

ORIGINAL

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

TOM FORESE, Chairman
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BOYD W. DUNN

DOCKETED

MAR 22 2017

DOCKETED BY

W-03936A-17-0080

W-20446A-17-0080

SW-20445A-17-0080

IN THE MATTER OF THE APPLICATION OF
GLOBAL WATER-SANTA CRUZ WATER
COMPANY, LLC AND GLOBAL WATER-PALO
VERDE UTILITIES COMPANY, LLC FOR A
WAIVER UNDER A.A.C. R14-2-806 FOR A
WAIVER RELATED TO THE MERGER BETWEEN
EAGLETAIL WATER COMPANY, L.C. AND
WATER UTILITY OF EAGLETAIL, LLC.

Docket No.

**VERIFIED APPLICATION FOR
WAIVER**

Pursuant to A.A.C. R14-2-806 ("Rule 806"), Global Water-Santa Cruz Water Company, LLC ("Santa Cruz") and Global Water-Palo Verde Utilities Company, LLC ("Palo Verde")(with Santa Cruz, the "Applicants") apply for a waiver of the Commission's Affiliated Interest and Holding Company Rules, A.A.C. R14-2-801 et seq., ("Affiliate Rules"). The requested waiver would allow a merger transaction whereby Global Water, LLC, the immediate parent of Santa Cruz and Palo Verde, would also become the parent of Eagletail Water Company, L.C. ("Eagletail"). The Applicants state the following in support of this application for a waiver:

Description of Eagletail

1. Eagletail is a Class E water public service corporation serving a portion of the Harquahala Valley in far western Maricopa County. Eagletail holds a Certificate of Convenience and Necessity under Decision Nos. 63684 (May 24, 2001) and 65277 (Oct. 16, 2002). The certificate was originally issued to Eagle Water Company in Decision No. 40272 (October 21, 1969), with the assets and certificate going through a number of hands over the intervening years. Eagletail's service area is located approximately 65 miles west of downtown Phoenix and 16 miles south of Interstate 10.

1 **Exhibit A.** Under the Agreement, Eagletail will merge within and into the Merger Subsidiary,
2 with Eagletail being the surviving entity (the “Merger”). This will result in Global Water, LLC
3 owning all of the membership interests in Eagletail and becoming the sole member of Eagletail.
4 As a result, Eagletail will become one of the regulated utilities ultimately owned by GWRI. The
5 Merger is subject to, among other things, approval by Eagletail’s members and a waiver or
6 approval by the Commission.

7 **ACC Policy Statement on Acquisitions.**

8 17. In Decision No. 75626 (July 25, 2016)(the “Water Policy Decision”), the
9 Commission adopted a number of policy statements regarding water. The policy statements
10 included “Policy Statement No. 4: Water Utility Acquisition Process”. The Commission explained
11 that “We wish to encourage the consolidation of small water utilities through acquisition because
12 this can result in real benefits to small utilities’ customers. Many small utilities lack the financial
13 resources or access to capital needed for capital replacements. Allowing such companies to be
14 consolidated into larger companies or combined with other systems of smaller companies can solve
15 such problems. Because of this we do not believe unnecessary regulatory burdens should be
16 imposed on utilities seeking to purchase small water systems.” [Water Policy Decision,
17 Attachment A, page 16, line 28 to page 17, line 4].

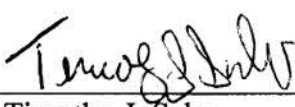
18 18. Policy Statement No. 4 goes on to state that “In instances where a Class A, B, or C
19 water utility that is in good standing with the Commission, ADEQ and ADWR seeks to purchase a
20 class D or E water utility and absent extraordinary circumstances, when the acquiring utility
21 requests a waiver under A.A.C. R14-2-806 of A.A.C. R14-2-803 for such a transaction, the
22 Commission will strongly consider allowing the waiver to take effect by operation of law under
23 A.A.C. R14-2-806(C). The waiver application must comply with A.A.C. R14-2-806(B) but need
24 not include the information specified in A.A.C. R14-2-803(A).” [Water Policy Decision,
25 Attachment A, page 16, lines 7 to 13].

26 19. This application is made in accordance with Policy Statement No. 4 of the Water
27 Policy Decision.

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RESPECTFULLY SUBMITTED this 22nd day of March, 2017.

SNELL & WILMER L.L.P.

By 

Timothy J. Sabo
One Arizona Center
400 East Van Buren Street
Phoenix, Arizona 85004

Attorneys for Applicants

1 Original +13 copies of the foregoing
filed this 22nd day of March, 2017, with:

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

5 Copies of the foregoing hand-delivered/mailed
this 22nd day of March, 2017, to:

6
7 Dwight D. Nodes, Esq.
8 Chief Administrative Law Judge
9 Hearing Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

10
11 Timothy La Sota, Esq.
12 Chief Counsel, Legal Division
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14 Elijah Abinah
15 Director, Utilities Division
16 Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

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19 By 

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EXHIBIT A

Execution Version

**AGREEMENT AND PLAN OF MERGER FOR
EAGLETAIL WATER COMPANY, L.C.
AND
WATER UTILITY OF EAGLETAIL, LLC**

This Agreement and Plan of Merger (this "Agreement") is dated as of March 17, 2017, by and between Eagletail Water Company, L.C., an Arizona limited liability company (the "Company"), and Water Utility of Eagletail, LLC, an Arizona limited liability company ("Water Utility" and together with the Company, the "Constituent Entities").

WHEREAS, the Company is a class E public service corporation that owns and operates a potable water production, treatment, storage, transmission, and distribution system (the "Utility System"), which system provides potable water utility service under regulation by the Arizona Corporation Commission ("ACC") to approximately 50 customers in Harquahala Valley, Arizona (the "Business");

WHEREAS, Water Utility was formed to be a public service corporation capable of providing water utility service under ACC regulation, and as an affiliate of Global Water Resources, Inc. ("Global Water"), Water Utility has the necessary operational, financial and other expertise necessary to do so;

WHEREAS, the Constituent Entities desire to combine their operations through a merger of the Company with and into Water Utility, with the Company being the surviving entity (the "Merger") under the conditions set forth herein and the laws of the State of Arizona; and

WHEREAS, effective as of the Closing (as defined herein), the Company will retain, under new management, operational, management and financial responsibility for the Utility System, and will take all steps reasonably necessary to provide adequate and reliable water utility service in accordance with all applicable law and regulation;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

ARTICLE I
PARTIES AND CHIEF EXECUTIVE OFFICE

1.1 Names and Jurisdiction of Organization. The Constituent Entities to the Merger are the Company and Water Utility.

1.2 Surviving Entity. As of the Effective Time (as defined herein), the Company shall be the surviving entity of the Merger and will continue in existence under its present name.

