u>3,016</u>
Wells and Springs	35,310 23,100	2,051 2,213	<u>33,303</u>
Electric Pumping Equip.	<u>51,020</u>	<u>6,990</u>	<u>44,030</u>
Water Treat. Equip.	_____	_____	_____
Distribution Reservoirs and Standpipes	<u>23,210</u>	<u>2,322</u>	<u>20,888</u>
Transmission & Dist. Mains	<u>235,687</u>	<u>9,427</u>	<u>226,260</u>
Services	<u>556</u>	<u>57</u>	<u>499</u>
Meters	<u>1,161</u>	<u>194</u>	<u>967</u>
Hydrants	_____	_____	_____
Other Plant Structures and Improvements	<u>3,059</u>	<u>306</u>	<u>2,753</u>
Office Furniture and Fixtures	<u>325</u>	<u>32</u>	<u>293</u>
Transportation Equipment	_____	_____	_____
Tools and Work Equipment	<u>1,268</u>	<u>126</u>	<u>1,142</u>
Laboratory Equipment	_____	_____	_____
Power Operated Equipment	_____	_____	_____
Communication Equipment	_____	_____	_____
Other Tangible Plant	_____	_____	_____
TOTAL PLANT IN SERVICE	\$ <u>355,527</u>	\$ <u>21,553</u>	\$ <u>333,974</u>

**ATTACHMENT "D" → SEE ATTACHED
WATER TARIFF SCHEDULE**

RATES AND CHARGES

<u>CUSTOMER/MINIMUM CHARGE PER MONTH</u>		<u>SERVICE LINE & METER INSTALLATION CHARGES</u>	
<u>METER CHARGE GALLONS</u>		<u>METER CHARGE</u>	
5/8 X 3/4"	\$ _____ FOR _____	5/8 X 3/4"	\$ _____
3/4"	\$ _____ FOR _____	3/4"	\$ _____
1"	\$ _____ FOR _____	1"	\$ _____
1 1/2"	\$ _____ FOR _____	1 1/2"	\$ _____
2"	\$ _____ FOR _____	2"	\$ _____
3"	\$ _____ FOR _____	3"	\$ _____
4"	\$ _____ FOR _____	4"	\$ _____
5"	\$ _____ FOR _____	5"	\$ _____
6"	\$ _____ FOR _____	6"	\$ _____

COMMODITY CHARGE (EXCESS OF MINIMUM):

\$ _____ PER _____ GALLONS

FLAT RATE \$ _____ PER MONTH

SERVICE CHARGES:

- | | |
|---|----------------|
| 1. ESTABLISHMENT (R14-2-403.D.1) | \$ _____ |
| 2. ESTABLISHMENT/AFTER HOURS (R14-2-403.D.2) | \$ _____ |
| 3. RECONNECTION/DELINQUENT (R14-2-403.D.1) | \$ _____ |
| 4. NSF CHECK (R14-2-409.F.1) | \$ _____ |
| 5. METER REREAD/IF CORRECT (R14-2-408.C.2) | \$ _____ |
| 6. METER TEST/IF CORRECT (R14-2-408.F.1) | \$ _____ |
| 7. DEFERRED PAYMENT (R14-2-409.G.6) | \$ _____ |
| 8. DEPOSIT INTEREST (R14-2-403.B.3) | _____ % |
| 9. DEPOSIT (R14-2-403.B.7) | PER RULE |
| 10. REESTABLISHMENT W/N 12 MOs (R14-2-403.D.1) | MONTHS OFF THE |
| SYSTEM TIMES THE MINIMUM | |
| 11. <u>OTHER RATES & CHARGES APPROVED BY ORDER:</u> | |

IN ADDITION TO THE COLLECTION OF ITS REGULAR RATES AND CHARGES, THE COMPANY SHALL COLLECT FROM ITS CUSTOMERS THEIR PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES OR USE TAX

COMPANY NAME	LAZY C WATER SERVICE		
Name of System:	LAZY C WATER	ADEQ Public Water System Number:	10-065

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Sustained Well Production w/ Presently Installed Pump (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-801499	10	30	563	8-9/8	1-1/2	2010
55-801500	15	48	650	8	1-1/2	1996

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
CITY OF TUCSON	90	1,071,884

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25	1	1	
20	1		
10	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	1	3,000	2
25,000	1	2,000	1
10,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

Company Name: LAZY C WATER

Test Year Ended: 2014

WATER COMPANY PLANT DESCRIPTION CONTINUED

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC#40	8,909
3	AC-PVC 900	1,600
4	AC-PVC 900	22,365
5		
6	AC-PVC 900	19,984
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	106
3/4	
1	27
1 1/2	1
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, please list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

250' chain link fence 6' high

68' grade stake 5' high

300' colored concrete block wall 5' high

6' chain link gate - (3)

OTHER:

WATER USE DATA SHEET

NAME OF COMPANY	LAZY C WATER
ADEQ Public Water System Number:	10-065

MONTH/YEAR (12 Months of Test Year)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
1. January	133	1,013,920	1,193,500
2. February	133	1,628,410	2,179,400
3. March	133	1,348,320	350,500
4. April	133	1,449,240	1,583,300
5. May	133	1,724,420	1,583,300
6. June	133	1,996,600	1,897,200
7. July	133	1,387,820	1,517,050
8. August	133	1,362,710	1,517,050
9. September	133	919,930	1,636,400
10. October	133	1,495,160	1,592,900
11. November	132	1,199,240	1,339,089
12. December	132	890,980	1,080,000
TOTAL	N/A	15,816,810	17,469,600

Is the water utility located in an ADWR Active Management Area ("AMA")?

YES NO

Does the Company have an ADWR gallons per capita day ("GPCD") requirement?

YES NO

If Yes, please provide the GPCD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of any of the above, please contact the Engineering Supervisor at 602-542-7277.

* Gallons pumped cannot equal or be less than the gallons sold.

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

*****BOX 1, INC.*****

a domestic corporation organized under the laws of the State of Arizona, did incorporate on June 16 1995.

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 7th day of July, 2015, A. D.





Jodi A. Jerich, Executive Director

By: _____
1260430

AZ. CORP. COMMISSIO.
FOR THE STATE OF AZ.

