

BEFORE THE ARIZONA CORPORATION COMMISSION
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COMMISSIONERS

KRISTIN K. MAYES, Chairman
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SANDRA D. KENNEDY
BOB STUMP

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION
OF ARIZONA-AMERICAN WATER
COMPANY, AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE CURRENT
FAIR VALUE OF ITS UTILITY PLANT
AND PROPERTY AND FOR INCREASES
IN ITS RATES AND CHARGES BASED
THEREON FOR UTILITY SERVICE BY
ITS ANTHEM WATER DISTRICT AND
ITS SUN CITY WATER DISTRICT.

DOCKET NO. W-01303A-09-0343

IN THE MATTER OF THE APPLICATION
OF ARIZONA-AMERICAN WATER
COMPANY, AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE CURRENT
FAIR VALUE OF ITS UTILITY PLANT
AND PROPERTY AND FOR INCREASES
IN ITS RATES AND CHARGES BASED
THEREON FOR UTILITY SERVICE BY
ITS ANTHEM/AGUA FRIA
WASTEWATER DISTRICT, ITS SUN CITY
WASTEWATER DISTRICT AND ITS SUN
CITY WEST WASTEWATER DISTRICT.

DOCKET NO. SW-01303A-09-0343

**RUCO'S AND ANTHEM
COMMUNITY COUNCIL'S
NOTICE OF JOINT FILING OF
SUPPLEMENTAL
INFORMATION**

For purposes of contributing to a complete record pursuant to which the Arizona Corporation Commission ("Commission") can determine fair and reasonable rates in the above-captioned and docketed proceedings, the Residential Utility Consumer Office ("RUCO") and the Anthem Community Council ("Anthem") hereby provide notice of their joint filing of the attached supplemental information which includes relevant excerpts from a document entitled "State of Arizona Department of Real Estate Application for Subdivision Public Report" ("Application for Subdivision Public Report"). The Application for Subdivision Public Report was completed by Del Webb Corporation, which

1 was the original developer of the Anthem community and predecessor in interest to Pulte
2 Home Corporation (“Pulte”), and submitted to the Arizona Department of Real Estate on
3 December 18, 2000. In order to provide such information to the Commission in a
4 convenient and precise manner, RUCO and Anthem direct the Commission to the questions
5 and answers set forth in 11(j),(k), and (l) and in 12(h),(i), and (j) of the Application for
6 Subdivision Public Report. The relevance of this information is Pulte’s representation that
7 utility infrastructure costs were included in the purchase price of the homes.

8 By way of background, during his April 20, 2010 questioning of Arizona-American
9 Water Company President Paul S. Townsley, Commissioner Pierce (i) raised questions
10 with respect to the class action litigation between certain residents of the Anthem
11 community and Pulte then pending in the United States District Court for the District of
12 Arizona, *Grimmelmann v. Pulte Home Corporation*, No. CV-08-1878-PHX-FJM, No. CV-
13 08-1878-PHX-FJM (D. Ariz. Aug. 27, 2010) (the “Pulte Litigation”); and (ii) indicated his
14 interest in the possible impact of the Pulte Litigation on the parties in the instant
15 proceedings. See Phase I Tr. 388:18-392:18. Thereafter, on October 6, 2010, Bob
16 Golembe, a private citizen and Anthem resident, filed in the instant proceedings an
17 unpublished order (dated August 27, 2010), issued by the Honorable Frederick J. Martone
18 in the Pulte Litigation. In an endeavor to further respond to Commissioner Pierce’s
19 articulated interest in the relevance of the Pulte Litigation on the Commission’s
20 determination of rates in the instant proceedings, and with the objective of supplementing
21 the record in the instant proceedings to provide a more complete picture, and to provide the
22 parties sufficient time to review this filing, RUCO and Anthem hereby submit the attached
23 excerpts from the aforesaid Application for Public Report for the Commission’s
24 consideration, which were brought to light by Judge Martone’s order. That order was
25 issued following the conclusion of hearings and briefing in the instant proceedings.¹

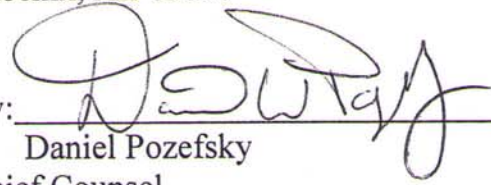
26 DATED this 9th day of November, 2010.