1.3 Known Place of Business. The address of Water Utility's known place of business is 21410 N 19th Avenue Suite 220, Phoenix, Arizona 85027.

ARTICLE II
TERMS AND CONDITIONS OF MERGER

2.1 Merger. As of the Effective Time, the Company shall be merged with Water Utility in accordance with this Agreement and Arizona Revised Statutes §§ 29-2201 through 29-2207 (collectively, the "Merger Statutes").

2.2 Termination of Water Utility; Survival of the Company. As of the Effective Time, the separate existence of Water Utility shall cease, and the Company shall continue as the surviving entity of the Merger. Water Utility shall not be required to wind up its affairs, pay its liabilities or distribute its assets pursuant to Arizona Revised Statutes §§ 29-781 et seq. as a result of the Merger or the termination of the existence of Water Utility.

2.3 Succession. As of the Effective Time, the Company shall succeed to and shall possess and enjoy all of the rights, privileges, obligations and powers of Water Utility.

2.4 Transfer of Assets and Liabilities. As of the Effective Time, all assets of the Company and Water Utility shall be vested in the Company in accordance with the Merger Statutes, and all liabilities and obligations of the Company and Water Utility shall attach to, and be enforceable against, the Company in accordance with the Merger Statutes, without further act or conveyancing document. Furthermore, as a result of the Merger all of the issued and outstanding membership interests (the "Interests") of the Company shall be cancelled in exchange for the consideration set forth in Section 2.5 and the sole member of Water Utility, Global Water, LLC, shall become the sole member of the Company.

2.5 Consideration. As of the Effective Time, each member of the Company shall receive ten dollars (\$10.00) for each 1% of Interest owned in the Company.

2.6 Consents. The parties shall use reasonable efforts to obtain all necessary consents to the consummation of the Merger and any related assignments under or with respect to, or other agreements for the transfer of, any loan, Contract, lease, agreement, or other instrument, where the consummation of the Merger or any related assignment would be prohibited or constitute an event of default, or grounds for acceleration or termination, in the absence of such consent or other agreement.

2.7 Books and Records. All books and records of the Company that pertain to the Business, including, without limitation, all financial records, lease records, title data and operating data, will be assembled and delivered to Global Water on or before the Effective Time.

2.8 Withholding Rights. Global Water shall be entitled to deduct and withhold from the consideration otherwise payable to any Person pursuant to this Agreement such amounts as may be required to be deducted and withheld with respect to the making of such payment under the Applicable Law, and shall promptly pay such amounts to the relevant Governmental Entity. To the extent that amounts are so deducted and withheld, such amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding were made.

ARTICLE III
AMENDMENTS TO GOVERNING DOCUMENTS AND CORPORATE GOVERNANCE

3.1 Articles of Incorporation. At and after the Effective Time, the Company, in its capacity as the surviving corporation, shall be governed by the Articles of Organization of Water Utility in effect immediately prior to the Effective Time in the form of Exhibit A attached hereto (the "Articles").

3.2 Operating Agreement. At and after the Effective Time, the Company, in its capacity as the surviving corporation, shall be governed by the Operating Agreement of Water Utility in effect immediately prior to the Effective Time in the form of Exhibit B attached hereto (the "Operating Agreement").

3.3 Initial Managers. At the Effective Time, the managers of the Company, in its capacity as the surviving corporation, shall be the following individuals, to serve until their resignation or removal, or until their successors have been duly elected or appointed and qualified, in accordance with the Operating Agreement:

Ron L. Fleming

Michael J. Liebman

ARTICLE IV
FILINGS

On April __, 2017, or such other date and time as the parties may agree upon, Water Utility shall execute and file with the Arizona Corporation Commission (the "Commission") the Statement of Merger, in accordance with Arizona Revised Statutes § 29-754.

ARTICLE V
CLOSING

5.1 Closing Date. The closing of the Merger (the "Closing") shall take place at the offices of Snell & Wilmer L.L.P., or remotely via the parties' electronic exchange of executed signature pages and other Closing deliverables, that is the later of (i) the second business day after the satisfaction or waiver of all of the conditions to the obligations of the parties hereto to consummate the transactions contemplated by this Agreement (other than conditions that by their nature are required to be satisfied at the Closing), and (ii) April __, 2017, or such other place and time as Water Utility and the Company mutually agree upon in writing (the date on which the Closing occurs being referred to herein as the "Closing Date").

5.2 The Company Closing Deliveries. In addition to the other Closing deliverables identified in this Agreement, at the Closing, the Company shall deliver or cause to be delivered to Water Utility the following:

(a) a counterpart to the Statement of Merger duly executed by the managing members;

(b) good standing certificates for the Company issued by the Commission, as applicable, dated as of a date not earlier than five (5) Business Days prior to the Closing;

(c) a true and complete copy, certified by the managing members, of (i) the Company's articles of organization, (ii) the Company's operating agreement, and (iii) the resolutions duly and validly adopted by the members evidencing their authorization of the execution and delivery of this Agreement and the consummation of the Merger and other transactions contemplated by this Agreement;

(d) a certificate or certificates in form and substance reasonable acceptable to Water Utility conforming to the requirements of Treasury Regulations 1.445-2(c)(3) and 1.897-2(h);

(e) a tax clearance certificate from the Arizona Department of Revenue confirming that all Company transaction privilege tax obligations have been satisfied; and

(f) a tax clearance certificate from Maricopa County, Arizona confirming that all tax obligations, including, without limitation, all property tax obligations, have been satisfied.