Jan 16 2 57 PM '95
Dale Shumaker
6-19-95

0751486-6

ARTICLES OF INCORPORATION

of
BOX 1, INC.

I. NAME

The name of the corporation is BOX 1, INC.

II. PURPOSE

The purpose for which the corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under the laws of the state of Arizona, as they may be amended from time to time, and specifically, but not in limitation thereof, the purpose of the ownership and operation of Lazy C Water Service and real property investment and development, and any and all other businesses of any type whatsoever growing out of, related to or in any manner whatsoever in connection with any of the items, businesses, relationships, purposes or powers described in these Articles. No enumeration herein set forth shall in any manner be deemed to be exclusive of object or purpose not enumerated, but on the contrary, such enumerations shall be construed as including all other and further objects and purposes of the same or similar type or character, regardless of how thin, vague or indefinite the relationship may be.

III. INITIAL BUSINESS

The corporation initially intends to conduct the business of the ownership and operation of Lazy C Water Service.

IV. AUTHORIZED CAPITAL

The corporation shall have the authority to issue One Million (1,000,000) shares of common stock, par value One (\$1.00) Dollar per share.

V. STATUTORY AGENT

The name and address of the initial statutory agent of the corporation is ROBERT J. GANFIELD, 4802 West Kay Tee Drive, P. O. Box 1, Tucson, Arizona 85702.

VI. KNOWN PLACE OF BUSINESS

The known place of business of the corporation shall be 4802 West Kay Tee Drive, P. O. Box 1, Tucson, Arizona 85702.

005522

RECEIVED JUN 21 1995

RECEIVED JUN 15 1995

IN WITNESS WHEREOF, the undersigned incorporators have hereunto set their hands this ~~14th~~ day of June, 1995.

Robert J. Canfield
ROBERT J. CANFIELD

Rebecca C. Hiser
REBECCA C. HISER

**ACKNOWLEDGEMENT OF APPOINTMENT
AS STATUTORY AGENT**

ROBERT J. CANFIELD, having been designated to act as Statutory Agent of BOX 1, INC. hereby consents to act in that capacity until his removal or resignation is submitted in accordance with the Arizona Revised Statutes.

Robert J. Canfield
ROBERT J. CANFIELD

VII. BOARD OF DIRECTORS

The business and affairs of the corporation shall be managed by the Board of Directors. The number of persons which shall constitute the whole Board of Directors shall not be less than one (1) nor more than ten (10). The specific number of persons on the Board of Directors shall be fixed from time to time, by the Board of Directors in accordance with these Articles and the Bylaws of the corporation. Until the first annual meeting of shareholders, and until their successors shall have been elected and qualified, the initial Board of Directors shall consist of one (1) director, and the following person shall be the initial director of the corporation:

Robert J. Canfield
P. O. Box 1
Tucson, Arizona 85702

VIII. INCORPORATORS

The incorporators of the corporation are:

Robert J. Canfield
P. O. Box 1
Tucson, Arizona 85702

Rebecca C. Hiser
4820 West Kay Tee Drive
Tucson, Arizona 85702

All powers, duties and responsibilities of the incorporators shall cease at the time of delivery of these Articles of Incorporation to the Arizona Corporation Commission for filing.

IX. DISTRIBUTIONS FROM CAPITAL SURPLUS

The Board of Directors of the corporation may, from time to time, distribute on a pro rata basis to its shareholders, out of the capital surplus of the corporation, a portion of its assets in cash or property.

X. INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

The corporation shall indemnify any person who incurs expenses by reason of the fact that he or she is or was an officer, director, employee or agent of the corporation in accordance with the procedures more specifically set forth in the Bylaws of the corporation. This indemnification shall be mandatory under all circumstances in which indemnification is permitted by law.

XI. REPURCHASE OF SHARES

The Board of Directors of the corporation may, from time to time, cause the corporation to purchase its own shares to the extent of the unreserved and unrestricted earned and capital surplus of the corporation.

BYLAWS

of

BOX I, INC.**ARTICLE I****OFFICES AND RECORDS**

The principal office of the Corporation in the State of Arizona shall be located in the City of Tucson, County of Pima, in which place the Corporation shall keep its books, documents and records. The Corporation may have such other offices either within or without the State of Arizona as the Board of Directors may designate or as the business of the Corporation may require from time to time, and in such case, the Corporation may keep its books, documents and records at such designated offices.

ARTICLE II**SHAREHOLDERS**

Section 1. Persons Constituting. The shareholders of this Corporation shall be the holders of one or more shares of the common stock of the Corporation as shown by entry on the books of the Corporation.

Section 2. Place of Shareholders Meetings. All meetings of the shareholders shall be held at the place of business of the Corporation at Tucson, Pima County, Arizona, or at such other location as may be designated by the Board of Directors. The place at which any given meeting is to be held shall be specified in the notice of such meeting.

Section 3. Annual Meeting. The annual meeting of the shareholders of the Corporation shall be held at 10:00 a.m. on the second Tuesday of March of each year, if not a legal holiday, and if a legal holiday, on the next succeeding day not a legal holiday. The shareholders shall elect the directors of the Corporation and conduct such other business as they are authorized to transact at the annual meeting. Notice of the annual meeting shall be mailed to each shareholder as his or her address shall appear on the books of the Corporation for the purpose of notice, not less than ten (10) nor more than sixty (60) days before the date of the meeting. A full statement of the condition of the Corporation shall be made by the President at the annual meeting of the shareholders.

Section 4. Special Meetings. Special meetings of the shareholders of the Corporation may be called by the President of the Corporation or by a majority of the members of the Board of Directors, and shall be called by the President on the written request of the holders of not fewer than one-third of all the shares entitled to vote at the meeting. Notice of each special meeting, indicating briefly the purpose or purposes therefor, shall be given in the same manner as the notice of annual meetings. Special meetings may be held either at the principal office of the Corporation or at any other place within or without the State of Arizona which may be designated by the Board of Directors, or which shall be agreed to, before or after such meeting.