27 _____
28 ¹ Reply briefs were filed on August 6, 2010.

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Respectfully submitted,


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and

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By: 
Roxann S. Gallagher
Attorneys for Anthem Community Council

ORIGINAL AND THIRTEEN (13) COPIES
of the foregoing Notice are being mailed
this 9th day of November, 2010 to:

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

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1 COPY of the foregoing mailed
2 this 9th day of November, 2010, to:

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STATE OF ARIZONA
DEPARTMENT OF REAL ESTATE

APPLICATION
FOR
SUBDIVISION PUBLIC REPORT

This application must be filed and Public Report issued pursuant to A.R.S. § 32-2181 et. seq. prior to the sale or lease of subdivided lands as defined in A.R.S. § 32-2101(54), unless an exemption has been issued pursuant to A.R.S. § 32-2181.01 or you are exempt pursuant to A.R.S. § 32-2181.02 or 32-2181.03. Division Director Roy Tanney, his Deputy, or any Real Estate Representative located in the Phoenix or Tucson Office may be contacted for assistance.

Persons with disabilities may request reasonable accommodations such as interpreters, alternative formats or assistance with physical accessibility. Requests for accommodations must be made with 72 hours prior notice. If you require special accommodations, please contact either office listed above

SECTION I

INSTRUCTIONS AND GENERAL INFORMATION

1. Read and understand this section thoroughly prior to compiling the required documents in Section II and answering the questions in Section III of this application.
2. Secure all the required documents listed in Section II of this application.
3. Answer all questions in Section III of this application.
4. File this complete application, together with the required documents, at either office of the Department of Real Estate. An initial fee of \$500.00 must accompany this application pursuant to A.R.S. § 32-2182.

This application will not be accepted for initial processing unless Section III has been completed and payment of the \$500.00 fee received.

5. Payment of all fees related to this application must be by check made payable to the Arizona Department of Real Estate.

- (h) Upon completion of facilities, what other costs or requirements exist before lot purchasers can receive service? (Current service charges, current hook-up fees, meter fees, current turn-on fees) A service establishment fee of \$30.00 plus tax, and a deposit of \$65.00 or two times the average bill (average taken from past 12 months) may be required
- (i) May bottled propane gas be used? No
If propane gas is to be used, provide letter from supplier stating they will provide service to this development. Further, supplier's letter must describe all requirements to be met and costs to be paid by lot purchasers in order to receive service.

11. WATER:

- (a) Is a domestic water supply available to this subdivision? Yes
- (b) State whether water supply will be provided by a municipal system, improvement district, public utility, private water company, co-op, irrigation district, private well, water hauler or other: Public Utility

IF PRIVATE WELL OR WATER HAULING WILL BE THE SOURCE OF DOMESTIC WATER, GO TO SECTION (0).

- (c) Name, and telephone number of water provider: Citizens Water Resources, (623) 876-4020
- (d) What is the compliance status of the water provider with the Arizona Department of Environmental Quality as of the date of this application? In compliance
If in noncompliance, provide an explanation: N/A
- (e) If the water provider is a public service corporation, does it possess a Certificate of Convenience and Necessity from the Arizona Corporation Commission allowing it to provide water to this development? Yes
If no provide an explanation: N/A
- (f) Where are present water facilities in relation to this subdivision? (Distance from farthest lot included in this application) Adjacent
- (g) Who will be responsible for completion of the facilities to the lot lines? Developer
- (h) Estimated completion date of facilities to the lot lines: On or before July 1, 2002
- (i) Will fire hydrants be installed and if yes, when? Yes. On or before July 1, 2002

- (j) Estimated costs lot purchaser will have to pay for completion of facilities to his lot line: Costs included in the purchase price
- (k) Estimated costs lot purchaser will have to pay for completion of facilities from lot line to dwelling: Costs included in the purchase price
- (l) Upon completion of facilities, what other costs or requirements exist before lot purchaser can receive service? (Service charges, hook-up fees, turn-on fees, meter fees, development fees, etc.) A service establishment fee for water and sewer facilities of \$60.00 plus tax; and a deposit of a prepayment may be required
- (m) Who is or will be responsible for maintenance of the water lines within this subdivision other than from lot line to dwelling? Citizens Water Resources
- (n) Who is or will be responsible for maintenance of the water lines outside this subdivision? Citizens Water Resources
- (o) If a private well is to be utilized, describe all requirements and costs involved to install an operational domestic water system: (Include all governmental licensing/permitting requirements and their costs; average depth to water; drilling requirements and costs; equipment costs; all other necessary costs) N/A
- (p) If the source of water is a private well and domestic water cannot be obtained from a private well, will lot purchaser be offered a refund of the purchase price? N/A
If yes, explain any conditions or restrictions involving the refund. N/A
- (q) If water is to be transported/hailed to individual lots by lot purchasers for domestic use, provide name and location of the supplier; provide cost estimates to be computed on a monthly basis for a four member family (include costs of water; cistern and other holding tanks necessary; pumps; and any other costs necessary to install an operational water system): N/A