5.3 Water Utility Closing Deliveries. In addition to the other Closing deliverables identified in this Agreement, at the Closing, Water Utility shall deliver or cause to be delivered to the Company the following:

(g) a counterpart to the Statement of Merger duly executed by one of its managers;

(h) good standing certificates for Water Utility issued by the Commission, dated as of a date not earlier than five (5) Business Days prior to the Closing; and

(i) a true and complete copy, certified by the managers of the Company, of (i) the Articles of Organization, (ii) the Operating Agreement, and (iii) the resolutions duly and validly adopted by the managers and members (as applicable) evidencing their authorization of the execution and delivery of this Agreement and the consummation of the Merger and other transactions contemplated by this Agreement.

5.4 The Merger will become effective (the "Effective Time") on the date and time at which the Statement of Merger required under Arizona law is filed with the Commission, and shall have been accepted for filing by such agency.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF THE COMPANY

6.1 Organization; Authority; Enforceability. The Company is duly organized, validly existing and in good standing under the laws of the State of Arizona. The Company has all requisite corporate power and authority to carry on the Business as it is being conducted as of the applicable date, to operate the Utility System as it is being operated as of the applicable date, to enter into this Agreement, and to carry out and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by the Company and is the valid and binding obligation of the Company, enforceable against it in accordance with its terms.

6.2 Conflicts; Consents. Except as set forth in Schedule 6.2, the Company is not (i) in violation of, or in default under, any term or provision of its Articles of Organization or LLC operating agreement or any lien, mortgage, lease, agreement, instrument, order, judgment, or decree, or subject to any restriction of any kind or character contained in any of the foregoing, which would prohibit the Company from entering into this Agreement or prevent consummation of the transactions contemplated by this Agreement, and such entering into or consummation will not cause any such violation or default, and (ii) required to obtain the consent of any Person or entity as a condition to its entering into this Agreement or, other than approval by the Commission, consummating the transactions contemplated by this Agreement.

6.3 Litigation. Except as set forth in Schedule 6.3, (i) there are no Proceedings pending or, to the Knowledge of the Company, threatened against the Company that could adversely affect the Utility System, the Business, or the Real Property; and there are no facts that might result in any Proceeding, and (ii) the Company is not in default with respect to any judgment, order or decree of any court or any governmental agency or instrumentality.

6.4 Compliance with Law. To the Knowledge of the Company, the business operations of the Utility System have been and are being conducted in all respects in accordance with all applicable laws, rules, regulations and orders of all authorities, including without limitation, the Commission, the Arizona Department of Environmental Quality (“ADEQ”) and the Arizona Department of Water Resources (“ADWR”). The Company has not received notification of any violation of any governmental rules, regulations, orders, permitting conditions or other governmental requirements of any type or nature applicable to the ownership, maintenance, construction or operation of the Utility System, and, to the Knowledge of the Company, there are no conditions which, by reason of the passing of time or the giving of notice, would constitute such a violation. Neither the Real Property, the Company, nor the operation of the Utility System or conduct of the Business is subject to any outstanding compliance orders issued by the Commission, ADEQ or ADWR.

6.5 Real Property. The Real Property constitutes all parcels of land that the Company owns or to which the Company has title and includes all parcels of land included in the determination of the November 15, 2016 Rate Base. The Company has good and marketable title to the Real Property, subject to no Encumbrance other than Permitted Encumbrances. The Easements constitute all easements, licenses, prescription rights, rights-of-way and rights to use public and private roads, highways, streets and other areas owned or used by the Company for the construction, operation and maintenance of the Utility System and includes all Easements included in the determination of the November 15, 2016 Rate Base. The Real Property and the Easements, together, constitute all of the real property rights necessary to operate the Utility System as it is being operated as of the applicable date. At Closing, the title to the Real Property shall be free and clear of all Encumbrances whatsoever, other than Permitted Encumbrances. There are no unrecorded leases, options, contracts, agreements or rights of first refusal to which the Company is a party affecting or relating to the Real Property and which would be binding on the Company or the Real Property after the Closing except for those disclosed in Schedule 6.5.

6.6 Tangible Personal Property. The Company has exclusive ownership, possession, control, and good and marketable title to all Tangible Personal Property set forth on Schedule 6.6 (except for leased and licensed items, if any, disclosed in Schedule 6.6), and, at the Closing, will

have such ownership, possession, control and good and marketable title except to the extent any of the Tangible Personal Property has been sold, or otherwise disposed of, by the Company in the ordinary course of business after the date of this Agreement and in accordance with its terms and conditions. The Tangible Personal Property includes all personal property of the Company included in the determination of the November 15, 2016 Rate Base, except for additions and deletions in the ordinary course of business since November 15, 2016. The Tangible Personal Property is subject to no Encumbrance except Permitted Encumbrances and Encumbrances that will be discharged by the Company at Closing (the "Company Encumbrances"). At Closing, the title to the Tangible Personal Property shall be free and clear of all Encumbrances whatsoever, other than Permitted Encumbrances. The inventory included within the Tangible Personal Property is in all material respects in good and useable condition, and to the Knowledge of the Company none of it is comprised of lead-containing metal.

6.7 Rate Base and Depreciation. The November 15, 2016 Rate Base is true, accurate and supportable as the regulatory rate base of the Company for the Utility System as of November 15, 2016. The Regulatory Records accurately and completely document all additions, deletions, asset retirements and adjustments to rate base since the last rate case application to the applicable date. The depreciation expense reflected on the Company's financial statements and in its filings with the Commission is consistent with the Company's Commission-approved depreciation schedule applicable to the Utility System.

6.8 Zoning. Since December 31, 2013, the Company has received no notice of any threatened Proceeding under any building or zoning ordinance, regulation or law with respect to the Utility System, any of the Real Property or any Easement, and, to the Knowledge of the Company, there is no basis for the Company to receive or deliver any such notice.