Section 5. Fixing Date for Determination of Shareholders of Record. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of the shareholders or any

adjournment thereof, or shareholders entitled to receive payment for any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the Corporation may fix, in advance, a record date, which shall not be more than seventy (70) nor less than ten (10) days before the date of such meeting, nor more than seventy (70) nor less than ten (10) days prior to any such other action. If no record date is so fixed, then the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at 4:00 in the afternoon on the day before the day on which notice is given, or if notice is waived, at the commencement of the meeting.

Section 6. Voting Record. The officer or agent having charge of the stock transfer books for shares of the Corporation shall make, at least ten (10) days before each meeting of shareholders, a complete record of the shareholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each. Such record shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof.

Section 7. Quorum. A majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. All shares represented and entitled to vote on any single subject matter which may be brought before the meeting shall be counted for the purposes of a quorum. Only those shares entitled to vote on a particular subject matter shall be counted for the purposes of voting on that subject matter. The act of the shareholders voting a majority of the shares, whether in person or by proxy, at a meeting at which a quorum is present shall be the act of the shareholders. If the holders of an amount of shares necessary to constitute a quorum shall fail to attend a meeting, in person or by proxy, a majority in interest of the shareholders present, in person or by proxy, may adjourn the meeting until holders of the amount of shares requisite to constitute a quorum shall attend. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called. In the case of adjournment for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

Section 8. Voting of Shares. At all meetings of the shareholders, a shareholder may vote either in person or by proxy executed in writing by the shareholder or by his or her duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Subject to the provisions of Section 9 of this Article II, each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders.

Section 9. Cumulative Voting. At each election of directors, every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him or her for as many persons as there are directors to be elected and for whose election he or she has a right to vote, or to cumulate his or her votes by giving one candidate as many votes as the number of such directors multiplied by the number of his or her shares shall equal, or by distributing such votes on the same principal among any number of candidates.

Section 10. Waiver of Notice. Whenever, under the provisions of these Bylaws, any notice is required to be given, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting.

except when the person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 11. Informal Action by Shareholders. Any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of shareholders.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Powers, Number, Qualifications and Election. The business and affairs of the Corporation shall be conducted by the Board of Directors, who shall number no less than one (1) nor more than ten (10), and until changed at an annual or special meeting of the shareholders, shall number one (1). The directors need not be residents of the State of Arizona nor shareholders of the Corporation and shall be elected at the annual meeting of the shareholders to serve until the next annual meeting of shareholders or until their successors have been elected and qualified.

Section 2. Regular Meetings. Immediately following each annual meeting of the shareholders, the Board of Directors shall hold a regular meeting for the election of officers and such other business as it deems appropriate. No notice of such meeting need be given.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any director. The person or persons authorized to call a special meeting of the Board of Directors may fix any place for holding any special meeting of the Board of Directors called by them. Notice of any special meeting shall be given at least five (5) days prior thereto by written notice delivered personally or mailed to each director at his or her business address or by telegram. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 4. Quorum. A majority of the number of directors then serving shall constitute a quorum for the transaction of business. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If less than a majority of directors is present at a meeting, a majority of the directors then present may adjourn the meeting from time to time without further notice.

Section 5. Resignation of Director. Any director may resign his or her office at any time, such resignation to be made in writing and to take effect from the time of its receipt by the Corporation, unless the time be fixed in the resignation, and in such case it shall take effect from said date. The acceptance of the resignation shall not be required to make it effective.

Section 6. Removal of Director. At a meeting of the shareholders called expressly for that purpose, any director or the entire Board of Directors may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at any election of directors.

Section 7. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though not less than a quorum, or by a sole remaining director, and any director so chosen shall hold office until the next election of directors when his or her successor is elected and qualified. Any newly created directorship shall be deemed a vacancy. If the Board of Directors accepts the resignation of a director to take effect at a future time, it shall have the power to elect a successor to take office when the resignation becomes effective. In such case, the director so resigning shall not vote regarding the election of such successor director. No reduction in the authorized number of directors shall have the effect of removing a director prior to the expiration of his or her term of office.

Section 8. Compensation. By Resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. The shareholders shall approve the payment of any and all compensation to the directors, except for the reimbursement of their expenses as set forth herein, prior to the payment thereof.

Section 9. Waiver of Notices. Whenever, under the provisions of these Bylaws, any notice is required to be given, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 10. Informal Action by Directors. Any action required to be taken at a meeting of the directors, or any action which may be taken at a meeting of the directors, may be taken without a meeting if all directors consent thereto in writing, setting forth the action so taken. Any action so taken shall be deemed taken by Resolution of the Board of Directors by a unanimous vote.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the Corporation shall consist of a President, one or more Vice-Presidents if so determined by the Board of Directors, the specific number thereof to be set by Resolution of the Board of Directors, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors at such time and in such manner as may be prescribed by these Bylaws. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Board of Directors or chosen in such other manner as may be prescribed by the Bylaws. Any two or more offices may be held by the same person.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors after the annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be possible. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death, resignation or removal in the manner prescribed in these Bylaws.

Section 3. Removal of Officer. Any officer or agent of the Corporation may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served

thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. Resignation of Officer. Any officer may resign his or her office at any time, such resignation to be made in writing and to take effect from the time of its receipt by the Corporation, unless a time be fixed in the resignation, in which case said resignation shall take effect from that date. The acceptance of the resignation shall not be required to make it effective.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise shall be filled by the Board of Directors for the unexpired portion of the term.

Section 6. President. The President shall preside at all meetings of the shareholders and of the directors of the Corporation. The President may sign and execute all authorized contracts, checks or other instruments or obligations in the name of the Corporation and, with the Secretary or an Assistant Secretary, may sign all certificates of stock of the Corporation. Subject to the decision of the Board of Directors, the President shall be in general charge of the property, business and affairs of the Corporation, and shall perform such additional duties and have such additional powers as may be assigned to him or her by the Board of Directors.

Section 7. Vice-President. Each Vice-President of the Corporation shall have such powers and perform such duties as may be assigned to him or her from time to time by the Board of Directors or as may be delegated to him or her by the President, including signing certificates of stock of the Corporation. Each Vice-President shall possess the powers, and may perform the duties, of the President in his or her absence or disability unless otherwise proscribed by the Board of Directors. In the event there may be more than one Vice-President, the Vice-President in the order of the election thereof shall possess the powers, and may perform the duties, of the President in his or her absence.

