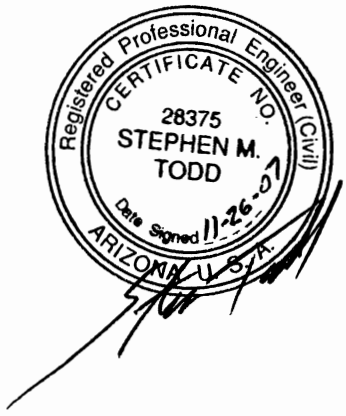
CITY OF GOODYEAR

SONORAN VALLEY PLANNING AREA

208 PLAN AMENDMENT

Project No. 06-027



November 2007

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ABBREVIATIONS

AAC	Arizona Administrative Code
ACC	Arizona Corporation Commission
ADEQ	Arizona Department of Environmental Quality
ADWR	Arizona Department of Water Resources
APP	Aquifer Protection Permit
AZPDES	Arizona Pollutant Discharge Elimination System
BADCT	Best Available Demonstrated Control Technology
CC&N	Certificate of Convenience and Necessity
CFD	Community Facilities District
CFR	Code of Federal Regulations
COG	City of Goodyear
CWA	Clean Water Act
DMA	Designated Management Agency
EPA	Environmental Protection Agency
MAG	Maricopa Association of Governments
MCESD	Maricopa County Environmental Services Department
MCAQD	Maricopa County Air Quality Department
MGD	Million Gallons per Day
SLWRF	State Land WRF
SRWRF	Southern Region WRF
S23WRF	Section 23 WRF
S28WRF	Section 28 WRF
SWPPP	Storm Water Pollution Prevention Plan
WRF	Water Reclamation Facility
WWT	Wastewater Treatment
WWTP	Wastewater Treatment Plant

Executive Summary

Executive Summary

In accordance with Section 208 of the Clean Water Act (CWA), the Maricopa Association of Governments (MAG) is the designated Regional Water Quality Management Planning Agency for Maricopa County, Arizona. This CWA 208 Amendment will incorporate the proposed Water Reclamation Facilities (WRFs) for the City of Goodyear's recently adopted Sonoran Valley Planning Area into the MAG 208 Water Quality Management Plan.

There are four WRFs planned for the City of Goodyear Sonoran Valley Planning Area. The Sonoran Valley Planning Area is separated into two distinct developable areas, with an open space wildlife movement corridor separating the two areas. The northern developable area is referred to as the State Land Area and will have one WRF, referred to as the State Land WRF (SLWRF), serving that area. The southern developable area is referred to as the Southern Region Area and will have three WRFs serving that area. The main regional WRF for the area is referred to as the Southern Region WRF (SRWRF) and is sized to serve the entire Southern Region Area. In addition to the SRWRF, there will also be two satellite WRFs, known as the Section 23 WRF (S23WRF) and the Section 28 WRF (S28WRF), that will serve as the initial WRFs while the flows within the area are relatively low. As flows increase they will transition into scalping plants that will just treat the required flows to satisfy the adjacent reclaimed water needs after the regional SRWRF is constructed. The ultimate average annual daily flow capacity for each WRF will be as follows:

- State Land WRF = 4.75 MGD
- Southern Region WRF = 24 MGD
- S23WRF = 0.6 MGD
- S28WRF = 0.6 MGD

The Sonoran Valley Planning Area is a new planning area for the City of Goodyear and, as such, is not currently included in the City's Wastewater System Master Plan. Master

planning activities are currently underway to develop detailed plans for the wastewater system infrastructure necessary to support the projected development within the new planning area. In general, conventional gravity sewer collection systems will be developed to convey wastewater flows ultimately to one of the two main planned regional WRFs for treatment to Arizona Class A+ Reclaimed Water Standards. The treated water will then either be reused for irrigation purposes, recharged into the aquifer, and/or discharged into Waterman Wash.

The City of Goodyear will own all of the wastewater system infrastructure in the Sonoran Valley Planning Area. The specific funding sources for the capital for the construction, operation, and maintenance of the facilities will be: through the adoption and implementation of development/impact fees, through the adoption and implementation of water and sewer rates, and from voter approved bonding capacity.

The City of Goodyear will also be responsible for the operation of all of the facilities. The City may operate the facilities with in-house staff or choose to contract with a third party for the operations of the facilities.

208 Amendment Checklist

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
Authority		
Proposed Designated Management Agency (DMA) shall self-certify that it has the authorities required by Section 208(c)(2) of the Clean Water Act (CWA) to implement the plan for its proposed planning and service areas. Self-certification shall be in the form of a legal opinion by the DMA or entity attorney.	The City of Goodyear is the Designated Management Agency for the Goodyear Municipal Planning Area.	Appendix B
20-Year Needs		
Clearly describe the existing wastewater treatment (WWT) facilities:		
• Describe existing WWT facilities.	There are nine existing or planned wastewater treatment plants (WWTPs) within the City of Goodyear, including the Lockheed Martin WWTP, Sarival Water Reclamation Facility (WRF), Palm Valley WRF, Arizona Equestrian Center WRF, Gila River Basin-Cotton Lane WRF, Goodyear WWTP, Corgett Basin WRF, Rainbow Valley WRF, and Waterman Basin WRF. There are no existing wastewater treatment facilities in the Sonoran Valley Planning Area.	Section 2.1, page 21
• Show WWT certified and service areas for private utilities and sanitary district boundaries if appropriate.	There are no private wastewater utilities or sanitary districts within the proposed service area of this facility.	Section 2.1, page 21

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
Clearly describe alternatives and the recommended WRF plan:		
• Provide POPTAC population estimates (or COG-approved estimates only where POPTAC are not available) over a 20-year period.	The proposed service area is within the MAG Regional Analysis Zone (RAZ) 373. MAG RAZ population projections through the year 2030 are as follows: • Total Housing Units = 16,092 • Total Resident Population = 39,924 Buildout for this area is expected in the year 2050. Therefore population projections for the proposed service area through the year 2050 are based upon the Sonoran Valley Planning Area General Plan Amendment as follows: • Total Dwelling Units = 86,000 • Total Population = 243,000	Section 2.2.2, page 22
• Provide wastewater flow estimates over the 20-year planning period.	The wastewater generation rate for the proposed service areas annual average day at build-out are the following: SLWRF - 4.75 MGD SRWRF - 23.88 MGD S23WRF - 1.61 MGD S28WRF - 1.84 MGD	Section 2.2.3, page 23 and Table 8, page 28

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
	Treatment capacity for the SLWRF will equal the flow generated in its service area. Treatment capacity for the SRWRF will equal the flow generated in its service area, including all of the flows generated in the service areas for the S23WRF and S28WRF. Treatment capacities for the S23WRF and S28WRF will be limited to 0.6 MGD, with the excess flows being routed to the SRWRF for treatment.	
• Illustrate the WWT planning and service areas.	The planning and service area includes approximately 95 square miles bordered by the City of Goodyear, City of Maricopa Planning Area, Gila River Indian Community, Sonoran Preserve, and Estrella Mountain Wilderness Area.	Figures 2, 3, 4, 5, and 6

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
• Describe the type and capacity of the recommended WWT plant.	The planned WRFs will have the following ultimate annual average daily treatment capacities: SLWRF - 4.75 MGD SRWRF - 24 MGD S23WRF - 0.6 MGD S28WRF - 0.6 MGD Treatment capacity for the SLWRF will equal the flow generated in its service area. Treatment capacity for the SRWRF will equal the flow generated in its service area, including all of the flows generated in the service areas for the S23WRF and S28WRF. Treatment capacities for the S23WRF and S28WRF will be limited to 0.6 MGD, with the excess flows being routed to the SRWRF for treatment. The treatment train for each WRF will incorporate the following unit processes: Influent Screening, Activated Sludge Secondary Treatment with Biological Nutrient Removal, Clarification, Filtration, and Disinfection. The facilities will also incorporate sludge storage and/or treatment and processing capabilities. The plants will be equipped with odor and noise control and other	Section 2.3.2, page 29

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
	aesthetic measures in accordance with Title 18 of the Arizona Administrative Code (AAC).	
• Identify water quality problems, consider alternative control measures, and recommend a solution for implementation.	Through compliance with AAC Title 18, no water quality issues are anticipated. The effluent quality from each WRF will meet the A+ Reclaimed Water Standards. In addition, effluent water quality will comply with standards established in AZPDES permits and the Aquifer Water Quality Standards.	Section 2.3.4, page 31
• If private WWT utilities with certificated areas are within the proposed regional service area, define who (municipal or private utility) serves what area and when. Identify whose sewer lines can be approved in what areas and when.	There are presently no private wastewater utilities within the planning area.	Section 2.1, page 21
• Describe method of effluent disposal and reuse sites (if appropriate).	The first priority for the use of effluent from each WRF will be for direct irrigation of turf and other areas. Reuse sites include parks, common areas, golf courses, schools, and other high irrigation demand sites. When seasonal demand is low, the WRFs will recharge the water to the aquifer. As a last alternative, the reclaimed water will be discharged into the Waterman Wash under valid AZPDES Permits. Figure 11 presents the planned locations of the AZPDES discharge locations relative to the Waterman Wash.	Figure 11, follows page 32 and Section 2.3.4, page 31

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
• If Sanitary Districts are within a proposed planning or service area, describe who serves the Sanitary Districts and when.	There are no Sanitary Districts within the proposed planning area for the facilities.	N/A
• Describe ownership of land proposed for plant sites and reuse areas.	Ownership of the land for each of the WRF facilities are listed: SLWRF - State Land SRWRF - Montage Holdings, LLC S23WRF - Montage Holdings, LLC S28WRF - Montage Holdings, LLC The land for the facility reuse areas are owned by the same entities listed.	Section 2.2.1, page 22
• Address time frames in the development of the treatment works.	Currently there are no plans underway to establish the timing and phasing of the planned SLWRF. The first phase of the other treatment facilities will include full operation of the S23WRF and S28WRF in 2008. The SRWRF will be developed in five phases. The first phase will be ready for operation in 2009, with subsequent phases coming on-line in 2012, 2015, 2020, and 2025.	Section 4, page 34

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
• Address financial constraints in the development of the treatment works.	The WRFs will be financed by the City of Goodyear. The specific funding sources for the capital for the construction, operation, and maintenance of the facilities will be: through the adoption and implementation of development/impact fees, through the adoption and implementation of water and sewer rates, and from voter approved bonding capacity. The City of Goodyear will be responsible for the operation of the facilities.	Section 5, page 36 and Appendix G, H, and I
• Describe how discharges will comply with EPA municipal and industrial storm water discharge regulations (Section 405, CWA).	The collection systems will be designed to prevent storm water infiltration and the plants will treat wastewater only. The plant sites will not receive runoff from adjacent properties. During construction, storm water flows will be addressed through the development and implementation of a site Storm Water Pollution Prevention Plan (SWPPP).	Section 2.3.1, page 28
• Describe how open areas and recreational opportunities will result from improved water quality and how those will be used.	The effluent from the WRFs will safely enhance golf course landscaping, common areas, and other turf managed facilities while reducing the demand of available groundwater supplies.	Section 2.3.4, page 31

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
• Describe potential use of lands associated with treatment works and increased access to water based recreation, if applicable.	Not applicable.	N/A
Regulations		
• Describe types of permits needed, including NPDES, APP, and reuse.	The WRFs will require AZPDES permits, Aquifer Protection Permits (APP), Stormwater Pollution Prevention Permits (SWPPP), Water Storage Permits, permits for the Reuse of Reclaimed Wastewater, and Air Quality permits, plus the permits required by the City of Goodyear and MCESD. This includes approval to construct, approval of construction, and architectural and building permits. A Clean Water Act Section 404 individual permit is being pursued for the three WRFs in the Southern Region of the Sonoran Planning Area.	Section 3, page 33

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
• Describe restrictions on NPDES permits, if needed, for discharge and sludge disposal.	No restrictions are anticipated for the AZPDES permits. The effluent generated will meet Class A+ Water Quality Standards. The sludge from the SLWRF and SRWRF will be stored in sludge holding tanks prior to dewatering. Once dewatered, the sludge will be transported to an approved landfill for disposal. Waste activated sludge from the treatment process at the satellite WRFs will be stored on-site. Provisions will be made for the sludge to be pumped out by a licensed sludge hauler and transported to an approved wastewater treatment plant for disposal, for the sludge to be dewatered on-site, and for the sludge to be returned to the sewer for treatment and dewatering at the SRWRF.	Section 2.3.3 and 2.3.4, page 31
• Provide documentation of communication with the ADEQ Permitting Section 30 to 60 days prior to public hearing regarding the need for specific permits.	A pre-application meeting with the ADEQ Permitting Section was held on May 30, 2007.	Section 3, page 33 and Appendix K
• Describe pretreatment requirements and method of adherence to requirements (Section 208(b)(2)(D), CWA).	In the event that an industrial user requests to discharge to the systems, the City of Goodyear will review the industrial process and implement any local limits that may be required.	Section 2.4, page 32

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
• Identify, if appropriate, specific pollutants that will be produced from excavations and procedures that will protect ground and surface water quality (Section 208(b)(2)(K) and Section 304 CWA).	Not applicable.	N/A
• Describe alternatives and recommendations in the disposition of sludge generated (Section 405 CWA).	Waste activated sludge from the SLWRF and SRWRF will be stored in sludge holding tanks. The sludge will be mechanically dewatered and then hauled off to an approved landfill for disposal. Waste activated sludge from the treatment process at the satellite WRFs will be stored on-site. Provisions will be made for the sludge to be pumped out by a licensed sludge hauler and transported to an approved wastewater treatment plant for disposal, for the sludge to be dewatered on-site, and for the sludge to be returned to the sewer for treatment and dewatering at the SRWRF.	Section 2.3.3, page 31
• Define any non-point issues related to the proposed facility and outline procedures to control them.	Not applicable; non-point discharges are not anticipated.	N/A
• Describe processes to handle all mining runoff, orphan sites, and underground pollutants, if applicable.	Not applicable.	N/A
• If mining related, define where collection of pollutants has occurred, and what procedures are going to be initiated to contain contaminated areas.	Not applicable.	N/A

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
• If mining related, define what specialized procedures will be initiated for orphan sites, if applicable.	Not applicable.	N/A
Construction		
• Define construction priorities and time schedules for initiation and completion.	Currently there are no plans underway to establish the timing and phasing of the planned SLWRF. The first phase of the other treatment facilities will include full operation of the S23WRF and S28WRF in 2008. The SRWRF will be developed in five phases. The first phase will be ready for operation in 2009 with subsequent phases coming on-line in 2012, 2015, 2020, and 2025.	Section 4, page 34
• Identify agencies that will construct, operate, and maintain the facilities and otherwise carry out the plan.	The City of Goodyear will manage the construction of the S23WRF, S28WRF, and SRWRF, as well as construction of the SLWRF when it occurs. The City of Goodyear will also be responsible for the operation of all of the facilities. The City may operate the facilities with in-house staff or choose to contract with a third party for the operations of the facilities.	Section 4, page 34

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
• Identify construction activity-related sources of pollution and set forth procedures and methods to control, to the extent feasible, such sources.	Pollutants associated with construction activities are anticipated to be limited to sediment, inert materials, and residual construction materials. Construction activities will abide by all federal and state rules and regulations. Additionally, potential discharges during construction will be managed under a Storm Water Pollution Prevention Plan (SWPPP). The SWPPP will outline procedures to protect ground and surface water quality.	Section 3, page 33
Financing and Other Measures Necessary to Carry Out the Plan		
• If plan proposes to take over certificated private utility, describe how and when financing will be managed.	Not applicable.	N/A
• Describe any significant measure necessary to carry out the plan, e.g., institutional, financial, economic, etc.	The City of Goodyear has performed an impact fee analysis to identify funding requirements for the wastewater system infrastructure.	Section 5, page 36 and Appendix H

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
• Describe proposed method(s) of community financing.	The WRFs will be financed by the City of Goodyear. The specific funding sources for the capital for the construction, operation, and maintenance of the facilities will be: through the adoption and implementation of development/impact fees, through the adoption and implementation of water and sewer rates, and from voter approved bonding capacity. The City of Goodyear will be responsible for the operation of the facilities.	Section 5, page 36 and Appendix G, H, and I
• Provide financial information to assure DMA has financial capability to operate and maintain wastewater system over its useful life.	The City of Goodyear is a municipality and has successfully owned and operated its existing WWTPs.	Section 5, page 36 and Appendix I

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
• Provide a timeline outlining period of time necessary for carrying out plan implementation.	There currently is no plan to implement the SLWRF. The S23WRF and S28WRF will be constructed and operational in 2008. The SRWRF will be constructed in up to five phases. Phase I of the SRWRF will be constructed and operational in 2009. Subsequent phases of the SRWRF will be dependant on the actual rate of flow increase within the service area.	Section 4, page 34 and Section 6, page 37
• Provide financial information indicating the method and measures necessary to achieve project financing (Section 201 CWA or Section 604 may apply).	The WRFs will be financed by the City of Goodyear. The specific funding sources for the capital for the construction, operation, and maintenance of the facilities will be: through the adoption and implementation of development/impact fees, through the adoption and implementation of water and sewer rates, and from voter approved bonding capacity. The City of Goodyear will be responsible for the operation of the facilities.	Section 5, page 36 and Appendix G, H, and I
Implementation		
Describe impacts and implementation requirements of the plan:		
• Describe impacts on existing wastewater facilities (e.g., Sanitary Districts, infrastructure/facilities, and certificated areas).	No wastewater infrastructure or facilities exist within the proposed service area. The City of Goodyear will oversee the operation and maintenance of the plants.	Section 4, page 34 and Section 6, page 37

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
• Describe how and when existing package plants will be connected to a regional system.	The satellite plants (S23WRF, S28WRF) will be constructed and operational in 2008. The regional plant (SRWRF) will be constructed and operational in 2009. While the flows within the satellite plant service areas are relatively low, the plants will operate as intended. Then the plants will transition into scalping plants that will just treat the required flows to satisfy the adjacent reclaimed water needs after the SRWRF is constructed.	Section 1, page 19 and Section 4, page 34
• Describe the impact on communities and businesses affected by the plan.	The proposed WRFs are not anticipated to impact the operation of any communities or businesses.	Section 6, page 37
• If a municipal WWT system is proposed, describe how WWT service will be provided until the municipal system is completed: i.e., will package plants and septic systems be allowed and under what circumstances (interim services).	The S23WRF will be operational as the first home closings occur. Future development will construct facilities to connect to the municipal WWT system. Development currently served by septic will connect to the municipal system as the system expands adjacent to existing development.	Section 4, page 34 and Section 6, page 37
Public Participation		
• Submit copy of mailing list used to notify the public of the public hearing on the 208 Amendment (40 CFR, Chapter 1, Part 25.5).	All public notifications will be coordinated through MAG.	Section 7, page 38
• List location where documents are available for review at least 30 days before public hearing.	All public notifications will be coordinated through MAG.	Section 7, page 38

208 AMENDMENT CHECKLIST Section 208 Clean Water Act 40 CFR Part 130.6		
Goodyear Sonoran Valley Planning Area		
Requirement	**Summary of Compliance**	**See Page**
• Submit copy of the public notice of the public hearing as well as an official affidavit of publication from the area newspaper. Clearly show the announcement appeared in the newspaper at least 45 days before the hearing.	All public notifications will be coordinated through MAG.	Section 7, page 38
• Submit affidavit of publication for official newspaper publication.	All public notifications will be coordinated through MAG.	Section 7, page 38
• Submit responsiveness summary for public hearing.	All public notifications will be coordinated through MAG.	Section 7, page 38

Section 1

Section 1: Authority and Introduction

In accordance with Section 208 of the Clean Water Act (CWA), the Maricopa Association of Governments (MAG) is the designated Regional Water Quality Management Planning Agency for Maricopa County, Arizona. This CWA 208 Amendment will incorporate the proposed Water Reclamation Facilities (WRFs) for the City of Goodyear's recently adopted Sonoran Valley Planning Area into the MAG 208 Water Quality Management Plan.

There are four WRFs planned for the City of Goodyear Sonoran Valley Planning Area. The Sonoran Valley Planning Area is separated into two distinct developable areas, with an open space wildlife movement corridor separating the two areas. The northern developable area is referred to as the State Land Area and will have one WRF located in Section 09, T3S, R1W, referred to as the State Land WRF (SLWRF), serving that area. The southern developable area is referred to as the Southern Region Area and will have three WRFs serving that area. The City of Goodyear is currently in the process of annexing the Southern Region Area. See the pre-annexation agreement included as Appendix D.

The main regional WRF for the Southern Region Area is referred to as the Southern Region WRF (SRWRF) and is sized to serve the entire Southern Region Area. It is located in Section 16, T4S, R1E. In addition to the SRWRF, there will also be two satellite WRFs that will serve as the initial WRFs while the flows within the area are relatively low. It is the desire of the City of Goodyear, as flows increase, to convey most of the wastewater to the SRWRF after it is constructed, and transition the two satellite WRFs into scalping plants that will just treat the required flows to satisfy the adjacent reclaimed water needs. These two satellite WRFs are located near the initial planned phases of development. The first satellite WRF is located in Section 23, T4S, R1E, and is

referred to as the Section 23 WRF (S23WRF). The second satellite WRF is located in Section 28, T4S, R1E, and is referred to as the Section 28 WRF (S28WRF).

Locations and ultimate capacities for all of these facilities are summarized in Table 2 and Table 9, to follow. The City of Goodyear will own and operate all facilities.

A map of the existing Goodyear Municipal Planning Area along with the new Sonoran Valley Planning Area is included as Appendix E. In addition, information for this area regarding transportation and air quality is provided in a traffic analysis report included as Appendix F.

Section 2

Section 2: 20 Year Needs

2.1 Existing and Currently Planned Facilities

The City of Goodyear currently has several existing or planned WRFs that serve the previous City of Goodyear Planning Area, prior to the addition of the Sonoran Valley Planning Area. The locations and ultimate capacities of these WRFs are presented in the October 2002, MAG 208 Water Quality Management Plan. Table 1 summarizes the existing and planned WRFs serving the City of Goodyear.

TABLE 1
EXISTING AND PLANNED CITY OF GOODYEAR WRFs

Facility Name	Ultimate Capacity (MGD)
157th Avenue WWTP	15.0
Palm Valley WRF	8.2
Sarival WRF	8.2
Gila River Basin - Cotton Lane WRF [2]	4.0
Lockheed Martin WWTP	0.45
Arizona Equestrian Center	0.115
Corgett Basin WRF	2.2[1]
Rainbow Valley WRF	31.2 (22.0 + 9.2)
Waterman Basin WRF	22.0

[1] Estimated year 2020 flow rate.
[2] In current 208 Plan, but no longer planned to be constructed.

Figure 1 presents the locations of these existing and planned WRFs. These WRFs do not address the service needs of the new Sonoran Valley Planning Area. No private sewer utilities and/or sanitary districts serve the area within the new Sonoran Valley Planning Area.

2.2 Proposed Water Reclamation Facilities

2.2.1 Site Locations and Property Ownership

There are four new planned WRFs to serve the City of Goodyear Sonoran Valley Planning Area. Figure 1 presents the locations of these proposed WRFs. Figure 2 presents the location of the Sonoran Valley Planning Area in relation to the Phoenix Metropolitan Area. The location and size of these facilities are summarized in Table 2 and Table 9, to follow.

Table 2 presents the new planned WRFs, their locations, and the current property ownership of each respective WRF site.

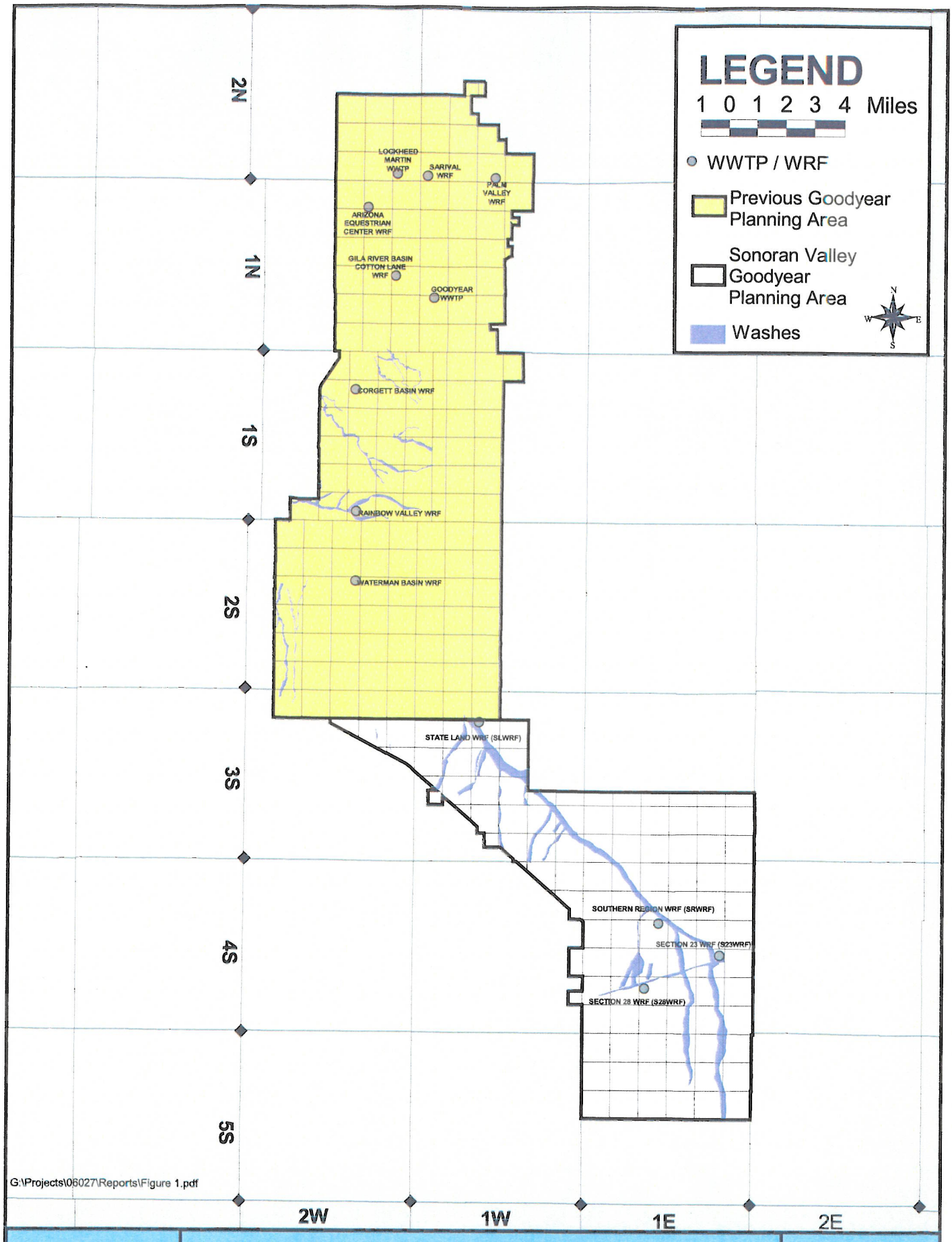
TABLE 2
SONORAN VALLEY PLANNING AREA PROPOSED WRFs

Name	Location	Property Owner
SLWRF	Section 09, T3S, R1W	State Land
SRWRF	Section 16, T4S, R1E	Montage Holdings, LLC
S23WRF	Section 23, T4S, R1E	Montage Holdings, LLC
S28WRF	Section 28, T4S, R1E	Montage Holdings, LLC

Based on a development agreement with Montage Holdings, ownership of all of the WRF sites will be transferred to the City of Goodyear. See Appendix G for a copy of the Development Agreement between the City of Goodyear and Montage Holdings.

2.2.2 Population Projections

The Sonoran Valley Planning Area is within the MAG Regional Analysis Zone (RAZ) 373. The MAG population projections are provided through the year 2030, while buildout for this region is expected to occur in the year 2050. Therefore, for this 208 Plan Amendment, the population projections were developed using the January 2007



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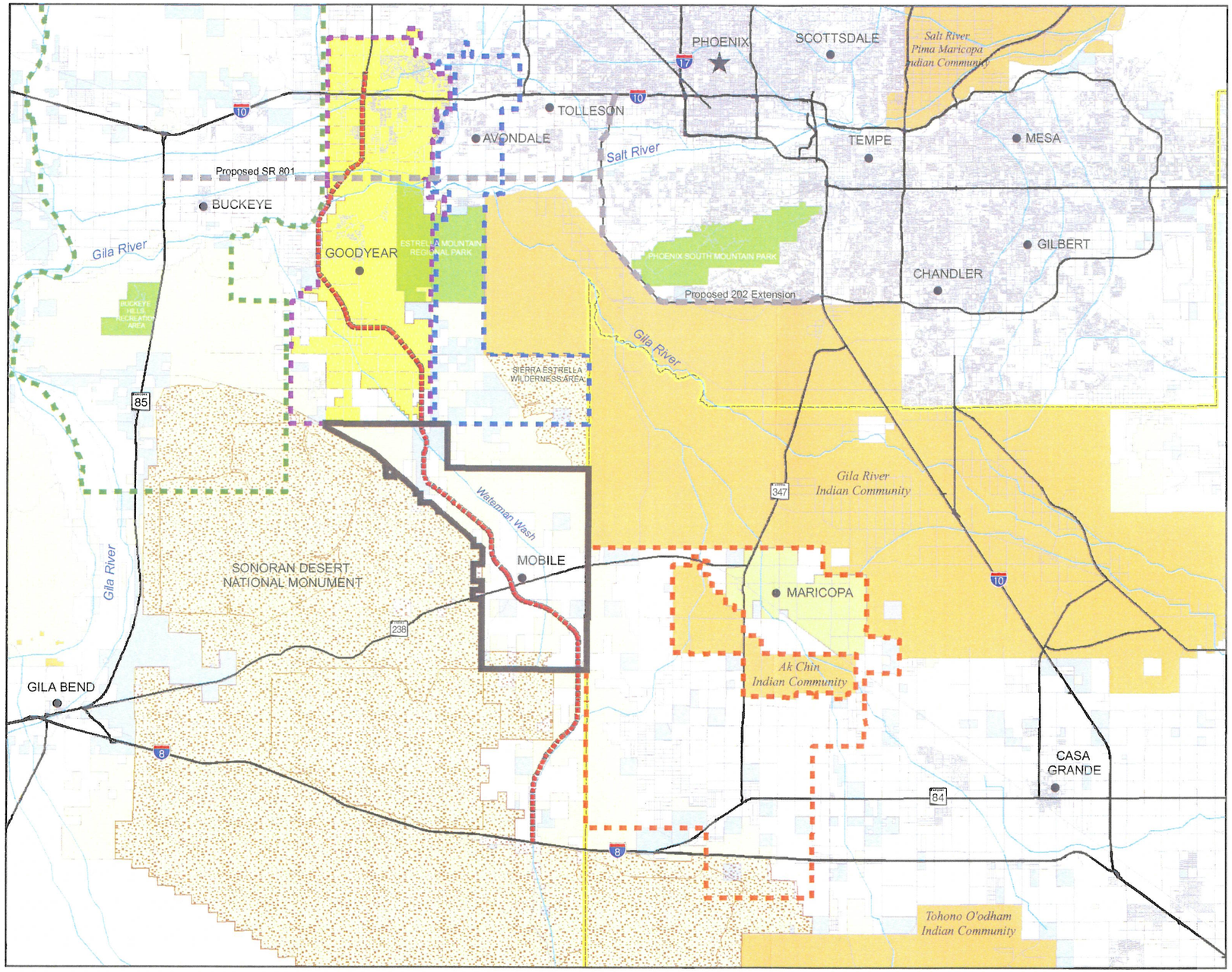
CITY OF GOODYEAR
SONORAN VALLEY PLANNING AREA 208 PLAN
MUNICIPAL PLANNING AREA AND WASTEWATER TREATMENT FACILITIES

FIGURE 1

Nov 2007

Sonoran Valley Planning Area

Regional Context Map



Proposed Sonoran Valley Planning Area Phase 1

- Sonoran Desert National Monument
- BLM
- Indian Lands
- Arizona State Land Department (ASLD)
- County Boundary
- City of Goodyear Municipal Planning Area
- City of Avondale Municipal Planning Area
- Town of Buckeye Municipal Planning Area
- City of Maricopa Municipal Planning Area
- City of Goodyear Municipal Limits
- City of Maricopa Municipal Limits
- Proposed SR 303 Alignment
- Proposed SR 801 & Loop 202
- Freeways/Highways
- Arterials/Roads
- Rivers/Drainage

N

0 2.5 5 10
Miles

Goodyear

RBF CONSULTING GIS

The information displayed on the exhibit maps is based on available Government Agency information. For Planning Use Only.
Map Revised December 1, 2006

WILSON ENGINEERS

City of Goodyear
Sonoran Valley Planning Area 208 Plan
Regional Context Map

Figure 2

Sonoran Valley Planning Area General Plan Amendment Application, which in turn were developed from the City of Goodyear General Plan Amendment. The January 2007 Sonoran Valley Planning Area General Plan Amendment Application provides population projections through the year 2050.

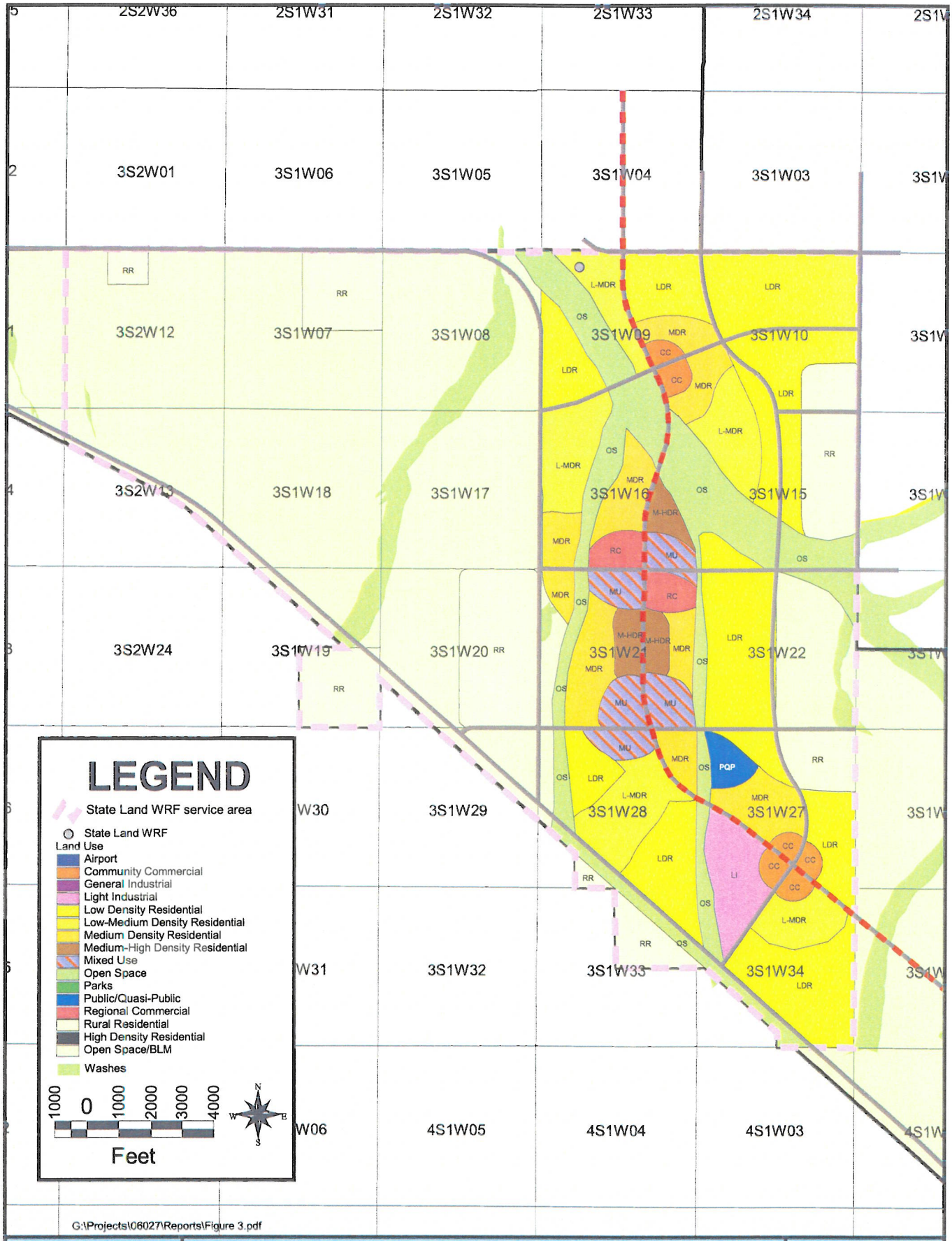
Projections from both sources are compared below.