6.9 Environmental Law Compliance. Except as set forth in Schedule 6.9:

(a) To the Knowledge of the Company, the Company is in compliance with all applicable Environmental Laws with respect to the Utility System and has no liability under any Environmental Law, and there is no reasonable basis to the Knowledge of the Company for any such liability;

(b) The Company has obtained all permits required, or has submitted applications for such permits in a timely manner, under applicable Environmental Laws necessary for the operation of the Business as presently conducted;

(c) The Company has not received within the last twelve (12) months any communication from, and is not aware of any pending communication from, any governmental authority or other party with respect to the Utility System and (i) any actual or alleged violation of any Environmental Laws; (ii) any actual or proposed Remedial Action; or (iii) any Release or threatened Release of a Hazardous Material;

(d) To the Knowledge of the Company, no polychlorinated biphenyl or asbestos-containing materials, in violation of Environmental Law, are, or have been, present at any property when owned, operated, or leased by the Company with respect to the Utility System, nor are any underground storage tanks or septic tanks, active or abandoned, at any of the

Real Property or at any other property owned, operated, or leased by the Company with respect to the Utility System;

(e) To the Knowledge of the Company, there is no Hazardous Material located, in violation of any Environmental Law, at, in or on any of the Real Property or at any other site that is owned, leased, operated or managed by the Company with respect to the Utility System; none of the Real Property, nor any other site that is owned, leased, operated, or managed by the Company with respect to the Utility System, is known to be listed or formally proposed for listing under CERCLA, the Comprehensive Environmental Response, Compensation Liability Information System (“CERCLIS”) or on any similar state list that is the subject of federal, state, or local enforcement actions or other investigations that may lead to claims against the Company for clean-up costs, remedial work, damages to natural resources, or for personal injury claims, including, but not limited to, claims under CERCLA; and to the Knowledge of the Company there is no reasonable basis for the Company to be named in such claims or for any similar action to be brought against the Company with respect to any of the Real Property or the Utility System;

(f) No notification of a Release of a Hazardous Material has been filed by or on behalf of the Company with respect to and of the Real Property or the Utility System or with respect to any other property when owned, operated, or leased by the Company with respect to the Utility System. To the Knowledge of the Company no such property is listed or proposed for listing in the National Priority List promulgated pursuant to CERCLA, or CERCLIS, or any similar state list of sites requiring investigation or clean up; and

(g) To the Knowledge of the Company, no Hazardous Material has been released in violation of any Environmental Law at, on, or under any of the Real Property or any other real property now or when formerly owned, operated, or leased by the Company with respect to the Utility System.

6.10 Permits. The Company has valid Permits authorizing it to conduct its operations with respect to the Utility System in the manner in which such operations are being conducted as of the applicable date and in all of the territory in which it renders service as of the applicable date, and to maintain its mains and pipes in the streets and highways of such territories, including without limitation any required certificate of convenience and necessity (“CC&N”) required by the Commission and any franchises required by any governmental entity.

6.11 Financial Matters.

(a) Schedule 6.11 contains a complete, accurate and correct copy of the following financial statements (collectively, the “Financial Statements”): (i) the balance sheet of the Company (the “Balance Sheet”) as of December 31, 2016, and the related statements of income, statements of member’s equity and cash flow statements for the year ended December 31, 2016; and (ii) the balance sheet of the Company (the “Interim Balance Sheet”) as of February 28, 2017 (the “Interim Balance Sheet Date”), and the related profit and loss statements and cash flow statements for the two-month period then ended. The Financial Statements are accurate and complete in all material respects and have been prepared in accordance with GAAP, applied on a basis consistent with prior periods. The Financial Statements fairly present the financial

condition and results of operations of the Company on a consolidated basis as of the dates and during the periods indicated therein, subject, in the case of the unaudited Financial Statements, to normal year-end audit adjustments that are neither individually nor in the aggregate material in amount. The Company maintains a standard system of accounting established and administered on a basis consistent with prior periods;

(b) Schedule 6.11 is an accurate and complete itemized list of all Indebtedness of the Company as of the date of this Agreement. The Company has the unrestricted right to pay or pre-pay all such Indebtedness identified or required to be identified on Schedule 6.11 at its par value without penalty on or after the Closing Date; and

(c) The Company neither is nor will become obligated to make any change of control payment as a result of or in connection with the Merger.

6.12 Capitalization.

(a) Schedule 6.12 accurately and completely sets forth a list of the names of each record and beneficial owner of the Interests, and opposite the name of each such owner, the number or percentage of Interests owned by each such owner;

(b) The Company's Interests (i) have been duly authorized and validly issued, (ii) were issued in compliance with all Applicable Laws, and (iii) are not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under the Applicable Laws, the Governing Documents of the Company, or any Contract to which the Company, as applicable, is (or at the time of issuance, was) a party or otherwise bound; and

(c) Except as set forth on Schedule 6.12, there are no preemptive, contingent or other outstanding rights, options, warrants, conversion rights or agreements or commitments to issue or sell Interests of the Company or any securities or obligations convertible into or exchangeable for, or giving any Person a right to subscribe for or acquire, Interests of the Company and no securities or obligations evidencing such rights are outstanding. The Company is not party to any voting trust or other voting agreement with respect to the Company's Interests or to any agreement relating to the issuance, sale, redemption transfer or other disposition of the Interests of the Company.

6.13 Liabilities. Except as set forth on Schedule 6.13, the Company does not have any Liabilities, except for (a) Liabilities included on the Interim Balance Sheet, (b) accounts payable and accrued Liabilities of the type required to be reflected as current liabilities on a balance sheet prepared in accordance with GAAP incurred by the Company in the Ordinary Course of Business since the date of the Interim Balance Sheet, (c) Liabilities under Material Contracts not yet fully performed, and as to which the Company is not in breach, but only to the extent that the nature of such Liabilities can be readily ascertained by reference to such Material Contract or (d) as otherwise expressly set forth on Schedule 6.13, none of which results from, arises out of, relates to, is in the nature of, or was caused by any breach of Material Contract, tort, infringement or violation of Applicable Law.