NOTE: The above answers must be in conformance with the findings and requirements of DWR (See required document No. 4), DEQ (See required document No. 10) and the Arizona Corporation Commission (ACC). You are advised to confirm that the water provider possesses a Certificate of Convenience and Necessity (CC&N) from the ACC, if required. Failure to comply with the requirements of DWR, DEQ and ACC will cause delays in processing this application. For information contact:

| | |
|----------------------------|----------------|
| DWR, Hydrology Division | (602) 417-2448 |
| DEQ, Technical Review Unit | (602) 207-4677 |
| ACC, Utilities Division | (602) 542-4251 |

12. SEWAGE COLLECTION AND DISPOSAL:

- (a) State whether sewage collection and disposal will be provided by a municipality, improvement district, public utility, private company, individual sewage disposal systems (septic tanks etc.) or other: Public Utility

IF INDIVIDUAL SEWAGE DISPOSAL SYSTEMS WILL BE USED, GO DIRECTLY TO NO. 13

- (b) Will a dry sewer system be installed for future connection to a central provider?
N/A
- (i) Name of future provider: N/A.
(ii) Estimated cost to connect: N/A.
(iii) Estimated date of connection: N/A.
(iv) Will individual sewage disposal systems (ISDS) be temporarily required?
N/A.
If yes, answer questions in No. 13.
(v) Estimated cost to remove the ISDS: N/A.
- (c) Name and telephone number of sewage collection and disposal company:
Citizens Water Resources, (623) 876-4020.
- (d) What is the compliance status of the sewage collection and disposal provider with the ADEQ as of the date of this application? In compliance.
If in noncompliance, provide an explanation: N/A.
- (e) If the sewage collection and disposal provider is a public service corporation, does it possess a CC&N from the Arizona Corporation Commission allowing it to provide service to this development? Yes.
If no, provide an explanation: N/A.
- (f) Who will be responsible for completion of the sewage collection and disposal facilities to the lot lines: Developer.
- (g) Estimated completion date of facilities to the lot lines: On or before July 1, 2001.
- (h) Estimated costs lot purchaser will have to pay for completion of facilities to his lot lines: Costs included in the purchase price.
- (i) Estimated costs lot purchaser will have to pay for completion of facilities from lot line to his dwelling: Costs included in the purchase price.
- (j) Upon completion of facilities, what other costs or requirements exist before lot purchaser can receive service? (Service charges, hook-up fees, tap-in fees,

development fees, etc.) None. Included in the water service establishment fee.

- (k) Who is responsible for maintenance of the sewage collection and disposal facilities within this subdivision other than from lot line to dwelling? Citizens Water Resources.
- (l) Who is responsible for maintenance of the sewage collection and disposal facilities outside this subdivision? Citizens Water Resources.
- (m) What costs, if any, will lot purchasers be responsible to pay toward maintenance of sewage collection disposal facilities? Costs included in the purchase price.

13. INDIVIDUAL SEWAGE DISPOSAL SYSTEMS:

- (a) Describe the type of individual sewage disposal system lot purchasers will be required to install: N/A.
- (b) Describe all requirements and costs involved to install an operational individual sewage disposal system: (Include all governmental licensing/permitting requirements and their costs; equipment and all other necessary costs): N/A.
- (c) If an operational individual sewage disposal system cannot be installed, will lot purchaser be offered a refund of the purchase price? N/A. If yes, explain any conditions or restrictions involving the refund. N/A.