TABLE 3
SONORAN VALLEY PLANNING AREA POPULATION PROJECTIONS

MARICOPA ASSOCIATION OF GOVERNMENTS RAZ 373 POPULATION PROJECTIONS THROUGH THE YEAR 2030		
Area	**Housing Units**	**Resident Population**
Regional Analysis Zone 373	16,092	39,924
JANUARY 2007 SONORAN VALLEY PLANNING AREA GENERAL PLAN AMENDMENT APPLICATION POPULATION PROJECTIONS THROUGH THE YEAR 2050		
Area	**Dwelling Units**	**Population**
Sonoran Valley Planning Area	86,000	243,000

2.2.3 Flow Generation

Figures 3 through 6 present the planned service areas and the planned land uses within the service areas for each of the four planned WRFs that will serve the new Sonoran Valley Planning Area. The planned land uses include residential, commercial, industrial, and open space. However, the specifics of any potential development is not known at this time. The acreage of each type of planned land use, along with typical planning level flow generation factors, were utilized to establish the expected ultimate average daily flows generated in each WRF service area. Tables 4 through 7 present these calculations and Table 8 presents a summary of the flows.



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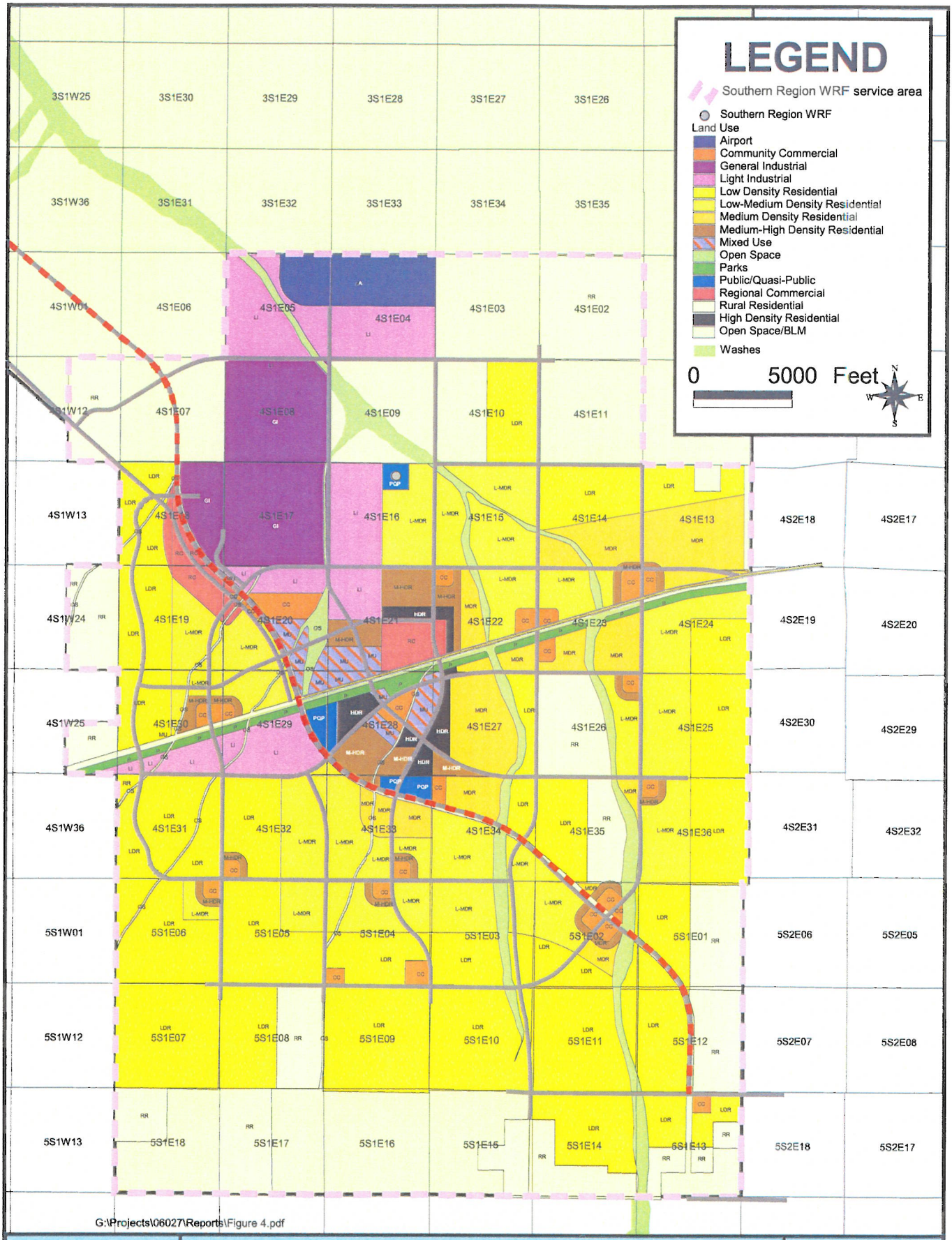
WILSON ENGINEERS

CITY OF GOODYEAR
SONORAN VALLEY PLANNING AREA 208 PLAN
STATE LAND WRF (SLWRF)
SERVICE AREA

FIGURE 3

Jan 2008



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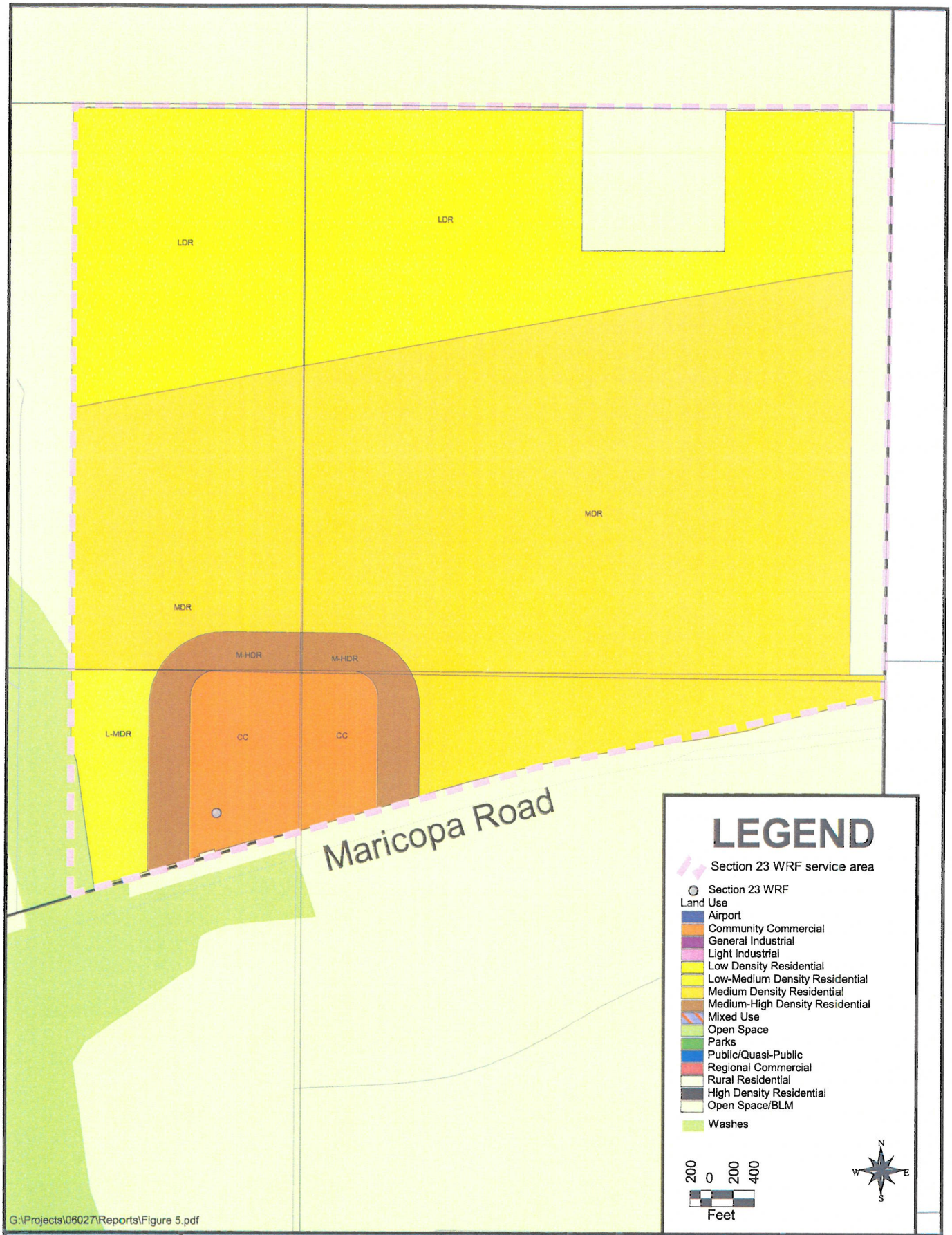
WILSON ENGINEERS

CITY OF GOODYEAR
SONORAN VALLEY PLANNING AREA 208 PLAN
SOUTHERN REGION WRF (SRWRF)
SERVICE AREA

FIGURE 4

Jan 2008

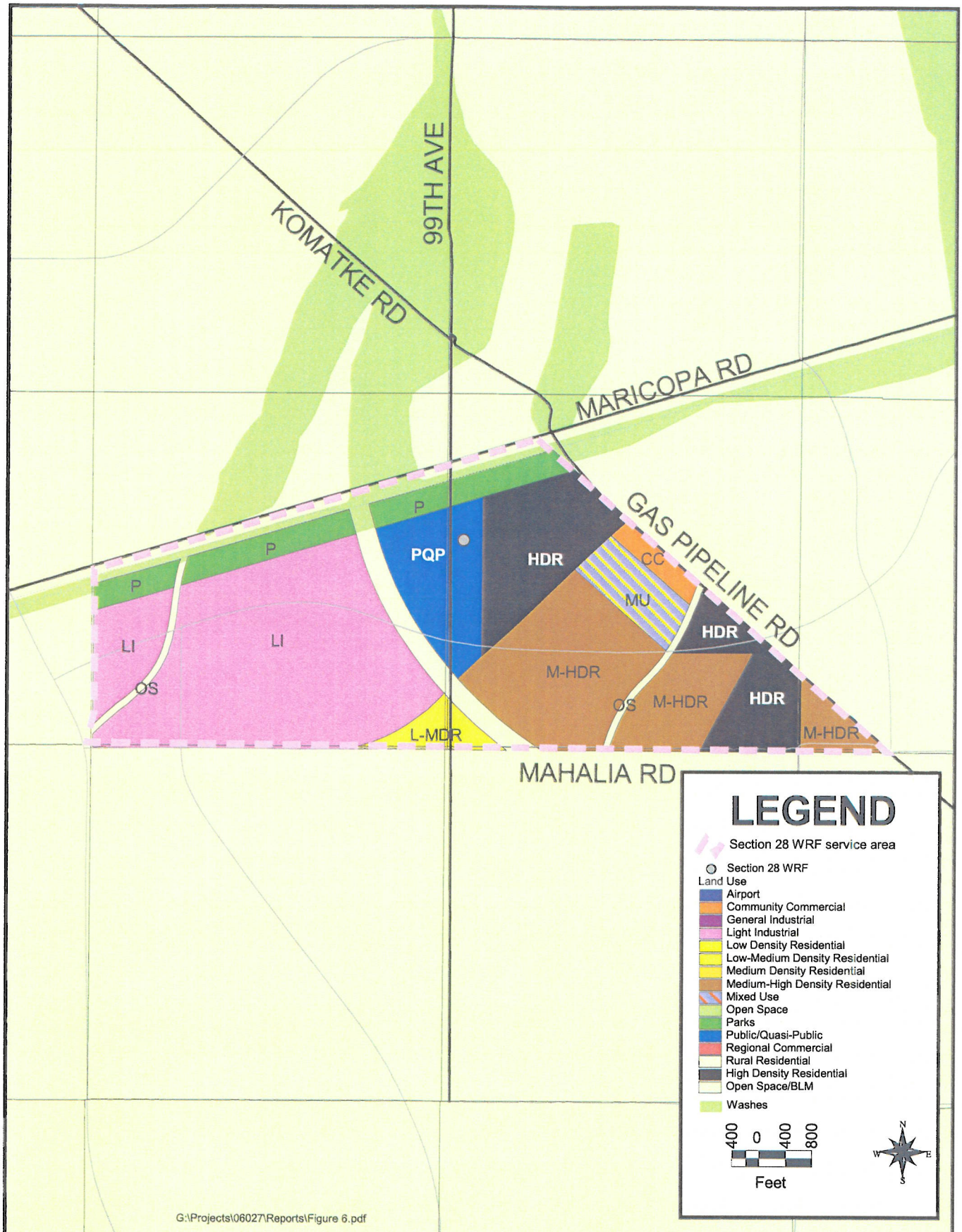


WILSON ENGINEERS

CITY OF GOODYEAR
SONORAN VALLEY PLANNING AREA 208 PLAN
SECTION 23 WRF (S23WRF)
SERVICE AREA

FIGURE 5

Jan 2008



WILSON ENGINEERS

CITY OF GOODYEAR
SONORAN VALLEY PLANNING AREA 208 PLAN
SECTION 28 LAND WRF (S28WRF)
SERVICE AREA

FIGURE 6

Jan 2008

TABLE 4
STATE LAND WRF SERVICE AREA

Category	Gross Acres (acres)	DU Density (DU/acre)	Total DU	Population (person)	Flow Factor (gal/person/day)	Annual Average Daily Flow (MGD)
Rural Residential	866.31	1	866	2,322	100	0.23
Low Density Residential	1,415.26	3	4,246	11,379	100	1.14
Low-Medium Density Residential	511.75	5	2,559	6,857	100	0.69
Medium Density Residential	477.08	8	3,817	10,229	100	1.02
Medium-High Density Residential	101.13	15	1,517	4,065	100	0.41
Mixed Use	196.32	15	2,945	7,892	100	0.79
Public/Quasi-Public	48.35	-	-	-	1,200	0.06
Community Commercial	125.24	-	-	-	1,200	0.15
Regional Commercial	85.53	-	-	-	1,200	0.10
General Industrial	0.00	-	-	-	1,200	0.00
Light Industrial	138.12	-	-	-	1,200	0.17
Parks	0.00	-	-	-	300	0.00
Airport	0.00	-	-	-	600	0.00
Open Space	1,396.26	-	-	-	0	0.00
TOTALS	**5,361.34**		**15,949**	**42,744**		**4.75**

TABLE 5
SOUTHERN REGION WRF SERVICE AREA

Category	Gross Acres (acres)	DU Density (DU/acre)	Total DU	Population (person)	Flow Factor (gal/person/day)	Annual Average Daily Flow (MGD)
Rural Residential	3,298.32	1	3,298	8,839	100	0.88
Low Density Residential	9,591.78	3	28,775	77,118	100	7.71
Low-Medium Density Residential	4,004.98	5	20,025	53,667	100	5.37
Medium Density Residential	1,559.65	8	12,477	33,439	100	3.34
Medium-High Density Residential /Mixed Use	367.26	15	5,509	14,746	100	1.48
High Density Residential	36.46	20	729	1,955	100	0.20
Public/Quasi-Public	163.18	-	-	-	1,200	0.20
Community Commercial	449.07	-	-	-	1,200	0.54
Regional Commercial	389.13	-	-	-	1,200	0.47
General Industrial	1,449.76	-	-	-	1,200	1.74
Light Industrial	1,330.03	-	-	-	1,200	1.60
Parks	301.93	-	-	-	300	0.09
Airport	457.92	-	-	-	600	0.27
Open Space	1,468.22	-	-	-	0	0.00
TOTALS	**24,867.69**		**70,814**	**189,782**		**23.88**

TABLE 6
SECTION 23 WRF SERVICE AREA

Category	Gross Acres (acres)	DU Density (DU/acre)	Total DU	Population (person)	Flow Factor (gal/person/day)	Annual Average Daily Flow (MGD)
Rural Residential	0.00	1	0	0	100	0.00
Low Density Residential	288.64	3	866	2,321	100	0.23
Low-Medium Density Residential	26.14	5	131	350	100	0.04
Medium Density Residential	522.67	8	4,181	11,206	100	1.12
Medium-High Density Residential	39.89	15	598	1,603	100	0.16
Mixed Use	0.00	15	0	0	100	0.00
Public/Quasi-Public	0.00	-	-	-	1,200	0.00
Community Commercial	55.70	-	-	-	1,200	0.07
Regional Commercial	0.00	-	-	-	1,200	0.00
General Industrial	0.00	-	-	-	1,200	0.00
Light Industrial	0.00	-	-	-	1,200	0.00
Parks	0.00	-	-	-	300	0.00
Airport	0.00	-	-	-	600	0.00
Open Space	0.00	-	-	-	0	0.00
TOTALS	**933.04**		**5,776**	**15,481**		**1.61**

TABLE 7
SECTION 28 WRF SERVICE AREA

Category	Gross Acres (acres)	DU Density (DU/acre)	Total DU	Population (person)	Flow Factor (gal/person/day)	Annual Average Daily Flow (MGD)
Rural Residential	0.00	1	0	0	100	0.00
Low Density Residential	0.00	3	0	0	100	0.00
Low-Medium Density Residential	17.96	5	90	241	100	0.02
Medium Density Residential	0.00	8	0	0	100	0.00
Medium-High Density Residential /Mixed Use	188.26	15	2,824	7,568	100	0.76
High Density Residential	122.14	15	2,443	6,548	100	0.65
Public/Quasi-Public	59.86	-	-	-	1,200	0.07
Community Commercial	11.22	-	-	-	1,200	0.01
Regional Commercial	0.00	-	-	-	1,200	0.00
General Industrial	0.00	-	-	-	1,200	0.00
Light Industrial	255.69	-	-	-	1,200	0.31
Parks	56.21	-	-	-	300	0.02
Airport	0.00	-	-	-	600	0.00
Open Space	0.00	-	-	-	0	0.00
TOTALS	**711.34**		**5,357**	**14,357**		**1.84**

TABLE 8
SUMMARY OF FLOWS IN EACH
SONORAN VALLEY WRF PLANNING AREA

Planning Area	Annual Average Daily Flows (MGD)
SLWRF	4.75
SRWRF	23.88
S23WRF	1.61
S28WRF	1.84

2.3 Wastewater Collection, Treatment, and Reuse

The Sonoran Valley Planning Area is a new planning area for the City of Goodyear and, as such, is not currently included in the City's Wastewater System Master Plan. Master planning activities are currently underway to develop detailed plans for the wastewater system infrastructure necessary to support the projected development within the new planning area. In general, conventional gravity sewer collection systems will be developed to convey wastewater flows ultimately to one of the two main planned regional WRFs for treatment to Arizona Class A+ Reclaimed Water Standards. The treated water will then either be reused for irrigation purposes, recharged into the aquifer, and/or discharged into Waterman Wash.

2.3.1 Wastewater Collection

The locations of the WRFs were chosen in order to maximize the use of gravity sewers within the collection system. It is anticipated that some pump stations will likely be necessary based on the results of the detailed wastewater system master planning. All of the gravity sewer collection system will be designed, installed, and tested in accordance with City of Goodyear, Maricopa County Environmental Services Department (MCESD), and ADEQ requirements.

In addition, a Drainage Master Plan is also currently underway. The stormwater collection system will be kept separate from the wastewater collection system. However, construction of the planned WRF's will require a SWPPP and Construction General Permit. In order to obtain a Construction General Permit, allowing discharges of stormwater from construction sites of over 1 acres, the Contractor will submit both a Notice of Intent (NOI) and a Storm Water Pollution Prevention Plan (SWPPP) to the Arizona Department of Environmental Quality prior to beginning any construction activities.

2.3.2 Wastewater Treatment

Ultimate treatment capacities of the WRFs are presented in Table 9 below:

TABLE 9
ULTIMATE TREAMENT CAPACITY
FOR EACH SONORAN VALLEY WRF

Facility	Ultimate Capacity (MGD)
SLWRF	4.75
SRWRF	24
S23WRF	0.6
S28WRF	0.6

Treatment capacity for the SLWRF will equal the flow generated in its service area. Treatment capacity for the SRWRF will equal the flow generated in its service area, including all of the flows generated in the service areas for the S23WRF and S28WRF. Treatment capacities for the S23WRF and S28WRF will be limited to 0.6 MGD, with the excess flows being routed to the SRWRF for treatment.

Each of the four planned WRFs will be designed and operated to achieve an ADEQ Class A+ Reclaimed Water and meet the ADEQ Best Available Demonstrated Control

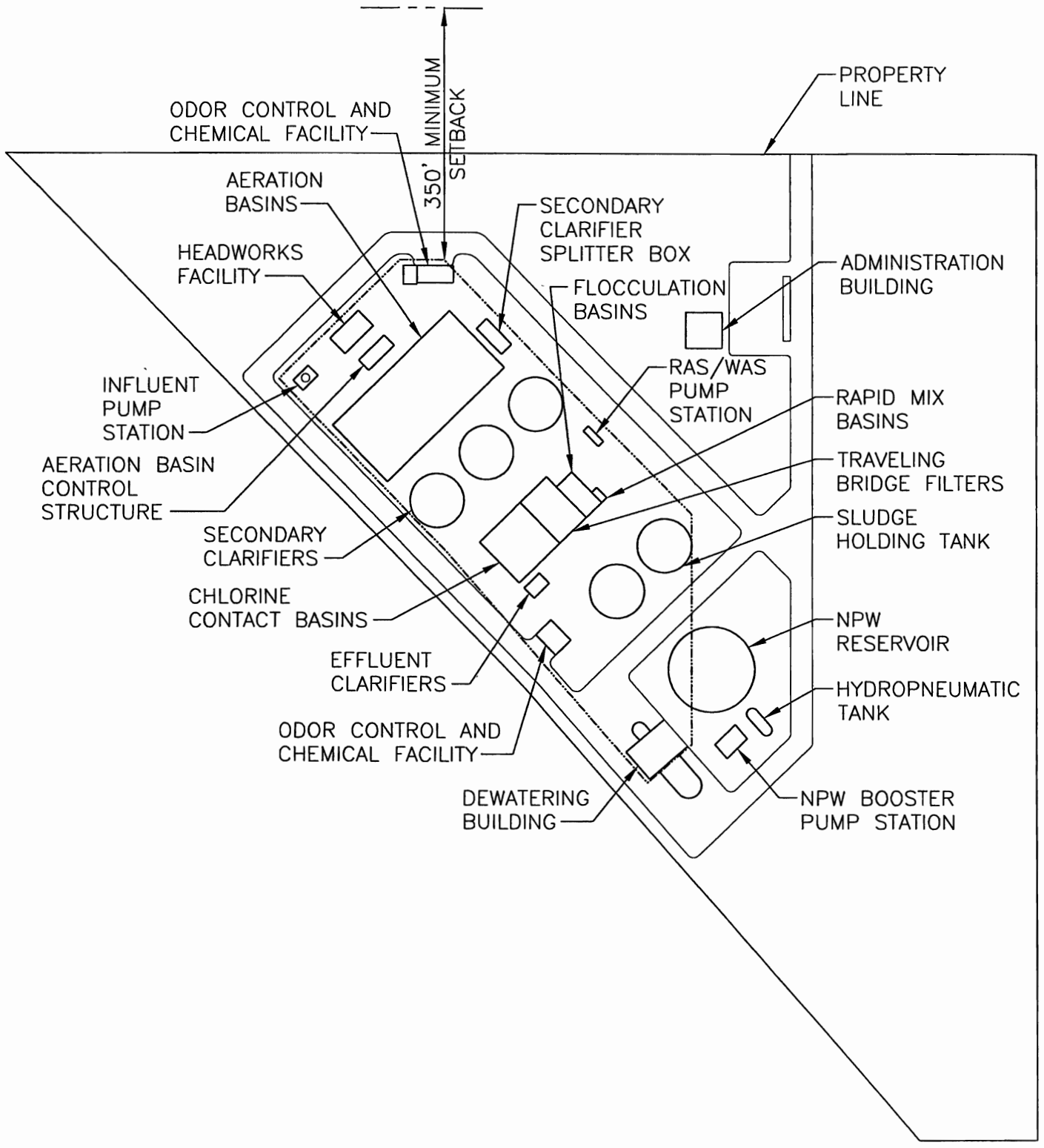
Technology (BADCT) requirements. The following unit processes will be incorporated into each WRF:

- Influent Pumping
- Influent Screening
- Influent Metering
- Activated Sludge Secondary Treatment with Biological Nutrient Removal
- Clarification
- Filtration
- Disinfection
- Effluent Pumping
- Sludge Handling
- Noise and Odor Control Facilities

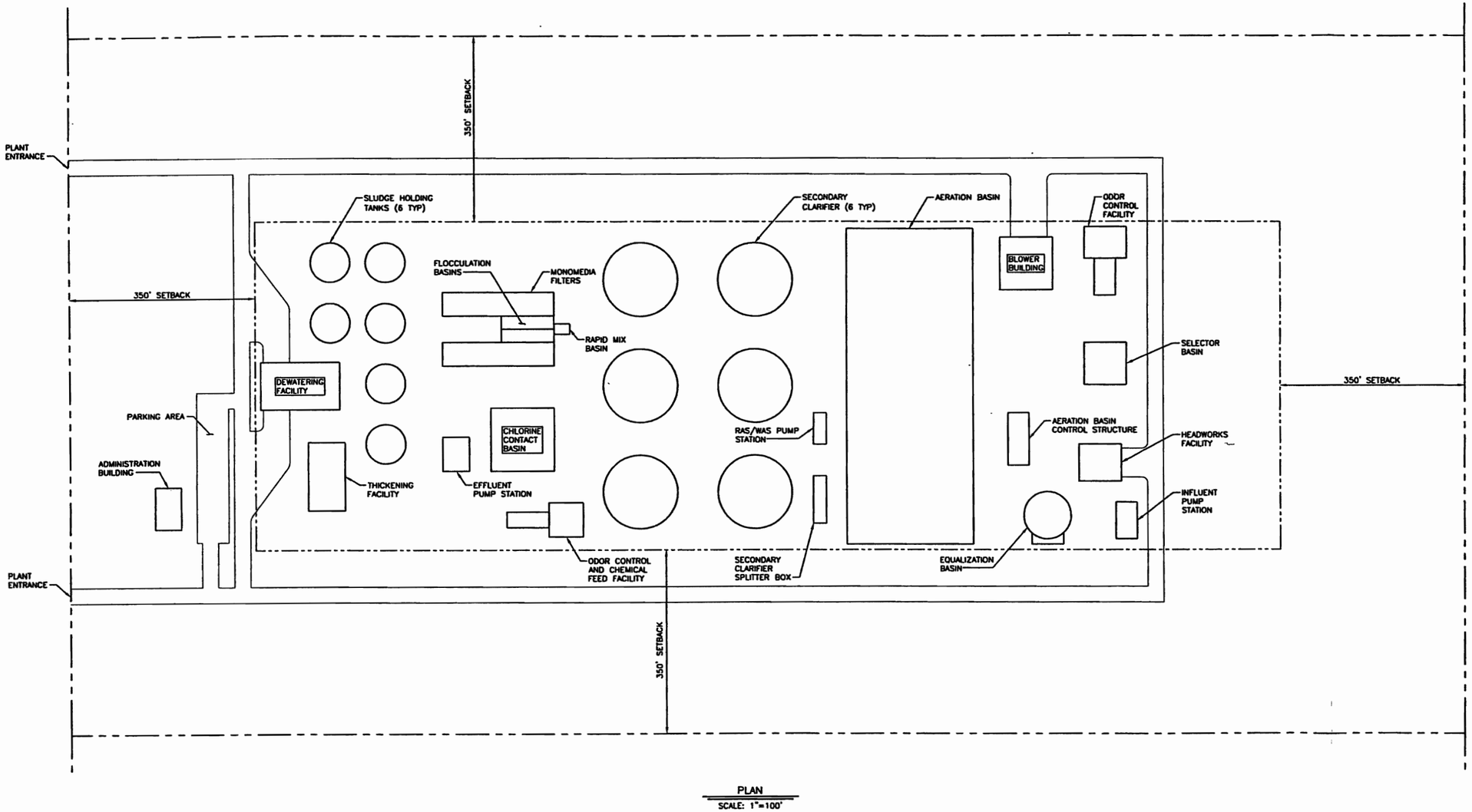
Figures 7 through 10 present proposed site plan layouts for each of the proposed WRFs. The activated sludge and clarifier units at each facility will be covered for odor control.

Currently there are no plans underway to establish the timing and phasing of the planned SLWRF. The first phase of the other treatment facilities will include full operation of the S23WRF and S28WRF in 2008. The SRWRF will be developed in five phases. The first phase will be ready for operation in 2009 with subsequent phases potentially coming on-line in 2012, 2015, 2020, and 2025. The City of Goodyear will own and operate all facilities.

The first phase of the SRWRF is planned to have two aeration basins, two clarifiers, four filters, and two sludge holding tanks, which will treat 5 MGD. The facility will be designed to accommodate future 5 MGD expansions with the addition of one aeration basin, one clarifier, four filters, and one sludge holding tank. At each expansion stage,



WILSON ENGINEERS	STATE LAND WATER RECLAMATION FACILITY (SLWRF) SITE PLAN	FIGURE 7



PLAN
SCALE: 1"=100'

FIGURE 8

PRELIMINARY - NOT FOR CONSTRUCTION OR RECORDING

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WILSON ENGINEERS
9833 South 48th Street, Suite 280
Phoenix, Arizona 85044-5658
Phone: (480) 893-8860
Improving Arizona's Infrastructure Since 1942

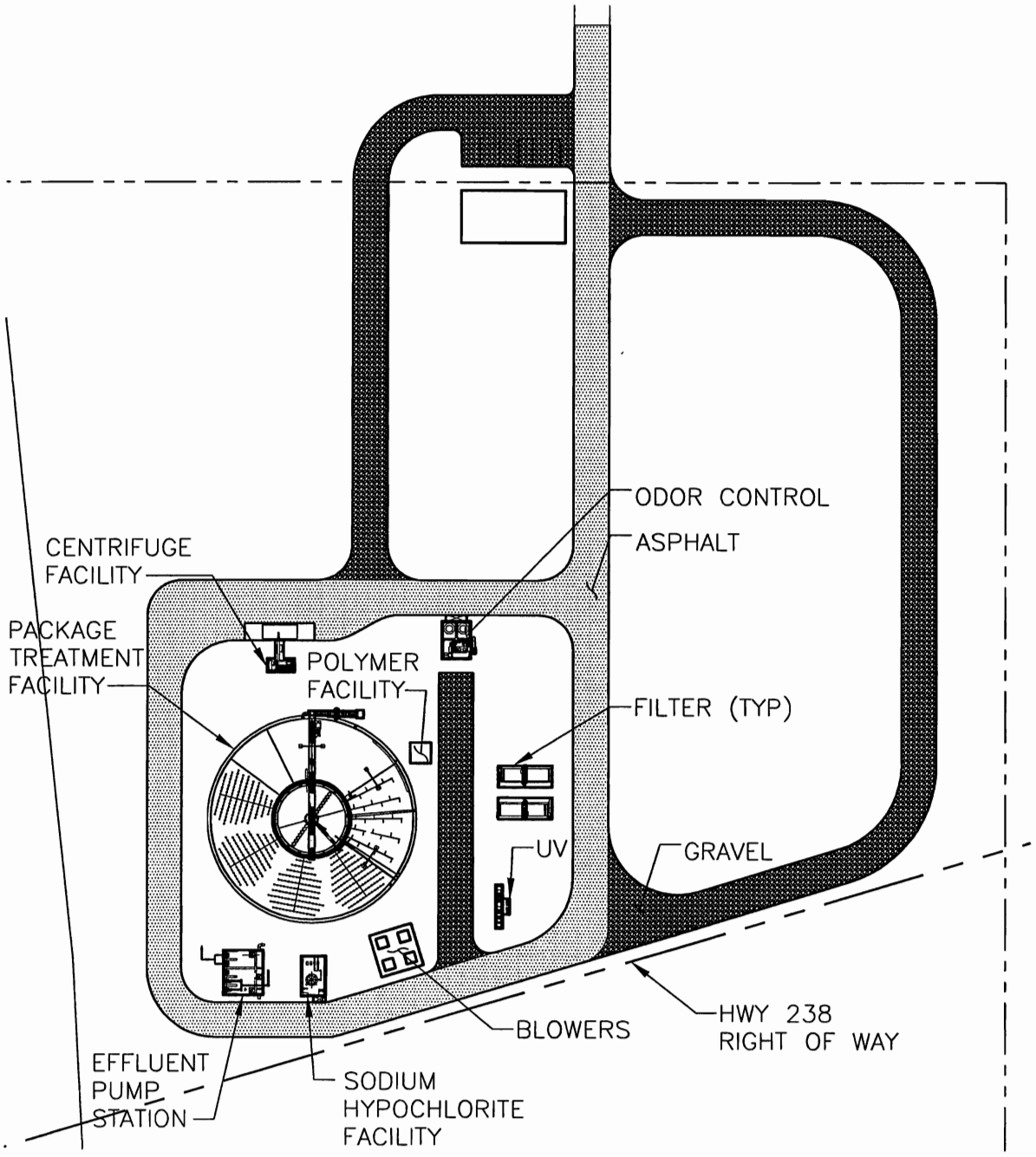
SOUTHERN REGION WATER RECLAMATION FACILITY (SRWRF) SITE PLAN

WILSON PROJECT NO. 06-027

Design: .
Date: 10/05
Drawn:
Wilson Project No.: 06027
Checked:

Revision	Date	Description	By

Sheet No.