6.14 Changes. Since January 1, 2016, the Company has been operated in the Ordinary Course of Business and, without limiting the generality of the foregoing, except as reflected in the Financial Statements or as set forth on Schedule 6.14, there has not been:

(a) any material adverse change in the assets, Liabilities, financial condition or operations of the Company from that reflected in the Financial Statements;

(b) any material damage, destruction or loss, whether or not covered by insurance, to the assets or property of the Company;

(c) any direct or indirect loans made by the Company to any Related Party;

(d) any material change in any compensation arrangement or agreement with any executive officer, manager, or member of the Company;

(e) any commencement or settlement of any Proceeding;

(f) any commitment by the Company to make any capital expenditure (or series of related capital expenditures) involving more than \$10,000 in the aggregate;

(g) any issuance, sale or other disposition by the Company of any of its Interests, or other rights to purchase or obtain (including upon conversion, exchange, or exercise) any of its Interests; or

(h) any other event or condition of any character that, either individually or cumulatively, has resulted in or could reasonably be expected to result in a Material Adverse Effect.

6.15 Material Contracts.

(a) Schedule 6.15 sets forth an accurate and complete list (in each case, with specific reference to the applicable clause(s) below that relates to such Contract) of the following Contracts, whether or not written, to which the Company is a party or the properties, rights or assets of the Company are bound (each, a "Material Contract" and collectively, the "Material Contracts"):

(i) any Contract between the Company, on the one hand, and its Related Parties, or any Affiliate thereof, on the other hand;

(ii) any bonds, debentures, mortgages, notes or other similar Indebtedness or Liabilities whatsoever or any Contract to create or issue any bonds, debentures, mortgages, notes or other similar Indebtedness;

(iii) any Contract pursuant to which the Company guarantees the performance, Liabilities or obligations of any other Person;

(iv) any Contract that constitutes a surety bond, performance bond, guarantee or similar instrument to which the Company is a party;

(v) any management, consulting, agency or similar Contract or commitment;

(vi) any Contract relating to the Company's participation or membership in any joint venture, partnership or similar arrangement;

(vii) any lease, sublease or similar Contract with any Person under which the Company is a lessee or sublessee of any Real Property;

(viii) any Contract or judgment to which the Company is a party or by which it is bound that involve obligations (contingent or otherwise) of the Company in excess of \$25,000 per fiscal year, or that may not be terminated without penalty on 30 days' notice or less;

(ix) any Contract evidencing the settlement of any Proceeding;

(x) any members or other equity holders agreement, voting agreement, voting trust agreement, registration rights agreement or similar Contract relating to the governance, organization, management or operation of the Company;

(xi) any Contract not entered into in the Ordinary Course of Business; and

(xii) any Contract other than as set forth above that is material to the Business or the use or operation of its assets.

(b) The Company has delivered to Water Utility accurate and complete copies of each Contract listed on Schedule 6.15 including all amendments, modifications and supplements thereto. Each Material Contract is a valid, binding and enforceable obligation of the Company and, to the Knowledge of the Company, of the other party or parties thereto, and is in full force and effect. Neither the Company nor, to the Knowledge of the Company, the other party or parties thereto, is in breach or non-compliance of any material term of any Material Contract. The Company has not received notice (in writing or otherwise) of any default or breach or, to the Knowledge of the Company, threat thereof with respect to any Material Contract. Neither the execution and delivery of this Agreement nor the consummation of the Merger shall (i) cause a termination or lapse, or create in the other party thereto the right to terminate, any Material Contract, (ii) increase or accelerate the obligations of the Company under any Material Contract, (iii) give any additional rights to any other party to any Material Contract, or (iv) trigger any provision under any Material Contract that would have any of the foregoing effects; and

(c) The Company has not received any notice of the intention of any party to terminate any Material Contract and, to the Knowledge of the Company, no Person intends to terminate any Material Contract. No Person is renegotiating, or has the express contractual right to renegotiate, any amount paid or payable to the Company under any Material Contract or any other term or provision of any Material Contract.

6.16 Tax Matters. To the Knowledge of the Company, the Company has complied in all respects with all Applicable Laws with respect to the payment of Taxes. No deficiency or

proposed adjustment that has not been settled or otherwise resolved for any amount of Taxes has been asserted or assessed by any Governmental Authority against the Company. The Company has not requested or been granted an extension of the time for filing any Tax Return with respect to Taxes that are currently payable. There is no proceeding or audit by any taxing authority or any claim for refund now in progress, pending or threatened against the Company. There are no Encumbrances on the assets of the Company relating or attributable to Taxes (other than Permitted Encumbrances or other statutory liens for Taxes not yet due and payable) and to the Knowledge of the Company no reasonable basis exists for the assertion of any claim relating or attributable to Taxes which, if adversely determined, would result in any Encumbrance (other than Permitted Encumbrances) on the Company's assets. The Company has withheld and paid all Taxes required under Applicable Law to have been withheld and paid by the Company in connection with any amount paid or owing to any past or present employee, consultant or any third-party. No member a foreign person within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended.

6.17 All Assets. The Utility System includes all properties, assets, rights, licenses, agreements and contracts, the use of which are necessary for the continued conduct of the Business substantially in the manner as it has been conducted, including the service of all customers in substantially the same manner and substantially the same service levels as provided by the Company on the date of this Agreement.

6.18 Water Rights. The only water rights claimed by the Company as a basis to withdraw and deliver water to existing customers and future customers of the Company are (a) the Service Area rights, (b) the rights set forth in Company's CC&Ns, and (c) the rights of Company to water, permits, contracts, subcontracts and other water related rights set forth in Schedule 6.18. To the Knowledge of the Company, the water rights described above are all of the water rights that are needed for, or used by, Company to operate the Business as of the date hereof in a manner consistent with the Company's prior practice.

6.19 Line Extension Agreements. To the Knowledge of the Company, Schedule 6.19 lists each and every Line Extension Agreement and correctly and accurately shows for each such agreement, at and as of the date of this Agreement: (i) all advances received by the Company and (ii) all funds subject to refund pursuant to the agreement. No sooner than ten (10) Business Days before and no later than three (3) Business Days before the Closing Date, the Company shall deliver to Water Utility an updated schedule showing all of such information as of the date of delivery, and the schedule delivered by the Company to Water Utility will, to the Knowledge of the Company be true, correct and complete in all material respects. To the Knowledge of the Company, the Company has delivered to Water Utility true, correct and complete copies of all of the Line Extension Agreements, including all amendments, modifications, supplements, extensions and renewals thereof.