NOTE: The above answers must be in conformance with the findings and requirements of DEQ (See required document No. 10) and the Arizona Corporation Commission (ACC). You are advised to confirm that the sewer provider possesses a Certificate of Convenience and Necessity (CC&N) from the ACC, if required. Failure to comply with the requirements of DEQ and ACC will cause delays in processing this application. For information contact:

| | |
|----------------------------|----------------|
| DEQ, Technical Review Unit | (602) 207-4677 |
| ACC, Utilities Division | (602) 542-4251 |

14. ACCESS STREETS AND ROADS:

- (a) Is legal and permanent access provided to the subdivision, and lots within the subdivision, over terrain which may be traversed by conventional 2-wheel drive automobiles and emergency vehicles? Yes.
- (b) Exterior street(s) providing access to this subdivision from a dedicated federal, state, or city roadway. Yes.
 - (i) Is exterior street(s) public or private? Public If private, describe what provisions have been made to assure purchasers of a legal right to use the private access street(s). N/A.

(h) Are the common areas subject to any lien or encumbrance? No.

If yes, explain how purchasers' use and enjoyment of common areas will be protected in the event of default: N/A.

(i) Will all lot owners be members of the association(s)? Yes and No. If no, please explain: Every Parkside Unit 15 Lot Owner will be a member of the Anthem Parkside Community Association; but not the Anthem Community Council.

(j) Will non-members be liable for payments to the association(s)? Yes; all lot owners within Anthem will be liable for payments to the Anthem Community Council. The Anthem Community Council is not intended to be a homeowners association, but, it is organized as a civic league under Section 501 (c) (4) of the Internal Revenue Code to serve the common good and general welfare of the Anthem Community.

NOTE: IF PROPERTY OWNERS ASSOCIATIONS ARE TO BE PROVIDED, THEY MUST BE LEGALLY FORMED AND OPERATIONAL PRIOR TO ISSUANCE OF THE PUBLIC REPORT. A STATEMENT FROM AN ATTORNEY, LICENSED IN THE STATE WHERE THE PROPERTY IS LOCATED, THAT THE ARTICLES OF INCORPORATION AND BYLAWS ARE FINAL AND IN EFFECT MAY BE REQUIRED.

32. FILINGS WITH STATE/FEDERAL/PROVINCIAL AUTHORITIES

If a Property Registration has been filed with or accepted by another regulatory agency, list the jurisdictions: N/A.

33. The applicant authorizes the Department of Real Estate to accept and rely upon as accurate and complete all information and documentation provided by the following person(s) in conjunction with this application:

Name: Richard W. Ashton

Company Title: Assistant Secretary & Designated Broker

Address: 6001 North 24th Street, Phoenix, AZ 85016
(Please include Zip Code)

Telephone Numbers: (602) 808-8400 Fax Number: (602) 808-8488

AFFIDAVIT OF APPLICANT

STATE OF ARIZONA

RE: ANTHEM UNIT 15
aka Reunion at Anthem Parkside and/or Harmony
Subdivision Name

County of Maricopa

I hereby certify under penalty that the statements contained in this application constitute notice of intention to sell or lease subdivided lands, and that the statements together with any documents submitted herewith are full, true, complete and correct.

I further affirm and swear that I will not, over any period of time or by any means, resubdivide any of the herein described lots or dispose of or offer to dispose of subdivided lands not contained in the public report, without first complying with the provisions of A.R.S. §32-2181 et seq., and that I will notify the Department of Real Estate of any change to the information in this application.

I hereby represent that as the owner of the above mentioned subdivision, I will not place or allow to be placed any mortgages or liens on the property other than those already in existence as of this date, copies of which have been furnished to the Arizona Department of Real Estate as a part of the application for the subdivision, unless the Department is notified of the placement of any new mortgage or lien.

I further certify that, if this application has not been submitted on the standard form prepared by the Arizona Department of Real Estate, applicant agrees that the Department may take any action deemed necessary to ensure compliance with the subdivision laws if, after issuing a public report, the Department discovers errors, omissions or deficiencies in the application or public report based on the application. The applicant further agrees to completely indemnify the Department, the State of Arizona, its agents and employees from any and all liability caused, in whole or in part, by use of a nonstandard form.

I am duly authorized to prepare and am the person responsible for the content of this application and accompanying public report.

This instrument subscribed to and sworn before me this 18th day of December, 2000 by Richard W. Ashton, in witness whereof I set my hand and official seal.

Richard W. Ashton
Printed Name

Assistant Secretary & Designated Broker
Title or Office

Signature

Notary Public

My Commission Expires: _____