PLAN

SCALE: 1/8"=1'-0"

WILSON ENGINEERS	SECTION 23 WATER RECLAMATION FACILITY (S23WRF) SITE PLAN	FIGURE 9

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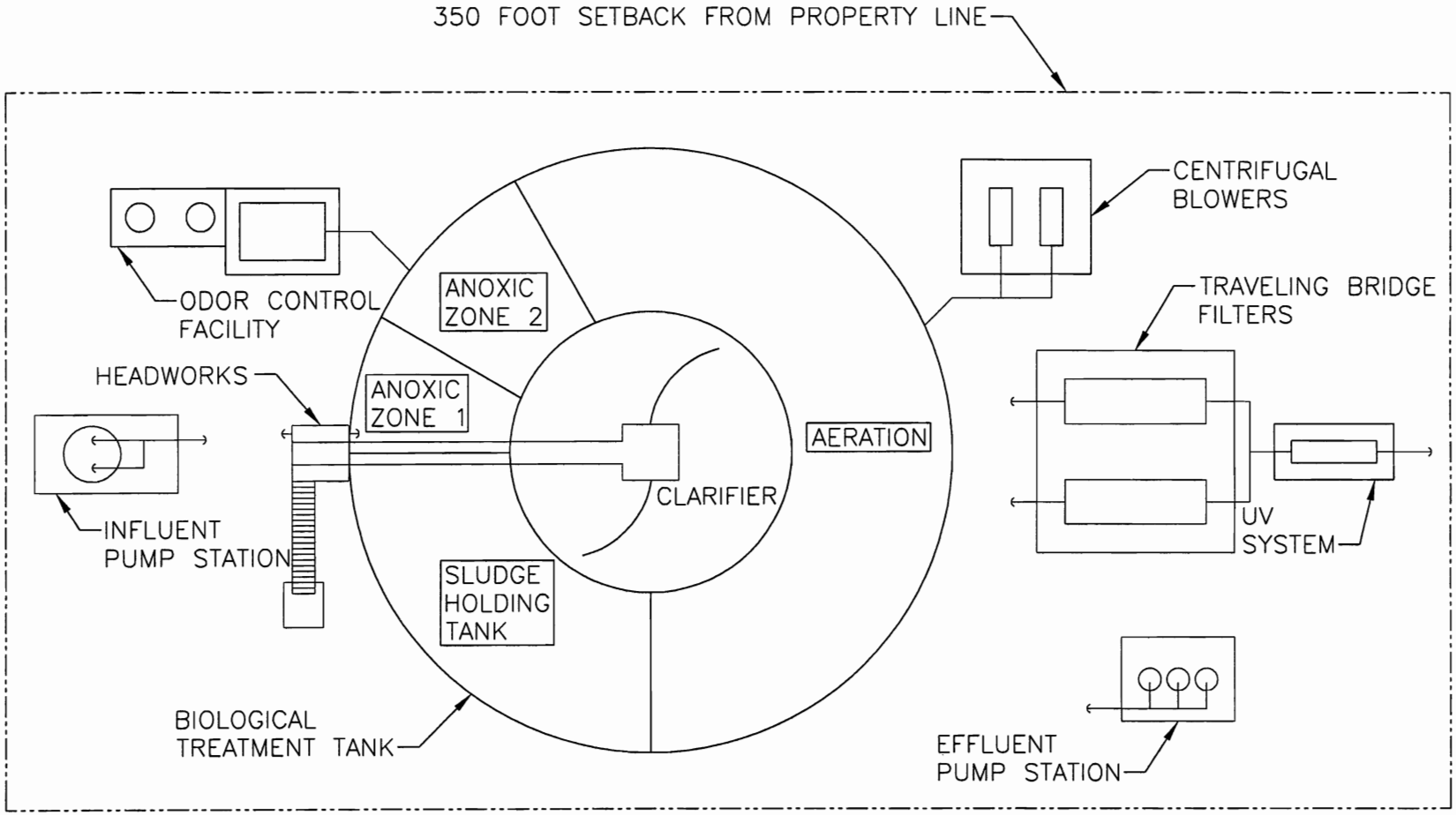

WILSON ENGINEERS

SECTION 28 WATER RECLAMATION FACILITY (S28WRF)
SITE PLAN

FIGURE 10

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the ultimate capacity of the plant will be re-evaluated and the modifications to the expansion will be incorporated as necessary (Figure 8). Once the SRWRF is constructed, the plan is to have the option to run the two satellite plants as scalping plants only to provide effluent for local reuse. The City desires to keep these facilities operational to provide reclaimed water. There are no plans at this time to use septic tanks or leach fields.

2.3.3 Sludge Handling

Waste activated sludge from the treatment process at the SLWRF and the SRWRF will be stored in sludge holding tanks prior to dewatering. The sludge will be mechanically dewatered using technology selected during the detailed design phase. The dewatered sludge will meet the paint filter test per Title 40 of the Code of Federal Regulations (CFR), Part 257. The dewatered sludge will then be hauled off to an approved landfill for disposal.

Waste activated sludge from the treatment process at the satellite WRFs will be stored on-site. Provisions will be made for the sludge to be pumped out by a licensed sludge hauler and transported to an approved wastewater treatment plant for disposal, for the sludge to be dewatered on-site, and for the sludge to be returned to the sewer for treatment and dewatering at the SRWRF.

2.3.4 Effluent Quality and Disposal

The first priority for the use of the effluent will be for direct irrigation of turf and other areas to reduce the dependence on potable water supplies for these purposes. All direct reuse of the reclaimed water will be done under the appropriate permit requirements of ADEQ. Reuse sites may include parks, common areas, golf courses, school, and other high irrigation demand sites.

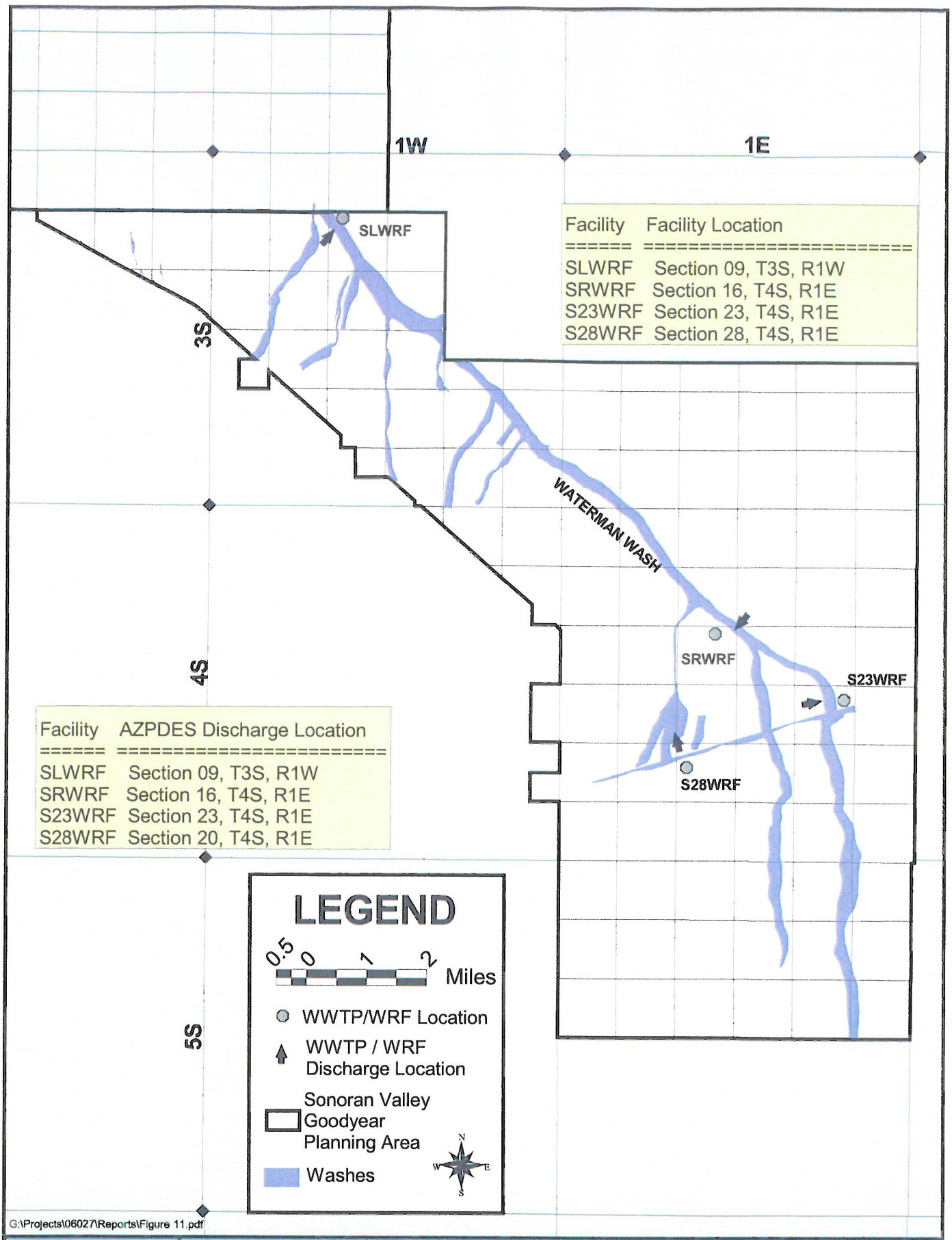
When the seasonal demand for the irrigation is below the amount of flow generated by the WRFs, or at other times when there is excess effluent available, the excess reclaimed water will be recharged into the aquifer. Further investigations will be conducted to identify the optimum locations and methods for implementing the recharge facilities.

As a last alternative to convey the reclaimed water from each of the WRFs, the effluent may be discharged into the Waterman Wash under Arizona Pollutant Discharge Elimination System (AZPDES) Permits. Figure 11 presents the planned locations of the AZPDES discharges from each of the WRFs relative to the Waterman Wash.

2.4 Pre-treatment Requirements

The City of Goodyear currently has an industrial pretreatment program, which identifies industrial and commercial dischargers to the sewer system whose processes may cause interference with the safe and economical operation of the wastewater treatment works. This goal is met by issuance of permits, inspections and regular sampling of the discharges by a wastewater representative.

The City of Goodyear General Plan Amendment allows for commercial and industrial facilities within the Sonoran Valley Planning Area (Figures 3 through 6). The specifics of any potential industrial development within this area are not known at this time. As new industrial and commercial businesses are approved for construction within this area, each will be evaluated by the City for regulation under the existing pretreatment program.



WILSON ENGINEERS

CITY OF GOODYEAR
SONORAN VALLEY PLANNING AREA 208 PLAN
AZPDES DISCHARGE LOCATION

FIGURE 11

Nov 2007

Section 3: Regulations and Permits

Several local, county, and state approvals and permits will be necessary for the design, construction, and operation of the wastewater collection, treatment, and reclaimed water systems. Table 10 presents an initial listing of the required permits and approvals.

TABLE 10
ANTICIPATED PERMIT REQUIREMENTS

Requirement	Regulatory Agency
Approval to Construct	MCESD
Approval of Construction	MCESD
Aquifer Protection Permit	ADEQ
Underground Storage Facility and Water Storage Permits	ADWR/ADEQ
Reclaimed Wastewater Reuse Permit	ADEQ
AZPDES Permit	ADEQ
Stormwater Pollution Prevention Plan (SWPPP)	ADEQ
Air Quality Permit	MCAQD
Hazardous Materials Management Plan	City of Goodyear
Site Plan Approval	City of Goodyear
Grading and Drainage Permit	City of Goodyear
Architectural Approval	City of Goodyear
Building Permit	City of Goodyear
Certificate of Occupancy	City of Goodyear

A pre-application meeting with the ADEQ Permitting Section was held on May 30, 2007. A copy of the sign in sheet and meeting agenda is included in Appendix K.

Section 4

Section 4: Construction Phasing

Currently there are no development plans underway to establish the timing and phasing of the planned SLWRF. There are plans underway for development within the Southern Region of the Sonoran Planning Area. Using the planned timeline for this anticipated development, the following preliminary construction phasing schedule (Table 11) has been developed that shows the anticipated operational date and capacity of the three WRFs located in the Southern Region. The ultimate treatment capacities of S23WRF and S28WRF will be limited to 0.6 MGD each, less than the expected flows generated by their service area (Table 9). Flows in excess of 0.6 MGD will be diverted to the SRWRF for treatment and are included in the ultimate capacity of that facility.

Wilson Engineers is designing the Phase I facilities. The designer for Phases II through V and the builder for Phases I through V are unknown at this time. The City of Goodyear will manage the construction of the WRF's.

TABLE 11
CITY OF GOODYEAR SONORAN VALLEY PLANNING AREA
SOUTHERN REGION WRF PLANT PHASES

Plant	Phase	Year That Design Will Begin	Year That Plant Will Be Operational	WRF Ultimate Annual Average Daily Flow Capacity (MGD)
S23WRF	I	2007	2008	0.6
S28WRF	I	2007	2008	0.6
SRWRF	I	2007	2009	5.0
SRWRF	II	2010	2012	10.0
SRWRF	III	2013	2015	15.0
SRWRF	IV	2018	2020	20.0
SRWRF	V	2023	2025	24.0

Construction of the planned WRF's will require a SWPPP and Construction General Permit. In order to obtain a Construction General Permit, allowing discharges of stormwater from construction sites of over 1 acres, the Contractor will submit both a Notice of Intent (NOI) and a Storm Water Pollution Prevention Plan (SWPPP) to the Arizona Department of Environmental Quality prior to beginning any construction activities.

Section 5

Section 5: Financing

The City of Goodyear has developed a pre-annexation agreement that includes provisions for the construction of the SLWRF (Appendix D). There are currently no specific financing plans for the facility. For the other three WRFs, the City of Goodyear has sufficient financial capability for the construction, operation, and maintenance of the wastewater infrastructure being planned for the Sonoran Valley Planning Area. Appendix I contains a letter from the City of Goodyear Finance Director regarding the financial capability and funding sources for the wastewater infrastructure in the Sonoran Valley Planning Area. The specific funding sources for the capital for the construction, operation, and maintenance of the facilities will be: through the adoption and implementation of development/impact fees, through the adoption and implementation of water and sewer rates, and from voter approved bonding capacity. Additionally, the City of Goodyear has performed an impact fee analysis to further identify funding for future phases. The report is provided as Appendix H. A copy of the City of Goodyear's financial statement is provided as Appendix I.

Section 6

Section 6: Implementation

Currently there are no plans underway to establish the timing and phasing of the planned SLWRF. The construction of the S23WRF and the S28WRF is planned to begin in 2007 to be operational in 2008. Phase I of the SRWRF is scheduled to begin construction in 2007 to be operational in 2009. Subsequent phases of the SRWRF are planned to come on-line in 2012, 2015, 2020, and 2025, but will be dependant on the actual rate of flow increase within the service area. The design of S23WRF, S28WRF, and the first phase of SRWRF are currently underway. The design of each subsequent phase of the SRWRF will begin approximately two years prior to the year that the expansion is expected to be operational (Table 11).

The proposed WRFs are not anticipated to impact the operation of any adjacent municipalities, businesses, communities, sanitary districts, or private service providers with certified areas. The effluent from the WRFs will be primarily used for direct reuse irrigation, thereby reducing the demand for potable water. The planned service areas and WRFs are entirely located within the City of Goodyear Municipal Planning Area. There are currently no existing municipal wastewater infrastructure or facilities in the Sonoran Valley Planning Area. Development in the area is currently served by individual septic systems. As the municipal wastewater system expands past existing developed parcels, the use of the existing septic systems will be phased out and the parcels will be connected to the municipal wastewater collection and treatment system. Article 12-4-5(C) of the current City Code states "Within one year after a public sewer becomes available to a property served by a private sewage disposal system, a direct connection shall be made to the public sewer in accordance with the provisions of this chapter, and any septic tanks, cesspools and similar private sewage facilities shall be abandoned and filled with suitable material."

Section 7: Public Participation

MAG and the City of Goodyear will follow the applicable procedures for public notification in processing this 208 Plan Amendment, including:

- Submittal of a mailing list used to notify the public of the hearing on this 208 Plan Amendment.
- 30 day public notice of the availability of the documents for review prior to the public hearing.
- Publication of a public notice posting the date, time, subject, and location of the public hearing on this 208 Plan Amendment at least 45 days prior to the public hearing.
- Submittal of an affidavit of the publication of the public notice.
- Submittal of a responsiveness summary for the public hearing.

Appendix A

APPENDIX A

Letter From the City of Goodyear Requesting the MAG 208 Process

February 26, 2007

Ms. Julie Hoffman
Environmental Planner
Maricopa Association of Governments
302 N. 1st Avenue, Suite 300
Phoenix, AZ. 85003

RE: CITY OF GOODYEAR - REQUEST FOR APPLICATION TO AMEND MAG 208 PLAN

Dear Ms. Hoffman:

The City of Goodyear is submitting an application to amend the MAG 208 Plan for our newly expanded Municipal Planning Area. The amendment will specifically be for what is referred to as the Sonoran Valley Project. In accordance with the MAG 208 Water Quality Management Plan, Goodyear is officially requesting that you initiate the amendment process to consider the area being served by the facilities cited in the Technical Report. All appropriate documentation will be provided in a timely manner.

I want to thank you for assisting us in facilitating the approval of our application. The City's point of contact will be David Iwanski, our Water Resources Manager. You can reach him directly at 623-882-7062.

Sincerely,

CITY OF GOODYEAR

Stephen S. Cleveland
City Manager

cc: Jim Nichols, Deputy City Manager – City of Goodyear
Shawn Bradford, Water Resources Director - City of Goodyear
Harvey Krauss, Planning Director – City of Goodyear
Ken James, Maricopa County Department of Environmental Services
Tim Keenan, Montage Holdings
Steve Todd, Wilson Engineers
Project File

Appendix B

APPENDIX B

City of Goodyear Council ResolutionNo. 155 Regarding Designated Management Agency

TOWN OF GOODYEAR ARIZONA

INCORPORATED 1946 • 119 North Litchfield Road

MAYOR
Charles H. Salem
VICE-MAYOR
John E. Winter
COUNCIL MEMBERS
Chauncey B. Coor
Barbara W. LaPrade
John N. Maxwell
Kenneth J. Thomas
Ila Gregory
TOWN MANAGER
E.W. Kleinschmidt
TOWN ATTORNEY
F. Britton Burns
932-3910
932-3911
932-1220

March 12, 1979

MAG REGIONAL COUNCIL
1820 W. Washington
Phoenix, AZ 85007

Dear Councilmembers:

On March 12, 1979, the Mayor and Council of the Town of Goodyear, adopted the Areawide Wastewater Treatment Management System in Resolution No. 155.

In order to implement the adopted management system, the MAG Regional Council is hereby requested to designate the Town of Goodyear as a member of the Avondale/Goodyear Sub-Regional Operating Group. It is further requested that the Town of Goodyear be designated as the Lead Agency of the Avondale/Goodyear Sub-Regional Operating Group.

Cordially,

Charles H. Salem

CHARLES H. SALEM,
Mayor

MAR 1979

RESOLUTION NO. 155

RESOLUTION AGREEING TO PARTICIPATE IN THE MARICOPA COUNTY AREA WASTEWATER TREATMENT MANAGEMENT SYSTEM.

WHEREAS the Town of Goodyear is aware that Provisions of Clean Water Act (Public Laws 92-500 and 95-217) Section 208 require development of an Areawide Water Quality Management Plan, and, further, require the Governor of Arizona and the U. S. Environmental Protection Agency, Region IX Administrator to designate official management agency (s) to carry out appropriate sections of the plan, and;

WHEREAS the Maricopa Association of Governments (MAG) has been designated by the Governor of Arizona, and the U. S. Environmental Protection Agency, Region IX Administrator to prepare the Areawide Water Quality Management Plan for the Maricopa County area in accordance with the provisions of Section 208, and;

WHEREAS the Regional Council of the Maricopa Association of Governments (MAG) has approved a Water Quality Management Plan and a Wastewater Treatment Management System for the Maricopa County area.

NOW, THEREFORE BE IT RESOLVED THAT THE MAYOR AND TOWN COUNCIL, OF THE TOWN OF GOODYEAR agree to carry out the appropriate duties and responsibilities identified in the Waste Treatment Management System Report approved by the MAG Regional Council on March 15, 1978.

APPROVED THIS 8th day of January 1979

CHARLES H. SALEE, MAYOR

ATTEST:

JEAN BAILEY, TOWN CLERK

Appendix C

APPENDIX C

Letters of No Objection from Surrounding Agencies

JUL 2 0 2007

COPY

Maricopa County

Environmental Services
Water and Waste Management Division

1001 N. Central Ave., Suite 150
Phoenix, AZ 85004
Phone: (602) 506-6666
Fax: (602) 506-6925
TDD: 602 506 6704
www.maricopa.gov/envsvc

July 17, 2007

Maricopa Association of Governments
302 North 1st Avenue, Suite 300
Phoenix, AZ 85003

Attention: Ms. Lindy Bauer, Environmental Director

Re: City of Goodyear, Sonoran Valley Planning Area
Clean Water Act, MAG 208 Amendment

Dear Ms. Bauer:

In a letter dated June 11, 2007, Wilson Engineers, LLC, submitted its *Goodyear Sonoran Valley Planning Area 208 Plan Amendment* to Maricopa County Environmental Services Department (Department). The application proposes four water reclamation facilities (WRF) to serve approximately 47 square miles of the approximately 95-square mile planning area extension located south and east of the previous Goodyear MPA. The four WRF are:

WRF No.	Location	Ultimate Capacity (MGD)[1]	Starting Year
1	State Land WRF (SLWRF), SEC 09, T3S, R1W	8.4	Not Determined [1]
2	Southern Region WRF (SRWRF) SEC 16, T4S, R1E	24.0	2009
3	Section 23 WRF (S23WRF), SEC 23, T4S, R1E	0.6	2008
4	Section 28 WRF (S28WRF), SEC 28, T4S, R1E	0.6	2008

[1] There are no plans for the timing and phasing of the SLWRF

The document was submitted to the Department because it is located within three miles of unincorporated areas of Maricopa County.

Based on a review of the proposed 208 MAG 208 Amendment, dated 29 September 2005, the Department has determined that the proposed plants do not conflict with Maricopa County plans for the area.

Please note that the Department has not reviewed, nor approved, the design of the facilities as part of the 208 review. Any technical issues that remain will need to be resolved during the design phase of the project. Approval to Construct (ATC) and Approval of Construction (AOC) must be obtained from this Department prior to start of construction and startup, respectively, of all treatment, discharge, recharge, and reuse facilities, including all conveyance facilities and final end user facilities.

If you have any questions or comments, please contact me at 506-6666.

Sincerely,

Kevin S Chadwick

Kevin Chadwick, P.E.
Division Manager

cc: Stephen Todd, P.E., Wilson Engineers, LLC
David Iwanski, Water Resources Manager, City of Goodyear
John Power, P.E., Manager, MCESD
Dale G. Bodiya, P.E., Manager, MCESD, W&WM, Treatment Plant Section
File

Pinal County
Development Services
Office of the Assistant County Manager

P.O. Box 2167
31 North Pinal Street, Bldg F
Florence, Arizona 85232

AIR QUALITY ♦ BUILDING SAFETY ♦ ENVIRONMENTAL HEALTH ♦ PLANNING & DEVELOPMENT ♦ PUBLIC WORKS

May 4, 2007

Mr. Dennis Smith, Executive Director
Maricopa Association of Governments
302 North First Street, Suite 300
Phoenix, Arizona 85003

Re: City of Goodyear 208 Amendment

Dear Mr. Smith:

Pinal County has reviewed the City of Goodyear 208 Amendment. At this time Pinal County has no objection to the 208 Amendment as proposed.

Sincerely,

Ken Buchanan
Assistant County Manager
for Development Services

cc: David Snider, Supervisor, District #3
Terry Doolittle, Pinal County Manager
J. Peter Armenta, CAAG Environmental Planner

Telephone: (520)866-6098 • FAX: 520 866-6975 • E-mail: ken.buchanan@co.pinal.az.us

March 6, 2007

Mr. Ken Buchanan
Pinal County – Environmental Services
31 N. Pinal Road, Building F
P. O. Box 2167
Florence, AZ. 85232

RE: CITY OF GOODYEAR'S MAG 208 AMENDMENT APPLICATION

Dear Mr. Buchanan:

Goodyear recently rolled out a General Plan Amendment with the expectation of annexing approximately 95 square miles. Later this month, Council will be taking action in support of this effort. A critical component is the extension of the Loop 303 which would provide a major transportation link between I-10 and I-8. The job creation potential, along what is being hailed as the "commercial and industrial employment corridor", will be of tremendous value to Maricopa and Pinal Counties, as well as the Gila River and Ak-Chin Indian Communities.

Pursuant to our recent telephone conversation, I am sending you a copy of the "City of Goodyear Sonoran Valley Planning Area 208 Plan Amendment" technical report that was prepared by Wilson Engineers, along with a map provided by the Master Developer – Montage Holdings. We are requesting that you review this material and provide input as to any issues or concerns you may have. In addition, the City is seeking approval of our MAG 208 Amendment in order to provide wastewater service to this development. A satellite service area for water is also contemplated. A letter of "no objection" from Pinal County would be greatly appreciated. I am available to answer any questions or provide additional information. My email is diwanski@goodyearaz.gov, and my direct line is 623-882-7062. Mr. Steve Todd is the project engineer and he can be reached at 480-893-8860. Thank you in advance for your consideration.

Sincerely,

CITY OF GOODYEAR

David C. Iwanski

David C. Iwanski
Water Resources Manager

Enclosures – 2 (as cited)

cc: Tim Keenan, Montage Holdings
Steve Todd, Wilson Engineers
Shawn Bradford, Water Resources Director – City of Goodyear

Town of Buckeye

May 21, 2007

Ms. Lindy Bauer
Environmental Director
Maricopa Association of Governments
302 N. 1st Avenue, Suite #300
Phoenix, AZ. 85003

RE: MAG 208 Amendment request from the City of Goodyear for the Sonoran Valley Planning Area

Dear Ms. Bauer:

Pursuant to recent meetings with Goodyear City officials, we have been informed of their intention to move forward with an application to amend the current MAG 208 Plan, which will now include approximately 70 square miles identified in a recent General Plan Amendment. Town of Buckeye staff has had the opportunity to review this information and dialogue with counter-parts from Goodyear.

The Town of Buckeye does not have any objections to Goodyear's application to amend their MAG 208 Plan being presented to the MAG Water Quality Assurance Committee.

Please feel free to contact me, should you have any questions.

Sincerely,

David W. Wilcox
Town Manager

CC: Stephen S. Cleveland, City Manager - Goodyear
Jim Nichols, Deputy City Manager - Goodyear
Shawn Bradford, Water Resources Director – Goodyear
David Iwanski, Water Resources Manager - Goodyear

100 North Apache Drive, Buckeye, Arizona 85326
MAIN (623) 386-4691, FAX (623) 386-7832

City of Avondale

May 21, 2007

Ms. Lindy Bauer
Environmental Director
Maricopa Association of Governments
302 N. 1st Avenue, Suite #300
Phoenix, AZ 85003

RE: MAG 308 Amendment Request from the City of Goodyear for the Sonoran Valley Planning Area

Dear Ms. Bauer:

Pursuant to recent meetings with Goodyear City officials, we have been informed of their intention to move forward with an application to amend the current MAG 208 Plan, which will now include approximately 70 square miles identified in a recent General Plan Amendment. Avondale staff has had the opportunity to review the technical report and related information and to dialogue with counterparts from Goodyear.

The City of Avondale does not have any objections to the application to amend the MAG 208 Plan being presented to the MAG Water Quality Assurance Committee.

Please feel free to contact me should you have any questions.

Sincerely,

Charles P. McClendon
City Manager

cc: Stephen S. Cleveland, City Manager – Goodyear
Jim Nichols, Deputy City Manager – Goodyear
Shawn Bradford, Water Resources Director – Goodyear
David Iwanski, Water Resources Manager - Goodyear

Administration
11465 W. Civic Center Drive • Avondale, AZ 85323
Phone: (623) 333-1000 • Fax: (623) 333-0100 • TDD: (623) 333-0010
www.avondale.org

March 6, 2007

Mr. Brian Bennon
Gila River Indian Community
Department of Environmental Quality
P. O. Box 370
Sacaton, AZ. 85247

RE: CITY OF GOODYEAR'S MAG 208 AMENDMENT APPLICATION

Dear Mr. Bennon:

Goodyear recently rolled out a General Plan Amendment with the expectation of annexing approximately 95 square miles. Later this month, Council will be taking action in support of this effort. A critical component is the extension of the Loop 303 which would provide a major transportation link between I-10 and I-8. The job creation potential, along what is being hailed as the "commercial and industrial employment corridor", will be of tremendous value to Maricopa and Pinal Counties, as well as the Gila River and Ak-Chin Indian Communities.

Pursuant to our recent telephone conversation, I am sending you a copy of the "City of Goodyear Sonoran Valley Planning Area 208 Plan Amendment" technical report that was prepared by Wilson Engineers, along with a map provided by the Master Developer – Montage Holdings. We are requesting that you review this material and provide input as to any issues or concerns you may have. In addition, the City is seeking approval of our MAG 208 Amendment in order to provide wastewater service to this development. A satellite service area for water is also contemplated. A letter of "no objection" from Pinal County would be greatly appreciated. I am available to answer any questions or provide additional information. My email is diwanski@goodyearaz.gov, and my direct line is 623-882-7062. Mr. Steve Todd is the project engineer and he can be reached at 480-893-8860. Thank you in advance for your consideration.

Sincerely,

CITY OF GOODYEAR

David C. Iwanski

David C. Iwanski
Water Resources Manager

Enclosures – 2 (as cited)

cc: Tim Keenan, Montage Holdings
Steve Todd, Wilson Engineers
Shawn Bradford, Water Resources Director – City of Goodyear

November 28, 2007

Ms. Lindy Bauer
Environmental Director
Maricopa Association of Governments
302 N. 1st Avenue, Suite #300
Phoenix, AZ. 85003

RE: MAG 208 Amendment request from the City of Goodyear
For the Amaranth Project (Sonoran Valley Planning Area)

Dear Ms. Bauer:

The City of Maricopa has been informed that the City of Goodyear and the developers of the Amaranth (Sonoran Valley Planning Area) Project are moving forward with an application to amend the current MAG 208 Plan for the City's Municipal Planning Area, which would allow for the design and construction of wastewater treatment infrastructure in accordance with all applicable laws, rules and regulations. Goodyear staff and project representatives have provided the requisite technical information for review and comment.

The City of Maricopa does not have any objections to the application to amend the MAG 208 Plan being presented to the MAG Water Quality Assurance Committee.

Please feel free to contact me, should you have any questions.

Sincerely,

Roger Kolman, CPA
Interim City Manager

Appendix D

APPENDIX D

City of Goodyear
Pre-Annexation Agreement

After Recording Please Return to:
City Clerk
City of Goodyear
PO Box 5100
Goodyear, AZ 85338

ORDINANCE 2007-1063

AN ORDINANCE EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE CITY OF GOODYEAR, MARICOPA COUNTY, ARIZONA, PURSUANT TO THE PROVISIONS OF TITLE 9, CHAPTER 4, ARTICLE 7, ARIZONA REVISED STATUTES AND AMENDMENTS THERETO, BY ANNEXING 42,780 ACRES OF LAND (KNOWN AS THE SONORAN VALLEY) GENERALLY LOCATED SOUTH OF THE PATTERSON ROAD ALIGNMENT, EAST OF THE SONORAN DESERT NATIONAL MONUMENT, WEST OF THE MARICOPA-PINAL COUNTY LINE, AND APPROXIMATELY FOUR MILES SOUTH OF STATE ROUTE 238 IN MARICOPA COUNTY AND PROVIDING CITY ZONING DESIGNATIONS OF AGRICULTURAL (AG), AGRICULTURAL/URBAN (AU), AND GENERAL COMMERCIAL (C-2).

WHEREAS, a petition in writing, accompanied by a map or plot of said real property, having been filed and presented to the Mayor and Council of the City of Goodyear, Arizona, signed by the owners of more than one-half in value of the real and personal property and more that one-half of the persons owning real and personal property as would be subject to taxation by the City of Goodyear in the event of annexation within the territory and land hereinafter described as shown by the last assessment of said property, which said territory is contiguous to the City of Goodyear, and not now embraced within its limits, asking that the property more particularly hereinafter described be annexed to the City of Goodyear, and to extend and increase the corporate limits of the City of Goodyear so as to embrace the same; and

WHEREAS, the Mayor and Council of the City of Goodyear, Arizona are desirous of complying with said petition and extending and increasing the corporate limits of the City of Goodyear to include said territory; and,

WHEREAS, the said petition sets forth a true and correct description of all the exterior boundaries of the entire area proposed to be annexed to the City of Goodyear, and had attached thereto at all times an accurate map of the territory desired to be annexed; and,

WHEREAS, no alterations increasing or reducing the territory sought to be annexed have been made after the said petition had been signed by any owner of real and personal property in such territory; and,

WHEREAS, the provisions of A.R.S. §9-471, and amendments thereto, have been fully observed; and,

WHEREAS, proper and sufficient certification and proof of the foregoing facts are now on file in the office of the City Clerk of the City of Goodyear, Arizona, together with a true and correct copy of the original petition referred to herein, which is on file in the office of the county recorder.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Goodyear, Arizona that:

SECTION I. That the following described territory be, and the same hereby is, annexed to the City of Goodyear, and that the present corporate limits be, and the same hereby are, extended and increased to include the following described territory contiguous to the present City limits, to wit:

Legal Description included on attached Exhibit "A".

SECTION II. WHEREAS, the existing zoning of the territory annexed is Rural-190, Rural-43, Residential R1-18, and General Commercial C-3 in Maricopa County, and that the territory upon annexation is hereby zoned AG Agricultural (Rural-190), AU Agricultural/Urban (Rural-43), AU Agricultural/Urban (R1-18) and General Commercial C-2 (C-3) respectively within the City of Goodyear which provides for densities and uses no greater than those permitted within the corresponding zoning districts of Maricopa County.

SECTION III. WHEREAS, in the event a verified referendum petition challenging either this Ordinance No. 2007-1063, or Ordinance No. 2007-3283, or Ordinance No. 2007-3333 is received by the City prior to the effective day of this Ordinance No. 2007-1063 then the Mayor and Council shall hold a special emergency meeting prior to the effective day for this Ordinance No. 2007-1063 to repeal at owner's election both this Ordinance No. 2007-1063, Ordinance No. 2007-3283, and Ordinance 2007-3333 the property shall not be annexed into the City of Goodyear's municipal boundaries.

SECTION IV. That a copy of this Ordinance, together with an accurate map of the territory hereby annexed to the City of Goodyear, certified by the Mayor of said City, be forthwith filed and recorded in the office of the County Recorder of Maricopa County, Arizona.

SECTION V. This Ordinance shall become effective as provided by law.

PASSED AND ADOPTED by the Mayor and Council of the City of Goodyear, Arizona, this 26th day of March, 2007.

James M. Cavanaugh, Mayor

3/26/07
Date

ATTEST:

Dee Cockrum, City Clerk

APPROVED AS TO FORM:

Roric Massey, City Attorney

CITY OF GOODYEAR INCORPORATED 1946 GOODYEAR, ARIZONA

COPY
Brett will return
signed original

When recorded, return to:

City Clerk's Office
City of Goodyear
190 North Litchfield Road
P.O. Box 5100
Goodyear, Arizona 85338

PRE-ANNEXATION DEVELOPMENT AGREEMENT

THIS PRE-ANNEXATION DEVELOPMENT AGREEMENT (this "Agreement") is entered into _____, 2007 (the "**Effective Date**"), by and between the CITY OF GOODYEAR, an Arizona municipal corporation (the "**City**") acting by and through the Mayor and City Council (the "**Council**") and the STATE OF ARIZONA (the "**Owner**"), acting by and through the State Land Commissioner (the "**Commissioner**"). The City and the Owner are sometimes referred to herein collectively as the "**Parties**" or individually as a "**Party**".

RECITALS

A. Arizona Revised Statutes ("**A.R.S.**") § 9-500.05 authorizes the City to enter into an agreement with any person or entity having an interest in real property providing for the annexation and development of such property and certain development rights thereon.