Section 8. Secretary. The Secretary shall keep a record in due form of the proceedings of all meetings of the shareholders, the directors and of all committees of the Board of Directors. The Secretary shall give all notices of the Corporation. All books, papers, stock registers and correspondence shall be kept in the office of the Corporation and, except as the same may be specifically placed in the custody of the Treasurer, shall be in the Secretary's charge and kept available for inspection by any member of the Board of Directors. The Secretary and/or Assistant Secretary, with the President or a Vice-President, may sign all certificates of stock and sign in the name of the Corporation such contracts as shall be authorized by the Board of Directors. The Secretary shall have such other duties and powers as may be assigned to him or her from time to time by the Board of Directors. The Board of Directors may appoint one or more Assistant Secretaries, each of whom shall have such powers and shall perform such duties as shall be assigned by the Board of Directors or the President of the Corporation.

Section 9. Treasurer. The Treasurer shall keep a record of all monies received and paid out and all vouchers and receipts of the corporation. The Treasurer shall be in general charge of all valuables, checks and papers belonging to the Corporation except those under the control of the Secretary. The Treasurer shall have such other duties and powers as may be assigned to him or her from time to time by the Board of Directors. The Board of Directors may appoint one or more Assistant Treasurers, each of whom shall have such powers and perform such duties as may be assigned by the Board of Directors or the President of the Corporation.

Section 10. Delegation of Officers' Powers and Duties. In case of the temporary absence of any officer of the Corporation or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers and duties of such officer to any other officer or to any other director for the time specified, provided a majority of the entire Board of Directors concurs therein.

Section 11. Salaries. The salaries of the officers, employees and agents of the Corporation who are elected or appointed by the Board of Directors shall be fixed from time to time by the Board of Directors, and no officer, employee or agent shall be prevented from receiving such salary by virtue of the fact that he or she is also a director of the Corporation.

ARTICLE V

FISCAL YEAR

The fiscal year of the Corporation shall be as fixed by the Board of Directors.

ARTICLE VI

DEPOSITORIES

The Board of Directors, from time to time, may select one or more banks or other financial institutions as depositories of the funds of the Corporation and may direct withdrawals at its pleasure.

ARTICLE VII

CERTIFICATES OF STOCK

Certificates of the shares of the Corporation shall be numbered consecutively, and a record of each shall be made as issued. Each certificate shall set forth the holder's name, the number of shares and shall be signed by the President or a Vice-President and countersigned by the Secretary or Assistant Secretary. Transfer of shares shall be made only on the books of the Corporation and the possession of a certificate of stock (as between the holder and the Corporation) shall not be regarded as vesting any ownership in any person other than the registered owner until transfer thereof is duly made on the books of the Corporation by the holder in person or by his attorney-in-fact. The Board of Directors shall have the power and authority to make such rules and regulations as it may deem expedient concerning the issuance and transfer of certificates of shares of the Corporation.

ARTICLE VIII

STOCK TRANSFER LEDGER

The stock transfer ledger of the Corporation shall close for ten (10) days prior to any regular meeting of the shareholders and for ten (10) days prior to the date of payment of any dividend, the

allotment of rights or the exchange or conversion of stock. During such period, no shares shall be transferable and the list of the shareholders, as shown by the books, shall determine who shall be entitled to notice, to vote or to receive dividends or other rights or distributions.

ARTICLE IX

DIVIDENDS

The Board of Directors of the Corporation may, from time to time, declare, and the Corporation may pay, dividends in cash, property or its own shares, except when the Corporation is insolvent or when the payment thereof would render the Corporation insolvent or when the declaration or payment thereof would be contrary to any restriction contained in the Articles of Incorporation.

ARTICLE X

CORPORATE SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation, the state of incorporation, the words "Corporate Seal" and the year of incorporation.

ARTICLE XI

INDEMNIFICATION

Indemnification of any person who incurs expenses by reason of the fact that he or she is or was an officer, director, employee or agent of the Corporation shall occur in the manner provided for indemnification in the Arizona Business Corporation Act.

ARTICLE XII

AMENDMENTS

Subject to the Articles of Incorporation, the Board of Directors shall have the power to make, alter, amend or repeal the Bylaws of the Corporation by a vote of a majority thereof. A majority of the shareholders of the Corporation may make, alter, amend or repeal the Bylaws of the Corporation at any annual or special meeting called for such purpose, and all Bylaws adopted by the directors may be altered or repealed by the shareholders at such meeting.

DATED this 2nd day of January, 1996.

BOX 1, INC.

ATTEST:

Rebecca C. Hiser
REBECCA C. HISER, Secretary

By: Robert J. Canfield
ROBERT J. CANFIELD, President

**LAZY C WATER SERVICE
LEGAL DESCRIPTION**

Southwest Quarter of the Northwest Quarter of the Northeast Quarter of Section 35, Township 13
South, Range 12 East; and

Southeast Quarter of the Northeast Quarter of the Northwest Quarter of Section 35, Township 13
South, Range 12 East.

Application for an Extension Certificate of Convenience and Necessity

Lazy C Water Service

N. There are no new facilities that will be constructed for this proposed CC&N extension. The purpose of the extension is solely to provide service to one additional customer. A company-owned meter and customer-owned service line are already in place.

O. N/A – refer to “N”

P. N/A – refer to “N”

S. N/A – refer to “N”



POST OFFICE BOX 5118

TUCSON, ARIZONA 85703-0118 USA

PHONE (520) 743-4551

FAX (520) 743-4552 OR 798-1514

5 January 2009

Robert Canfield
Lazy C Water Service
P. O. Box 1
Tucson, AZ 85702

Dear Mr. Canfield:

I am writing to formally request that my property be added to Lazy C Water District's Certificate of Convenience and Necessity. A Lazy C supply line runs along the border of this property. The property's legal parcel descriptions, with book-map-parcel designations, are

SW4 NW4 NE4 SEC 35-13-12 :: 214-54-0240 :: 10 acres, deed-restricted
(with 1-house built in 1996, owner-occupied; no more houses allowed)
NW4 SW4 NE4 SEC 35-13-12 :: 214-54-0340 :: 10 acres, deed-restricted
(with 1-house built in 1996, maintained as a rental; no more houses allowed)
N2 NW4 NE4 SEC 35-13-12 :: 214-54-0230 :: 20 acres, deed-restricted
(vacant land with a 2-house maximum)
SE4 NE4 NW4 SEC 35-13-12 :: 214-54-0270 :: 10 acres
(vacant land with a 3-house maximum)

Tight deed restrictions limit development to one house per 10 acres on the first three parcels in the list above. The last parcel in this list is not deed-restricted and falls under zoning of one house per 3.3 acres.

