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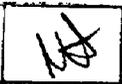
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11 Attorneys for The Highlands at Inde

Arizona Corporation Commission

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12 **BEFORE THE ARIZONA CORPORATION COMMISSION**

13 IN THE MATTER OF THE
14 APPLICATION OF THE HIGHLANDS
15 AT INDE FOR AN ORDER
16 ADJUDICATING THAT IT IS NOT A
17 PUBLIC SERVICE CORPORATION.

Docket No. W-20980A-16-0274

18 **MEMORANDUM IN SUPPORT
19 OF APPLICATION FOR
20 ADJUDICATION**

21 The Highlands at Inde (the "Association") filed, concurrently with this
22 Memorandum, its Application for Adjudication (the "Application") with the Arizona
23 Corporation Commission (the "Commission") seeking an order adjudicating it not a public
24 service corporation. The Application complies with all of the requirements of the
25 Commission's Policy Directive No. 55568 (the "Policy Directive"). This Memorandum will
26 now address each requirement of the Policy Directive.

27 **I. Non-Profit Homeowners' Association**

28 The Association is a non-profit corporation formed on May 19, 2016 for the purposes
29 of operating and maintaining a homeowners' association and operating and maintaining a
30 water supply and distribution system for the benefit of the participating lot and parcel
31 owners of the Highlands at Inde subdivision in Cochise County, Arizona (the "Highlands").

1 The Articles of Incorporation are attached as Exhibit 1 to the Application. Publication of
2 the Articles of Incorporation was completed on June 23, 2016. The domestic address is
3 9301 W. Airport Road, Willcox, Arizona 85643. The statutory agent is Christopher J.
4 Dorland, whose address is 6325 N. Pinnacle Ridge, Tucson, Arizona 85718.

5 **II. Signed Petition**

6 The Association has submitted a petition signed by Inde Motorsport Ranch, LLC, the
7 sole member of the Association. This petition is attached as Exhibit 4 to the Application.

8 **III. Ownership of System**

9 The water system has not yet been constructed, but the Association has prepared a
10 preliminary engineering report and water distribution plan which is attached as Exhibit 7 to
11 the Application. Additionally, Inde Motorsport Ranch, LLC has submitted a request for
12 change in ownership of Well No. 55-223464 to the Association. A copy of the well registry
13 report and submitted request is attached as Exhibit 6 to the Application.

14 Exclusive control and management of the Water System is reserved by the
15 Association pursuant to Section 1.38 of the Declaration of Covenants, Conditions &
16 Restrictions ("CC&Rs") attached as Exhibit 3 to the Application.

17 **IV. Voting Rights**

18 Pursuant to Section 3.2 of the CC&Rs and Section 3.5 of the Bylaws, attached as
19 Exhibit 2 to the Application, each lot owner in the ten-lot Highlands subdivision is a
20 member of the Association. Each member has equal voting rights for each lot owned.

21 **V. The Service Area**

22 The Highlands is a fixed territory which is not within the service area of a municipal
23 or public utility. It is located outside Willcox, Arizona and consists of 10 lots. *See Recital*
24 *F of the CC&Rs, Exhibit 3, and Section 2.2 of the Bylaws, Exhibit 2.* No property may be
25 added to the service area.
26

1 **VI. Prohibition Against Lot Splitting**

2 Section 8.1.3 of the CC&Rs prohibits lot splitting.

3 **VII. Restriction of Membership**

4 Section 3.1 of the Bylaws restricts membership in the Association to lot owners and
5 Section 8.1.2 of the CC&Rs limits use of the Water System to less than 25 people at any
6 given time during the year.

7 **VIII. Additional Filing Requirements**

8 The Application includes a description of the area to be adjudicated, copies of the
9 Articles of Incorporation, Bylaws, CC&Rs, the Well Registry from ADWR and Request for
10 Change in Well Ownership filed with ADWR, the preliminary engineering report and water
11 distribution plan, the final plat map of the Highlands, and a petition from the property
12 owner.

13 DATED this 5th day of August, 2016.

14 MESCH CLARK ROTHSCHILD

15
16 By: 
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