6.20 Brokers. The Company has not dealt with a broker, salesman, finder or similar Person or entity in connection with any part of the transactions contemplated by this Agreement, and no broker, salesman, finder or similar Person or entity is entitled to any commission or fee with respect to such transactions as a result of the Company's actions.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES OF WATER UTILITY

7.1 Organization; Power. Water Utility is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Arizona, and has the requisite power and authority to enter into and carry out the terms of this Agreement.

7.2 Authorization. All action required to be taken by Water Utility to consummate and perform this Agreement has been taken, and no further approval is necessary to permit Water Utility to consummate and perform this Agreement.

7.3 Execution. The individual executing this Agreement on behalf of Water Utility has the full right and authority to execute this Agreement and to bind Water Utility without further consent or approval of any other individual, entity or governmental authority.

7.4 Binding Agreement. This Agreement is the valid and binding obligation of Water Utility, enforceable against Water Utility in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith, and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity before any governmental authority or arbitrator).

7.5 No Pending Litigation. There is no Proceeding or investigation pending or, to the best of the knowledge of the managers of Water Utility (the "Knowledge of Water Utility"), threatened (nor is there any basis therefor) against Water Utility that questions or that would question, directly or indirectly, the validity or enforceability of this Agreement.

7.6 Compliance with Laws. Water Utility has conducted its business in material compliance with and is presently in material compliance with all applicable statutes, laws, ordinances, codes, rules, regulations, judgments, orders and decrees of every nature and description. Water Utility has not received any notice of noncompliance with or violation of any applicable laws regarding its properties or operations.

7.7 Affiliations. Water Utility is a subsidiary of Global Water and Global Water is a Public Utility Holding Company as such terms are defined in A.A.C. R14-2-801 *et seq.* Global Water owns and operates other water and wastewater systems located in Arizona and regulated by the ACC, and Water Utility will be managed and operated by the same or similarly qualified personnel that operate Global Water's other water and wastewater utility systems and Water Utility will have access to capital for necessary plant improvements through Global Water.

ARTICLE VIII
CONDITIONS TO THE CLOSING

8.1 Conditions to the Obligations of Each Party. The obligations of the parties to consummate the Merger are subject to the satisfaction of the following conditions:

(a) the representations and warranties of the parties as of the date hereof and as of the Closing shall be true and correct in all respects;

(b) the parties shall have performed and complied in all material respects with all obligations and agreements required in this Agreement to be performed or complied with by them on or prior to the Closing;

(c) no provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit the consummation of the Merger;

(d) all approvals, consents, or actions of, or in respect of or filings with any, governmental body, agency, official or authority, including the Arizona Corporation Commission, required to permit the consummation of the Merger shall have been taken, made or obtained; and

(e) the parties' respective closing deliverables under Sections 5.2 and 5.3 shall have been delivered.

ARTICLE IX TERMINATION

9.1 Termination. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time:

(a) at the election of either the Company or Water Utility on or after April 30, 2017, if any of the conditions to the Closing set forth in Article VIII shall not have been satisfied by the close of business on such date; provided that the terminating party is not in material default of any of its obligations hereunder;

(b) by mutual written consent of the Company and Water Utility;

(c) by either the Company or Water Utility, if there shall be any law or regulation that makes consummation of the Merger illegal or otherwise prohibited, or if any judgment, injunction, order or decree enjoining the Company or Water Utility from consummating the Merger is entered and such judgment, injunction, order or decree shall become final and non-appealable;

(d) by the Company if Water Utility shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement;

(e) by Water Utility if the Company shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement; or

(f) by Water Utility in its sole and absolute discretion for any other reason.

9.2 Effect of Termination. If this Agreement is terminated pursuant to Section 9.1 above, this Agreement shall become void and of no effect with no liability on the part of either party hereto; provided, however, that nothing herein shall relieve any party of any liability for a breach of this Agreement prior to the effective date of termination.

ARTICLE X
DEFINITIONS

For purposes of this Agreement, each of the following terms shall have the meaning set forth below. Any such term, unless the context otherwise requires, may be used in the singular or plural, depending upon the reference.

“Affiliate” shall mean, when used with reference to any specified Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such specified Person. For purposes of this definition, “control,” when used with respect to any specified Person, means the power to direct or cause the direction of management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“Applicable Law” shall mean any present or future constitutional provision, act, statute or other law, ordinance, rule, regulation or binding interpretation of any Governmental Authority and any binding and enforceable decree, injunction, judgment, order, ruling, assessment, writ or similar form of decision or determination issued by a Governmental Authority.

“Business Day” shall mean each day other than a Friday, Saturday, Sunday or any day on which banks in Phoenix, Arizona are required or permitted to be closed.

“Contract” shall mean any contract, agreement, lease, license, sales order, purchase order or other legally binding commitment or instrument, whether or not in writing.

“Easements” shall mean all easements, licenses, and prescriptive rights owned by the Company for the construction, operation and maintenance of the Utility System.

“Encumbrance” shall mean any claim, lien, pledge, option, charge, community property interest, equitable interest, right of first refusal or restriction of any kind, easement, security interest, deed of trust, mortgage, pledge, hypothecation, right-of-way, encroachment, building or use restriction, or other encumbrance.

“Environmental Law” shall mean any federal, state, or local statute, order, regulation, or ordinance, or common law or equitable doctrine relating to the protection of human health or the environment in effect as of the applicable date and includes but is not limited to the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”) (42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et sq.), and the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), as such have been amended or supplemented as of the applicable date, and the regulations promulgated pursuant thereto and in effect as of the applicable date.

“GAAP” shall mean United States generally accepted accounting principles and practices, consistently applied.

“Governmental Authority” shall mean any United States, foreign, supra-national, federal, state, provincial, local or self-regulatory governmental, regulatory or administrative authority, agency, division, body, organization or commission or any judicial or arbitral body.

“Governing Documents” shall mean (a) the articles or certificate of incorporation, all certificates of determination and designation, and the bylaws of a corporation; (b) the partnership agreement and any statement of partnership of a general partnership; (c) the limited partnership agreement and the certificate or articles of limited partnership of a limited partnership; (d) the operating agreement, limited liability company agreement and the certificate or articles of organization or formation of a limited liability company; (e) any charter or similar document adopted or filed in connection with the creation, formation or organization of any other Person; and (f) any amendment to any of the foregoing.