B. The Owner owns approximately 5,300 acres of real property located in six (6) parcels south of the City limits in Maricopa County, Arizona (the "**County**"), legally described in **Exhibit A** and depicted on **Exhibit B**, both of which are attached hereto and incorporated herein by reference (the "**Property**"). The Property is within the City's Sonoran Valley Planning Area. The Property is land granted to the Owner in trust by the Arizona-New Mexico Enabling Act (the "**Enabling Act**") and administered by the Commissioner and the State Land Department (the "**Department**") in the best interest of the State Land Trust (the "**Trust**") created by Article 28 of the Enabling Act.

C. The Owner owns an additional approximately 10,000 acres of real property within the City limits, depicted and legally described on **Exhibit C** attached hereto and incorporated herein by this reference (the "**Additional Property**"). The Additional Property is also land granted to the Owner in trust by the Enabling Act and administered by the Commissioner and the Department in the best interest of the Trust.

D. The Property is currently zoned Rural-190 (which permits one single family dwelling unit per 190,000 square foot lot) and Rural-43 (which permits one single-family dwelling unit per 43,560 square foot lot) in the County and is designated "Rural Development Area" and "Rural Development Area/Mobile Land Use Plan" under the County Comprehensive

Plan. The Property is south of the City's current designated planning area and has no land use designation under the City's General Plan (the "**General Plan**").

F. The Owner desires to amend the General Plan to include the Property in order to prepare the Property for annexation and provide appropriate land use designations for the Property's eventual sale at public auction and development. By amending the General Plan, the Owner intends to: (i) enhance the value of the Property by eliminating the valuation and development uncertainty associated with the County's Rural Development Area land-use designation on the Property; and (ii) prepare the Property for development within the City.

G. The City desires to amend the General Plan in order to prepare the Property for annexation by the City and to prepare for and facilitate the development of the Property within the City limits pursuant to City development standards.

H. The City desires to annex the Property into its corporate limits, to be developed as an integral part of the City, to provide for the orderly, controlled and quality growth in the area, to improve and enhance the economic welfare of the residents of the City, to ensure that the Property is developed to City standards, and to increase the revenues to the City, which revenues (i) would not be generated without such annexation and development of the Property and (ii) are necessary to help offset the impact on the City's infrastructure from development on the Property.

I. The Owner has established guidelines for the annexation of Trust Lands. In those guidelines, the Department requests that the municipality identify specific benefits to the Trust that will result from the proposed annexation, including, among other factors, a description of the development and entitlement agreements that would be included in the annexation, the proposed general plan land use designations, density and zoning and a timeline for initiating the zoning upon annexation.

J. The specific benefits the City has identified that will result to the Trust if the Owner agrees to permit the annexation of the Property into the City are the City's agreement to: (i) process for the Council's consideration an amendment to the General Plan (the "**General Plan Amendment**") consistent with the Sonoran Valley Planning Area plan; (ii) process for the Council's consideration an application to rezone the Property to Planned Area Development in conformance with the General Plan Amendment (the "**Rezoning**"); (iii) pursue the General Plan Amendment and the Rezoning processes in an expedited and good faith manner; and (iv) provide water service to the Property. The City further agrees to: (i) expedite the City's development approval processes for the Owner's successor(s) in interest; (ii) process timely an amendment of the General Plan and accompanying rezoning of the Additional Property; and (iii) provide water service to the Additional Property.

K. In exchange for the City agreeing to provide the Owner with the foregoing specific benefits, the Owner accepted and processed the City's Request for Annexation with a recommendation for approval to the State Selection Board (the "**Selection Board**") on December 8, 2006. Upon receipt of the approval from the Selection Board, the City filed an annexation

petition with Maricopa County and hearings will be scheduled and held in connection with the annexation of the Property into the City.

L. The City has determined that encouraging the development of the Property pursuant to this Agreement will result in significant planning, economic and other public purpose benefits to the City and its residents by, among other things: (i) the construction of public improvements; (ii) the development of the Property in a manner consistent with the City's amended General Plan; (iii) an increase in revenues and development fees to the City arising from or relating to the development of the Property; and (iv) the creation of new jobs and otherwise enhancing the economic welfare of the residents of the City.

M. The Parties understand and acknowledge that this Agreement is a "Development Agreement" within the meaning of and entered into pursuant to the terms of A.R.S. § 9-500.05, in order to facilitate the annexation, proper municipal zoning designation and development of the Property by providing for, among other things: (i) conditions, terms restrictions and requirements for the annexation of the Property by the City; (ii) the permitted uses for the Property; (iii) the density and intensity of such uses; and (iv) other matters related to the development of the Property. The terms of this Agreement shall constitute covenants running with the Property as more fully described in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, the promises contained in this Agreement and for good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties hereto agree as follows:

ARTICLE I
ANNEXATION AND ZONING

1.1 General Plan Amendment, Annexation, Rezoning and Rescission.

a. General Plan Amendment Process. Upon execution of this Agreement by the Commissioner, or as soon thereafter as reasonably possible, the City shall comply with the provisions of A.R.S. § 9-461.06 regarding the amendment to the General Plan for the benefit of the Property. The City agrees to use its best efforts to process the General Plan Amendment for the Council's consideration by January 31, 2007. The City shall not be obligated to execute this Agreement unless and until the Council has approved the General Plan Amendment. Should the City fail to adopt the General Plan Amendment as contemplated herein, (i) this Agreement shall not become effective and neither Party shall have any obligations under this Agreement and (ii) the Council shall not further consider the Annexation Ordinance. Nothing in this Section is intended to limit the discretion of the City in reviewing and adopting, or declining to adopt, the General Plan Amendment.

b. Annexation Process. Upon the execution of this Agreement by the Commissioner, or as soon thereafter as reasonably possible, the City shall initiate the process for annexing the Property into the City. At or near the time the City initiates the annexation process,

it shall submit to the Owner a request for annexation of the Property, in a form suitable to the Owner (the "**Request for Annexation**"). The Owner accepted and processed the City's Request for Annexation with a recommendation for approval to the Selection Board on December 8, 2006. The Selection Board adopted the Request for Annexation. The Commissioner has delivered to the City written approval from the Selection Board and the Commissioner, contingent upon all Parties agreeing to the terms of this Agreement, for filing pursuant to A.R.S. § 9-471(A)(1). Given its receipt of the approval from the Selection Board and the Commissioner, the City agrees to comply with the provisions of A.R.S. § 9-471 *et seq.* regarding the annexation process, including filing an annexation petition with Maricopa County and scheduling hearings and, if determined by the Council to be in the best interest of the City, adopt the final ordinance annexing the Property into the corporate limits of the City. If the Council approves and causes the Agreement to become effective, the Council may consider the final annexation ordinance for the Property (the "**Annexation Ordinance**") and adopt same if determined by the Council to be in the best interest of the City.

c. Rezoning Process. If the General Plan Amendment and the Annexation Ordinance have been adopted by the Council, the City agrees to: (i) initiate a rezoning of the property to Planned Area Development in conformance with the approved General Plan, the City's zoning ordinances, guidelines, policies, and standards; and (ii) process the rezoning application in an expeditious manner.

1. Initial Zoning. As part of the approval of the final Annexation Ordinance annexing the Property into the corporate limits of the City and pursuant to A.R.S. § 9–471(L), the City is mandated to adopt zoning classifications which permit densities and uses no greater than those permitted by Maricopa County immediately preceding the annexation. The current zoning of the Property under the County Zoning Ordinance is Rural-190 and Rural-43. The Parties agree that as part of the Annexation Ordinance, the City is mandated to designate the Rural-190 portions of the Property as Agricultural/AG and the Rural-43 portions of the Property as Agricultural Urban/AU under the City's Zoning Ordinance.

2. Concurrent Rezoning. The City shall process for the Council's consideration an application to rezone the Property to Planned Area Development, with a mixture of land uses consistent with the General Plan Amendment, and shall pursue the Rezoning process in an expedited and good faith manner. The City shall initiate a separate rezoning process for the Property that shall run concurrently with and be presented to the Council at the same Council hearing as the City's Annexation Ordinance. The City shall serve as the applicant for the Rezoning and there shall be no application and processing fees chargeable to the Owner related to the Rezoning process. The City's Rezoning shall comply with all public meeting requirements of A.R.S. § 9-462.04. The City agrees to hear the Rezoning application immediately after and at the same Council meeting as the Council hears and considers the Annexation Ordinance pursuant to A.R.S. § 9-471(D).

d. Rescission of Annexation Ordinance and Rezoning. If the Rezoning is not approved at the same Council meeting as adoption of the Annexation Ordinance or if the Council approves zoning that is not consistent with the zoning contemplated in this Agreement, the Council shall (by Motion for Reconsideration or other appropriate means) repeal the Annexation Ordinance prior to expiration of the twenty (20) day period following the Council's adoption of

the Annexation Ordinance and before annexation of the Property is final and effective under applicable law, even if the Council must hold a special meeting to do so. The Annexation Ordinance shall contain provisions: (i) requiring repeal of the Annexation Ordinance by the City if (a) any person, other than a Party, files a verified petition with the City challenging the validity of the annexation, (b) the City does not approve the General Plan Amendment (if not previously approved and effective) and the Rezoning, subject only to those conditions on development of the Property acceptable to the Owner, which acceptance shall not be unreasonably withheld, conditioned or delayed, at the same Council hearing as adoption of the Annexation Ordinance, (c) any person, other than a Party, files a verified petition with the City challenging the Annexation, the General Plan Amendment or the Rezoning for the Property or (d) any person, other than a Party, files a verified petition with the City challenging the validity of this Agreement and (ii) causing the automatic repeal of the Annexation Ordinance in the event that the Council fails to repeal the Annexation Ordinance as set forth above. The Parties agree that nothing in this Agreement shall affect the City's ability to approve or deny the proposed annexation of the Property, the General Plan Amendment or the Rezoning or to impose conditions on development of the Property.

1.2 State Conceptual Plan. Pursuant to A.R.S. § 37-331.03, the Commissioner shall conditionally approve the General Plan Amendment proposal prior to the date the Council adopts the General Plan Amendment, which shall be consistent with the General Plan Amendment adopted by the Council.

1.3 Formation of Community Facilities District. Any improvements to be constructed by Owner may be constructed, at Owner's option, through community facilities districts (individually, a "**CFD**"), and the City will cooperate in the organization of CFDs. Upon written request of Owner, the City within City's reasonable timeframes, shall conduct such procedures as are necessary to consider formation of one or more CFDs pursuant to A.R.S. § 48-701 *et seq.* for any purpose authorized by applicable law. With respect to any CFD, Owner will be required to enter into a CFD development agreement consistent with this Agreement, pay all applicable fees, and (except to the extent otherwise provided in the applicable CFD development agreement) comply with any adopted district policies and any City CFD policy, adopted before formation of a CFD pursuant to this Agreement, as may hereafter be amended from time to time. The intent of the Parties is that Owner will use (i) bond funds (in accordance with the District's prevailing policies and practices as provided in the applicable CFD development agreement) obtained pursuant to this Section to offset the costs of Project infrastructure, parks, and landscaping and (ii) tax revenues received for debt service on bonds and operation, administration and maintenance expenses. Nothing contained herein shall be construed to compel the City to form a CFD or for the CFD, if formed, to finance any infrastructure improvements.

1.4 Vested Rights. Upon adoption of the Rezoning and upon adoption of the Additional Property Rezoning, the Owner, its successors and assigns, shall have a vested right to develop and use the Property and the Additional Property, respectively, in accordance with this Agreement and the zoning in effect at the time of development. The determinations of the City in this Agreement and the assurances provided to Owner in this Agreement are provided pursuant to and as contemplated by A.R.S. § 9-500.05 and other applicable law.

1.5 Term And Effective Date. The Owner, its successors and assigns, shall have the right to implement development on the Property and the Additional Property in accordance with this Agreement for a period of forty (40) years from the date the Council adopts the Rezoning, at which time this Agreement shall automatically terminate as to the Property and the Additional Property without the necessity of any notice, agreement, or recording by or between the Parties (the "**Term**"). This Agreement shall become effective upon approval by the Council.

1.6 Rights Run with the Land. The rights established under this Agreement are attached to and run with the Property and the Additional Property. The Owner and its successors are entitled to exercise the rights granted pursuant to this Agreement and the Rezoning. This Agreement shall be interpreted and construed so as to preserve any vested rights respecting the Owner and/or the Property and the Additional Property existing under this Agreement, the Rezoning/the Additional Property Rezoning and applicable law. Upon the Owner obtaining and delivering to the City its successor's written acknowledgment and acceptance of this Agreement and agreement to comply with the obligations contained in this Agreement, the Owner shall be relieved of its obligations hereunder and the City shall look only to the Owner's successor for performance of the Owner's duties herein. The Owner shall only be liable for performance of the Owner's obligations under this Agreement during the period the Owner owns a portion of the Property or the Additional Property.

1.7 Development Regulations.

a. Plan Approvals. The City agrees to cooperate by processing, in a timely manner, applications for approval, review and issuance of plans, specifications, permits, plats or any other required filings which are consistent with this Agreement and the approved Rezoning, subject to the Owner having first (i) complied with the ordinances and regulations applicable thereto and all platting, application, permit requirements and (ii) paid the then-current applicable fees.

b. Subsequent Zoning Amendments. In recognition of the valuable considerations being provided by the Owner pursuant to this Agreement and in further recognition that the assurances provided to Owner in this Agreement are intended to be and have been relied upon by Owner to its detriment in undertaking such expenditures, the City hereby agrees that the Owner shall have the right to develop the Property/Additional Property in accordance with the approved Rezoning/Additional Property Rezoning and the terms of this Agreement. The City agrees to cooperate by processing, in a timely manner, the approval and issuance of plans, specifications or plats consistent with the approved Rezoning/Additional Property Rezoning. The issuance and approval of such permits, plans, specifications, or plats is subject to the Owner complying with the ordinances applicable thereto and the Owner paying the then-current applicable fees. The City shall not adopt or change any ordinance, regulation or other control that is not uniform and that discriminates in its application against the Owner or the Property or the Additional Property. The Owner and the City agree that after the Rezoning/Additional Property Rezoning has been approved, any and all subsequent zoning ordinances or requirements, zoning restrictions, addenda and revisions adopted by the City that impact the densities or intensities of the Property/Additional Property as set forth in the approved Rezoning/Additional Property Rezoning and this Agreement will not be applied to the Property/Additional Property except as may be required pursuant to **Section 1.7(d)** below.

c. Subsequent Plan Modifications. The Owner anticipates, at this time, completing development of the Property and the Additional Property over a forty (40) year term in multiple phases. The time frames and physical boundaries for each of the phases are to be provided to the City as part of the platting process and shall be subject to modification by the Owner contingent upon market conditions, industry factors, business considerations and matters beyond the control of the Owner. Owner modifications to the time frames and physical boundaries of the phases shall not necessitate an amendment to this Agreement, but shall be provided to the City Community Development Director and retained in the City's official file for the Property and the Additional Property. The City and the Owner acknowledge and agree that amendments to this Agreement and to the plan of development to be submitted as part of the Rezoning (the "**Rezoning Plan**") and the Additional Property Rezoning ("**Additional Property Rezoning Plan**") may be necessary from time to time to reflect changes in market conditions and development financing and/or to meet the new requirements of one or more of the potential users or builders of any part of the Property or the Additional Property. If and when the City and the Owner find that changes or adjustments are necessary or appropriate, they shall effectuate minor changes or adjustments through administrative amendments approved by the Commissioner, or authorized designee, and the City Manager, or authorized designee, which, after execution, shall be attached to the Rezoning Plan or the Additional Property Rezoning Plan or this Agreement, as applicable, as an addendum and become a part thereof, and may be further changed and amended from time to time as necessary with the approval of the City and the Owner. No such minor amendment shall require prior notice or hearing. For purposes of this Agreement, a "**minor amendment**" shall refer to any change that does not: (i) increase the number of approved residential units; (ii) increase the approved density for the Property/Additional Property; (iii) change or relocate an approved land use for the Property/Additional Property; or (iv) change the circulation system for the Property/Additional Property. A "**major amendment**" shall refer to any amendment that is not a minor amendment. All major changes or amendments shall be reviewed by the Planning and Zoning Commission and approved by the Council. The Parties shall cooperate in good faith to agree upon, and use reasonable best efforts to process, any minor or major amendments to the Rezoning Plan or the Additional Property Rezoning Plan or this Agreement. The Owner and the City agree that any amendment to the Rezoning Plan and the Additional Property Rezoning Plan shall be incorporated by this reference into this Agreement with the same force and effect as if set forth herein and shall not require corresponding amendment to this Agreement.

d. Limitation on City Amending Existing Approvals and Standards. The Parties agree that, for a period of twenty-five (25) years from the date the Council adopts the Rezoning and the Additional Property Rezoning, the rules, regulations, and policies of the City ("**Rules**") applicable to and governing the development of the Property and the Additional Property shall be those Rules that are in existence and in force for the City as of the date of City Council approval of this Agreement, which include the City's adopted Citywide Design Guidelines. The City shall not impose or enact any Rules applicable to or governing the development of the Property and/or the Additional Property during the twenty-five (25) year period referenced herein except as follows.

1. Future land use Rules that are consistent with, and not contrary to, the zoning and land use regulations set forth in an approved PAD or other mutually acceptable

zoning mechanism consistent with the General Plan and that are consistent with the vesting of the zoning as provided herein; or

2. Future land use Rules enacted as necessary to comply with state and federal laws and regulations, provided that in the event that the rules or regulations prevent or preclude compliance with this Agreement, such provisions of this Agreement shall be modified as necessary in order to comply with the new laws or regulations; or

3. Enactment or increases in development or impact fees so long as such fees are imposed in a non-discriminatory manner and are adopted pursuant to state law.

e. Development Fee Reimbursement. Some of the public infrastructure improvements that the Owner may be required to install or pay for on the Property or the Additional Property are or may be included within the infrastructure improvements to be funded by various City-imposed impact, development, resource, connection, or hookup fees currently in effect or as may be adopted in the future (such fees, however named, shall be referred to collectively as "**Development Fees**"). The City expressly agrees that the Owner is entitled to receive applicable credits and/or offsets for any Development Fee paid for the design and construction of such public infrastructure improvements that are components of, and specific to, any particular Development Fee payable by development on the Property or the Additional Property. The Owner may receive as part of the credits and/or offsets the value of any real property necessary for the location of the public infrastructure improvements (but ***only if*** such value is included as a component of that particular Development Fee and only for the value used to determine the amount of the particular Development Fee). The Owner is not entitled to credits or offsets for the installation of any eligible public infrastructure in excess of the actual amount expended by the Owner for the installation of the eligible public infrastructure. All public infrastructure improvements that are to be constructed by Owner and dedicated to the City that are to receive credits and/or offsets to the Owner must be publicly bid in conjunction with the City using the procedures described in A.R.S. Title 34 in the same manner as if the City were constructing the improvement.

1.8 Additional Property.

a. Planning and Zoning. The City shall process for the Council's consideration an application to amend the General Plan for the Additional Property (the "**Additional Property General Plan Amendment**") during the City's 2007 annual major general plan amendment cycle, with a minimum overall gross density of 3.5 dwelling units per acre. The City shall initiate a separate rezoning process for the Additional Property (the "**Additional Property Rezoning**"), which the City shall complete in an expeditious and good faith manner after approval of the Additional Property General Plan Amendment. The Owner shall be responsible for providing the City the required maps, legals, and other information in its possession necessary for the City to process the Additional Property General Plan Amendment and the Additional Property Rezoning. The City shall serve as the applicant for the Additional Property General Plan Amendment and the Additional Property Rezoning and there shall be no application and processing fees chargeable to the Owner related to these processes. The City shall contract, at the City's sole expense, with a planning consultant to prepare, with the Owner's involvement and approval, the Additional Property General Plan Amendment and Additional

Property Rezoning. The Owner shall have final approval over the content of Additional Property General Plan Amendment and the Additional Property Rezoning before those applications are submitted to the Council. The City's Additional Property General Plan Amendment and Additional Property Rezoning shall comply with all public meeting requirements of A.R.S. § 9-461.06 and A.R.S. § 9-462.04, respectively. Nothing in this Section is intended to limit the discretion of the City in reviewing and adopting, or declining to adopt, the Additional Property General Plan Amendment or Additional Property Rezoning.

b. State Conceptual Plan. Pursuant to A.R.S. § 37-331.03, the Commissioner shall conditionally approve the Additional Property General Plan Amendment proposal prior to the date the Council adopts the Additional Property General Plan Amendment and shall adopt an amendment to the Conceptual Plan for the Additional Property, which shall be consistent with the Additional Property General Plan Amendment adopted by the Council.

ARTICLE II
PUBLIC INFRASTRUCTURE

2.1 MAG 208 Amendment. Owner agrees to assist and cooperate with the City in application for an amendment to the MAG 208 Plan to allow the City to provide the Property with wastewater service both prior to and after annexation of the Property.

2.2 Water Provisions.

a. Central Arizona Project Water Allocation. As soon as practicable after the City obtains an Assured Water Supply re-designation in accordance with Section 2.2.c of this Agreement, the Owner shall seek approval of the Selection Board and, if approval is granted by the Selection Board, shall allocate to specific portions of the Additional Property and assign to the City the contract right to use one hundred fifty (150) acre-feet of the Owner's Central Arizona Project ("**CAP**") municipal and industrial sub-contract water on such terms as may be approved by the Selection Board, consistent with A.R.S. § 37-106.01(C). The City will then assume all capital and operations and maintenance charges related to this allocation, and take all necessary legal actions with the Central Arizona Water Conservation District and the Superior Court of Maricopa County to contract for and affirm this supply as part of the City's municipal and industrial CAP sub-contract.

b. Extinguishment of Irrigation Grandfathered Rights. The Owner acknowledges and agrees that, if and when it extinguishes any irrigation grandfathered rights associated with agricultural leases of the Property and the Additional Property, it shall convey any extinguishment credits received for such extinguished irrigation grandfathered rights to the City. Valuation of these extinguishment credits shall be determined under the provisions of Section 2.2.d.3 of this Agreement.

c. Obligation to Provide Water Service. The City acknowledges and agrees that it shall provide water and wastewater service to the Property and the Additional Property, as shown on Exhibits B and C, once an Assured Water Supply re-designation is obtained which includes all water supply and demand projections associated with the Property and Additional Property. After the City has obtained the aforementioned Assured Water Supply re-designation,

the water supply and demand projections associated with the Property and the Additional Property shall be included in all future applications for re-designation of Assured Water Supply that the City submits to the Arizona Department of Water Resources. The City shall commit to obtain and maintain an Assured Water Supply designation for the Property and the Additional Property that will be legally sufficient to support the development of those lands as established in the General Plan Amendment and the Additional Property General Plan Amendment. If the City negligently or willfully fails to maintain the Assured Water Supply redesignation contemplated herein, it shall be liable for the following damages: (i) the cost to obtain such a designation if the supplies are available or (ii) the lost revenues to the Trust if the water necessary to support development of the Property and the Additional Property as established herein is not available. In no event shall such liability be assessed to the extent that the City's failure to obtain or maintain the Assured Water Supply re-designation referred to herein is a result of changes in applicable Arizona state laws or regulations.

d. Water Resources Development/Impact Fees.

1. Hydrologic Modeling. Hydrologic modeling of the Property and the Additional Property shall be completed no later than June 1, 2007. Copies of all data and modeling relating to the City's estimates of amount of groundwater physically available to the Property and the Additional Property for one hundred (100) years will be provided by the City to the Owner, at no cost. The City will pay for all costs associated with hydrologic modeling activities to be conducted.

2. Water Resource Fee Off-Set. Assuming the water identified as part of the hydrologic modeling discussed in Section 2.2.d.1, above, is of sufficient quality for development as a potable supply, the City will reduce the water resource portion of the City's Utility Development Fee for the Additional Property and/or the Property by a percentage derived by dividing the quantity (in acre feet) of groundwater physically available to the Additional Property and/or the Property by the quantity (in acre feet) projected to be used on such parcels as developed. (Example: If the hydrology report identifies four thousand (4,000) acre feet of physically available water, and the projected water demand is estimated at sixteen thousand (16,000) acre feet, this would result in a 25% payment reduction in the water development resource fees). The infrastructure costs related to providing water and wastewater service shall remain the obligation of the developer or builder of residential, commercial, industrial or recreational facilities on the Additional Property and the Property.

3. Water Resoures Component of the Utility Development Fee Limitation. As of the Effective Date of this Agreement, the City's Utility Development Fees related to water include only (i) water development, (ii) water resources, (iii) reclaimed/reuse water, and (iv) wastewater. The City acknowledges and agrees that it shall not add any other water-related fees, regardless how denominated, to the Additional Property and/or the Property after the Effective Date. The limitations or off-sets associated with the Water Development Fee shall be calculated under the provisions of Section 2.2.d.2 of this Agreement. Notwithstanding the foregoing, the Parties agree to negotiate in good faith and in a timely manner upon a valuation methodology that is agreed upon by all Parties and that seeks to reconcile a maximum future value of the Property and Additional Property with the City's policies of requiring growth to pay for itself and requiring the recovery of full operating costs associated with providing

potable water service within the City of Goodyear, as reflected in various provisions of the Goodyear City Code as they are amended from time to time. Again, the infrastructure costs related to providing water and wastewater service shall remain the obligation of the developer or builder of residential, commercial, industrial or recreational facilities on the Property and the Additional Property.

2.3 Wastewater Service. There is no wastewater service in the area of the Property or the Additional Property. Owner agrees to fund the cost to design, construct and install the necessary public infrastructure to provide wastewater service to the Property and the Additional Property. The City agrees to cooperate with the Owner in the formation and implementation of available funding mechanisms such as improvement districts, community facilities districts or any other statutorily authorized funding mechanism, and cost recovery ordinances to aid Owner and other benefited properties to plan, design, construct and install the necessary public infrastructure to provide wastewater service to the Property. It is anticipated that Owner's cost to design, construct and install the public wastewater infrastructure will far exceed the amount of any City wastewater development fees that could be generated from within the Property or the Additional Property. Therefore, for any wastewater related development fee assessed against Owner or other persons developing land within the Property or the Additional Property, the City shall, to the extent permitted by law, provide Owner, community facilities district or other district a credit or offset against the assessed development fee in an amount equal to the amount expended by Owner, community facilities district or any other district for the installation of all or part of the public wastewater infrastructure. Owner agrees to provide the City with written evidence of the financial cost expended by Owner to design, construct and install the necessary wastewater infrastructure upon completion of the necessary public wastewater infrastructure. In the event the City cannot provide wastewater service to the Property or the Additional Property in a timely manner, the City agrees to form a public-private partnership with a qualified wastewater provider subject to the governance of the Arizona Corporation Commission that will provide wastewater service to the Property or the Additional Property. Construction of any wastewater treatment system shall be consistent with the then existing Maricopa Association of Governments 208 Plan for the area to be served. Wastewater development impact fees will not be charged Owner in connection with the development of the Property or the Additional Property if wastewater services are provided by a public-private partnership created hereunder.

2.4 Sizing of Water and Wastewater Infrastructure. Upon the Council's adoption of the General Plan Amendment and the Additional Property General Plan Amendment, the City will know the development intensity planned and intended for the Property and the Additional Property. The City acknowledges and agrees that it shall work with developers in the areas of both the Property and the Additional Property to ensure that installed water and wastewater infrastructure in those areas will be sized to accommodate the planned development of the Property and the Additional Property.

2.5 Regional Transportation. The Parties agree to work together in cooperation to help plan and prepare regional transportation corridor(s) that are essential to connect the Property and the Additional Property to the City and to existing regional transportation routes. The City agrees to cooperate with Owners in the formation and implementation of available funding mechanisms such as improvement districts, community facilities districts, implementation of development fees and cost recovery ordinances to aid Owner and other benefited properties to

plan, design and construct transportation corridors. Nothing contained herein, however, shall be construed to compel the City to enact legislation to impose development fees, too allow for cost recovery, to form a community facilities, improvement or any other special taxing district, nor shall anything herein be construed to compel any such districts formed to finance any infrastructure. The City agrees to work with Owner and other interested parties to prepare a transportation plan for the Sonoran Valley Planning Area and identify and promote principal arterial and major arterial corridors within that Area.

ARTICLE III
COOPERATION AND ALTERNATIVE DISPUTE RESOLUTION

3.1 Appointment of Representatives. To further the cooperation of the Parties in implementing this Agreement, the City and the Owner each shall designate and appoint a representative to act as a liaison between the City and its various departments and the Owner. The initial representative for the City (the **"City Representative"**) shall be the Community Development Director and the initial representative for the Owner shall be its project manager, as identified by the Owner from time to time (the **"Owner Representative"**). The representatives shall be available at all reasonable times to discuss and review the performance of the Parties to this Agreement and the development of the Property.

3.2 Expedited Review. The City acknowledges and agrees that it is desirable for the Owner to proceed rapidly with the implementation of this Agreement and that, accordingly, so long as the Owner complies with any legally-required rules and customary administrative procedures related to such processes, the City agrees to promptly review and process the development plans and infrastructure improvement plans and further agrees that no unusual or extraordinary review requirements will be imposed by the City and that construction permits, occupancy permits and other permits and approvals required by the City to develop the Property and the Additional Property will not be unreasonably delayed or withheld or conditioned. The City further agrees, when requested by Owner, to expedite approvals, inspections and permitting processes (i) as much as possible within the limits of the City's then-existing staff or (ii) by using third-party inspectors and/or third-party plan reviewers through the City's established process, with the cost of such inspections and plan reviews to be paid by Owner. In the event the Owner gives notice to the City electing to have the City implement an expedited development review and/or construction inspection process, and the City responds in writing stating that it does not have the personnel or resources to provide the expedited review or inspection, then the Owner shall engage at its cost such private independent consultants and advisors as are approved by the City to assist it in the review and/or inspection process; provided, however, that such consultants and advisors shall take instruction from, be controlled by, and be responsible to the City rather than the Owner.

3.3 Impasse; Dispute Resolution. The Parties agree that if at any time the Owner reasonably believes an impasse has been reached with City staff on any issue affecting the Property, the Owner shall have the right to immediately appeal to the City Manager for an expedited decision pursuant to this Section. If the issue on which an impasse is reached is an issue where a final decision can be reached by City staff, the City Manager shall give the Owner a final decision within 30 days after the Owner's request for an expedited decision. If the issue on which an impasse has been reached is one where a final decision requires action by the

Council, the City Manager shall schedule a Council hearing on the issue within 30 days after Owner's request for an expedited decision; provided, however, that if the issue is appropriate for review by the City's Planning and Zoning Commission, the matter shall be first submitted to the Planning and Zoning Commission within 30 days, and then to the Council. Both the City and the Owner agree to continue to use reasonable good faith efforts to resolve any impasse pending any such expedited decision.

3.4 City Facilitation With Other Entities. The City agrees to use its best efforts to assist the Owner, to the extent reasonably possible, by cooperation with Sonoran Valley Management, LLC relating to sizing of wastewater infrastructure, including wastewater treatment facilities, to accommodate wastewater flows from the Property.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

4.1 City Representations. The City represents and warrants to the Owner that:

a. The City has the full right, power and authorization to enter into and perform this Agreement and each of the City's obligations and undertakings under this Agreement, and the City's execution, delivery and performance of this Agreement have been duly authorized and agreed to in compliance with the requirements of the City Code.

b. All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.

c. The City will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.

d. As of the date of the Agreement, the City knows of no litigation, proceeding, initiative, referendum, investigation or threat of any of the same contesting the powers of the City or its officials with respect to this Agreement, which has not been disclosed in writing to the Owner.

e. This Agreement (and each undertaking of the City contained herein), constitutes a valid, binding and enforceable obligation of the City, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity. The City will use reasonable efforts to defend the validity and enforceability of this Agreement in the event of any proceeding or litigation arising from its terms that names the City as a party or which challenges the authority of the City to enter into or perform any of it obligations hereunder. The severability and reformation provisions of **Section 6.10** below shall apply in the event of any successful challenge to this Agreement.

f. The City has been assisted by counsel of its own choosing in connection with the preparation and execution of this Agreement.

4.2 Owner Representations. The Owner represents and warrants to the City that:

a. The Owner has the full right, power and authorization to enter into and perform this Agreement and each of Owner's obligations and undertakings under this Agreement, and the Owner's execution, delivery and performance of this Agreement have been duly authorized and agreed to in compliance with State Law.

b. All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.

c. The Owner will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.

d. As of the date of this Agreement, the Owner knows of no litigation, proceeding or investigation pending or threatened against or affecting the Owner, which could have a material adverse effect on the Owner's performance under this Agreement, which has not been disclosed in writing to the City.

e. This Agreement (and each undertaking of the Owner contained herein) constitutes a valid, binding and enforceable obligation of the Owner, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity. The Owner will use reasonable efforts to defend the validity and enforceability of this Agreement in the event of any proceeding or litigation arising from its terms that names the Owner as a party or which challenges the authority of the Owner to enter into or perform any of its obligations hereunder. The severability and reformation provisions of **Section 6.10** below shall apply in the event of any successful challenge to this Agreement.

f. The execution, delivery and performance of this Agreement by the Owner is not prohibited by, and does not conflict with, any other agreements, instruments, judgments or decrees to which the Owner is a party or to which the Owner is otherwise subject.

g. The Owner has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement other than normal costs of conducting business and costs of professional services such as the services of architects, engineers and attorneys, including any reimbursements to the applicant, pursuant to A.R.S. § 37-205, that has prepared any documents or taken any actions on behalf of the Owner or the Property.

h. The Owner has been assisted by counsel in connection with the preparation and execution of this Agreement.

ARTICLE V
DEFAULT; REMEDIES; TERMINATION

5.1 Default. Failure or unreasonable delay by the Owner or City to perform or otherwise act in accordance with any term or provision hereof shall constitute a breach of this Agreement and, if the breach is not cured within forty-five (45) days after written notice thereof from the other Party, shall constitute a default under this Agreement; provided, however, that if the failure is such that more than forty-five (45) days would reasonably be required to perform such action or comply with any term or provision hereof, then the Party shall have such additional time as may be necessary to perform or comply so long as the Party commences performance or compliance within said forty-five (45) day period and diligently proceeds to complete such performance or fulfill such obligation (the "**Cure Period**"); provided further, however, that no such cure period shall exceed ninety (90) days. Any notice of a breach shall specify the nature of the alleged breach and the manner in which said breach may be satisfactorily cured, if possible. In the event a breach is not cured within the Cure Period, the non-defaulting Party shall have all rights and remedies which may be available under law or equity, including without limitation the right to specifically enforce any term or provision of this Agreement and/or the right to institute an action for damages.

5.2 Dispute Resolution. In the event that there is a dispute hereunder which the Parties cannot resolve between themselves, the Parties agree that there shall be a forty-five (45) day moratorium on litigation during which time the Parties agree to attempt to settle the dispute by non-binding mediation before commencement of litigation. The mediation shall be held under the commercial mediation rules of the American Arbitration Association. The matter in dispute shall be submitted to a mediator mutually selected by the Owner and the City. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, then within three (3) days thereafter, the City and the Owner shall request the presiding judge of the Superior Court in and for the County of Maricopa, State of Arizona, to appoint an independent mediator. The mediator selected shall have at least five (5) years experience in mediating or arbitrating disputes relating to land and property development. The cost of any such mediation shall be divided equally between the City and the Owner. The results of the mediation shall be non-binding on the Parties, and any Party shall be free to initiate litigation. This **Section 5.2** shall not apply to any legal rights of the Owner that must be exercised within a certain number of days that is less than forty-five (45).