Thank you for considering this request, and if you have any questions don't hesitate to call.

I look forward to hearing from you soon.

With kind regards,

Thomas Wiewandt
tom@wildhorizons.com



POST OFFICE BOX 5118

TUCSON, ARIZONA 85703-0118 USA

PHONE (520) 743-4551

FAX (520) 743-4552

20 May 2010

Robert Canfield
Lazy C Water Service
P. O. Box 1
Tucson, AZ 85702

Dear Mr. Canfield:

When my 500-ft-deep well went dry 13 years ago, I had a decision to make: either drill another hole or ask Lazy C for water service. Either way, our up-front installation cost would have been about the same. Connecting to your main waterline that borders my property seemed to be a safer long-term solution, and you were kind enough to offer me Lazy C water.

Eight years later, a real estate appraiser lowered the value of this property because our metered waterline had never been officially approved and recorded by the Corporation Commission. Until then, I was unaware that such prior-authorization is required. So to safeguard my present and future water needs, in 2005, I asked for a "Certificate of Convenience and Necessity."

I've tried to be patient, but four years and three formal requests later, we are still waiting for approval. Personally, I can't understand why so much effort and paperwork is required for this Certificate. I have no intentions of developing a subdivision here, and as you know, I'm doing my best to provide long-term protection for most of this spectacular tract of Sonoran Desert. It serves as an important wildlife corridor between Saguaro National Park West and Sweetwater Preserve. At this point, I can assure you that our demand for water will never exceed that needed for 3 home sites, a reduction from my original request. And if it will expedite our application, I'm fully prepared to sign a guarantee that our needs will never exceed this allotment.

All I'm requesting is official permission to be added to your certificated water area to secure my long-term interests in protecting this 50-acre property from wildcat development and additional well-drilling. In the face of Tucson's explosive growth in the years ahead, in my opinion, the highest and best use of this land is maintaining it in a natural state for the preservation of its wildlife and scenic beauty. In fact, I've added forty acres of this property to the list for acquisition by the National Park Service in the next boundary expansion of Saguaro National Park.

I would greatly appreciate immediate action to re-file this request with the Corporation Commission. Please keep in mind that the Corporation Commission requires your response within 30 days of their reply. And I would be happy to offer my assistance if needed.

Sincerely,

Thomas Wiewandt

email: tom@wildhorizons.com



POST OFFICE BOX 5118

TUCSON, ARIZONA 85703-0118 USA

PHONE (520) 743-4551

FAX (520) 743-4552

20 May 2010

Robert Canfield
Lazy C Water Service
P. O. Box 1
Tucson, AZ 85702

Dear Mr. Canfield:

Once again, I am writing to ask that my property be added to Lazy C Water District's Certificate of Convenience and Necessity. We initiated this request with the Corporation Commission more than four years ago, back in December 2005. In the following years we submitted three more official requests, all of which have fallen by the wayside. And our need remains today.

To clarify my intentions, and hopefully to simplify the processing of our application, I am reducing the maximum number of home sites from 7 to 3 on 50 acres of land. And if it will expedite our application, I'm fully prepared to sign a guarantee that our needs will never exceed this allotment if I can achieve my goal to protect most of this acreage (40 acres) in a natural state as a bridge between Saguaro National Park West and Sweetwater Preserve, a conservation effort that has been underway for about three years.

As you know, creating a subdivision was never my intent. I live on this property, my well went dry 13 years ago, and I would like to be officially added to your certificated water area to secure my long-term interests in protecting this 50-acre property from wildcat development and additional well-drilling.

A Lazy C main line runs along the border of my property. The property's legal parcel descriptions, with book-map-parcel designations, are

SW4 NW4 NE4 SEC 35-13-12 :: 214-54-0240 :: 10 acres
NW4 SW4 NE4 SEC 35-13-12 :: 214-54-0340 :: 10 acres
N2 NW4 NE4 SEC 35-13-12 :: 214-54-0230 :: 20 acres
SE4 NE4 NW4 SEC 35-13-12 :: 214-54-0270 :: 10 acres

Thank you for giving my 2010 request your prompt attention and follow-up. If there is anything I can do to help, don't hesitate to call.

I look forward to hearing from you soon.

With kind regards,

Thomas Wiewandt
tom@wildhorizons.com

ATTACHMENT "B"