“Hazardous Material” shall mean petroleum or any substance, material, or waste which is regulated under any Environmental Law in the jurisdictions in which the Company conducts the Business including, without limitation, any material or substance that is defined as or considered to be a “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous waste,” “restricted hazardous waste,” “pollutant,” “toxic waste,” or “toxic substance” under any provision of Environmental Law.

“Indebtedness” shall mean, without duplication, with respect to any Person (i) all obligations for borrowed money or extensions of credit (including bank overdrafts and advances), (ii) all obligations evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations as lessee capitalized in accordance with GAAP, (v) all obligations of others secured by a security interest, on any asset, whether or not such obligations are assumed, (vi) all obligations, contingent or otherwise, directly or indirectly guaranteeing any obligations of any other Person, all obligations to reimburse the issuer in respect of letters of credit or under performance or surety bonds, or other similar obligations, (vii) all obligations in respect of bankers’ acceptances and under reverse repurchase agreements, and (viii) all obligations in respect of futures contracts, swaps, other financial contracts and other similar obligations (determined on a net basis as if such contract or obligation was being terminated early on such date).

“Knowledge of the Company” shall mean the actual knowledge of Frank Haas or Susan Haas, and the knowledge that each would have reasonably obtained in the performance of their duties with the Company.

“Liability” shall mean any burden, liability or obligation, whether known or unknown, disclosed or undisclosed, matured or unmatured, accrued or unaccrued, asserted or unasserted, due or to become due or contingent.

“Line Extension Agreement” shall mean a line extension agreement, main extension agreement, collection main extension agreement, plant expansion agreement, water service agreement, or any similar or other agreement under which either one of the Company is a party in its capacity as a water utility service provider and that is subject to AAC R14-2-406,

AAC R14-2-606, or other Applicable Law or that provides for an Advance in Aid of Construction.

“Material Adverse Effect” shall mean any event, circumstance, change or condition that, when taken individually or together with all other events, circumstances, changes or conditions, would or would reasonably be expected to have a materially adverse effect on the condition (financial or otherwise), properties, assets or business of the Company; provided, however, that none of the following constitute, or will be considered in determining whether there has occurred, a Material Adverse Effect: (a) the negotiation, execution, announcement or performance of this Agreement or the consummation of the transactions contemplated hereby; (b) changes in Applicable Law or GAAP, or any changes in the interpretation or enforcement of any of the foregoing, or any changes in general legal, regulatory or political conditions; (c) changes generally affecting the economy, credit or financial or capital markets, in the United States or elsewhere in the world, including changes in interest or exchange rates; (d) changes to the industry or markets in which the business of the Company operates other than any change which disproportionately affects the Company; (e) a flood, earthquake or other natural disaster or any act of terrorism or war affecting the United States or elsewhere in the world or (f) changes made by the Company expressly required by the Company pursuant to this Agreement.

“November 15, 2016 Rate Base” shall mean the regulatory rate base established by the Commission.

“Ordinary Course of Business” shall mean the ordinary course of business consistent with past custom and practice (including with respect to frequency and amount).

“Permits” shall mean all permits, licenses, registrations, certificates, orders, approvals, franchises, variances, waivers and similar rights issued by or obtained from any Governmental Authority, whether foreign, federal, state or local, necessary for the operation of the business of the Company as currently conducted.

“Person” shall mean a natural person, partnership (general or limited), corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority; or other entity or organization.

“Permitted Encumbrance” means: (a) mechanics’, carriers’, repairmen’s, materialmen’s and similar Encumbrances not yet due and payable; (b) Encumbrances for Taxes not yet due and payable or which are being contested in good faith and for which appropriate reserves have been established and are reflected on the Financial Statements; (c) purchase money Encumbrances and Encumbrances securing rental payments under capital lease arrangements; and (d) in the case of tangible personal property or owned or leased Real Property, covenants, conditions, restrictions, easements, survey exceptions, imperfections of title and other similar matters which do not materially detract from the value of, or materially interfere with the present or presently contemplated use of, the property subject thereto or affected thereby.

“Proceeding” shall mean any action, complaint, claim, suit, litigation, proceeding, arbitral action, governmental audit, criminal prosecution, civil or criminal investigation or unfair labor practice charge or complaint, whether public or private, civil or criminal.

“Real Property” shall mean all real property owned or used by the Company and all buildings, improvements and fixtures located on such real property.

“Regulatory Records” shall mean all financial records, receipts and other documentation to support all of the Company’s capital investments in the Utility System and all advances and contributions from third parties and refunds to third parties since the end of the test year of its last rate case before the Commission.

“Related Party” shall mean: (a) any officer, employee, stockholder, member, partner or Affiliate of the Company; (b) any individual directly related by blood, marriage or adoption to any such Person in clause (a); or (c) any entity in which any such Person in clause (a) or (b) owns any direct or indirect beneficial interest.

“Release” shall mean any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, or dispersal into the environment, at or from any property owned or operated by the Company with respect to the Utility System or related to Hazardous Materials generated by the Company with respect to the Utility System.

“Remedial Action” shall mean all actions required to (1) clean up, remove, or treat any Hazardous Material as required by Environmental Laws; (2) prevent the Release or threat of Release, or minimize the further Release of any Hazardous Material so it does not endanger or threaten to endanger public health or welfare or the environment; or (3) perform pre-remedial studies and investigations or post-remedial monitoring and care directly related to or in connection with any such remedial action.

“Service Area” shall mean the geographic areas in which the Company is lawfully entitled to provide public utility water services pursuant to ARS Title 45.

“Tangible Personal Property” shall mean all wells, water treatment plants, water storage facilities and water supply and distribution facilities of every kind and description whatsoever owned by the Company, whether or not currently used in connection with the Utility System, including but not limited to pumps, motors, plants, electric systems and services, SCADA Supervisory Control and Data Acquisition systems, tanks, transmission mains, distribution mains, supply pipes, valves, meters, meter boxes, advanced metering infrastructure, service connections up to the metered point of delivery, and all other physical facilities, equipment and property installations and office and computer equipment, together with all additions and replacements (including inventory) to any of the foregoing.