5.3 No Personal Liability.

a. City to Owner. No member, official, employee or agent of the City shall be personally liable to the Owner, or any successor or assignee (i) in the event of any default or breach by the City or (ii) pursuant to any obligation of the City under the terms of this Agreement.

b. Owner to City. No member, official, employee or agent of the Owner shall be personally liable to the City (i) in the event of any default or breach by the Owner, (ii) for any amount that may become due to the City or (iii) pursuant to any obligation of the Owner under the terms of this Agreement.

5.4 Owner's Remedies. In the event that the City is in breach under this Agreement and the City thereafter fails to cure any such breach within the time period described in **Section 5.1** above, then, in addition to pursuing any and all other legal and equitable remedies which the Owner may have against the City, the Owner shall have the right to automatically terminate this Agreement immediately upon written notice to the City; provided, however, that any such termination shall not affect any term that is intended to extend beyond the default under this Agreement. Not withstanding the foregoing, in no event are consequential damages available as a remedy for a default or breach of this Agreement.

5.5 City's Remedies. In the event that the Owner is in breach under this Agreement and the Owner thereafter fails to cure any such breach within the time period described in **Section 5.1** above, then, in addition to pursuing any and all other legal and equitable remedies which the City may have against the Owner, the City shall have the right to automatically terminate this Agreement immediately upon written notice to the Owner; provided, however, that any such termination shall not affect any term that is intended to extend beyond the default under this Agreement. Not withstanding the foregoing, in no event are consequential damages available as a remedy for a default or breach of this Agreement.

5.6 Proposition 207 Acknowledgement. Owner and its successors and assigns hereby acknowledge that the Rezoning and the Additional Property Rezoning and any other future actions taken by the City consistent with the terms of this Agreement will enhance the value of the Property and the Additional Property for purposes of Proposition 207, the Private Property Rights Protection Act, codified in A.R.S. §§ 12-1131 through 12-1138, as it exists or may be enacted in the future or that may be amended in the future.

ARTICLE VI
GENERAL PROVISIONS

6.1 Cooperation. The City and the Owner hereby acknowledge and agree that they shall cooperate in good faith with each other and use best efforts to pursue the sale at public auction and development of the Property as contemplated by this Agreement.

6.2 Time of Essence. Time is of the essence with respect to each and every provision of this Agreement and the performance required by each Party hereto.

6.3 Conflict of Interest. Pursuant to Arizona law, rules and regulations, no member, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested. This Agreement is subject to cancellation pursuant to A.R.S. § 38-511.

6.4 Notices. All notices, approvals, and other communications provided for herein or given in connection herewith shall be validly given, made, delivered or served, and delivered personally or sent by nationally recognized courier (e.g., Federal Express, Airborne, UPS), or by United States mail, certified with return receipt requested, to:

If to the City:
City of Goodyear
190 North Litchfield Road
P.O. Box 5100
Goodyear, Arizona 85338
Facsimile: 623.932.1177
Attn: City Manager

With a copy to:
City of Goodyear
190 North Litchfield Road
P.O. Box 5100
Goodyear, Arizona 85338
Facsimile: 623.932.1177
Attn: City Attorney

and

City of Goodyear
190 North Litchfield Road
P.O. Box 5100
Goodyear, Arizona 85338
Fasimilie: 623.932.1177
Attn: Community Development Director

If to Owner:
Arizona State Land Department
1616 West Adams
Phoenix, Arizona 85007
Attn: Land Commissioner

With a copy to:
Arizona Attorney General's Office
Natural Resources Section Agency Counsel Division
1275 West Washington
Phoenix, Arizona 85007
Attn: Assistant Attorney General

or to such other addresses as any Party hereto may from time to time designate in writing and deliver in a like manner. Notices, approvals and other communications provided for herein shall be deemed delivered upon personal delivery, within twenty-four (24) hours following deposit with a nationally recognized overnight courier, or within forty-eight (48) hours following deposit with the United States mail, certified with return receipt requested, as hereinabove provided, prepaid and addressed as set forth above.

6.5 Estoppel Certificate. Either Party may request of the other Party, and the requested Party shall, within twenty-one (21) calendar days, respond and certify by written instrument of the requesting Party that (i) this Agreement and any approvals contemplated herein are unmodified and in full force and effect, or if there have been modifications, that such are in full force and effect as modified, stating the nature and date of such modification, (ii) the existence of a default and the scope and nature of the default, (iii) the existence of any

counterclaims which the requested Party has against the other Party and (iv) any other matters that may reasonably be requested in connection with the development of land, development of the Property or any material aspect of the zoning, plat or other approval.

6.6 Governing Law. This Agreement shall be interpreted and governed according to laws of the State of Arizona. The venue for any dispute hereunder shall be Maricopa County, Arizona, and the Parties hereby irrevocably waive any right to object to such venue.

6.7 Successors and Assigns. This Agreement shall run with the land and all of the covenants and conditions set forth herein shall inure to the benefit of and be binding upon the successors and assigns of the Parties hereto.

6.8 Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by either Party of any breach of any of the terms, covenants or conditions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same for any other term, covenant or condition herein contained.

6.9 Attorneys' Fees. In the event of any actual litigation between the Parties in connection with this Agreement, the Party prevailing in such action shall be entitled to recover from the other Party all of its costs and fees, including reasonable attorneys' fees, which shall be determined by the court and not by the jury.

6.10 Limited Severability. The City and the Owner each believe that this Agreement was executed, delivered and performed in compliance with all applicable laws. However, in the unlikely event that any phrase, clause, sentence, paragraph, section, article or other portion of this Agreement is declared void or unenforceable by a court of competent jurisdiction (or is construed as requiring the City to do any act in violation of any applicable laws, constitutional provision, law, regulation or City Code), such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect; provided that this Agreement shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed agreement (and any related agreements effective as of the same date) provide essentially the same rights and benefits (economic or otherwise) to the Parties as if such severance and reformation were not required. The Parties further agree, in such circumstances, to do all acts and to execute all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Agreement, as reformed.

6.11 Schedules and Exhibits. All schedules and exhibits attached hereto are incorporated herein by this reference as though fully set forth herein.

6.12 Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations, negotiations and understandings of the Parties hereto, oral or written, are hereby superseded by and merged into this Agreement.

6.13 Recordation of Agreement. This Agreement shall be recorded against the Property and the Additional Property in the Official Records of Maricopa County, Arizona, within ten (10) days after its approval and execution by the City.

6.14 Future Effect. The provisions of this Agreement are binding upon and shall inure to the benefit of the Parties, and all of their successors in interest and assigns; provided, however, that the Owner may assign its respective rights and obligations hereunder, in whole or in part, to a person or entity that has acquired title to the Property or a portion thereof, but only by a written instrument recorded in the Official Records of Maricopa County, Arizona, expressly assigning such rights and obligations. In the event of a complete assignment, the assigning Party shall be relieved of any further liability under this Agreement. Within ten (10) days after any assignment hereunder, Owner shall provide written notice of the assignment to the City, which notice shall include the name and address of the assignee.

6.15 No Partnership; Third Parties. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other agreement between the Owner and the City. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person or entity not a Party hereto, and no such other person or entity shall have any right or cause of action hereunder.

6.16 Additional Acts and Documents. Each Party hereto agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent and purpose of this Agreement. If any action or approval is required of any Party in furtherance of the rights under this Agreement, such approval shall not be unreasonably withheld.

6.17 Completion of Construction. The rights granted to Owner hereunder shall extend for the initial Term and any extension thereof. If any permit has been issued before the date of termination of the Term, the rights shall remain valid until the permit expires, but in no event longer than one year thereafter.

6.18 Lot Sale. It is the intention of the Parties that although recorded, this Agreement shall not create conditions or exceptions to title or covenants running with any individual lots into which the Property is subdivided. Any title insurer can rely on this Section when issuing any commitment to insure title to any individual lot or when issuing a title insurance policy for any individual lot. So long as not prohibited by law, this Agreement shall automatically terminate as to any individual lot (and not in bulk), without the necessity of any notice, agreement or recording by or between the Parties, upon conveyance of the lot to the end purchaser by a recorded deed. For this Section, "lot" shall be any lot upon which a home has been completely constructed that is contained in a recorded subdivision plat that has been approved by the City.

6.19 Headings; Counterparts. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

6.20 City Services. Subject to Owner constructing the public infrastructure needed to provide such services, the City shall provide all City services to the Property to the same extent and upon the same terms and conditions as those services are provided to other real properties in the City, except as otherwise provided herein.

6.21 Force Majeure. The performance of either Party and the duration of this Agreement shall be extended by any causes that are extraordinary and beyond the control of the Party required to perform, such as, but not limited to, extreme changes in market conditions, a significant weather or geological event or other act of God, civil or military disturbance, labor or material shortage, or acts of terrorism.

6.22 Fair Interpretation. All Parties have been represented by counsel in the negotiation and drafting of this Agreement, and this Agreement shall be construed according to the fair meaning of its language. The rule of construction that ambiguities shall be resolved against the Party who drafted a provision shall not be employed in interpreting this Agreement.

6.23 Computation of Time. In computing any period of time under this Agreement the date of the act or event from which the designated period of time begins to run shall not be included. The last day of the period so completed shall be included unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or legal holiday. The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. (Phoenix time) on the last day of the applicable time period provided herein.

6.24 Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the Parties hereto. Within ten (10) days after any amendment to this Agreement, such amendment shall be recorded in the Official Records of Maricopa County.

6.25 Non-Discrimination. The City shall comply with Executive Order 99-4 which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act.

6.26 Arbitration. The Parties agree to use arbitration to the extent required by A.R.S. § 12-1518.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

The remainder of this page intentionally is left blank.

"Owner"

STATE OF ARIZONA, by and through the Arizona State Land Commissioner

By:_____
Mark Winkleman
State Land Commissioner

"City"

CITY OF GOODYEAR, an Arizona municipal corporation

By:_____
James Cavanaugh, Mayor

ATTEST:

_____
Dee Cockrum, City Clerk

APPROVED AS TO FORM:

_____
Roric M. Massey, City Attorney

(ACKNOWLEDGMENTS)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me _____, 2007, by Mark Winkleman, Arizona State Land Commissioner, who acknowledged that he signed the foregoing instrument on behalf of the State of Arizona.

_____
Notary Public in and for the State of Arizona

My commission expires:

_____

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me _____, 2007, by James Cavanaugh, Mayor of the CITY OF GOODYEAR, who acknowledged that he signed the foregoing instrument on behalf of the City.

_____
Notary Public in and for the State of Arizona

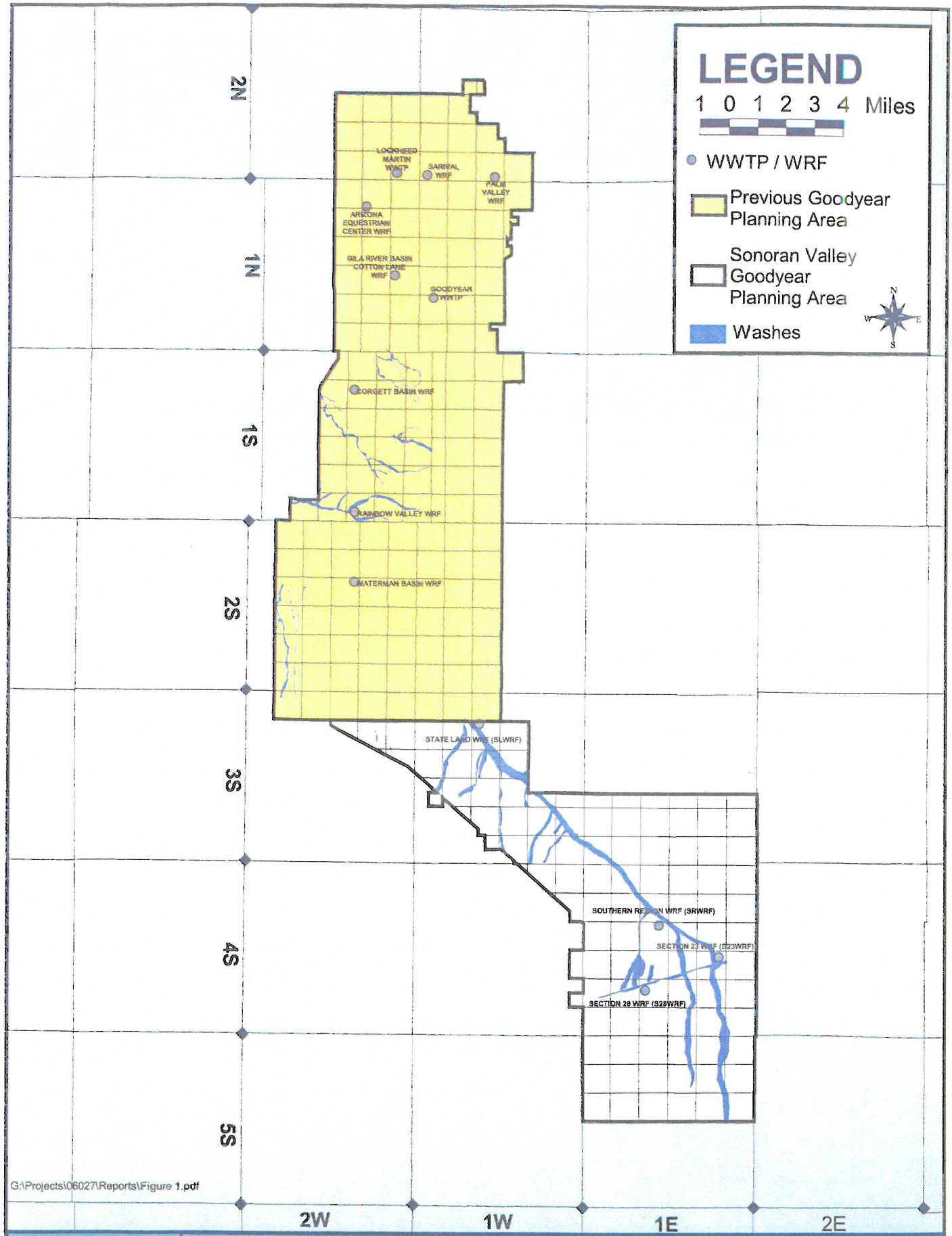
My commission expires:

_____

Appendix E

APPENDIX E

City of Goodyear / Sonoran Valley Municipal Planning Area Map



WILSON ENGINEERS

CITY OF GOODYEAR
SONORAN VALLEY PLANNING AREA 208 PLAN
MUNICIPAL PLANNING AREA AND
WASTEWATER TREATMENT FACILITIES

FIGURE 1

Jun 2007

Appendix F

APPENDIX F

City of Goodyear
Traffic Report

TRAFFIC ANALYSIS REPORT
for the
Sonoran Valley Planning Area

Proposed Major General Plan Amendment

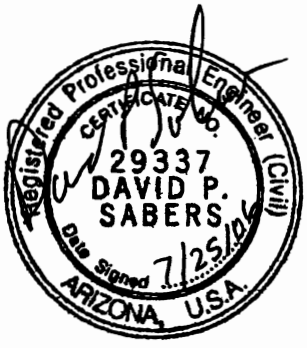
City of Goodyear, Arizona

Prepared for:
City of Goodyear
190 N. Litchfield Road
Goodyear, AZ 85338

Contact: Mr. Harvey Krauss, AICP/Director
Community Development Department

Prepared by:

RBF CONSULTING



July, 2006

16605 North 28th Avenue, Suite 100, Phoenix, Arizona 85053-7550
Contact: David Sabers 602.467.2200 dsabers@rbf.com

Introduction

The Sonoran Valley Planning Area is a proposed major amendment to the City of Goodyear General Plan 2003-2013. The planning area is located adjacent to the City's existing southern planning area boundary which currently terminates at Patterson Road. The planning area is bounded by Patterson Road on the north and extends approximately four miles south of State Route 238 to the Pap ago Road alignment. The planning area boundary is coterminous with the Maricopa-Pinal County boundary on the east and generally follows the Sonoran Desert National Monument boundary on the west. The proposed general plan amendment will encompass approximately 95 square miles south of the City's existing incorporated boundary within unincorporated Maricopa County. The area under consideration includes land held under private, Arizona State Land Department (ASLD) and Bureau of Land Management (BLM) ownership.

One of the initial tasks conducted for the amendment was the preparation of an analysis to evaluate the amount of traffic expected to be generated by the Sonoran Valley land use plan and to develop a roadway circulation system that would support the associated traffic demand. The work tasks included:

- Converting land use acreages into trip generating units
- Calculating trip generation estimates for each land use
- Preparing trip generation estimates for each square mile analysis zone
- Balancing trip productions and attractions
- Developing a trip distribution matrix from zone to zone
- Assigning zone to zone traffic to roadway network
- Preparing roadway classifications based on traffic volumes

Each of these work tasks in discussed in the following sections of this report.

Land Use Assumptions and Conversions

To estimate the number of trips expected to be generated by the proposed land uses contained in the Sonoran Valley land use plan, it was first necessary to convert the land uses into the appropriate units. The Institute of Transportation Engineers (ITE) has developed a manual called "*ITE Trip Generation, 7th Edition, 2003*" that is a widely accepted source of trip generation rates for proposed developments. These trip generation rates are based on units of development that were in some instances different than the units of development used in the Sonoran Valley land use plan. The assumptions used to convert the Sonoran Valley land use projections into the proper ITE categories are summarized below:

- Rural Residential – Acres converted to number of dwelling units based on one dwelling unit per acre. (ITE category 210).

- Low Density Residential – Acres converted to number of dwelling units based on three dwelling units per acre. (ITE category 210).
- Low-Medium Density Residential – Acres converted to number of dwelling units based on five dwelling units per acre. (ITE category 210).
- Medium Density Residential – Acres converted to number of dwelling units based on eight dwelling units per acre. (ITE category 210).
- Medium-High Density Residential – Acres converted to number of dwelling units based on fifteen dwelling units per acre. (ITE category 230).
- Mixed-Use Residential – Acres converted to number of dwelling units based on six dwelling units per acre. (ITE category 230).
- Community Commercial – Acres converted to 1,000 square feet of gross leasable area with a floor-to-area ratio (FAR) of 0.15. (ITE category 820).
- Mixed-Use Commercial – Acres converted to 1,000 square feet of gross leasable area with a floor-to-area ratio (FAR) of 0.15. (ITE category 820).
- Regional Commercial – Acres converted to 1,000 square feet of gross leasable area with a floor-to-area ratio (FAR) of 0.35. (ITE category 820).
- Light Industrial – Acres converted to 1,000 square feet of gross leasable area with a floor-to-area ratio (FAR) of 0.25. (ITE category 770).
- Mixed-Use Business Park – Acres converted to 1,000 square feet of gross leasable area with a floor-to-area ratio (FAR) of 0.25. (ITE category 770).

TRIP GENERATION CALCULATIONS

The ITE trip generation calculations are often based on equations, with the trip generation varying with the size of the development. Most of the land uses fall within two areas. Area 1, the ASLD Service Area, is area in the northern portion of the study area that is predominately owned by the ASLD. Area 2, the Southern Region Service Area is the balance of the land uses in the southern portion of the study area, most of which is privately owned. Other privately owned parcels are scattered throughout the study area and are identified as rural residential land uses. Table 1 on the following page describes trip generation by the land use in each of these areas.

As shown in Table 1, the study area is expected to generate 1.05 million trips on a typical weekday, with about half of these trips (530,000) generated by the residential land uses. Commercial land uses are expected to generate approximately 280,000 trips on a typical weekday, employment uses 230,000 daily trips, and other uses about 13,000 daily trips. Much of the land in the study area is publicly owned, either by the BLM, Sonoran Desert National Monument, or the State Land Department. Land owned by the Sonoran Desert National Monument or the BLM were assumed to remain native desert and not generate any additional traffic for the purposes of this analysis.

TABLE 1

Summary of Trip Generation by Land Use
Sonoran Valley Transportation Plan

Landuse	Acres	Intensity	Units	Daily Total
RESIDENTIAL				
Area 1-ASLD Service Area				
Rural Residential	926	926	DU	6,510
Low Density Residential	1,730	5,188	DU	36,471
Low-Medium Density Residential	542	2,708	DU	19,036
Medium Density Residential	569	4,554	DU	32,014
Medium-High Density Residential	118	1,767	DU	8,119
Mixed Use Residential	216	1,298	DU	4,865
Subtotal-Area 1:	4,101	16,441	DU	107,015
Area 2-Southern Region Service Area				
Rural Residential	3,366	3,365	DU	20,863
Low Density Residential	9,521	28,566	DU	177,111
Low-Medium Density Residential	4,113	20,566	DU	127,507
Medium Density Residential	1,685	11,791	DU	73,103
Medium-High Density Residential	36	535	DU	3,139
Mixed Use Residential	1,007	6,048	DU	21,689
Subtotal-Area 2:	19,728	70,871	DU	423,412
Total Residential:	**23,829**	**87,312**	**DU**	**530,428**
COMMERCIAL				
Area 1-ASLD Service Area				
Community Commercial	96	628	1,000 SF	28,487
Mixed Use-Commercial	216	504	1,000 SF	20,273
Regional Commercial	82	1,248	1,000 SF	44,648
Subtotal-Area 1:	394	2,380	1,000 SF	93,408
Area 2-Southern Region Service Area				
Community Commercial	263	1,722	1,000 SF	101,082
Mixed Use-Commercial	1,007	2,350	1,000 SF	84,200
Regional Commercial	0	0	1,000 SF	0
Subtotal-Area 2:	1,271	4,071	1,000 SF	185,282
Total Commercial:	**1,665**	**6,452**	**1,000 SF**	**278,689**
EMPLOYMENT				
Area 1-ASLD Service Area				
Light Industrial	147	1,603	1,000 SF	18,723
Mixed Use-Business Park	216	883	1,000 SF	8,803
General Industrial	0	0	1,000 SF	0
Subtotal-Area 1:	363	2,486	1,000 SF	27,526
Area 2-Southern Region Service Area				
Light Industrial	1,330	14,480	1,000 SF	160,139
Mixed Use-Business Park	1,007	4,077	1,000 SF	37,913
General Industrial	0	0	1,000 SF	950
Subtotal-Area 2:	2,337	18,556	1,000 SF	199,002
Total Emploment:	**2,700**	**21,042**	**1,000 SF**	**226,528**
OTHERS				
Area 1-ASLD Service Area				
Public/Quasi-Public	79	4,600	Students	6,400
Parks	0	0	Acres	0
Airport	0	0	Acres	0
Subtotal-Area 1:	79	4,600		6,400
Area 2-Southern Region Service Area				
Public/Quasi-Public	120	2,600	Students	4,359
Parks	574	574	Acres	1,310
Airport	471	0	Acres	500
Subtotal-Area 2:	1,165	3,174		6,169
Total Others:	**1,244**	**7,774**		**12,569**
TOTAL:	29,439		Acres	1,048,214

TRIP GENERATION BY SQUARE MILE

The land uses shown in Table 1 and the trips generated by each square mile within the study area are shown in the appendix of this report. Each of these square miles represents a traffic assignment zone (TAZ). The daily trip generation rate for each land use within each TAZ is also summarized in the appendix. Each TAZ is identified by township, range, and section with the trip generation information shown for those square miles within the study area that are anticipated to be developed. Daily trip generation estimates for the existing Lufthansa airfield and regional landfill were provided by an area developer adjacent to these properties.

TRIP PRODUCTION AND ATTRACTION BALANCE

Each trip within the study area is made up of two trip ends: a trip production and a trip attraction. Trips are produced by residential land uses (where people live) and attracted to non-residential land uses (where they work, shop, eat, play, or go to school). The number of trips produced in a study area needs to balance with the number of trips attracted to that area. If the number of trips produced is greater than the number of attractions, trips will leave the study area. If the number of trips attracted is greater than the number of trips produced, then additional trips will be attracted to the study area.

Thirty percent of the trips generated by the Sonoran Valley's residential land uses were assumed to be attracted to area employment uses, thirty-eight percent to community retail uses, four percent to regional commercial uses, two percent to area schools, one percent to area recreational opportunities, and twenty-five percent to destinations outside the study area. These percentages are based on information provided by the Maricopa Association of Governments (MAG) Household Travel Survey and modified to balance area trip attractions and productions.

The non-residential uses are expected to attract more trips than the residential uses will produce, therefore an additional 44,700 employment trips, 20,800 community retail, 21,200 regional commercial, and 150 school trips are expected to be attracted to study area non-residential uses from outside the study area. The home-based trip and traffic balancing calculations are summarized in the appendix.

TRIP DISTRIBUTION MATRIX

A trip distribution matrix was developed to estimate the trips traveling from one TAZ to another TAZ within the study area, and from each TAZ to the external zones. External trip distribution percentages were based on the anticipated level of development at each external node and future travel destinations for residents and patron of the Sonoran Valley. The proposed LOOP 303 and the existing SR 238 are anticipated to be the major roadways providing access to and from the Sonoran Valley. The locations of BLM land and the Sonoran Desert National Monument limit the number of roadways that can provide access to the Sonoran Valley study area.

These external trip distribution percentages used in this analysis are:

- To / From the north on LOOP 303 – 50 percent
- To / From the south on LOOP 303 – 10 percent
- To / From the north on Rainbow Valley Road – 5 percent
- To / From the north on Litchfield Road – 2 percent
- To / From the north on Dysart Road – 2 percent
- To / From the west on SR 238 – 6 percent
- To / From the east on SR 238 – 15 percent
- To / From the east on Peters & Nall Road – 3 percent
- To / From the east on Papago Road – 5 percent
- To / From the east on Honeycut Road – 2 percent

TRIP ASSIGNMENTS

Trips generated with the study area traveling between TAZs and to the external zones were assigned to the area roadway system based on the shortest path and least travel time. As traffic volumes on a particular roadway increase, the travel time for that roadway also increases, making travel on that route less desirable and the use of other routes more desirable. This process required several iterations required to achieve a balance between adjacent roadways.

The total trips on each of the roadways in the area's transportation system are shown in Exhibit A, with the calculations summarized in the appendix. The traffic volume on each roadway segment is made up of the following components:

- Trips traveling between two TAZs within the study area
- Trips to / from non-residential uses to external locations
- Trips to / from residential uses to external locations
- Through traffic

ROADWAY CLASSIFICATIONS AND VOLUMES

The land uses within the Sonoran Valley Planning Area are expected to generate approximately 1.05 million trips on a typical weekday. A substantial and well thought out roadway network will be required to meet this travel demand.

The City uses several different roadway classifications to balance mobility and access. The proposed roadway network for the Sonoran Valley Planning Area is based on the following roadway classifications:

- **Freeway:** Loop 303 is anticipated to be fully access controlled freeway designed to move high volumes of traffic over substantial distances. Loop 303 may be designed to be at-grade or below/above grade throughout its path through the

Sonoran Valley Planning Area. Loop 303 is projected to utilize four to five through lanes in each direction with an approximate right of way of 300 feet. Freeways can accommodate traffic volumes from 50,000 to 250,000 vehicles per day. Freeways do not provide access to adjacent parcels, areas that are developed with higher intensity non-residential land uses are recommended to have a frontage road system parallel to the Loop 303 to provide access to adjacent property.

- **State Highways:** Stage Route 238 (SR 238) is anticipated to be a partially access controlled roadway designed to move high volumes of traffic over substantial distances while providing a limited level of access to adjacent property. State highways provide a moderate level of circulation within a community but their primary focus is providing a travel route linking developed areas in various regions, adjacent counties, and throughout the state. At build-out, this roadway is recommended to have three travel lanes in each direction with a wide landscaped median. Left turn access on this roadway is recommended to be limited to signalized intersections at a one-mile spacing. Half-mile and quarter-mile intersections may be needed in areas with higher intensity land uses. Through the Sonoran Valley region this roadway is anticipated to carry 40,000 to 80,000 vehicles per day and is recommended to have a frontage road where SR 238 traverses through areas with higher intensity non-residential land uses. This functional classification is not included in the Goodyear standards and is recommended to be developed with a 200-foot right of way and roadway cross-section similar to the City's scenic arterial cross-section.

- **Major Arterial Street**: A major arterial street is designed with the primary purpose of vehicular mobility over moderate to extended trip lengths. Major arterial streets provide a low level of direct property access with left turn access restricted to a limited number of left turn opportunities per mile. These streets carry between 30,000 and 65,000 vehicles per day and provide route continuity between neighboring cities throughout a region. A major arterial is an at-grade roadway comprised of six lanes, two bike lanes and two detached sidewalks, a raised median and landscape tracts. The City's adopted standard for this classification uses a 130-foot right of way.

- **Arterial Street:** An arterial street is designed for vehicular mobility over moderate trip lengths while providing some access to adjacent developments. These roadways are intended to carry traffic volumes between 10,000 and 35,000 vehicles per day. An arterial is an at-grade roadway comprised of four lanes, two bike lanes and two sidewalks, a raised median and landscape tracts. The City's adopted standard for this classification uses a 110-foot right of way.

- **Major Collector**: A major collector street is intended to collect traffic from a residential subdivision or commercial parcel and distribute this traffic to the adjacent arterial street system. A major collector carries lower volumes of

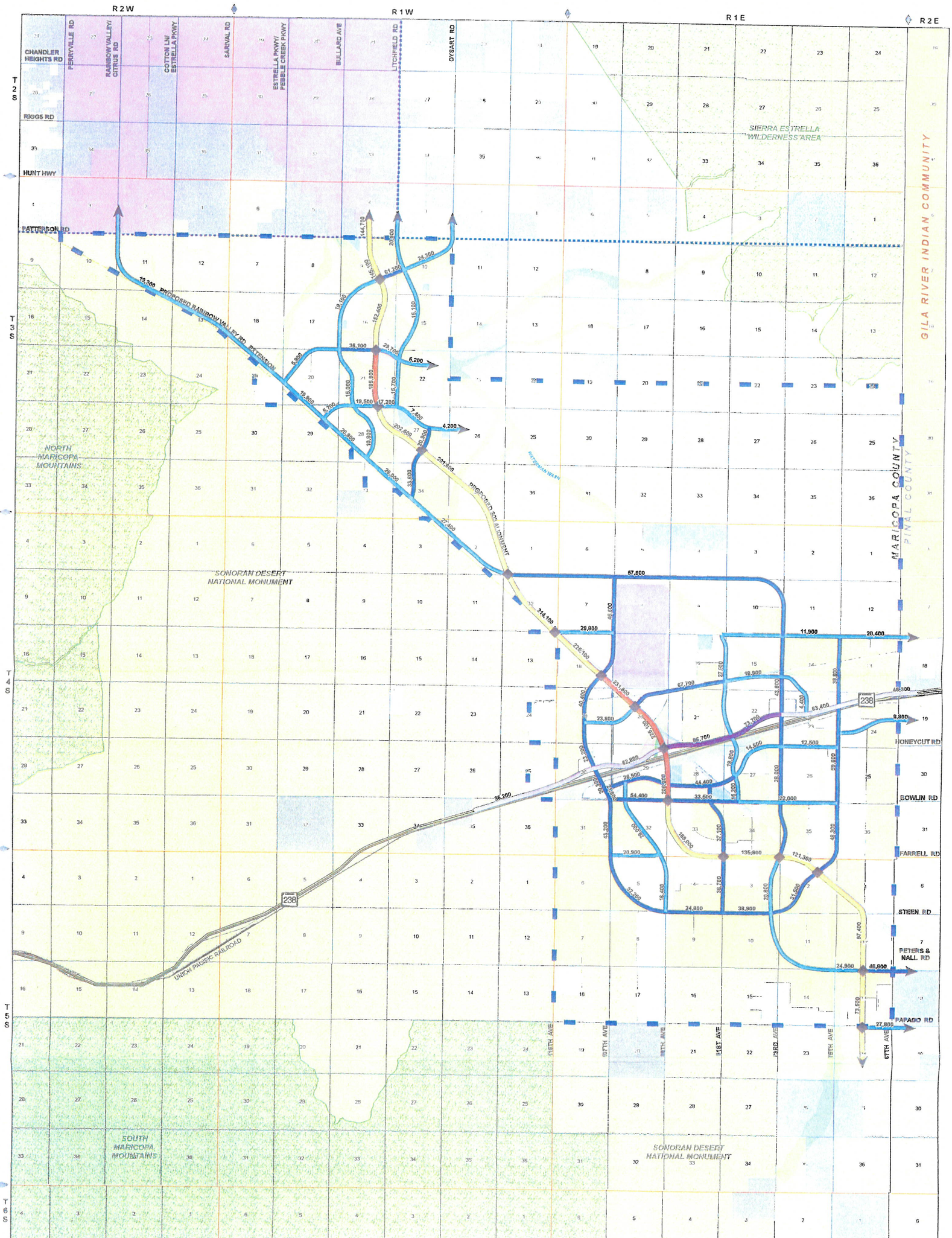
through traffic for shorter distances than arterial streets while providing direct access to adjacent residences and commercial activities. These streets carry between 4,500 and 12,500 vehicles per day and typically do not allow direct access to private residences fronting onto them. The major collector roadway is comprised of four lanes, two bike lanes, a raised median, and two attached sidewalks. The City's adopted standard for this classification uses an 80-foot right of way.

- **Minor Collector**: A minor collector street is intended to collect traffic from a residential subdivision or commercial parcel and distribute this traffic to the adjacent arterial street system. These streets carry limited through traffic and provide direct property access, but with lower traffic volumes than a major collector. Minor collectors are typically shorter in length than major collectors and have a minor role in the overall roadway system. These streets carry between 800 and 5,000 vehicles per day and may provide direct access to residences fronting these streets. The minor collector roadway is comprised of two lanes, two bike lanes, a painted median, and attached sidewalks. The City's adopted standard for this classification uses a 60-foot right of way.

- **Residential Street:** Residential streets provide direct access to local property with houses fronting directly onto these streets and are not designed to accommodate through traffic. These streets are anticipated to carry between 100 and 1,500 vehicles per day. The residential street is comprised of two lanes and either attached or detached sidewalks. The City's adopted standard for this classification uses a 50-foot right of way.

The freeway, major arterial and arterial roadway corridors are illustrated on Exhibit A. The land use plan has been used as the foundation to generate vehicular trips for input into a regional transportation model to determine the appropriate functional classification and number of lanes for each of these roadways within the community. The anticipated traffic volumes during a typical weekday on each of the arterial streets, major arterial streets, highways, and freeways for the Sonoran Valley Planning Area are also shown in Exhibit A.

Exhibit A



Sonoran Valley Planning Area
Circulation Framework Plan

0 0.5 1 2
Miles

Goodyear

Proposed Roadway Functional Classifications

- Freeway
- Freeway with Frontage Road
- State Highway
- State Highway with Frontage Road
- Major Arterial
- Arterial

- Proposed Interchange
- Existing State Highway
- Union Pacific Railroad

RBF CONSULTING GIS

Exhibit A

Printing Date: July 25, 2008

Appendix G

APPENDIX G

Development Agreement Between the City of Goodyear and Montage Holdings

Recording Number: 20070426372
Time of Recording: 04/11/2007 03:28
Filename: 073313-95-1-1--A
Affidavit: N
Official Records of
Maricopa County Recorder
Helen Purcell

Electronic Recording

Master Development Agreement for Amaranth

Re-Recording due to missing letter E and F on page 2 of the document.