<i>PIMA</i>	<i>35</i>	<i>13 SOUTH</i>	<i>12 EAST</i>
COUNTY	SECTION	TOWNSHIP	RANGE

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

*EXISTING
LAZY C WATER
SERVICE*

*NEW EXTENSION
50 ACRES
EXTENSION OF CON*

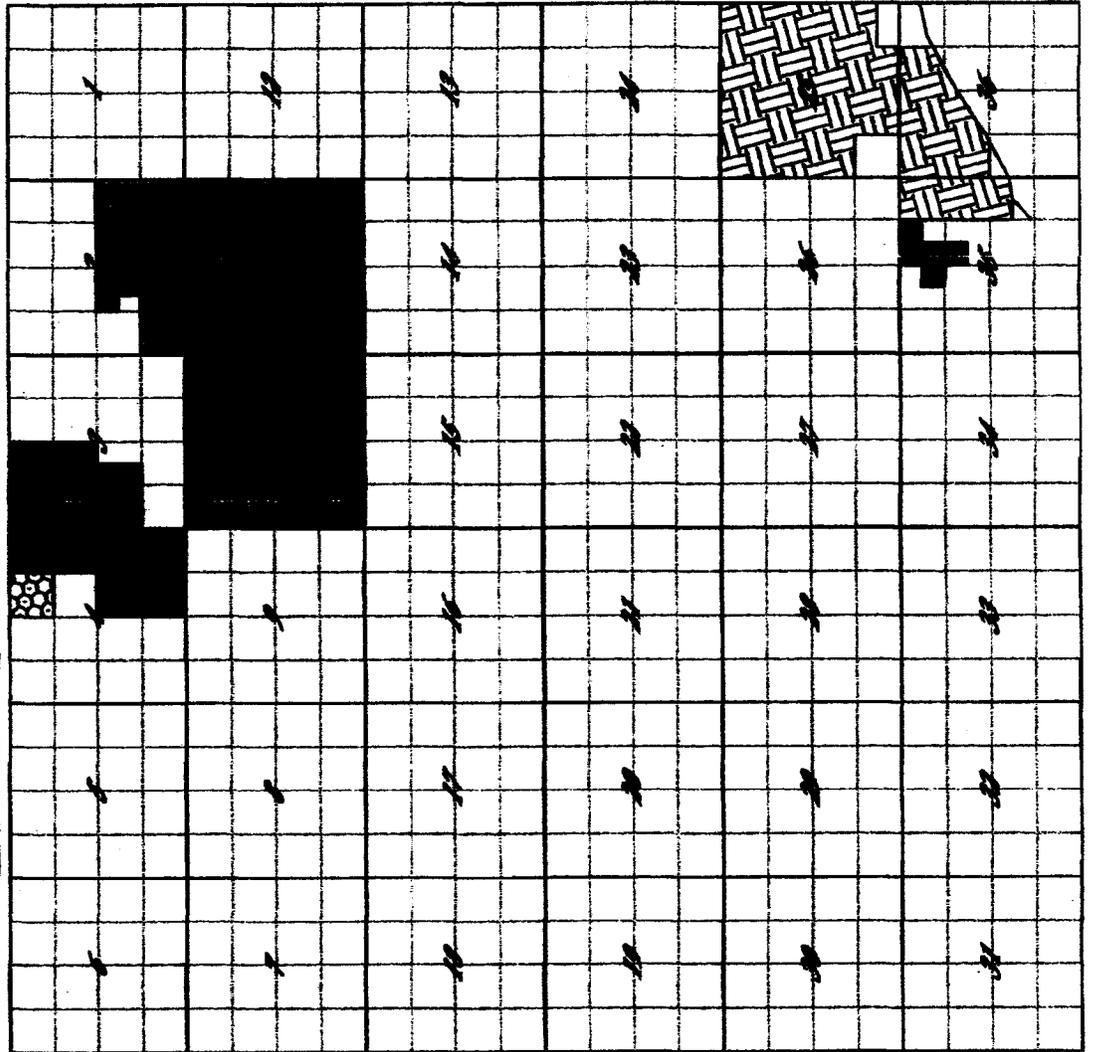
Type or Print Description Here:

*NW 1/4 OF SW 1/4 OF NE 1/4 + SW 1/4 OF NW 1/4 OF NE 1/4
+ N 1/2 OF NW 1/4 OF NE 1/4 + SE 1/4 OF NE 1/4 OF NW 1/4
ALL IN SEC 35, TWP 13S, R 12E, Q + SR B+M (Pima County)*

COUNTY: Pima

RANGE 12 East

TOWNSHIP 13 South



W-1536 (2)

Lazy C Water Service



W-1998 (1)

Picture Rocks Water Company



(4)

Town of Marana (Nonjurisdictional)



(8)

City of Tucson (Nonjurisdictional)



Lazy C Water Service

Docket No. W-01536A-06-0342-DLD - *5/20/12*
Application for Extension

**STATE OF ARIZONA
DEPARTMENT OF WATER RESOURCES
CERTIFICATE OF ASSURED WATER SUPPLY**

This is to certify that

First American Title Insurance Company, a California corporation, as Trustee under Trust No. 9205, owner, with WV, LLC, an Arizona limited liability company, Puerto Partners, LLC, an Arizona limited liability company, MOJLA, LLC, an Arizona limited liability company, and DMAM Properties, LLC, an Arizona limited liability company, beneficiaries, and with Pepper Viner Group LTD, an Arizona corporation and Pepper Viner at Sweetwater Canyon, LLC, an Arizona limited liability company, future beneficiaries

have met the requirements of A.R.S. §§ 45-576 and the applicable regulations, and

By powers vested in the Director of the Arizona Department of Water Resources by the State of Arizona, and subject to the conditions contained in the applicable regulations,

Are issued this Certificate of Assured Water Supply for

Sweetwater Canyon, Lots 1-46 and Common Areas A & B
Township 13 South, Range 12 East, Section 25
GSRB&M Pima County, TUCSON Active Management Area

Sufficient water of adequate quality will be continuously available to satisfy the water demand of the referenced subdivision for at least one hundred years. The referenced subdivision consists of 46 lots as described in the preliminary plat on file with the Department, and has an estimated water demand of 19.47 acre-feet per year. The subdivision will be served groundwater by Lazy C Water Service.

This Certificate is invalid as to any entity not named above.
This Certificate may be assigned pursuant to A.A.C. R12-15-705.