“Taxes” shall mean any and all taxes, charges, fees, duties, contributions, levies or other similar assessments or liabilities in the nature of a tax, including, without limitation, income, gross receipts, corporation, ad valorem, premium, value-added, net worth, capital stock, capital gains, documentary, recapture, alternative or add-on minimum, disability, registration, recording, excise, real property, personal property, sales, use, license, lease, service, service use, transfer, withholding, employment, unemployment, insurance, social security, national insurance, business license, business organization, environmental, workers compensation, payroll, profits, severance, stamp, occupation, escheat, windfall profits, customs duties,

franchise, estimated and other taxes of any kind whatsoever imposed by the United States of America or any state, local or foreign government, or any agency or political subdivision thereof, and any interest, fines, penalties, assessments or additions to tax imposed with respect to such items or related to any contest or dispute thereof.

“Tax Return” shall mean any return, declaration, report, claim to refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

Each of the following terms is defined in the Article or Section set forth opposite such term.

Utility System	Preamble
Business	Preamble
WIFA	Preamble
Merger Statutes	Section 2.1
Interests	Section 2.4
Articles	Section 3.1
Operating Agreement	Section 3.2
Commission	Article IV
Closing	Section 5.1
Closing Date	Section 5.1
Effective Time	Section 5.4
ADEQ	Section 6.4
ADWR	Section 6.4
Company Encumbrances	Section 6.6
CERCLIS	Section 6.9
Financial Statements	Section 6.11
Balance Sheet	Section 6.11
Interim Balance Sheet	Section 6.11
Interim Balance Sheet Date	Section 6.11
Material Contract	Section 6.15
Knowledge of Water Utility	Section 7.5
WIFA Loan	Section 9.1

ARTICLE XI **MISCELLANEOUS PROVISIONS**

11.1 Recitals. All recitals above, and all Exhibits attached hereto, are incorporated herein and are deemed true and correct, and a part of this Agreement.

11.2 Entire Agreement. This Agreement constitutes the entire agreement between the Constituent Entities and supersedes any prior understandings, agreements or representations by or between the Constituent Entities, written or oral, to the extent they related in any way to the subject matter hereof. The Constituent Entities may mutually amend any provision of this Agreement at any time prior to the Effective Time, subject only to the restrictions contained in the Merger Statutes.

11.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

11.4 Delivery by Facsimile or Other Electronic Means. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or other similar electronic means, shall be treated in all manner and respects as an original signed version thereof delivered in person.

11.5 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Arizona, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Arizona or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of Arizona.

11.6 Enforceability. Any term or provision of this Agreement that is invalid or unenforceable shall not affect the validity or enforceability of the remaining terms and provisions hereof, or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

11.7 Execution of Additional Instruments. The Company and Water Utility hereby agree to cause authorized persons to execute such other and further statements and instruments, including, without limitation, a customary seller's affidavit for title insurance purposes, necessary to comply with the Merger and any laws, rules or regulations.

11.8 Specific Performance. The parties acknowledge that the subject matter of this Agreement is unique and, if any party fails to perform or observe any of its covenants, agreements or obligations contained in or created by this Agreement, the other party has, in addition to all other remedies, the right to enforce through specific performance of this Agreement by a suit in equity or otherwise, without the requirement of posting bond.

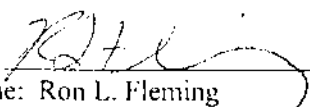
11.9 Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any other party shall not preclude or waive the right to use any or all other remedies. These rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

11.10 Attorneys' Fees. If any action or proceeding is brought by any party hereto to enforce the terms of this Agreement, the prevailing party in such action or proceeding shall be entitled to recover its reasonable attorneys' fees and costs, in addition to any other relief to which such party may be entitled. Immediately following the Closing, the Company will pay the legal counsel for the Company up to \$30,000.00 in legal fees related to the negotiation and execution of this Agreement.

[Remainder of Page Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

Water Utility of Eagletail, L.L.C., an Arizona limited liability company

By: 
Name: Ron L. Fleming
Its: Manager

Eagletail Water Company, L.C., an Arizona limited liability company

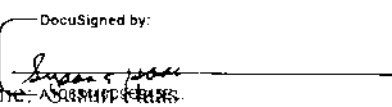
DocuSigned by:
By: 
Name: Susan S. Jones
Its: Manager, member and authorized representative

EXHIBIT B

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

TOM FORESE, Chairman
BOB BURNS
DOUG LITTLE
ANDY TOBIN
BOYD W. DUNN

IN THE MATTER OF THE APPLICATION OF
GLOBAL WATER-SANTA CRUZ WATER
COMPANY, LLC AND GLOBAL WATER-PALO
VERDE UTILITIES COMPANY, LLC FOR A
WAIVER UNDER A.A.C. R14-2-806 FOR A
WAIVER RELATED TO THE MERGER BETWEEN
EAGLETAIL WATER COMPANY, L.C. AND
WATER UTILITY OF EAGLETAIL, LLC.

Docket No.

VERIFICATION

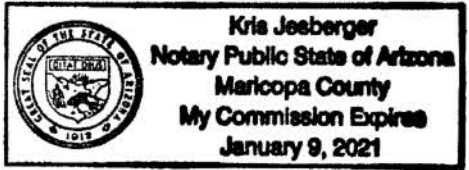
JOANNE ELLSWORTH, having been duly sworn, states:

1. I am over 18 years of age and competent to testify.
2. I am the Director of Corporate and Regulatory Affairs for Global Water Resources, Inc., the ultimate parent company of Applicants Global Water-Santa Cruz Water Company, LLC ("Santa Cruz") and Global Water-Palo Verde Utilities Company, LLC ("Palo Verde").
3. I am familiar with the business and affairs of Global Water Resources, Inc., Santa Cruz, and Palo Verde, and I am authorized to execute this Verification on their behalf.
4. I have reviewed the foregoing Verified Application for Waiver of Santa Cruz and Palo Verde, and to the best of my knowledge and belief, the factual statements therein are true and correct as of the date of this Verification.

Joanne Ellsworth
Joanne Ellsworth

SUBSCRIBED AND SWORN BEFORE ME this 22nd day of March, 2017

Kris Jesberger
Notary Public



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