Recording Number: 20070386766
Time of Recording: 04/02/2007 11:11
Filename: 073313-34-1-1--
Affidavit: N
Official Records of
Maricopa County Recorder
Helen Purcell

Electronic Recording

When Recorded, Return To:

City Clerk's Office
City of Goodyear
190 N. Litchfield Road
P.O. Box 5100
Goodyear, Arizona 85338

With A Copy To:

Stephen C. Earl
Earl, Curley & Lagarde, P.C.
3101 N. Central Avenue, Suite 1000
Phoenix, Arizona 85012

MASTER DEVELOPMENT AGREEMENT FOR AMARANTH

THIS MASTER DEVELOPMENT AGREEMENT ("Agreement") is entered into this 26 day of MARCH, 2007 by and between Sonoran Valley Management, LLC, a Delaware limited liability company ("Master Developer") and the City of Goodyear (the "City"). Master Developer and City are hereinafter individually referred to as "Party" and collectively as the "Parties."

RECITALS

A. Master Developer owns approximately 10,094 acres of real property within the corporate limits of the City generally bounded by Patterson Road to the north and Papago Road to the south, and more particularly described on **Exhibit A,** attached hereto and incorporated herein by this reference (the "Property").

B. Master Developer and City desire that the Property be developed as an integral part of the City.

C. On December 4, 2006, the Master Developer and City entered into a Pre Annexation Development Agreement (the "PADA"), recorded on December 11, 2006 as Instrument No. 2006-1612007 in the Office of the Maricopa County Recorder, which requires, among other things, Master Developer and City to enter into a Master Development Agreement to govern the orderly development of the Property.

D. The Parties acknowledge that this Agreement is intended to supplement the PADA and, in the event of any conflict between the terms of this Agreement and the terms of the PADA, the terms of this Agreement shall control.

GOODYEAR CITY CLERK
ORIGINAL

DEV-CX-0814-07 · 20070426372 · . . 5 · R.07-1135 C07-3313

Recording Number: 20070426372

When Recorded, Return To:
City Clerk's Office
City of Goodyear
190 N. Litchfield Road
P.O. Box 5100
Goodyear, Arizona 85338

With A Copy To:
Stephen C. Earl
Earl, Curley & Lagarde, P.C.
3101 N. Central Avenue, Suite 1000
Phoenix, Arizona 85012

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A. Master Developer owns approximately 10,094 acres of real property within the corporate limits of the City generally bounded by Patterson Road to the north and Papago Road to the south, and more particularly described on **Exhibit A,** attached hereto and incorporated herein by this reference (the "Property").

B. Master Developer and City desire that the Property be developed as an integral part of the City.

C. On December 4, 2006, the Master Developer and City entered into a Pre Annexation Development Agreement (the "PADA"), recorded on December 11, 2006 as Instrument No. 2006-1612007 in the Office of the Maricopa County Recorder, which requires, among other things, Master Developer and City to enter into a Master Development Agreement to govern the orderly development of the Property.

D. The Parties acknowledge that this Agreement is intended to supplement the PADA and, in the event of any conflict between the terms of this Agreement and the terms of the PADA, the terms of this Agreement shall control.

E. Master Developer intends to develop a master-planned community in accordance with the Amaranth Area 1 Final Planned Area Development (the "Area Plan") and the Amaranth Master Preliminary Planned Area Development (the "Master Plan") (the Area Plan and the Master Plan are hereinafter referred to collectively as the "Development Plan"). The Area Plan was previously approved by the City in Zoning

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Case No.06-20000019, a copy of which is on file in the office of the City Clerk and incorporated herein.. The Master Plan was submitted to the City on February 6th, 2007, and is currently under review by City and, upon approval of the Master Plan by the City Council; a copy of the Master Plan shall be maintained in the office of the City Clerk and incorporated herein.

F. The Area Plan is in general conformance with the City's General Plan applicable to the Property as of the date of the execution of this Agreement and is intended to implement the provisions of City's Ordinance No. 07-3283 and Supplementary Zoning Map No. 06-019 approving the rezoning of the property consistent with the Area Plan.

G. The Parties acknowledge that the ultimate development of the Property within the City is a project of such magnitude that the Master Developer requires certain assurances from the City and such assurances are conditions precedent to Master Developer's acceptance of its rights and obligations to develop the Property pursuant to this Agreement and to expend substantial efforts and costs in the development of the Property. The Master Developer desires to enter into this Agreement to (a) eliminate its uncertainties for the Property development; (b) vest in the Master Developer the right to develop the Property consistent with this Agreement provided Master Developer is not in default with any of the provisions of this Agreement; and (c) to define Master Developer's responsibilities for its development of the Property.

H. The City acknowledges that the development of the Property pursuant to this Agreement will result in significant planning and economic benefits for the City and its residents by, among other things: (i) requiring orderly development of the Property; and (ii) creating employment opportunities through the development of the Property; and (iii) increasing sales tax and other revenues to the City based on improvements to be constructed on the Property; and (iv) requiring growth to pay for growth through payment of development fees, construction sales taxes, property tax and retail sales tax as well as payment of the costs necessary to deliver municipal services to the Property until such time as revenues generated within the Property reasonably approximate the City cost to deliver those services to the Property.

I. The City recognizes the extent of the magnitude and cost of the services/infrastructure necessary to properly serve the development and that the City's facilitation of various forms of Property based infrastructure financing, such as a community facilities district, is necessary to finance and construct such services and infrastructure.

J. The Parties intend this Agreement to be a "Development Agreement" within the meaning of A.R.S. § 9-500.05.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual obligations contained herein and for good and valuable consideration, the receipt of which is hereby acknowledged, Master Developer and City agree as is more specifically set forth in this Agreement:

1. INCORPORATION OF RECITALS. The accuracy of the above Recitals is confirmed and all of the above-mentioned Recitals are incorporated herein and are hereby made provisions of this Agreement with the same force and effect as if set forth in the "Agreement" section of this Agreement.

2. DEVELOPMENT PLAN APPROVAL AND VESTED RIGHTS.

(a) Area Plan. Concurrently with the approval and execution of this Agreement and upon the City's review and due consideration with all required reviews, public hearing(s), the City, by and through its Mayor and City Council (collectively, the "Council"), hereby grants to Master Developer, its successors and assigns, its approval of the densities, intensities, land uses and other matters set forth in the Area Plan. For the term of this Agreement, Master Developer shall have a vested right to develop and use the Property in accordance with this Agreement, the PADA and the Area Plan. The determinations of the City in this Agreement and the assurances provided to Master Developer in this Agreement are provided pursuant to, and as contemplated by, A.R.S. § 9-500.05 and other applicable law.

(b) Master Plan. Upon approval and execution of this Agreement and discretionary approval of the Master Plan by and through its Mayor and City Council (collectively, the "Council") shall grant to Master Developer, its successors and assigns, its approval of the densities, intensities, land uses and other matters set forth in the Master Plan. For the term of this Agreement, Master Developer shall have a vested right to develop and use the Property in accordance with this Agreement, the PADA, the Master Plan and the Development Plan. The determinations of the City in this Agreement and the assurances provided to Master Developer in this Agreement are provided pursuant to, and as contemplated by, A.R.S. § 9-500.05 and other applicable law.

3. TERM AND EFFECTIVE DATE. The Council grants to Master Developer and its successors and assigns, the right to implement development in accordance with the Area Plan and the Master Plan (as and when approved) under the terms and conditions of the Area Plan, Master Plan, PADA and this Agreement for an initial term of thirty (30) years ("Initial Term"). If the Agreement is not renewed as set forth below it shall automatically terminate as to the Property without the necessity of any notice, agreement, or recording by or between the Parties. This Agreement shall become effective from the date first written above. For good cause shown, Master Developer may request and City may approve two (2) ten (10) year extensions ("Extended Term") of the time period set forth herein. The City shall not unreasonably withhold approvals of such extension requests. At the request of the City Manager, Master Developer shall meet with the City Manager and provide the City with annual status reports.

4. RIGHTS RUN WITH THE LAND. The rights established under this Agreement and the PADA are attached to and run with the Property. Upon the effective date of this Agreement, Master Developer and its successor(s) are entitled to exercise the rights granted pursuant to this Agreement. This Agreement shall be interpreted and construed so as to preserve any vested and/or estoppel rights respecting the Master Developer and/or the Property existing under this Agreement and applicable law.

5. DEVELOPMENT PLAN.

(a) The City and Master Developer acknowledge amendments to the Development Plan may be necessary from time to time to reflect changes in market conditions and development financing and/or to meet the new requirements of one or more of the potential users or builders of any part of the Property. If and when the Parties find that changes or adjustments are necessary or appropriate, they shall, unless otherwise required by applicable law as established in Paragraph 5 of this Agreement or by state or federal statute, effectuate minor changes or adjustments through administrative amendments approved by the City Community Development Director, or designee, which, after execution, shall be attached to the Development Plan as an addendum and become a part thereof, and may be further changed and amended from time to time as necessary, with the approval of the City (in accordance with this Paragraph 5) and Master Developer. Unless otherwise required by law, no minor amendments to the Development Plan shall require prior notice or hearing. All major changes or amendments shall be reviewed by the Planning and Zoning Commission and approved by the City Council. The following are examples of major changes or amendments:

(i) Substantial alteration of the permitted uses of the Property as determined by the Director of Community Development.

(ii) An increase of more than ten (10) percent of the total maximum unit density of dwelling units on the total Property from the approved density or an increase in the total Development Plan area of more than ten (10) percent.

(iii) Deletion of a requirement for the reservation or dedication of land for public purposes except for minor boundary adjustments or street alignments which shall be treated as minor changes.

The following are examples of minor changes or amendments:

(i) Reconfiguration of development parcels.

(ii) Modification of the internal circulation system. Notwithstanding the provisions of Section 5 (a), any modification of the internal circulation system that would cause a major realignment of the existing primary truck

route to the landfills shall be deemed a major amendment unless otherwise agreed to by the landfill landowners.

(iii) Reallocation of dwelling units from within the Area Plan to Parcels A, B and C of the Area Plan as depicted on **Exhibit B**, attached hereto and incorporated herein by this reference, or area C or F of the Master Plan as depicted on **Exhibit C**, attached hereto and incorporated herein by this reference, and reallocation of dwelling units within the Master Plan to Villages A-II, B, D, E, G and H and Town Center F and Regional Center C of the Master Plan, subject to a demonstration that the water, sewer and traffic infrastructure will sufficiently support the reallocated dwelling units. Notwithstanding the provisions of Section 5(a), no residential uses shall be permitted within any property located within all of Section 17 and the western half of Section 8, which residential exception shall not apply to any future expansion of the Butterfield Landfill.

(iv) Any minor alteration to the list of permitted uses of the Property set forth in the Development Plan, as deemed minor by the Director of Community Development.

The Parties shall cooperate in good faith to agree upon and use reasonable best efforts to process any minor or major amendments to the Development Plan. The City hereby acknowledges and agrees that the Development Plan may hereafter be amended to include alternative plans and land use designations that shall become applicable if Master Developer elects to include the Additional Property referenced in Paragraph 7 of this Agreement.

(b) City, having reviewed and approved the Area Plan and, upon approval of the Master Plan, agrees to cooperate fully in processing the approval and issuance of plans, specifications or plats that are consistent with the Area Plan, Master Plan and Development Plan. The issuance and approval of such permits, plans, specifications, or plats is subject to Master Developer complying with the ordinances applicable thereto and Master Developer paying the then current applicable filing fees, plan review fees, permit fees and building fees. Unless agreed to by Master Developer, City shall not adopt or change any ordinance, regulation or other control that is not uniform and that discriminates in its application against the Master Developer or the Property. Unless otherwise agreed to by the Parties, Master Developer and City agree that after this Agreement has been approved, any and all subsequent zoning ordinances or requirements, zoning restrictions, addenda, and revisions adopted by the City will not be applied to the Property except as may be required pursuant to Paragraph 5c. Unless agreed to by Master Developer, City shall not impose or enact additional conditions, overlays, exactions, requirements, dedications, development or other fees, rules or regulations applicable to or governing the development of the Property, including any requirement for the dedication of land or property, or the payment of fees or money for

the planning, design, engineering, construction, acquisition, improvement, maintenance or provision of public services or infrastructure improvements to lessen, offset, mitigate, or compensate for the burdens of the development of the Property on the City, the City having acknowledged that all such burdens have been considered and are adequately accounted for by the conditions to development of the Property set forth in the Development Plan, the PADA and this Agreement. The City shall not take any action or position that would have the effect of subjecting the timing or development of the Property to procedures and limitations that may be part of a moratorium or any type of growth boundary except as may be required pursuant to Paragraph 5(c).

(c) Applicable Rules. Whenever reference is made in this Agreement to ordinances, rules, regulations, and other requirements and/or official policies of the City (the "Applicable Rules") which apply to the development of the Property in accordance with the Area Plan, Master Plan and Development Plan shall define those Applicable Rules. Except as otherwise expressly provided in this Agreement and the Area Plan and the Master Plan, the Applicable Rules governing the development of the Property shall be those Applicable Rules which exist and are in force for the City as of the Effective Date of this Agreement. The City agrees not to apply the enactment of any new ordinances, rules and regulations as set forth below to development of the Property:

(i) Future zoning, land use or development standards, ordinances, rules, regulations, and other requirements and official policies of the City, which impair the Developer's ability to develop the Property with the intensity and density of uses as set forth in the Area Plan and Master Plan and this Agreement.

(ii) Other future zoning, land use or development standards, ordinances, rules, regulations, and other requirements and official policies, which would require an increase in the minimum lot sizes or lot widths and building setbacks or a limitation of the building heights from those established in the Area Plan and Master Plan.

(d) The Parties anticipate that development of the Property will be completed over a thirty (30) to fifty (50) year term in multiple phases as identified in Paragraph 3. Any reference to time frames and physical boundaries for each of the phases in the Development Plan are approximate and contingent upon market conditions, industry factors, business considerations and matters beyond the control of the Master Developer. With the consent of the Director of Community Development , which may not be unreasonably withheld, Master Developer may adjust the physical boundaries of the various phases as well as the development schedule for each of the parcels in such a manner as Master Developer shall deem appropriate for the efficient development of the entire Property. Master Developer' modifications shall not necessitate an amendment to this Agreement.

6. DEVELOPMENT FEES.

(a) Adoption of Development Fees. At Master Developer's expense, City, in consultation with Master Developer, shall select a consultant to prepare a development fee study ("Fee Study") and capital improvement plan ("Improvement Plan") for the Property and surrounding properties for the purpose of documenting the requirements of A.R.S. §9-463.05. Master Developer shall have the discretion to participate in the preparation of the Fee Study and Improvement Plan, including but not limited to, review of consultant proposals, participation in consultant interviews, and inclusion on any task force that may be formed to oversee the Fee Study and Improvement Plan process. At Master Developer's request, and upon the City approving the Fee Study and Improvement Plan , the City shall provide the required notice of intention to assess a new development fee and release to the public the written report, together with any supporting documentation, in accordance with A.R.S. §9-463.05. Thereafter, the City shall conduct a public hearing, and otherwise comply with the requirements of A.R.S. §9-463.05, to consider the adoption of one or more ordinances that provide for the payment of development fees to defray the costs of providing necessary services and infrastructure within and without the Property.

(b) Development Fee Reimbursement. Master Developer shall be entitled to a reimbursement, credit or offset of any development fees collected from Master Developer or anticipated residents or builders for any infrastructure installed by Master Developer that is included as a component of any development fee adopted pursuant to Paragraph 6(a) of this Agreement. In the event a development fee from which Master Developer is being reimbursed is comprised of more than one infrastructure component, Master Developer shall be entitled to the percentage amount of the development fee component that represents the infrastructure installed by Master Developer. The reimbursement, credit or offset shall be equal to the sum of all costs and payments made by Master Developer associated with the design, installation, acquisition, financing and management of infrastructure installed or caused to be installed by Master Developer included as a component in the adopted development fee, but in no event shall the reimbursement, credit or offset exceed the amounts actually expended by Master Developer for the installation of reimbursable infrastructure. Any reimbursement, credit or offset shall be paid to Master Developer or calculated by the City on a quarterly basis.

7. ADDITIONAL PROPERTY. The City agrees to amend this Agreement, from time to time and solely at the request of Master Developer, to incorporate into this Agreement the whole or any portion of additional properties owned by Master Developer from within the area depicted on **Exhibit D**, attached hereto and incorporated herein by this reference, contiguous to the Property (the "Additional Property") if and when Master Developer acquires such Additional Property. The City and the Master Developer agree that if Master Developer elects to incorporate such Additional Property or portions thereof: (i) thereafter, such Additional Property shall be included in the Property and shall be subject to and shall benefit from all provisions of this Agreement applicable thereto and any reference herein to the Property shall include such Additional Property; (ii) the City and Master Developer shall cooperate in order for the Additional Property to receive the necessary land use approvals, including any necessary amendment to the Development Plan; (iii) the plans and land use designations approved for any Additional Property shall thereafter apply to the Property and the applicable Additional Property;

and (iv) if applicable, the City shall provide for the annexation of the Additional property into an existing community facilities district or may form another community facilities district for the Additional Property. Any Additional Property added to the Property or added, incorporated or included into the Development Plan and this Agreement shall be included in the City's certificate of assured water supply.

8. FORMATION OF COMMUNITY FACILITIES DISTRICT. The City, in accordance with its Community Facilities District Guidelines and Policies, will consider any requests by the Developer to form a community facilities district comprised of the Property in order to aid in the financing the publicly bid design and construction costs of the public infrastructure. Nothing contained herein shall be construed to compel the City to form a community facilities district or for the community facilities district, if formed, to finance any infrastructure.

9. WATER.

(a) Water Service. Master Developer, at its expense, from funding sources identified in the PADA and Paragraph 8 of this Agreement, or through a private water provider(s), will arrange for the design, engineering, construction, acquisition installation, and/or permitting of, in phases, and in accordance with the Master Infrastructure Plans as described in Paragraph 19 hereof, a water production, storage, treatment, and delivery system ("Water System") that meets all applicable federal, state and local standards and City design standards.

(b) Fees. The City shall receive no monthly charges for water service until, and if, the City accepts ownership of and operational responsibility for the Water System, after which time the City shall be entitled to the monthly charges for water service as necessary to recoup the costs associated with providing such water services.

(c) Funding. If the Parties agree to implement a public or private funding mechanism (including formation of an improvement district, CFD, the issuance of municipal bonds, or private funding mechanism) that contemplates the City acquiring ownership of the Water System, then Master Developer or owner/operator/third party/agent shall offer and the City agrees to accept ownership of and operational responsibility for any complete phase of, or the entirety of the Water System so long as the transfer is at no cost to the City (other than subsequent operational and maintenance costs) to acquire the Water System, except for new public service and funding sources as identified in the PADA and/or Paragraph 8 of this Agreement. Upon transfer to the City of such ownership and operational responsibility the City hereby agrees to serve water to the Property in quantity and quality sufficient to satisfy the contemplated present and future domestic, municipal and commercial demands for potable water at the Property as and when required in connection with the development of the Property. In the event City accepts ownership and operational responsibility for the Water System, Master Developer agrees to fund the difference between the actual Water System operational costs and amounts collected by City through water utility rates or any other revenue source intended to offset Water System operations costs until such time as five hundred (500) building permits have been issued within the Property. Upon dedication of any phase of

the Water System, Master Developer/owner/operator/third party/agent shall provide to the City all applicable as-built drawings, operation and maintenance manuals, operation records, and the like.

(d) Credits. Prior to the adoption of the final Master Plan, Master Developer shall convey all Type I and Type II water rights and any extinguished irrigation grandfathered water rights credits in existence relating to the Property to the City. City shall receive all long-term water storage credits that accrue as a result of the recharge of effluent generated by any wastewater treatment facility providing wastewater treatment service to the Property. City shall provide water service to the Property and shall maintain a one-hundred (100) year assured water supply designation for the Property or for a future satellite water service area or for a newly defined future water service area. City shall obtain a M.A.G. 208 Permit amendment to incorporate the Property into the City municipal service area and City shall be the designated management agent for the M.A.G. 208 permit as required by the Environmental Protection Agency's rules under the Federal Clean Water Act, in order for the City to provide wastewater services to the Property. The one-hundred (100) year assured water supply designation for the City is subject to the legal and physical availability of water resources for the Property. In the event the City fails to obtain a one-hundred year assured water supply for the Property or fails to amend the M.A.G. 208 permit to include the Property into the City municipal service area, any credits conveyed by Master Developer to City pursuant to this Paragraph 9(d) shall be re-conveyed, without cost to Master Developer, to Master Developer. Master Developer shall receive, at the prevailing rate in existence at the time of conveyance, a water resource fee credit for each Type I and Type II water right or extinguished irrigation grandfathered water right credit conveyed to City pursuant to this Paragraph 9(d).

(e) Dedication of Water System. City and Master Developer shall, prior to the issuance of the 500th building permit for new residential dwelling units within the Property, reach an agreement setting forth the timing and process for dedication of the Water System to City. Provided Master Developer and City are pursuing in good faith the negotiation of the agreement contemplated herein, the failure of the Parties to meet the schedule outlined above shall not give the City the right to deny the issuance of additional residential building permits within the Property. If the agreement contemplated under this Paragraph 9(e) has not been reached prior to the issuance of the seven hundred fiftieth (750th) building permit for new residential dwelling units within the Property the City may deny the issuance of additional building permits within the Property until such time as the agreement contemplated under this section has been executed.

10. WASTEWATER TREATMENT.

(a) Wastewater Service. Master Developer, at its expense, from funding sources identified in the PADA and Paragraph 8 of this Agreement, or through a private wastewater provider(s), will arrange for the design, engineering, construction, acquisition installation, and/or permitting of, in phases, and in accordance with the Master Infrastructure Plans as described in Paragraph 19 hereof, a wastewater collection,

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storage, treatment, and disposal system ("Wastewater System") that will treat and dispose of wastewater generated at the Property in a manner that meets all applicable federal, state and local standards and City design standards.

(b) Fees. The City shall receive no monthly charges for wastewater service until, and if, the City accepts ownership of and operational responsibility for the Wastewater System, after which time the City shall be entitled to the monthly charges for wastewater service as necessary to recoup the costs associated with providing such wastewater services.

(c) Funding. If the Parties agree to implement a public or private funding mechanism (including formation of an improvement district, CFD, the issuance of municipal bonds, or private funding mechanism) that contemplates the City acquiring ownership of the Wastewater System, then Master Developer or owner/operator/third party/agent shall offer and the City agrees to accept ownership of and operational responsibility for any complete phase of, or the entirety of the Wastewater System so long as the transfer is at no cost to the City (other than subsequent operational and maintenance costs) to acquire the Wastewater System, except for new public service and funding sources as identified in the PADA and/or Paragraph 8 of this Agreement. Upon such transfer, City hereby agrees to reserve and provide sufficient capacity to serve the existing and contemplated normal present and future needs of the Property as and when required in connection with the development of the Property. In the event City accepts ownership and operational responsibility for the Wastewater System, Master Developer agrees to fund the difference between the actual Wastewater System operational costs and amounts collected by City through wastewater utility rates or any other revenue source intended to offset Wastewater System operations costs until such time as five hundred (500) building permits have been issued within the Property. Upon dedication of any phase of the Wastewater System, Master Developer/owner/operator/third party/agent shall provide to the City all applicable as-built drawings, operation and maintenance manuals, operation records, and the like.

(d) Dedication of Wastewater System. City and Master Developer shall, prior to the issuance of the 500th building permit for new residential dwelling units within the Property, reach an agreement setting forth the timing and process for dedication of the Wastewater System to City. Provided Master Developer and City are pursuing in good faith the negotiation of the agreement contemplated herein, the failure of the Parties to meet the schedule outlined above shall not give the City the right to deny the issuance of additional residential building permits within the Property. If the agreement contemplated under this Paragraph 10(d) has not been reached prior to the issuance of the seven hundred fiftieth (750th) building permit for new residential dwelling units within the Property the City may deny the issuance of additional building permits within the Property until such time as the agreement contemplated under this section has been executed.

11. EFFLUENT.

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(a) Effluent Service. Master Developer, at its expense, from funding sources identified in the PADA and Paragraph 8 of this Agreement or through a private effluent provider(s), will arrange for the design, engineering, construction, acquisition installation, and/or permitting of, in phases, effluent reuse/recharge/disposal facilities and a delivery system as part of the non-potable water system ("Effluent System") that meets all applicable federal, state and local standards and City design guidelines.

(b) Fees. Except as provided in this Paragraph 11(b), if the City owns the Wastewater System, the treated effluent will be delivered to the Property at either (i) a price no greater than fifty (50) percent of the rate City assesses residential customers for potable water, or (ii) the actual City costs to treat wastewater to effluent standards, whichever is the greater. City shall deliver effluent to the Property in amounts and at times designated by Master Developer, but in no event is Master Developer entitled to an amount of effluent in excess of the amount of effluent generated from within the Property. In the event any effluent in excess of the amount generated from within the Property is not utilized by the development generating the excess effluent, Master Developer shall have the first right to purchase the excess effluent at the rate described herein. In the event Master Developer does not utilize its share of the effluent generated from within the Property or declines to acquire excess effluent generated from without the Property, City shall have the right to utilize the unused or unallocated effluent in any manner it deems appropriate.

(c) Funding. If the City provides wastewater service to the Property, the Master Developer shall offer and the City agrees to accept ownership of any complete phase of, or the entirety of the Effluent System so long as the transfer is at no cost to the City (other than subsequent operational and maintenance costs) to acquire the Effluent System. Upon transfer to the City of such ownership, the City hereby agrees to serve effluent to the Property in a quantity and quality sufficient to satisfy the contemplated normal present and future demands (including supplying effluent to irrigate parks, golf courses, and open space areas) for effluent at the Property as and when required in connection with the development of the Property. In the event the City accepts ownership and operational responsibility for the Effluent System, Master Developer agrees to fund the difference between the actual Effluent System operational costs and amounts collected by City through effluent rates or any other revenue source intended to offset Effluent System operations costs until such time as five hundred (500) building permits have been issued within the Property. Upon dedication of any phase of the Effluent System, Master Developer shall provide to the City all applicable as-built drawings, operation and maintenance manuals, operation records, and the like.

(d) Dedication of Effluent System. City and Master Developer shall, prior to the issuance of the 500th building permit for new residential dwelling units within the Property, reach an agreement setting forth the timing and process for dedication of the Effluent System to City. Provided Master Developer and City are pursuing in good faith the negotiation of the agreement contemplated herein, the failure of the Parties to meet the schedule outlined above shall not give the City the right to deny the issuance of additional residential building permits within the Property. If the agreement contemplated under this Paragraph 10(d) has not been reached prior to the issuance of

the seven hundred fiftieth (750th) building permit for new residential dwelling units within the Property the City may deny the issuance of additional building permits within the Property until such time as the agreement contemplated under this section has been executed.

12. PUBLIC FACILITIES. At no cost to City, Master Developer shall provide at a minimum five hundred (500) square feet of temporary modular office space ("Temporary Facilities"), at a location mutually agreeable to the Parties within the Property, for use by City as City staff work-space until such time as permanent municipal facilities ("Permanent Facilities") have been constructed. Master Developer shall pay the costs associated with the acquisition and installation of the Temporary Facilities. The annual maintenance and operational costs of the Temporary Facilities shall be included in the Service Cost Reimbursement pursuant to Paragraph 15 of this Agreement. At such time as the Permanent Facilities are constructed Master Developer shall take possession of the Temporary Facilities and utilize them in any manner Master Developer deems appropriate. The City and Master Developer shall cooperate in the preparation of a Public Facilities Master Plan ("Facilities Plan") for the Property and surrounding properties, which includes needed facilities, funding strategies and project priorities, and such Master Plan shall be completed and approved by the City prior to issuance of the five-hundredth (500th) building permit for new residential units on the Property. Upon completion and approval of the Plan, the City and Master Developer shall negotiate in good faith a Public Facilities Agreement ("Facilities Agreement") to identify facility funding sources, obligations of Master Developer and others, and other issues relating to the timing and development of needed public facilities. Such Agreement shall be approved and filed in the records of the Maricopa County Recorder's Office prior to issuance of the one-thousandth (1,000th) residential building permit for new residential dwelling units on the Property. Provided Master Developer is pursuing in good faith the creation of the Facilities Plan and Facilities Agreement, the failure of the Parties to meet the creation and adoption schedule outlined above shall not give the City the right to deny the issuance of additional residential building permits within the Property. If the agreement contemplated under this Paragraph 12 has not been reached prior to the issuance of the one-thousand two hundred fiftieth (1,250th) building permit for new residential dwelling units within the Property the City may deny the issuance of additional building permits within the Property until such time as the agreement contemplated under this section has been executed.

13. POLICE SERVICE

(a) Interim Service. Upon the Effective Date of this Agreement and subject to Master Developer's approval, City shall execute an intergovernmental agreement (IGA) with the Maricopa County Sheriff's Office (MCSO) setting forth the terms, conditions and obligations of the City and MCSO to provide interim police services ("Interim Police Services") to the Property on behalf of the City. Pursuant to the provisions of Paragraph 15 of this Agreement, Master Developer shall be responsible for payment of the costs (including modular space) associated with providing Interim Police Services as those costs are identified in the IGA, and approved by the City and Master

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Developer, until such time as permanent police service is established pursuant to Paragraph 13 (b) of this Agreement. To coordinate and supervise services and enforcement activities related to the IGA, within and without the Property, Master Developer shall fund fifty (50) percent of the salary and benefits for a Police Lieutenant for the first eighteen (18) months following the effective date of the annexation of the Property. Additionally, Master Developer shall fund fifty (50) percent of the costs associated with an equipped four wheel drive police sport utility vehicle. Thereafter, depending on the nature and quantity of calls for service and staff time required to administer the IGA, City and Master Developer will reassess demands on the Police Department to determine what additional funding is reasonable and prudent to support the Interim Police Services. The City shall invoice the Master Developer on a quarterly basis for the Interim Police Services and the Master Developer shall submit payment to the City within thirty (30) business days after receipt of invoice.

(b) Permanent Service. The Parties shall engage the services of a public safety consultant ("Police Consultant") to, in cooperation with City and Master Developer, evaluate, study and make recommendations relating to the phasing, service levels, facilities and equipment requirements and other necessary considerations for the permanent provision of City police services ("Police Service Study") for the Property. Master Developer shall pay all costs associated with the preparation of the Police Service Study and City and Master Developer shall participate in the preparation and creation of the Police Service Study. The City and Master Developer shall negotiate in good faith a Public Safety Service Agreement to implement and fund the Police Service Study recommendations, or portions of those Police Service Study recommendations, that are mutually agreed upon by the City and Master Developer. This Public Safety Service Agreement shall be approved and filed in the records of the Maricopa County Recorder's Office prior to issuance of the 500th building permit for new residential dwelling units on the Property. Provided Master Developer is pursuing in good faith the negotiation of the Public Safety Service Agreement, the failure of the Parties to meet the schedule outlined above shall not give the City the right to deny the issuance of additional residential building permits within the Property._ If the agreement contemplated under this Paragraph 13(b) has not been reached prior to either (i) the issuance of the one-thousand five-hundredth (1,500) building permit for new residential dwelling units within the Property; or (ii) the expiration of thirty six (36) months from the date of commencement of vertical construction within the Property, whichever is the lesser time period, the City may deny the issuance of additional building permits within the Property until such time as the agreement contemplated under this section has been executed.

(c) Public Safety Communications. Upon the effective date of Annexation of the Property, the Master Developer shall use its best efforts to provide, at no cost to the City, temporary infrastructure to provide two-way public safety radio and communications capable of transmitting and receiving communication service to ninety (90) percent of the Property for ninety (90) percent of the time. The City, in cooperation with the Master Developer, shall complete a communications study for the newly annexed area, and the City and Master Developer shall negotiate in good faith a communications agreement ("Communications Agreement") to implement and fund those recommendations, or portions of those recommendations, that are mutually agreed

upon by the City and Master Developer. This Agreement shall be approved and filed in the records of the Maricopa County Recorder's Office prior to issuance of the 500th building permit for new residential dwelling units within the Property. Provided Master Developer is pursuing in good faith the negotiation of the Communications Agreement, the failure of the Parties to meet the schedule outlined above shall not give the City the right to deny the issuance of additional residential building permits within the Property. If the agreement contemplated under this Paragraph 13(c) has not been reached prior to either (i) the issuance of the one-thousand five-hundredth (1,500) building permit for new residential dwelling units within the Property; or (ii) the expiration of thirty six (36) months from the date of commencement of vertical construction within the Property, whichever is the lesser time period, the City may deny the issuance of additional building permits within the Property until such time as the agreement contemplated under this section has been executed.

14. FIRE/EMT SERVICE.

(a) Interim Fire/EMT Service. Upon the Effective Date of this Agreement, subject to Master Developer's approval, City, either through agreements with established fire/EMT service providers in the area or through the City Fire Services Department, shall provide fire and EMT services to the Property at a level consistent with fire and EMT service levels generally associated with rural fire service. Upon the Effective Date of this Agreement, Master Developer shall provide at no cost to City, at a location acceptable to the City, a modular housing facility ("Temporary Fire Station") with furnishings in an amount not to exceed fifty thousand (50,000) dollars) to be used to house City fire service employees and one (1) shade structure sufficient to provide shade cover for one (1) type 3 fire engine. In the event a permanent fire station is not constructed within twelve (12) months from the date the Annexation becomes final, Master Developer shall cause to be installed a four (4) sided metal building sufficient in size to provide shade and shelter for the type 3 fire engine. Subject to the provisions of Paragraph 15 of this Agreement, Master Developer shall be responsible for the costs associated with:

(i) one and one half times the salary (at a pay grade no greater than fire captain) and the customary benefits for twenty-four (24) hour a day fire and EMT coverage by six (6) EMT qualified firefighters, whether employees of the City or an established fire service provider in the area for a period of not more than twelve months or until such time as the City hires, trains and certifies the next eight (8) EMT qualified firefighters (it is the intent of the Parties that the first eight (8) EMT qualified firefighters employed by the City after the Effective Date of this Agreement shall count towards the satisfaction of this Paragraph 14(a), notwithstanding the intention of the Parties that the salary and customary benefits of not more than three fire captains will be included as a cost in the Service Cost Budget calculation pursuant to Paragraph 15(a) of this Agreement.), whichever is the lesser time period; and

(ii) the salary and customary benefits of one (1) battalion chief dedicated to managing, administering and overseeing the fire service operations

of the Annexation Area until such time as City and Master Developer enter into an agreement for permanent fire service pursuant to Paragraph 14(b) below; and

(iii) the lease payments for a fully equipped type 3 fire engine for up to one year or until such time as the delivery and acceptance by the City of the purchased type 3 fire engine contemplated in Paragraph 14(a)(iv) of this Agreement; and

(iv) the purchase of one (1) fully equipped type 3 fire engine in an amount not to exceed three hundred eighty thousand (380,000) dollars. Master Developer shall, at its option, make payment contemplated in this Paragraph to the City at the time the type 3 fire engine is ordered or at the time the type 3 fire engine is delivered and accepted by the City. In the event a down-payment is required by the manufacturer or seller of the fire engine, Master Developer shall provide for the down-payment amount within the time frame requested by the City; and

(v) the purchase of one (1) fully equipped initial incident command vehicle in an amount not to exceed one hundred fifteen thousand (115,000) dollars. Master Developer shall, at its option, make payment contemplated in this Paragraph to the City at the time the initial incident command vehicle is ordered or at the time the initial incident command vehicle is delivered and accepted by the City. In the event a down-payment is required by the manufacturer or seller of the command vehicle, Master Developer shall provide for the down-payment amount within the time frame requested by the City; and

(vi) the lease and/or purchase, at Master Developers option, of an emergency generator capable of providing emergency electrical service sufficient to operate the Temporary Fire Station at normal operational levels.