Certificate Number: 27-500012.0000



ARIZONA DEPARTMENT OF WATER RESOURCES

Jandra Liberty-Whitney
Assistant Director

26 APRIL 2007

Date

TYPE A CERTIFICATE

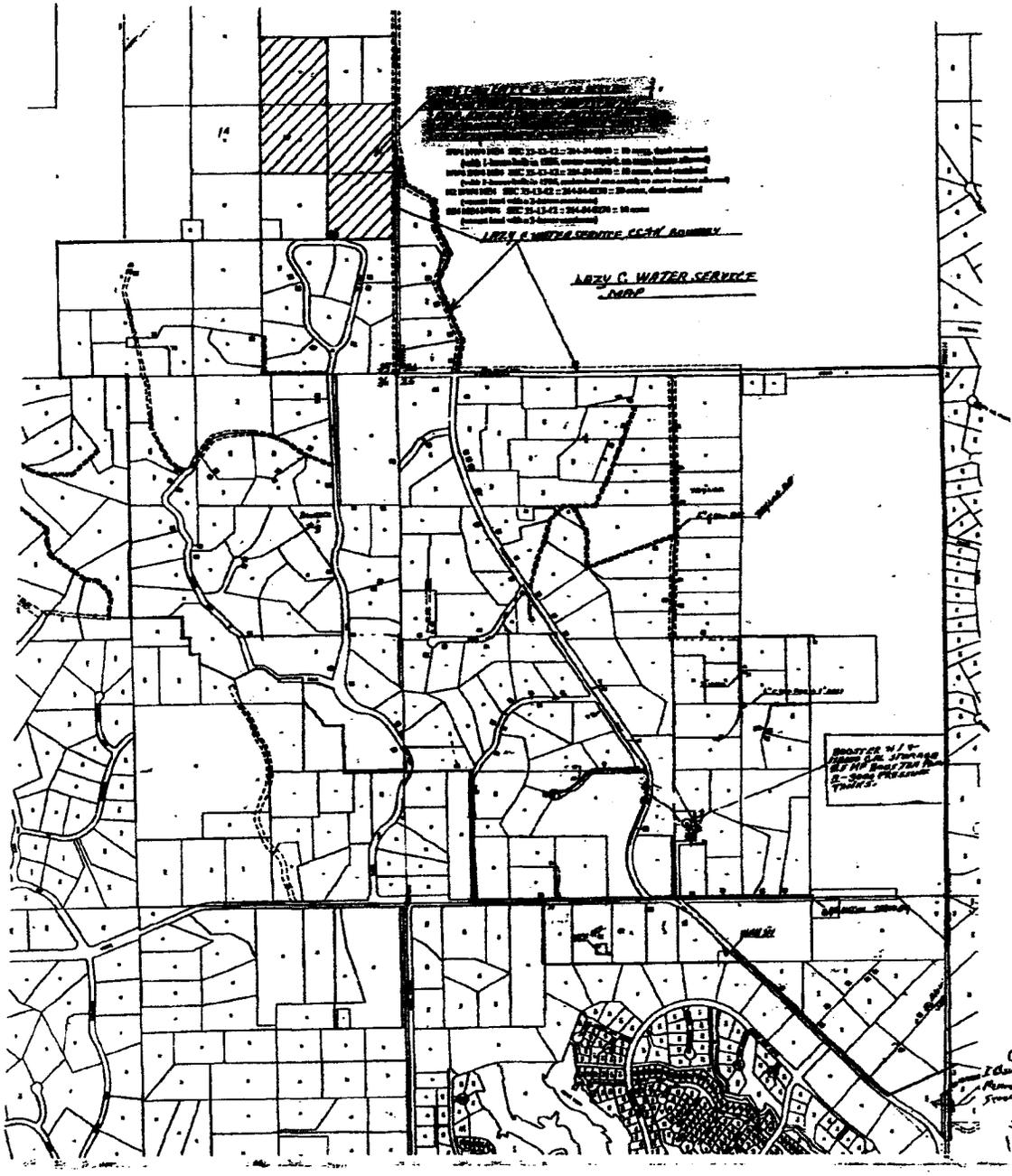
NOTICE TO CONTRACTORS

THE CITY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS
WATER DIVISION
1224 S. WILSON STREET, LOS ANGELES, CALIF. 90007
PHONE (213) 475-2000

**LOS ANGELES WATER SERVICE
MAP**

PROPERTY OF THE
CITY OF LOS ANGELES
WATER DIVISION
1224 S. WILSON STREET
LOS ANGELES, CALIF. 90007

CITY
OF LOS ANGELES
WATER DIVISION
1224 S. WILSON STREET
LOS ANGELES, CALIF. 90007



85745



WEST SWEETWATER DRIVE

Home Residence

2-INCH SERVICE LINE

588 W. Sweetwater Dr.

PARCEL A (20 acres)

WATER METER

PARCEL B (10 acres)

PARCEL D (10 acres)

5757 W. Sweetwater Dr.

ORIGINAL WATER LINES

WELL SITE

DIRT ROAD

5795 W. Sweetwater Dr.

PARCEL C (10 acres)

F. ANN RODRIGUEZ, RECORDER
RECORDED BY: IJM
DEPUTY RECORDER
1941 RDOC



DOCKET: 10783
PAGE: 463
NO. OF PAGES: 2
SEQUENCE: 19980600165
04/27/98
LEGAL 10:27
MAIL
AMOUNT PAID \$ 10.00

W
DAVID MORTON
5795 W SWEETWATER
TUCSON 85745

LEGAL DESCRIPTION 10 Foot Wide Water Line Easement

A 10 foot wide water line easement located in a portion of the Northwest quarter of the Northeast quarter of Section 35, Township 13 South Range 12 East, Gila and Salt River Base and Meridian, Pima County, Arizona. Said easement being 5 feet on either side of the following described centerline:

BEGINNING at the Northeast quarter of the Northwest quarter of the Northeast quarter of said Section 35;

thence South 0° 09' 32" West along the East line of the Northwest quarter of the Northeast quarter of said Section 35, 565.12 feet to the TRUE POINT OF BEGINNING of said centerline;

thence South 86° 11' 37" West 69.59 feet;

thence North 42° 49' 47" West 37.16 feet;

thence North 24° 58' 41" West 60.39 feet;

thence North 65° 16' 49" West 71.38 feet;

thence North 60° 22' 26" West 119.59 feet,

thence North 68° 21' 53" West 57.61 feet;

thence North 40° 45' 58" West 99.61 feet

thence North 84° 43' 09" West 172.86 feet;

thence North 66° 20' 48" West 107.85 feet;

thence South 64° 18' 44" West 271.05 feet;

thence South 57° 51' 33" West 64.12 feet;

thence South 50° 07' 37" West 188.01 feet;

thence South 57° 08' 34" West 100.95 feet;

thence South 29° 04' 18" West 87.53 feet to a point on the South line of the Northwest quarter of the Northwest quarter of the Northeast quarter of said Section 35 and the terminus of said centerline.



COPIES

SURVEYS

SUBDIVISIONS

Job #93-145
Sheet 1 of 2

ROBERT F. MELLEN

REGISTERED LAND SURVEYOR
NO. 4680

888-1012 / 1250 W. MOHAVE / TUCSON, ARIZONA 85705



LEGAL DESCRIPTION

Well Site
(Exhibit "A")

A 25 foot by 25 foot well site with a 25 foot wide easement for maintenance and repairs over that portion of the Southwest Quarter of the Northwest Quarter of the Northeast Quarter of Section 35, Township 13 South of Range 12 East, Gila and Salt River Base and Meridian, Pima County, Arizona, described as follows:

Beginning at the Southwest corner of the Southwest Quarter of the Northwest Quarter of the Northeast Quarter of said Section 35

Thence North $0^{\circ} 05' 49''$ East along the West line of the Northeast Quarter, 121.98 feet to the Northwest corner of said access and maintenance easement

Thence South $89^{\circ} 54' 11''$ East, 25.63 feet to the Northwest corner of the 25' X 25' well site

Thence continue South $89^{\circ} 54' 11''$ East, 25.0 feet to the Northeast corner of said well site

Thence South $0^{\circ} 05' 49''$ West, 25.0 feet to the Southeast corner of said well site

Thence North $89^{\circ} 54' 11''$ West, 25.0 feet to the Southwest corner of said well site and the Southeast corner of the 25' access, maintenance and repair easement

Thence continue North $89^{\circ} 54' 11''$ West, 25.63 feet to the West line of said Northeast Quarter of said Section 35

SURVEYS

SUBDIVISIONS

Job #93-145
Sheet 2 of 2

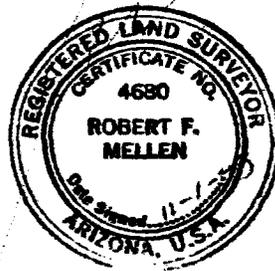
ROBERT F. MELLEN

REGISTERED LAND SURVEYOR
NO. 4680

888-1012 / 1250 W. MOHAVE / TUCSON, ARIZONA 85705

LEGAL DESCRIPTION
Well Site
(Exhibit "A")

Thence North $0^{\circ} 05' 49''$ East, 25.0 feet to the true point
of beginning



COMPANY NAME LAZY C WATER SERVICEWATER UTILITY BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 3600	\$ (572)
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		1890
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	13,622	13,622
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 17,222	\$ 14,940
	FIXED ASSETS		
101	Utility Plant in Service	\$ 343,014	\$ 355,527
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	7,721	21,553
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 335,293	\$ 333,974
	TOTAL ASSETS	\$ 352,515	\$ 348,914

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

COMPANY NAME LAZY C WATER SERVICE

WATER UTILITY BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	300,413	296,812
	TOTAL CURRENT LIABILITIES	\$ 300,413	\$ 296,812
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 300,413	\$ 296,812
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 10,000	\$ 10,000
211	Paid in Capital in Excess of Par Value	5,767	5,767
215	Retained Earnings	26,335	26,335
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 52,102	\$ 52,102
	TOTAL LIABILITIES AND CAPITAL	\$ 352,515	\$ 348,914

COMPANY NAME LAZY C WATER SERVICE

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 127,374	\$ 112,822
460	Unmetered Water Revenue		
474	Other Water Revenues	—	—
	TOTAL REVENUES	\$ 127,374	\$ 112,822
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water	6,510	5,107
615	Purchased Power	14,421	14,281
618	Chemicals		
620	Repairs and Maintenance	14,077	3,731
621	Office Supplies and Expense	4,355	6,132
630	Outside Services	91,311	59,039
635	Water Testing	2,649	954
641	Rents	3,000	3,000
650	Transportation Expenses		
657	Insurance – General Liability	4,036	3,856
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	11,667	4,365
403	Depreciation Expense	7,721	13,832
408	Taxes Other Than Income	7,420	7,904
408.11	Property Taxes	1,988	8,090
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 169,215	\$ 130,291
	OPERATING INCOME/(LOSS)	\$ (41,841)	\$ (17,469)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ (41,841)	\$ (17,469)

ORDER

IT IS THEREFORE ORDERED that Lazy C Water Service is hereby directed to file with Docket Control, as a compliance item in this docket, within 30 days of the effective date of this Decision, revised rate schedules setting forth the following rates and charges:

MONTHLY USAGE CHARGE:

5/8" x 3/4" Meter	\$ 19.00
3/4" Meter	28.28
1" Meter	47.50
1-1/2" Meter	75.00
2" Meter	150.80
3" Meter	301.60
4" Meter	471.25
6" Meter	942.50

COMMODITY RATES:

(per 1,000 Gallons)	\$2.45
0-3,000 gallons	4.00
3,001 - 9,000 gallons	5.50
Over 9,000 gallons	5.50
Standpipe (per 1,000 gallons)	

SERVICE LINE AND METER INSTALLATION CHARGES:

	<u>Service Line Charge</u>	<u>Meter Installation</u>	<u>Total</u>
5/8" x 3/4" Meter	\$420.00	\$108.00	\$ 528.00
3/4" Meter	395.00	197.00	592.00
1" Meter	430.00	246.00	676.00
1-1/2" Meter	505.00	457.00	962.00
2" Meter	716.00	890.00	1,606.00
3" Meter	855.00	1,362.00	2,217.00
4" Meter	1,255.00	2,255.00	3,510.00
6" Meter	1,990.00	4,556.00	6,546.00
Over 6"	Actual Cost	Actual Cost	Actual Cost

SERVICE CHARGES:

Establishment	\$20.00
Establishment (After Hours)	33.00
Reconnection (Delinquent)	20.00
Meter Test (If Correct)	33.00
Deposit	*
Deposit Interest	**
Re-Establishment (Within 12 Months)	***
NSF Check	\$20.00
Deferred Payment	N/A
Meter Re-Read (If Correct)	\$15.00
Late Payment Charge-Per-Month	N/A
Charge for Moving Meter	Minimum Cost

MONTHLY SERVICE CHARGE FOR FIRE SPRINKLER:

4" or Smaller	****
6"	
8"	
10"	
Larger than 10"	

* Per Commission Rule A.A.C. R14-2-403(B)(7).

** Per Commission Rule A.A.C. R14-2-403(B)(3).

*** Months off system times the monthly minimum A.A.C. R14-2-403(D).

**** 2.00% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$10.00 per month. The Service Charge for Fire Sprinklers is only applicable for service lines separate and distinct from the primary water service line.