Except as otherwise provided herein, City shall invoice the Master Developer on a quarterly basis for the Interim Fire/EMT Services and the Master Developer shall submit payment to the City within thirty (30) business days after receipt of invoice. Any expenditures by Master Developer made pursuant to the provisions of this Paragraph 14 shall be included in determining the amount of Master Developer O & M Credit calculated pursuant to Paragraph 15(b) of this Agreement.

(b) Permanent Fire/EMT Service. The Parties shall engage the services of a public safety consultant ("Fire Consultant") to, in cooperation with City and Master Developer, evaluate, study and make recommendations relating to the phasing, service levels, facilities and equipment requirements and other necessary considerations for the permanent provision of City fire services ("Fire Service Study") for the Property. Master Developer shall pay all costs associated with the preparation of the Fire Service Study and City and Master Developer shall participate in the preparation and creation of the Fire Service Study. The City and Master Developer shall negotiate in good faith a Fire Service Agreement to implement and fund the Fire Service Study recommendations, or portions of those Fire Service Study recommendations, that are mutually agreed upon

by the City and Master Developer. This Fire Service Agreement shall be approved and filed in the records of the Maricopa County Recorder's Office prior to issuance of the 500th building permit for new residential dwelling units on the Property. Provided Master Developer is pursuing in good faith the negotiation of the Fire Service Agreement, the failure of the Parties to meet the schedule outlined above shall not give the City the right to deny the issuance of additional residential building permits within the Property. If the agreement contemplated under this Paragraph 14(b) has not been reached prior to either (i) the issuance of the one-thousand five-hundredth (1,500) building permit for new residential dwelling units within the Property; or (ii) the expiration of thirty six (36) months from the date of commencement of vertical construction within the Property, whichever is the lesser time period, the City may deny the issuance of additional building permits within the Property until such time as the agreement contemplated under this section has been executed.

(c) Fire Sprinkler Ordinance. Until such time as the level of fire service protection available to the Property is equal to or greater than the average level of fire service protection available to existing City residents as of the Effective Date of this Agreement, Master Developer shall install residential fire sprinkler systems (Sprinkler System) in each residential structure constructed within the Property. Master Developer's obligation to install Sprinkler Systems in each residential structure constructed within the Property shall terminate at such time as City permits any residential development within the Sonoran Valley Planning Area to occur without requiring the installation of residential fire sprinkler systems similar in quality to those installed by Master Developer or at such time as the fire service protection level available to the Property is equal to or exceeds the average level of fire protection service available to existing City residents. Provided Master Developer installs Sprinkler Systems throughout an entire phase of the development, subject to City approval, Master Developer shall be allowed to modify the standards relating to the design, installation and construction of infrastructure related to fire safety (including, but not limited to, reductions in water pipe diameter, frequency and spacing of fire hydrants, reductions of water pressure authorized by the Uniform Fire Code, if any, and length and frequency of cul-de-sacs) for that phase of development.

15. SERVICE COST REIMBURSEMENT.

(a) Service Cost Budget. City shall develop a budget (the "Service Cost Budget") establishing the estimated annual maintenance and operation costs associated with providing municipal services (including police, fire, emergency services, public works, community development and other traditional municipal services and an amount not to exceed twenty-five (25) percent of the total personnel costs included in the Service Budget) to the Property and Sonoran Valley Annexation Area ("Annexation Area"). The Master Developer shall have the opportunity to review and comment upon the proposed annual Service Cost Budget, but the adoption of the Service Cost Budget is solely within the discretion of the City. Service Cost Budget shall include only the incremental operation and maintenance costs to be incurred by the City in providing City services to the Property and shall not include any expense that the City would have incurred in the absence of this Agreement. Until the first to occur of (i) the expiration of

seven (7) years from the Effective Date of this Agreement or (ii) at such time, beginning in Goodyear fiscal year 2009-10, as revenues generated to City from development within the Property or the Annexation Area including, but not limited to, the payment of construction sales tax, primary property tax, transaction privilege tax, increases in state shared revenue payments attributable to development of the Property or Annexation Area, permit, plan review and application fees, service fees and any other payments or revenues generated from development with the Property or the Sonoran Valley Planning Area not specifically identified herein or anticipated at the time of this Agreement made to City over a consecutive two year period average one hundred (100%) percent of the Service Cost Budget, then beginning on the last day of the first quarter for which there are expenditures for City services attributable to development of the Property or to the Annexation Area, Master Developer shall make quarterly payments to the City in an amount equal to one-quarter of the total yearly amount established in the Service Cost Budget to pay for the costs associated with providing City services to the Property. Thirty (30) days prior to the last quarterly payment for each fiscal year, City shall provide to Master Developer an invoice ("Year End Invoice") establishing the actual cost incurred by City to provide City services to the Property and/or Annexation Area for the prior year. In the event the actual cost to provide City services, as evidenced by the Year End Invoice, is an amount greater or lesser than the amount estimated in the Service Cost Budget for that year, Master Developer's last quarterly payment for that year shall be adjusted to reflect the increased or decreased amount. In the event the Year End Invoice establishes Master Developer has paid amounts in excess of the actual costs for City services, City shall either (i) credit that amount to the next quarterly payment owed by Master Developer; or (ii) in the event no further quarterly payments are due City shall, within sixty (60) days from the Year End Invoice date, reimburse Master Developer the overpayment amount.

(b) Developer O & M Credit. City and Master Developer shall identify all revenues generated by development of the Property or Annexation Area from any source whatsoever made prior to or subsequent to the Effective Date of this Agreement, including construction sales tax, primary property tax, transaction privilege tax, increases in state shared revenue payments attributable to development of the Property or Annexation Area, permit, plan review and application fees, service fees, payments to the City for employee or consultant services and all other payments made to City relating to development of the Property and/or Annexation Area, but not including development fees or secondary property tax assessments. For purposes of this Paragraph 15(b), the amount of transaction privilege tax attributable to the Property and the Sonoran Valley Annexation Area shall be determined at Master Developers request, by an audit by the City or its designated agent of Department of Revenue tax records for businesses operating within the Annexation Area. Master Developer shall be responsible for the costs associated with the audit and the City's determination of the transaction privilege tax revenue generated within the Annexation Area shall be

subject to the Administrative Appeal provisions of Paragraph 51 of this Agreement.

Master Developer shall be entitled to a credit against the actual costs incurred by the City for providing municipal services to the property as set forth in Paragraph 15 (a) of this Agreement equal to the amount of revenue generated pursuant to this Paragraph 15 (b). By way of example, if development within the Annexation Area generates one hundred thousand (100,000) dollars in one year to the City, Master Developer is entitled to a one hundred thousand (100,000) dollar credit against the service costs incurred by the City service for providing municipal services to the Property.

16. RAINBOW VALLEY ROADWAY EXTENSION.

(a) Funding. Master Developer, from funding sources identified in the PADA, Paragraph 8 of this Agreement or other sources to be identified at a later date, shall pay all costs associated with the design, construction, management, installation and financing (including the costs associated with the acquisition of rights-of-ways and costs associated with the design, construction and installation of any bridges necessary to complete the connection of the two-lane roadway)("Roadway Costs") of the two-lane roadway connecting the northern boundary of the Property with the existing City transportation network ("Rainbow Valley Road Extension") and further described in Paragraphs 6.0 and 6.2 of the PADA. The Rainbow Valley Road Extension shall be constructed to meet all applicable Maricopa County and applicable City roadway design and construction standards in existence as of the Effective Date of this Agreement and the City approved Rainbow Valley Road cross-section depicted in **Exhibit E**, attached hereto and incorporated herein by this reference.

(b) Transportation Development Fee. Pursuant to Paragraph 6(a) of this Agreement, and upon the City approving a written report documenting the requirements of A.R.S. §9-463.05, the City shall consider adoption of a transportation development fee (the "Transportation Development Fee"), applicable to the Property and surrounding properties, that includes as a component all of the statutorily reimbursable Roadway Costs expended by Master Developer.

(c) Master Developer Reimbursement. Master Developer shall be entitled to full reimbursement for the Roadway Costs, as evidenced by invoices reflecting the actual amounts paid by Master Developer, from any Transportation Development Fees collected by the City from property owners within the Fee Area. The Transportation Development Fee shall be assessed by the City upon approval of any final plat for any property within the area the Transportation Development Fee is applicable. Until such time as Master Developer is reimbursed in full for the Roadway Costs, any amounts collected from the Transportation Development Fee shall be reimbursed to Master Developer only and City shall not provide any reimbursement, credit or offset of any amounts collected from the Transportation Development Fee to any person, party, property-owner, developer, homebuilder or to the City until such time as Master Developer has been reimbursed the full amount of the Roadway Costs. City shall make

quarterly payments to Master Developer of any amounts collected pursuant to this Paragraph 16.

(d) Elimination of City Funding of Roadway Improvements. Upon the Effective Date of this Agreement, City shall no longer be responsible for funding any of the costs associated with the Roadway Costs for the Rainbow Valley Road Extension and the provisions of Section 6.2 of the PADA shall no longer apply to the City inasmuch as it references a City obligation to fund a portion of the Roadway Costs.

(e) Notwithstanding the provisions of Section 16, to the extent the City enters into a pre-annexation development agreement with Waste Management for the annexation of the Butterfield Landfill, Master Developer waives any right hereunder to object to the credit, offset or reimbursement provisions of that agreement associated with any obligation of Waste Management to pay the Transportation Development Fee.

17. INFRASTRUCTURE AND DESIGN STANDARDS. The infrastructure and design standards, requirements and specifications identified in the Development Plan and Master Infrastructure Plans pursuant to Paragraph 19 of this Agreement shall be applicable to the development of the Property. To the extent there is no identification of a particular standard, the City design standards and specifications existing as of the date of this Agreement shall apply to the development of the Property. City and Master Developer acknowledge that amendments to the infrastructure and design standards and specifications for the Property may be necessary from time to time. If City and Master Developer jointly determine that amendments are necessary to the infrastructure and design standards and specifications for the Property, Master Developer and the City (through an authorized administrative official), to the extent permitted by applicable law, shall effectuate such amendment(s). Such City administrative approval shall not be unreasonably withheld. Any amendments to the infrastructure and design standards made pursuant to this Paragraph 17 shall, unless otherwise specified at the time of the amendment, remain effective for the term of this Agreement and apply to subsequent phases of development within the Property. Master Developer shall document any amendments approved pursuant to this Paragraph 17 in the Amaranth Development Standards and Specifications manual, a copy of which shall be maintained in the office of the City Director of Community Development .

18. OVER-SIZING OF PUBLIC INFRASTRUCTURE. Master Developer, or a designated representative (e.g., engineering consultant), shall conduct a pre-design meeting with the City Engineer, or his designated representative, at which time Master Developer (or designated representative) shall present their calculations for the design of public infrastructure improvements consistent with the approved Master Infrastructure Plans as set forth in Paragraph 19 below necessary to serve development related to a particular plat within the Property. Within fourteen (14) working days after the pre-design meeting, the City shall provide notice and explanation to Master Developer (or designated representative), in writing, as to the nature and extent of the over-sizing (the "Over-sizing Notice"), if any, that the City shall reasonably require as a condition of plat approval. Within thirty (30) days after the date of the Over-sizing Notice, City shall provide to the Master Developer a written estimate of the differential costs, including

engineering, labor and materials, attributable to the required over-sizing (the "Differential Costs"). Within fourteen (14) working days after the Master Developer receives from City a written estimate of the Differential Costs as provided in this section, either (i) the City and Master Developer shall agree upon the amount of the estimated Differential Costs due to Master Developer from the City, which amount shall be adjusted upon completion of construction based on the actual construction costs, or (ii) the City shall be deemed to have withdrawn the over-sizing request, at which time Master Developer may proceed with the City's public infrastructure improvement approval process without incorporating the over-sizing request. Master Developer shall be entitled to be reimbursed in whole, and shall be entitled to receive satisfactory financial assurances of payment prior to the commencement of construction of such oversized public infrastructure improvements for all costs attributable to such over-sizing. If the City requires over-sizing of public infrastructure improvements, after completion of construction the City shall reimburse the Differential Costs to Master Developer within thirty (30) days of the City's receipt of an invoice from Master Developer verifying the Differential Costs.

19. MASTER INFRASTRUCTURE PLANS. Prior to the recordation of any final plat relating to the Property , Master Developer shall secure City approval of the Master Infrastructure Plans detailing the infrastructure requirements and capital improvements necessary for water, wastewater, transportation (including pedestrian trails and vehicular roadways) drainage and parks and open space sufficient to develop the Property pursuant to the Development Plan. Each approved Master Infrastructure Plan shall be incorporated into and shall become a part of this Agreement. Master Developer shall be responsible for the installation and construction of public infrastructure necessary to serve each phase of development undertaken by Master developer within the Property as described in the Master Infrastructure Plans as approved by the City.

20. DEDICATION OF INFRASTRUCTURE IMPROVEMENTS. Upon completion of the installation and construction of the public infrastructure improvements identified in the Master Infrastructure Plan or a portion thereof, Master Developer shall convey the completed public infrastructure improvements to the City lien and debt free and deliver "as built" plans to the City for such public infrastructure improvements. Master Developer shall warrant to the City the construction of public infrastructure improvements against defective workmanship and/or materials for a period of two (2) years from the date of acceptance of such public infrastructure improvements. The Rainbow Valley Road improvements shall be warranted against defective workmanship for a period of one (1) year from the date of acceptance of the Rainbow Valley Road. The procedure for dedication and acceptance of public infrastructure improvements by the City shall be as follows:

(a) Master Developer shall give the City written notice ("Notice to Confirm") promptly following completion of public infrastructure improvements or any portion thereof so long as any portion of completed public infrastructure improvements is a discrete portion and its suitability for its purpose can be adequately determined when compared to the whole;

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(b) Within twenty business days after its receipt of the Notice to Confirm, the City shall inspect the public infrastructure improvements identified therein as to whether it has been constructed in accordance with the City-approved plans and specifications therefore. Upon completion of the inspection, the City shall deliver written notice to Master Developer either (i) approving construction and agreeing to accept conveyance of such public infrastructure improvements; or (ii) identifying the specific items that are not in accordance with the City-approved plans and specifications ("punch list")and that are to be corrected by Master Developer; Upon Master Developer completing/correcting the punch list items, the City shall inspect the punch list corrections within fourteen (14) days of Master Developer providing City written notice the punch list items have been corrected. City shall have twenty-one (21) days to respond in writing to Master Developer either accepting as complete or objecting to the corrections as identified in Master Developers notice. If City does not provide a written response to Master Developer within the time period specified herein, the public infrastructure improvements identified shall be deemed accepted by the City and the one (1) and two (2) year warranty periods shall commence from the day Master Developer notified City of its completion of the punch list item.

(c) Upon acceptance of each component of public infrastructure improvements, the City immediately shall release the infrastructure assurance(s) provided by Master Developer for such accepted infrastructure improvements unless that financial assurance is in an amount securing a larger portion of infrastructure improvements. If the financial assurance is in an amount securing a larger portion of infrastructure improvements, the City will only release the infrastructure assurances for the aggregate if the Master Developer provides another acceptable assurance in the lower amount.

(d) The City shall own, operate, and maintain all dedicated public infrastructure improvements following City's acceptance thereof, subject to Master Developers warranty obligations as provided in this Paragraph 20. The one and two year warranty periods shall commence as to each component of public infrastructure improvements as of the date the City delivers its written notice of acceptance. The City shall give written notice to Master Developer of any warranty claims at least thirty (30) days prior to the expiration of the applicable warranty period otherwise any claims received thereafter shall not be effective and Master Developer shall have no obligation with respect thereto. Master Developer shall obtain all applicable permits required for warranty repair prior to commencing repair work. All warranty repair shall be completed within sixty (60) days following the City's written notice to Master Developer.

(e) Master Developer and the City agree to condition the dedication of the soccer field complex depicted in **Exhibit F**, attached hereto and incorporated herein by this reference, upon the continued use of the soccer field complex by the public for soccer and other recreational events. City and Master Developer agree that at such time as the soccer field complex is no longer used for soccer related purposes, ownership of the soccer field property shall revert to Master Developer without compensation to City. City agrees to execute and deliver to Master Developer any and all documents necessary to effectuate the soccer field reversion at such time as the soccer field complex is no longer used for the purpose described herein.

21. FINANCIAL ASSURANCES. Prior to issuing particular building permit(s) or permits for construction of infrastructure, City may require Master Developer to provide assurances to City where appropriate and necessary to assure the installation of infrastructure and improvements directly related to such building permit(s) or permits for construction that Master Developer undertakes. The amount of all assurances made by Master Developer shall be limited to the amount necessary to assure the installation of infrastructure and improvements directly related to each phase of the development. The City agrees that within thirty (30) days from the City's approval of the particular completed infrastructure or service improvement for which the City has required such an assurance, the City shall release (or, in the case of a letter of credit, accept a substitute letter of credit) such infrastructure assurance, in whole or in part as may be appropriate under the circumstances. Master Developer may elect one of the following methods of assurance:

(a) Irrevocable letter of credit from a recognized financial institution acceptable to the City, authorized and licensed to do business in the State of Arizona; or

(b) Cash or certified check;

(c) Corporate surety bond executed by a company acceptable to the City and licensed to do business in the State of Arizona; or

(d) After approval of a final plat by the Council and the recording by the City Community Development Director of the final plat, withholding of the issuance of a certificate of occupancy until such time that all required subdivision improvements have been completed.

(e) Such other assurance mechanism agreed to by the Parties to this Agreement.

22. ECONOMIC DEVELOPMENT. City and Master Developer acknowledge the importance of creating employment opportunities to residents living within the Property. City agrees to provide Master Developer assistance from the City Economic Development Department and the City Managers Office necessary to recruit, attract and encourage employers to locate within the Property.

23. CONFLICTS OF INTEREST. This Agreement is subject to the provisions of A.R.S. § 38-511, but the Parties do not believe that any such reasons for cancellation of this Agreement pursuant to said statutes now exist.

24. COVENANTS RUNNING WITH THE LAND. Except as otherwise provided in Paragraph 5(d) of this Agreement, the rights and duties under this Agreement shall be for the benefit of, and a burden upon, the Property, and they shall be covenants running with the land.

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25. TERMINATION UPON SALE TO PRIVATE OWNER. The Parties hereby acknowledge and agree that this Agreement is not intended to and shall not create conditions or exceptions to title or covenants running with the Property for any portion of the Property that is a Private Lot as such term is defined below. Therefore, to alleviate any concern as to the effect of this Agreement on the status of title to any of the Property, this Agreement shall terminate without the execution or recordation of any further document or instrument as to any lot (a "Private Lot") which has been finally subdivided and individually (and not in "bulk") leased (for a period of longer than one year) or sold to the end purchaser or user thereof and thereupon such Private Lot shall be released from and no longer be subject to or burdened by the provisions of this Agreement.

26. SUCCESSORS AND ASSIGNS. The provisions of this Agreement are binding upon and shall inure to the benefit of the Parties, and all of their successors in interest and assigns. If Master Developer desires to transfer one or more phases of the Property to one or more transferees, upon request by Master Developer, City shall execute an amendment to this Agreement in which Master Developer, City and the transferee shall state:

(a) The separate percentage liabilities (which shall total 100%) of the Master Developer and the transferee(s) for any financial obligations imposed on Master Developer hereunder. In the absence of agreement to the contrary, such percentages shall be based on the relative acreages of the phases transferred to the transferees and retained by the Master Developer or by other agreements between Master Developer and transferee. Thereafter, Master Developer shall be responsible only for its percentage liability of any financial obligation imposed on the Property under this Agreement and each transferee shall be responsible only for its percentage liability of any such financial obligation unless otherwise agreed upon between Master Developer and transferee.

(b) The transferee(s)' acknowledgment that the transferee is bound by all of the terms and conditions of this Agreement pertaining to the portion of the Property acquired by the transferee, and the City's acknowledgment that the transferee(s) are entitled to all of the rights and benefits of the Master Developer pertaining to the portions of the Property acquired by the transferee.

(c) The parties' agreement that (i) Master Developer shall thereafter not be responsible for, and Master Developer's development of the portion of the Property not conveyed to the transferee(s) shall not be impeded or delayed by, any failure of a transferee to comply with the transferee's obligations hereunder and (ii) each transferee shall thereafter not be responsible for, and the transferee's development of the portion of the Property conveyed to such transferee shall not be impeded or delayed by, any failure of Master Developer or another transferee to comply with Master Developer's or another transferee's obligations hereunder.

27. NOTICES AND FILINGS. Any and all notices, filings, approvals, consents, or other communications required or permitted by this Agreement shall be given in writing and (i) personally delivered, (ii) sent by first-class mail, postage prepaid,

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(iii) sent by Federal Express, Airborne, U.P.S or other similar nationally recognized overnight courier, addressed as follows:

City:	City of Goodyear Attn: City Manager 190 N. Litchfield Road P.O. Box 5100 Goodyear, Arizona 85338 Facsimile: (623) 932-1177
With a copy to:	City of Goodyear Attn: Community Development Director 190 N. Litchfield Road P.O. Box 5100 Goodyear, Arizona 85338 Facsimile: (623) 932-7748
And:	City of Goodyear Attn: City Attorney 190 N. Litchfield Road P.O. Box 5100 Goodyear, Arizona 85338 Facsimile: (623) 932-1177
Master Developer:	Sonoran Valley Management, LLC. Attn: Garth Wieger 6720 North Scottsdale Road Suite 335 Scottsdale, Arizona 85253 Facsimile: (480) 346-9696
With a copy to:	Earl, Curley & Lagarde, P.C. Attn: Stephen C. Earl 3101 N. Central Avenue, Suite 1000 Phoenix, Arizona 85012 Facsimile: (602) 265-2195

or to any other addresses as either Party may from time to time designate in writing and deliver in a like manner. Notices, filings, consents, approvals, and communication shall be deemed to have been given as of the date of receipt, if sent by telecopier, as of the date of delivery, if hand delivered or sent by overnight courier, or as of three (3) days following deposit in the U.S. Mail, postage prepaid and addressed as set forth above.

28. FORCE MAJEURE. The performance of either Party and the term of this Agreement shall be extended by any causes that are beyond the control of the party required to perform, such as an act of God, civil or military disturbance.

29. TIME OF ESSENCE. Time is of the essence in this Agreement with respect to each provision hereof and to the performance required by each Party hereunder.

30. RECORDATION. Within ten (10) days after this Agreement has been approved by the City and executed by the Parties, the City shall cause this Agreement to be recorded in the Official Records of Maricopa County, Arizona

31. BUSINESS DAYS. If the last day of any time period stated in this Agreement or the date on which any obligation to be performed under this Agreement shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period or the date of performance, as applicable, shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday.

32. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all so executed shall constitute one agreement, binding on the Parties.

33. THIRD PARTY BENEFICIARIES. No person or entity shall be a third party beneficiary to this Agreement, except for permitted transferees or assignees to the extent that they assume or succeed to the rights and/or obligations of the Master Developer under this Agreement.

34. SECTION HEADINGS. The Section headings contained in this Agreement are for convenience in reference only and are not intended to define or limit the scope of any provision of this Agreement.

35. ENTIRE AGREEMENT. This Agreement, together with the following Exhibits attached hereto (which are incorporated herein by this reference) constitute the entire agreement between the Parties. Copies of Exhibits A, B, C, D, E and F to this Agreement are maintained on file in the Office of the City Clerk of the City of Goodyear.

Exhibit A: Legal Description of the Property
Exhibit B: Parcel A and B of Area Plan
Exhibit C: Area C and F of Master Plan
Exhibit D: Additional Property Area
Exhibit E: Rainbow Valley Road Cross Section
Exhibit F: Soccer Field Area
Exhibit G: [Placeholder]

All prior and contemporaneous agreements, representations and understandings of the Parties, oral or written, are superseded by and merged in this Agreement.

36. LIEN FINANCING. Master Developer shall have the right at any time, and as often as it desires, to finance the Property and to secure the financing with a lien or liens against the Property. Nothing contained in this Section of the Agreement shall constitute a subordination of this Agreement to any voluntary or involuntary obligation, tax, charge, assessment, encumbrance or other lien against the Property. Within ten (10) business days following request by the Master Developer, the City shall execute and deliver to the Master Developer an estoppel certificate in a form reasonably acceptable to any actual or prospective lienholder and/or purchaser of all or any portion of the Property certifying (a) that this Agreement is in full force and effect, (b) the amendments, if any, hereto, (c) whether the City is aware of any breaches of this Agreement by any party hereto, and (d) such other factual matters concerning this Agreement that the lienholder or purchaser may reasonably request.

37. NO AGENCY OR PARTNERSHIP. Neither City nor Master Developer is acting as the agent of the other with respect to this Agreement, and this Agreement shall not be deemed to create a partnership, joint venture or other business relationship between the City and the Master Developer.

38. NO WAIVER. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the City or Master Developer of the breach of any covenant or condition of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

39. CHOICE OF LAW, VENUE AND ATTORNEY'S FEES. Any dispute, controversy, claim or cause of action arising out of or related to this Agreement shall be governed by the laws of the State of Arizona. The venue for any such dispute shall be Maricopa County, Arizona, and each Party waives the right to object to venue in Maricopa County for any reason. Neither Party shall be entitled to recover any of its attorneys' fees or other costs from the other Party incurred in any such dispute, controversy, claim, or cause of action, but each Party shall bear its own attorneys' fees and costs, whether the same is resolved through arbitration, litigation in a court, or otherwise.

40. SEVERABILITY. If any provision of this Agreement is declared void or unenforceable by a court of competent jurisdiction, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect if the remaining provisions permit the Parties to achieve the practical and proportional benefits and obligations of the arrangements contemplated by this Agreement. If the remaining provisions do not permit the Parties to achieve the practical and proportional benefits and obligations of the arrangements contemplated by this Agreement, then either Party may terminate this Agreement.

41. GOOD STANDING; AUTHORITY. Each Party represents and warrants that it is duly formed and validly existing under the laws of the State of Arizona with respect to Master Developer, or a municipal corporation within Arizona with respect to City and that

the individuals executing this Agreement on behalf of their respective Party are authorized and empowered to bind the Party on whose behalf each such individual is signing.

42. FAIR INTERPRETATION. The Parties have been represented by counsel in the negotiation and drafting of this Agreement and this Agreement shall be construed according to the fair meaning of its language. The rule of construction that ambiguities shall be resolved against the Party who drafted a provision shall not be employed in interpreting this Agreement.

43. FURTHER DOCUMENTATION. The Parties agree in good faith to execute such further or additional instruments and documents and to take such further acts as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

44. AMENDMENTS. In order for an amendment to this Agreement to become effective, the Party seeking the amendment shall submit its proposed amendment in writing to the other Party for review. Minor Amendments (amendments that do not change the terms and conditions of this Agreement) sought by Master Developer may be reviewed and approved by the City's Community Development Director. All other amendments sought by Master Developer shall be reviewed by the City's Community Development Director and approved by the City Council prior to becoming effective. Amendments shall be signed by the Parties and attached to this Agreement as an addendum. Amendments shall also be recorded in the Official Records of Maricopa County within ten (10) days after execution.

45. PHASING OF IMPROVEMENTS. Master Developer may construct the improvements called for in this Agreement in phases as the improvements become necessary for each phase of development, subject to the terms of this Agreement and the review and approval of the City.

46. PROPOSITION 207 ACKNOWLEDGEMENT. Master Developer and its successors and assigns hereby acknowledge that approval of this Agreement and any other future actions taken by the City consistent with the terms of this Agreement will enhance the value of the Property and the Additional Property for purposes of Proposition 207, the Private Property Rights Protection Act, codified in A.R.S. §§ 12-1131 through 12-1138, as it exists or may be enacted in the future or that may be amended in the future.

47. MEDIATION. In the event that there is a dispute hereunder which the Parties cannot resolve between themselves, the Parties agree that there shall be a forty-five (45) day moratorium on litigation during which time the Parties agree to attempt to settle the dispute by nonbinding mediation before commencement of litigation. The mediation shall be held under the Commercial Mediation Procedures of the American Arbitration Association; however the mediation shall not be administered by the American Arbitration Association. The matter in dispute shall be submitted to a mediator mutually selected by Master Developer and City. Each Party will have fourteen (14) days from the date a matter is to be submitted to a mediator to provide each other a written list of persons whom they consider to be qualified to serve as a mediator. A list of candidates may include those recognized by any court as a qualified mediator. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days of one Party requesting mediation, then within three (3)

days thereafter, the City and the Master Developer shall request the presiding judge of the Superior Court in and for the County of Maricopa, State of Arizona, to appoint an independent mediator. The mediator selected shall have at least five (5) years' experience in mediating or arbitrating disputes relating to residential development. The cost of any such mediation shall be nonbinding on the Parties, and any Party shall be free to initiate litigation subsequent to the moratorium.

48. QUARTERLY MEETING. City and Master Developer acknowledge the value of ongoing communication and cooperation relating to development of the Property and the need for continued participation and discussion among the Parties. For the term of this Agreement a representative of the Master Developer and the City Manager, or his designee shall meet on a quarterly basis to discuss development of the Property and work together to address development and City issues as they may arise from time to time.

49. MAINTENANCE STANDARDS. City and Master Developer shall cooperate to develop mutually agreeable maintenance standards and schedules applicable to publicly dedicated parks and landscaped areas for the purpose of maintaining and preserving the appearance and vitality of public areas.

50. FAILURE TO PERFORM. In the event a Party fails to perform or otherwise act in accordance with any term or provision hereof (the "**non-performing Party**") then any other Party may provide written notice to perform to the non-performing Party. The non-performing Party shall have thirty (30) days to perform after written notice is received; provided, however, that if the failure is such that more than thirty (30) days would reasonably be required to perform such action or comply with any term or provision hereof, then the non-performing Party shall have such additional time as may be reasonably necessary to perform or comply so long as the non-performing Party commences performance or compliance within said thirty (30) day period and diligently proceeds to complete such performance or fulfill such obligation. Any written notice shall specify the nature of the non-performance and the manner in which the non-performance may be satisfactorily cured, if possible. The thirty (30) day period shall not apply where an ordinance or statute requires the City to perform or otherwise act in a period in excess of thirty (30) days. In the event a non-performance remains uncured following the thirty (30) day period, the only remedy permitted shall be specific performance, except as specifically allowed within this Agreement.

51. ADMINISTRATIVE APPEAL. The Parties agree that the Master Developer may appeal any City administrative decision authorized by this Agreement affecting the Property to the City Manager. The City Manager shall, as soon as practicable but in no case later than thirty (30) days from the date of appeal, shall provide Master Developer a final decision. Both the City and Master Developer agree to continue to use reasonable good faith efforts to resolve any decision appealed pursuant to this Paragraph 51.

IN WITNESS WHEREOF, the Parties have hereunto set forth their respective entity

names effective as of the day and date first written above.

CITY:

CITY OF GOODYEAR

By: _____

Its: MAYOR 3/26/04

Attest

_____
City Clerk

Approved As To Form and Authority:

_____
City Attorney

MASTER DEVELOPER:

SONORAN VALLEY MANAGEMENT, L.L.C., a Delaware limited liability company

By: _____

its: Manager

CITY OF GOODYEAR INCORPORATED 1946 GOODYEAR, ARIZONA

STATE OF ARIZONA)
) ss.

2007042672

County of Maricopa)

On this 26 day of March, 2007, before me, the undersigned Notary Public, personally appeared Garth R. Wieger of Sonoran Valley Management, L.L.C., as known to me, or satisfactorily proven, to be the person whose name is subscribed to the foregoing instrument, and acknowledge that he executed the same for the purposes therein contained.

IN WITNESS HEREOF, I hereunto set my hand and official seal.

Lynn J. Mulhall
Notary Public

My Commission Expires:

7/31/09

OFFICIAL SEAL
LYNN J. MULHALL
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
My Comm. Expires July 31, 2009

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 26 day of March, 2007, before me, the undersigned Notary Public, personally appeared James M. Cavanaugh, the Mayor of the City of Goodyear, as known to me, or satisfactorily proven, to be the person whose name is subscribed to the foregoing instrument, and acknowledge that he executed the same for the purposes therein contained.

IN WITNESS HEREOF, I hereunto set my hand and official seal.

Lynn J. Mulhall
Notary Public

My Commission Expires:

7/31/09

OFFICIAL SEAL
LYNN J. MULHALL
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
My Comm. Expires July 31, 2009

20070426372

Appendix H

APPENDIX H

City of Goodyear
Impact Fee Analysis

CITY OF GOODYEAR

SONORAN VALLEY FEASIBILITY STUDY

WATER AND WASTEWATER FINANCIAL REPORT

General Assumptions

- The ASLD (Zone 1) EDUs and capital cost are removed from the analysis, bringing the total cost of the Sonoran Valley infrastructure down to $1.02 billion.
- Annual O&M cost consists of 50% variable and 50% fixed of the projected operating cost. The variable cost is calculated according to the number of EDUs connected to the system each year while the fixed cost is calculated according to the percentage of total capital built in the given year.
- Impact Fees are calculated in 10-year increments and are presented as nominal dollars in the "Rates and Impact Fees" sheet in the model.
- Rates are presented as they are calculated throughout the build-out period (no goal seek method used).

Scenarios

Scenario #1:

- $80 million total in first year of construction 2008 ($50 million for water, $20 million for wastewater, and $10 million for recycled water)
- Remaining capital cost spread out on an annual basis based on number of new EDUs planned
- Annual O&M costs - based on capital infrastructure built to date
- Montage growth rates
- Total build-out is 30 years

Scenario #2:

- Capital and O&M assumptions similar to Scenario 1
- Growth rate 1777 EDUs per year
- Total build-out is 40 years

Scenario #3:

- 20% capital cost in the first 10 years
- 80% capital cost spread out in the remaining 30 years
- Annual O&M costs - based on infrastructure built to date
- Growth rate 1777 EDUs per year
- Total build-out is 40 years

Each of the 3 scenarios are analyzed based on

1) No subsidy from developers and
2) Developer contributing to the first 5 years of operating costs plus the total negative operating cash flow through build-out in year 6. The following would be the developer's contributions toward O&M for Scenarios 1, 2 and 3

Developer Contributions
Scenario 1

Water - Zone 2

FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
2009	2010	2011	2012	2013	2014
$ 864,236	$ 1,232,015	$ 1,629,890	$ 2,060,029	$ 2,524,755	$ 3,816,371

Water - Zone 3

FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
2015	2016	2017	2018	2019	2020
$ 979,340	$ 1,288,511	$ 1,624,025	$ 1,987,878	$ 2,382,220	$ 779,265

Wastewater - Zone 2

FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
2009	2010	2011	2012	2013	2014
$ 184,103	$ 281,033	$ 385,518	$ 498,073	$ 619,248	$ -

Wastewater - Zone 3

FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
2015	2016	2017	2018	2019	2020
$ 977,660	$ 1,463,269	$ 1,991,718	$ 2,566,310	$ 3,190,605	$ -

Scenario 2

Water - Zone 2

FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
2009	2010	2011	2012	2013	2014
$ 878,219	$ 1,270,486	$ 1,694,923	$ 2,153,847	$ 2,649,744	$ 3,918,852

Water - Zone 3

FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
2015	2016	2017	2018	2019	2020
$ 927,599	$ 1,153,181	$ 1,397,593	$ 1,662,248	$ 1,948,671	$ 4,331,907

Wastewater - Zone 2

FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
2009	2010	2011	2012	2013	2014
$ 369,122	$ 578,538	$ 804,382	$ 1,047,781	$ 1,309,935	$ -

Wastewater - Zone 3

FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
2015	2016	2017	2018	2019	2020
$ 1,422,498	$ 1,758,672	$ 2,123,010	$ 2,517,641	$ 2,944,857	$ -

Scenario 3

Water - Zone 2

FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
2009	2010	2011	2012	2013	2014
$ 332,858	$ 693,855	$ 1,085,024	$ 1,508,541	$ 1,966,743	$ 8,606,851

Water - Zone 3

FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
2015	2016	2017	2018	2019	2020
$ 595,151	$ 795,468	$ 1,012,727	$ 1,248,198	$ 1,537,452	$ 574,636

Wastewater - Zone 2

FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
2009	2010	2011	2012	2013	2014
$ 183,897	$ 382,520	$ 596,875	$ 828,038	$ 1,077,159	$ -

Wastewater - Zone 3

FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
2015	2016	2017	2018	2019	2020
$ 907,426	$ 1,204,669	$ 1,527,177	$ 1,876,855	$ 2,308,539	$ -

Results

Impact Fee

Scenario 1	*FY2008/09 - 2017/18*	*FY2018/19 - 2027/28*	*FY2028/29 - 2037/38*
Water	$ 7,844	$ 5,990	$ 5,990
Wastewater	$ 8,799	$ 7,577	$ 7,577
Total	**$ 16,644**	**$ 13,566**	**$ 13,566**

Scenario 2	*FY2008/09 - 2017/18*	*FY2018/19 - 2027/28*	*FY2028/29 - 2037/38*	*FY2038/39 - 2047/48*
Water	$ 8,044	$ 6,006	$ 6,005	$ 6,005
Wastewater	$ 7,761	$ 7,882	$ 7,882	$ 7,882
Total	**$ 15,805**	**$ 13,888**	**$ 13,887**	**$ 13,887**

Scenario 3	*FY2008/09 - 2017/18*	*FY2018/19 - 2027/28*	*FY2028/29 - 2037/38*	*FY2038/39 - 2047/48*
Water	$ 5,211	$ 6,948	$ 6,951	$ 6,951
Wastewater	$ 6,282	$ 8,373	$ 8,375	$ 8,377
Total	**$ 11,492**	**$ 15,321**	**$ 15,327**	**$ 15,329**

Scenario #1 - No Subsidy

	FY 2008 2009	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014	FY 2014 2015	FY 2015 2016	FY 2016 2017	FY 2017 2018	FY 2018 2019
Water Rates	$ 43.41	$ 43.41	$ 43.41	$ 43.41	$ 43.41	$ 43.41	$ 43.41	$ 43.41	$ 43.41	$ 43.41	$ 43.41
Wastewater Rates	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21
Total	$78.62	$78.62	$78.62	$78.62	$78.62	$78.62	$78.62	$78.62	$78.62	$78.62	$78.62

Scenario #1 - 5 Years O&M Developer Contribution

	FY 2008 2009	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014	FY 2014 2015	FY 2015 2016	FY 2016 2017	FY 2017 2018	FY 2018 2019
Water Rates	$ 21.80	$ 21.80	$ 21.80	$ 21.80	$ 21.80	$ 43.60	$ 43.60	$ 43.60	$ 43.60	$ 43.60	$ 43.60
Wastewater Rates	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82
Total	$57.01	$57.01	$57.01	$57.01	$57.01	$96.42	$96.42	$96.42	$96.42	$96.42	$96.42

Scenario #2 - No Subsidy

	FY 2008 2009	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014	FY 2014 2015	FY 2015 2016	FY 2016 2017	FY 2017 2018	FY 2018 2019
Water Rates	$ 41.16	$ 41.16	$ 41.16	$ 41.16	$ 41.16	$ 41.16	$ 41.16	$ 41.16	$ 41.16	$ 41.16	$ 41.16
Wastewater Rates	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$35.21	$ 35.21	$ 35.21	$ 35.21
Total	$76.37	$76.37	$76.37	$76.37	$76.37	$76.37	$76.37	$76.37	$76.37	$76.37	$76.37

Scenario #2 - 5 Years O&M Developer Contribution

	FY 2008 2009	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014	FY 2014 2015	FY 2015 2016	FY 2016 2017	FY 2017 2018	FY 2018 2019
Water Rates	$ 21.80	$ 21.80	$ 21.80	$ 21.80	$ 21.80	$ 43.60	$ 43.60	$ 43.60	$ 43.60	$ 43.60	$ 43.60
Wastewater Rates	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 52.82	$ 52.82	$52.82	$ 52.82	$ 52.82	$ 52.82
Total	$57.01	$57.01	$57.01	$57.01	$57.01	$96.42	$96.42	$ 96.42	$96.42	$96.42	$96.42

Scenario #3 - No Subsidy

	FY 2008 2009	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014	FY 2014 2015	FY 2015 2016	FY 2016 2017	FY 2017 2018	FY 2018 2019
Water Rates	$21.80	$21.80	$21.80	$21.80	$21.80	$21.80	$22.94	$24.06	$25.22	$26.43	$28.18
Wastewater Rates	$35.21	$35.21	$35.21	$35.21	$35.21	$35.21	$35.21	$35.21	$35.21	$35.21	$35.21
Total	$57.01	$57.01	$57.01	$57.01	$57.01	$57.01	$58.15	$59.27	$60.43	$61.64	$63.39

Scenario #3 - 5 Years O&M Developer Contribution

	FY 2008 2009	FY 2009 2010	FY 2010 2011	FY 2011 2012	FY 2012 2013	FY 2013 2014	FY 2014 2015	FY 2015 2016	FY 2016 2017	FY 2017 2018	FY 2018 2019
Water Rates	$21.80	$21.80	$21.80	$21.80	$21.80	$43.60	$43.60	$43.60	$43.60	$43.60	$43.60
Wastewater Rates	$35.21	$35.21	$35.21	$35.21	$35.21	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82
Total	$57.01	$57.01	$57.01	$57.01	$57.01	$96.42	$96.42	$96.42	$96.42	$96.42	$96.42

Scenario #1 - No Subsidy

	FY 2019 2020	FY 2020 2021	FY 2021 2022	FY 2022 2023	FY 2023 2024	FY 2024 2025	FY 2025 2026	FY 2026 2027	FY 2027 2028	FY 2028 2029	FY 2029 2030	FY 2030 2031
Water Rates	$ 43.41	$ 43.41	$ 43.41	$ 43.41	$ 43.41	$ 43.41	$ 43.41	$ 44.46	$ 46.96	$ 49.30	$ 50.04	$ 50.88
Wastewater Rates	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21
Total	$78.62	$78.62	$78.62	$78.62	$78.62	$78.62	$78.62	$79.67	$82.17	$84.51	$85.25	$86.09

Scenario #1 - 5 Years O&M Developer Contribution

	FY 2019 2020	FY 2020 2021	FY 2021 2022	FY 2022 2023	FY 2023 2024	FY 2024 2025	FY 2025 2026	FY 2026 2027	FY 2027 2028	FY 2028 2029	FY 2029 2030	FY 2030 2031
Water Rates	$ 43.60	$ 43.60	$ 43.60	$ 43.60	$ 43.60	$ 43.60	$ 43.60	$ 43.60	$ 45.27	$ 47.70	$ 48.52	$ 49.43
Wastewater Rates	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82
Total	$96.42	$96.42	$96.42	$96.42	$96.42	$96.42	$96.42	$96.42	$98.09	$100.51	$101.33	$102.24

Scenario #2 - No Subsidy

	FY 2019 2020	FY 2020 2021	FY 2021 2022	FY 2022 2023	FY 2023 2024	FY 2024 2025	FY 2025 2026	FY 2026 2027	FY 2027 2028	FY 2028 2029	FY 2029 2030	FY 2030 2031
Water Rates	$ 41.16	$ 41.16	$ 41.16	$ 41.16	$ 41.16	$ 41.16	$ 42.75	$ 45.15	$ 47.64	$ 50.21	$ 52.90	$ 55.70
Wastewater Rates	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21	$ 35.21
Total	$76.37	$76.37	$76.37	$76.37	$76.37	$76.37	$77.96	$80.36	$82.85	$85.42	$88.11	$90.91

Scenario #2 - 5 Years O&M Developer Contribution

	FY 2019 2020	FY 2020 2021	FY 2021 2022	FY 2022 2023	FY 2023 2024	FY 2024 2025	FY 2025 2026	FY 2026 2027	FY 2027 2028	FY 2028 2029	FY 2029 2030	FY 2030 2031
Water Rates	$ 43.60	$ 43.60	$ 43.60	$ 43.60	$ 43.60	$ 43.60	$ 43.60	$ 43.60	$ 44.27	$ 47.00	$ 49.83	$ 52.76
Wastewater Rates	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82
Total	$96.42	$96.42	$96.42	$96.42	$96.42	$96.42	$96.42	$96.42	$97.08	$99.82	$102.64	$105.57

Scenario #3 - No Subsidy

	FY 2019 2020	FY 2020 2021	FY 2021 2022	FY 2022 2023	FY 2023 2024	FY 2024 2025	FY 2025 2026	FY 2026 2027	FY 2027 2028	FY 2028 2029	FY 2029 2030	FY 2030 2031
Water Rates	$29.96	$31.77	$33.65	$35.59	$37.60	$39.71	$41.91	$44.22	$46.64	$49.19	$51.87	$54.69
Wastewater Rates	$35.21	$35.21	$35.21	$35.21	$35.21	$35.21	$35.21	$35.21	$35.21	$35.21	$35.21	$35.21
Total	$65.17	$66.98	$68.86	$70.80	$72.81	$74.92	$77.12	$79.43	$81.85	$84.40	$87.08	$89.90

Scenario #3 - 5 Years O&M Developer Contribution

	FY 2019 2020	FY 2020 2021	FY 2021 2022	FY 2022 2023	FY 2023 2024	FY 2024 2025	FY 2025 2026	FY 2026 2027	FY 2027 2028	FY 2028 2029	FY 2029 2030	FY 2030 2031
Water Rates	$43.60	$43.60	$43.60	$43.60	$43.60	$43.60	$43.60	$43.60	$43.60	$43.60	$44.59	$47.73
Wastewater Rates	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82
Total	$96.42	$96.42	$96.42	$96.42	$96.42	$96.42	$96.42	$96.42	$96.42	$96.42	$97.40	$100.54

Scenario #1 - No Subsidy

	FY 2031 2032	FY 2032 2033	FY 2033 2034	FY 2034 2035	FY 2035 2036	FY 2036 2037	FY 2037 2038
Water Rates	$ 51.81	$ 52.83	$ 53.94	$ 55.13	$ 56.41	$ 57.78	$ 59.19
Wastewater Rates	$ 35.21	$ 35.54	$ 35.98	$ 36.49	$ 37.07	$ 37.72	$ 38.44
Total	$87.02	$88.37	$89.92	$91.63	$93.49	$95.50	$97.63

Scenario #1 - 5 Years O&M Developer Contribution

	FY 2031 2032	FY 2032 2033	FY 2033 2034	FY 2034 2035	FY 2035 2036	FY 2036 2037	FY 2037 2038
Water Rates	$ 50.42	$ 51.50	$ 52.66	$ 53.90	$ 55.23	$ 56.64	$ 58.14
Wastewater Rates	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82
Total	$103.24	$104.31	$105.47	$106.72	$108.04	$109.46	$110.95

Scenario #2 - No Subsidy

	FY 2031 2032	FY 2032 2033	FY 2033 2034	FY 2034 2035	FY 2035 2036	FY 2036 2037	FY 2037 2038	FY 2038 2039	FY 2039 2040	FY 2040 2041
Water Rates	$ 58.62	$ 61.69	$ 63.89	$ 65.01	$ 66.25	$ 67.60	$ 69.06	$ 70.62	$ 72.30	$ 74.09
Wastewater Rates	$ 35.49	$ 37.42	$ 39.47	$ 41.67	$ 43.99	$ 46.42	$ 48.98	$ 51.67	$ 54.51	$ 57.51
Total	$94.11	$99.11	$103.35	$106.69	$110.24	$114.02	$118.03	$122.29	$126.81	$131.60

Scenario #2 - 5 Years O&M Developer Contribution

	FY 2031 2032	FY 2032 2033	FY 2033 2034	FY 2034 2035	FY 2035 2036	FY 2036 2037	FY 2037 2038	FY 2038 2039	FY 2039 2040	FY 2040 2041
Water Rates	$ 55.80	$ 58.98	$ 61.33	$ 62.75	$ 64.27	$ 65.87	$ 67.56	$ 69.35	$ 71.24	$ 73.06
Wastewater Rates	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82
Total	$108.62	$111.79	$114.14	$115.57	$117.08	$118.68	$120.38	$122.17	$124.05	$125.88

Scenario #3 - No Subsidy

	FY 2031 2032	FY 2032 2033	FY 2033 2034	FY 2034 2035	FY 2035 2036	FY 2036 2037	FY 2037 2038	FY 2038 2039	FY 2039 2040	FY 2040 2041
Water Rates	$57.67	$60.81	$63.75	$64.88	$66.13	$67.48	$68.94	$70.51	$72.19	$73.99
Wastewater Rates	$35.21	$35.21	$36.38	$38.35	$40.40	$42.55	$44.80	$47.16	$49.64	$52.26
Total	$92.88	$96.02	$100.14	$103.23	$106.53	$110.03	$113.74	$117.67	$121.84	$126.24

Scenario #3 - 5 Years O&M Developer Contribution

	FY 2031 2032	FY 2032 2033	FY 2033 2034	FY 2034 2035	FY 2035 2036	FY 2036 2037	FY 2037 2038	FY 2038 2039	FY 2039 2040	FY 2040 2041
Water Rates	$50.99	$54.40	$57.59	$58.95	$60.41	$61.96	$63.60	$65.34	$67.19	$69.13
Wastewater Rates	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82
Total	$103.81	$107.21	$110.40	$111.77	$113.22	$114.77	$116.41	$118.16	$120.00	$121.95

Scenario #2 - No Subsidy

	FY 2041 2042	FY 2042 2043	FY 2043 2044	FY 2044 2045	FY 2045 2046	FY 2046 2047	FY 2047 2048
Water Rates	$ 76.00	$ 78.03	$ 80.17	$ 82.45	$ 84.85	$ 87.39	$ 87.39
Wastewater Rates	$ 60.68	$ 64.02	$ 67.56	$ 71.30	$ 75.26	$ 79.46	$ 80.13
Total	$136.68	$142.05	$147.73	$153.75	$160.12	$166.85	$ 167.53

Scenario #2 - 5 Years O&M Developer Contribution

	FY 2041 2042	FY 2042 2043	FY 2043 2044	FY 2044 2045	FY 2045 2046	FY 2046 2047	FY 2047 2048
Water Rates	$ 75.00	$ 77.06	$ 79.23	$ 81.53	$ 83.96	$ 86.52	$ 86.52
Wastewater Rates	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82	$ 52.82
Total	$127.82	$129.87	$132.05	$134.35	$136.77	$139.34	$ 139.34

Scenario #3 - No Subsidy

	FY 2041 2042	FY 2042 2043	FY 2043 2044	FY 2044 2045	FY 2045 2046	FY 2046 2047	FY 2047 2048
Water Rates	$75.90	$77.93	$80.08	$82.35	$84.76	$87.30	$87.30
Wastewater Rates	$55.00	$57.90	$60.95	$64.18	$67.58	$71.17	$71.52
Total	$130.90	$135.83	$141.03	$146.53	$152.34	$158.48	$158.82

Scenario #3 - 5 Years O&M Developer Contribution

	FY 2041 2042	FY 2042 2043	FY 2043 2044	FY 2044 2045	FY 2045 2046	FY 2046 2047	FY 2047 2048
Water Rates	$71.18	$73.35	$75.63	$78.02	$80.54	$83.19	$83.19
Wastewater Rates	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82	$52.82
Total	$124.00	$126.16	$128.44	$130.84	$133.36	$136.01	$136.01

Appendix I

APPENDIX I

City of Goodyear
Financial Statement

June 7, 2007

Ms. Julie Hoffman
Maricopa Association of Governments
302 North 1st Avenue, Suite 300
Phoenix, AZ. 85003

RE: Financial Statement for the Construction, Operation and Maintenance of the Wastewater Treatment Facilities – Sonoran Valley - Amaranth Project

Dear Ms. Hoffman:

As you well know, the City's request for expansion of its Municipal Planning Area was approved several months ago. With this expansion came the obligation to provide both water and sewer services. More recently, the City approved and finalized an annexation of approximately 70 square miles, to include a development referred to as the Sonoran Valley – Amaranth project (Montage Holdings is the master developer). Goodyear has requested that MAG begin the process for approval of our MAG 208 Amendment application for construction, operation and maintenance of what ultimately will be four wastewater treatment facilities for the annexed area. In general, conventional gravity sewer collection systems will be developed to initially convey wastewater flows to one of two regional WRFs for treatment to Arizona Class A+ Reclaimed Water Standards.

The City of Goodyear, through adoption and implementation of its development/impact fees, through adoption and implementation of its water and sewer rates, through adoption and implementation of its fees for service, and through voter approved bonding capacity, has sufficient financial capability for the construction, operation and maintenance of all wastewater infrastructure being planned to service the Sonoran Valley – Amaranth Project. The City's current assessed valuation and excellent bond rating also provides for additional bonding capacity, in the event such capacity becomes necessary.

As the City's Finance Director, I hereby certify that the City can meet all appropriate financial requirements related to the development of wastewater infrastructure for the Sonoran Valley – Amaranth project. Please do not hesitate to contact me, should you have any questions.

Sincerely,

LARRY LANGE
FINANCE DIRECTOR – City of Goodyear, AZ.

Cc: Tim Keenan, Montage Holdings
Stephen S. Cleveland, City Manager
Jim Nichols, Deputy City Manager
Shawn Bradford, Water Resources Director

Finance Department
190 North Litchfield Road P.O. Box 5100 Goodyear, Arizona 85338
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CITY OF GOODYEAR, ARIZONA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

ARIZONA
Goodyear

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ARIZONA
Goodyear

INTRODUCTORY SECTION

ARIZONA
Goodyear

Goodyear ARIZONA

October 30, 2006

Honorable Mayor, City Council, City Manager and Citizens of the City of Goodyear, Arizona:

We are pleased to submit to you the 2006 Comprehensive Annual Financial Report (CAFR) of the City of Goodyear, Arizona. The Financial Services Division of the Finance Department prepared the report.

This report represents management's report to its governing body, constituents, legislative and oversight bodies, and investors and creditors. Copies of this report will be sent to elected officials, management personnel, bond rating agencies, Nationally Recognized Municipal Securities Information Repositories, and other agencies, which have expressed interest in the City's financial matters.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures, rests with the management of the City. The City has established and maintains a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to allow the compilation of sufficient reliable information for the preparation of financial statements. We believe the data, as presented in this report, are accurate in all material respects and are presented in a manner which fairly sets forth the financial position and results of operations of the City on both a city-wide and fund basis. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity and financial stability have been included.

These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The basic financial statements and related notes have been audited by an independent firm of certified public accountants, Henry & Horne, PLC, whose report is included herein. As stated in the independent auditors' report, the goal of the independent audit

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was to provide reasonable assurance that the financial statements of the City of Goodyear, Arizona for the fiscal year ended June 30, 2006, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the financial statements of the City of Goodyear, Arizona for the fiscal year ended June 30, 2006, are fairly presented, in all material respects, in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The City is not required to have an independent audit ("Single Audit") of federal financial assistance received by the City directly from federal agencies, or passed through to the City by the State of Arizona or other governmental entities during the fiscal year. The City received less than $500,000 in federal financial assistance during the year ended June 30, 2006 and therefore was below the Single Audit threshold.

Presentation

The comprehensive annual financial report is presented in three sections. The Introductory Section includes a list of principal officials, an organizational chart, and this transmittal letter which highlights significant aspects of the City and particular financial issues. The Financial Section includes the independent auditors' report, Management's Discussion and Analysis, the basic financial statements (government-wide statements and fund statements), notes to the financial statements, other required supplementary information (RSI), combining financial statements and other financial schedules. The Statistical Section includes exhibits and tables of unaudited data depicting the financial history of the City, as well as demographic and other miscellaneous statistics, generally presented on a multi-year basis.

THE FINANCIAL REPORTING ENTITY

The City of Goodyear, incorporated in 1946, and chartered in 1988, has a Council-Manager form of government consisting of the Mayor and six Council Members. The Mayor is elected at-large for a four-year term. Council members are elected for four-year terms. The City Council is vested with policy and legislative authority and is responsible for passing ordinances, adopting the budget, appointing committee, commission, and board members, and appointing the positions of City Manager, City Attorney, and Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, as well as overseeing the day-to-day operations of the City.

The City encompasses approximately 120 square miles in the western portion of Maricopa County, and is approximately 17 miles west of the downtown Phoenix business district. Between 1990 and 2000, the City's population increased from 6,300 to 19,695. The estimated July 2006 population is 49,714. The City's tremendous growth is attributable to excellent housing, small-town atmosphere, convenient access to the central Valley, and excellent school districts. Based on current projections,

population growth trends are expected to continue. While having a positive impact, this growth will continue to present challenges to the City in providing its current high level of services.

The City provides a full range of municipal services, including police and fire protection, sanitation services, water and sewer services, construction and maintenance of streets, recreational, parks, and cultural events, public transportation, planning and zoning services, and general administrative services. Goodyear offers a wide range of community facilities including a community center, a swimming pool, and eleven parks encompassing 82 acres.

This report includes financial statements on both a government-wide and fund basis for the primary government, as well as its component units. Component units are separate legal entities that are included in the reporting entity due to the significance of their financial or operational relationship with the City. Criteria used by the City for inclusion of activities in preparing its financial statements are in conformity with GASB Statement No. *14, The Financial Reporting Entity.* Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the financial reporting entity consists of the City and ten blended component units, the Goodyear Community Facilities General District No. 1, Palm Valley Community Facilities District No. 3, Goodyear Community Facilities Utilities District No. 1, Wildflower Ranch Community Facilities General District No. 1, Wildflower Ranch Community Facilities General District No. 2, Estrella Mountain Ranch Community Facilities District, Cottonflower Community Facilities District, Centerra Community Facilities District, Cortina Community Facilities District and King Ranch Community Facilities District.

FINANCIAL CONTROLS

Internal Controls

The management of the City of Goodyear is responsible for establishing and maintaining a system of internal control. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition, and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

The system of internal control is subject to periodic evaluation by management and is also considered by the independent auditors in connection with the annual audit of the City's financial statements. All internal control evaluations occur within the above framework. The City's internal accounting controls are considered to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

The City of Goodyear, like all cities in the State of Arizona, is subject to numerous budget and related legal requirements. Article IX, Section 20 (1) of the Arizona Constitution sets limits on the City's legal budget capacity. At a general election held in March 11, 2003 the citizens of Goodyear approved a permanent adjustment of the 1979 expenditure base for population and inflation growth. The City may utilize the additional expenditure authority for any local budgetary purposes. The new permanent adjustment eliminates the need for voter approval every four years.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Mayor and Council. Activities of the general fund, special revenue funds, debt service funds, capital project funds, and enterprise funds are included in the annual appropriated budget. The legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total budget, as adopted by the City Council. The City additionally exercises management control and oversight of the budget at the department level within each fund.

LOCAL ECONOMIC CONDITION AND OUTLOOK

Goodyear continues to face many important growth issues, and its citizens and municipal government are committed to finding solutions for the future. This commitment helped make FY 05-06 another successful year and will provide for continued success in the years to come.

A continued trend of new housing starts during the year increased the size of our community, the third fastest growing city in the Phoenix-Metro area. The city permitted over 2,736 single-family-residential permits in FY 05-06. The city is expected to permit an equal number of permits in FY 06-07.

The City's retail, industrial, and commercial activities are expected to continue its strong growth with over 1.5 million square feet of retail space beginning in 2007 including major developments by Westcor, Evergreen Devco and Vestar.

Retail & Hospitality -

The following retail and service stores opened this past fiscal year:

MayTag	JC Penneys	Walmart Supercenter
Golden Corral Buffet	Eatsa Pizza	99 Cent Store
King Eggroll	McGrath's Fish House	Lifetime Fitness
AutoZone	Walgreens	Ichi Ban
National Bank	Pay N Save	Chase Bank
Desert School Credit	Metropolitan Mattress	Buffalo Wild Wings
Walmart Neighborhood	TIO Art's	Nation Wide Vision
Fantastic Sams	Extra Innings	ICI Paints
Teaching Stuff	Backyard Super Store	State Farm Insurance

Economic Outlook

Goodyear has been sheltered from the impact of the economic slow down, due to the continued growth of the City. The City is less than 15% built out. While some of the more built-out cities in the metropolitan area have seen dips in revenues, Goodyear's revenues continued to grow. Total City operating revenues grew approximately 17% from FY 04-05 to FY 05-06. Total operating revenues for FY 06-07 are expected to grow 32% above FY 05-06 levels. This increase is based on the continued issuance of building permits and continued growth in the City's taxable retail sales, and new utility connections.

Retail Sales. The City of Goodyear, like all Arizona cities, places a heavy reliance on City sales tax revenues. Overall, City sales tax revenues comprise approximately 37% of operating revenues. The City's sales tax rate is currently at 2% with an additional 2% restaurant/bar, and additional 2.5% lodging and additional 1.5% for construction. For single item purchases of tangible personal property greater than $5,000.00 there is a 1.2% tax rate instead of 2%.

State Shared Revenues. The City of Goodyear receives revenue allocations from the State. These "State Shared Revenues" include allocations of the state-collected income tax, sales tax, gas tax, motor vehicle in-lieu taxes, and state lottery proceeds. A significant portion of this revenue is placed in the City's General Fund, where it is used to support a large portion of the City's day-to-day activities. Because the state shared revenue formulas generally allocate revenues based on official census data, Goodyear experienced a $2 million dollar increase in these revenues in fiscal year 2002, due to the reallocation based on the 2000 census. Goodyear's population grew from 6,300 in 1990 to 19,695 in 2000.

The City currently projects an increase of 57% in these revenues for fiscal year 2007.

Property Tax. The City's combined (secondary and primary) property tax rate is $1.60 per $100 of assessed valuation for fiscal year 2006. Of this, $0.78 is for the secondary levy. The secondary levy can only be used for voter approved debt service on general obligation bonded indebtedness. The voter approved general obligation bond proceeds are used for construction of public facilities (parks, public safety, streets, etc.) The secondary assessed valuation is expected to grow 26% in FY 06-07.

The primary property tax rate is $.82 for 2006. The primary levy can be used for any general government purpose (such as supplies, personnel, maintenance, utilities, etc.) but is limited in size by State statute. The primary tax raised $3.0 million in fiscal year 2006. The primary property tax revenues are expected to be $3.6 million dollars in FY 06-07. While this amount is less than 5% of the operating revenues, it is nonetheless an important component for the stability and revenue diversity of the City's operating revenues.

Total primary assessed property value within the City has increased by approximately 18% over FY 04-05 based on preliminary estimates (actuals are set in August of the next fiscal year) by the Maricopa County Assessor's Office. Because of the

increasing assessed value of the City, primary property tax revenues continue to grow, as the City's primary rate has decreased slightly. Based on current development patterns, as well as expected economic conditions, property tax revenue is expected to continue to increase over the next few years.

Labor Force. Goodyear has a well-educated and available labor force. The median income level is $57,492 as of the 2000 census. This economic resource is at the forefront of our economic development efforts. The City is a member of the Greater Phoenix Economic Council (GPEC) which has been successful at introducing new businesses to the City. The City maintains an economic development department "in-house" which has been very instrumental in locating retail/hospitality/office/industrial businesses to the City.

MAJOR INITIATIVES AND SERVICE EFFORTS AND ACCOMPLISHMENTS

For The Year

During fiscal year 2006, the City continued to invest in programs and amenities that keep Goodyear a very livable community. Emphasis was placed on public safety, parks and open space, basic infrastructure projects, and support services.

The following are a few of the departments' service efforts and accomplishments of the City during fiscal year 2006:

Police

- Performed needs analysis to assess the acquisition or building of a new police facility to centralize police operations in one location; provide adequate space for Telecommunications and prisoner detention.
- Partnered with the fire department to share in procurement and use of certain resources and equipment related to Weapons of Mass Destruction incident investigation and remediation
- Established a partnership with west valley agencies to share in the design and construction of a training facility
- Participated in a radio study with the west valley agencies for regional operability
- Joined the West Valley Regional Data Sharing Consortium
- Assigned an officer as full time liaison to Neighborhood Services and provide neighborhood resources to the community
- Patrol Officers handled over 45,000 calls for service
- Patrol and Traffic Officers handled over 10,000 citations
- The Telecommunications Center handled over 122,000 incoming phone calls.
- The Citizen's Police Academy is underway and the group just completed its second class on Tuesday 10/4. There are 22 participants and Goodyear residents in this Academy class.
- Issued 1,293 False Alarm Permits

Fire

- For the first time, hosted a full-time Recruit Firefighter Academy and graduated nine firefighters (including one from Avondale Fire Department).
- Became the third fire department in Arizona to be qualified to conduct state-certified firefighter practical skills assessment under the authority of the State Fire Marshal's Office and the International Fire Service Accreditation Congress.
- Haz Mat 181 officially went into service, representing an increased capability for hazardous materials response for Goodyear, and the entire Valley. The truck was rolled-out at a ceremony attended by the Mayor, City Manager, Council members, and staff from Senator McCain's office.
- Completed construction of Fire Station 184 at Wildflower Drive and Yuma Road.
- Completed design of Fire Station 185 at Pebble Creek Parkway and Clubhouse Drive.
- Hired staffing for Fire Station 184.
- Hired a Training Program Manager (Battalion Chief).
- Hired an Administrative Assistant for the Fire Chief.
- Constructed a portable burn building for use by firefighters for live burn training in partnership with the City of Avondale.
- Established a Community Emergency Response Team (CERT).
- Received a donation of $7,500 from Wal-Mart to be used for car seats and community education materials.
- Hosted one of twelve officers from the Polish National Fire School in Warsaw for a 30-day networking visit.
- Conducted National Incident Management System (NIMS) training for all City Council and staff who would work in the EOC in the event it was activated. This is a federal requirement which also makes the City eligible for grant funding.
- Implemented FireView software, which utilizes the City's GIS maps and the fire department's records management system to graphically display incidents on City maps and to perform travel time analysis to determine the most appropriate locations for future fire stations.
- Created a Deployment Task Force which made recommendations to the Fire Chief concerning resource deployment. The decision was made to relocate HazMat 181 to Fire Station 183 and relocated Ladder 183 to Fire Station 181 in order to more efficiently respond to calls for service.
- Complete construction of Fire Station 185 at Pebble Creek Parkway and Clubhouse Drive.
- Host Recruit Academy 06-1.
- Implement Mobile Occupancies for the Fire Prevention Division.
- Move administrative and community services staff into share office space to eliminate expensive redundancies and fractious communications.
- Provide communications equipment in the Emergency Operations Center to allow for direct monitoring of and communications with Fire and Police units in the field.

Parks

- Goodyear Community Park won a "Readers Choice Award" from the West Valley View newspaper for Best Community Park on the west side;
- Five internal job promotions;
- Provided landscape information booth at the Spring Spectacular Event;
- Successfully hired two new Parks Worker III's and one Parks Worker I employees;
- Developed and implemented maintenance program for new Dog Park
- Developed and implemented a program to provide weekend staffing;
- Completed a hazardous tree inventory at Loma Linda Park and accomplished a major pruning on all identified trees;
- Designed and built a southwestern Christmas tree for the annual Holly Jolly Event;
- Five employees attended and passed the Certified Pesticide Applicator training;
- Two employees became Certified Backflow Inspectors;
- One employee passed the Certified Irrigation Technician exam;
- Purchased 2 new trucks and 1 new riding mower;
- Renewed ROW contract with new areas added;
- Accepted maintenance responsibility for a new eleven-acre park on Thomas St. and 144th Ave.

Recreation

- Developed a fall recreation youth baseball league;
- Developed six new special interest classes;
- Planned and coordinated for a Fourth of July Event;
- Planned and coordinated movies as well as a comedy series at the Community Park;
- Obtained more sponsorship for special events;
- Planned and coordinated a 5k run in Goodyear;
- Established the Goodyear Special Events Committee;
- Recruited and hired a full-time Recreation & Aquatics Programmer;
- Planned and coordinated the Kicks 4 Kids Soccer program;
- Developed the first recreation brochure;
- Provided a holiday baseball camp with Extra Innings;
- Planned and coordinated the Teen Battle of the Bands;
- Planned and coordinated the Tricks for Treats Day at the Dog Park.

Streets

- Through the 2005 Pavement Management Project, contracted placement of 390,000 square yards of Slurry Seal on residential and collector streets and 360,000 square yards of micro-seal on arterial roadways;
- Purchased two new PM-10 certified sweepers through a CMAQ grant;
- Added needed equipment to Street's fleet to maintain level of service;
- Revised the Storm Water Management Plan and NOI and turned in the 2005 Phase II Storm Water prevention report to ADEQ;
- Renovated/repaired traffic signal devices at Litchfield Rd north of Western/Yuma; MC85 and Litchfield Road; Lockheed Martin, south and north; Litchfield Road at

Airport Drive; and at Desert Edge High School crosswalk;

- Installed signals, signage and roadway markings for dual left turns for east and west bound traffic on McDowell Rd. at Litchfield Rd.;
- Installed GPS clocks at four intersections on Litchfield Rd., to improve the existing time-based coordination system;
- Inspected, tested, and activated eight intersection traffic signal systems;
- Revised storm drain informational brochures with grant funding and provided the information to over 15,000 residents by mail and at the Public Safety Day Event;
- Adjusted sweeper routes to reduce cycle time from 3 weeks to 2 weeks due to growth and increased debris due to ongoing drought.

Water

- Further developed department organizational structure
- Filled 10 of 11 new approved positions, adding technical and administrative depth to the department
- Monitored department expenses and cost effectiveness
- Met or exceeded all state and federal drinking water regulations
- Developed water resources strategic plan for additional potable water supplies
- Improved the efficiency of the Reverse Osmosis (RO) Treatment Facility
- Met or exceeded all state and federal wastewater treatment regulations
- Commissioned the start-up of the Rainbow Valley WRF
- Implemented a baseline distribution system maintenance program
- Implemented a baseline collection system maintenance program
- Developed pilot testing and design of Arsenic Treatment at Well 18B, installation underway
- Drilled 3 wells (1 successful)
- Promoted staff training and development
- Began design and construction of 157th Avenue WRF plant expansion from 3. to 6. MGD
- Began implementation of service line replacement program in Historic Goodyear.

Sanitation

- Continued the commingled curbside recycling pilot program serving 500 residential homes;
- Conducted two regional Household Hazardous Waste (HHW) collection events. The Cities of Goodyear, Avondale and Litchfield Park participated in these events;
- Recruited one (1) Sanitation Worker I;
- Purchased a 32-yard rear loader truck and a grapple tractor;
- Performed public recycling outreach at the Pebble Creek block party, Canada Village annual meeting, Goodyear Spring Spectacular, Western Heritage Parade, KMOR FM, KSLX FM recycling interview, Tres Rios Event, Goodyear Safety Day and Public Works Appreciation Week at Desert Thunder Elementary school;
- Staff provided a recycling demonstration for the Desert Star Elementary School;
- Provided data and feedback to the Solid Waste Advisory Committee (SWAC) assigned to identify and recommend Goodyear solid waste needs;

- Conducted four (4) SWAC public meetings to educate residents regarding the new sanitation program and promote resident feedback;
- Assisted the SWAC with Council presentation on recommended changes to the solid waste program;
- Awarded a City solid waste disposal contract to Allied Waste for disposal of bulk collections waste;
- Acquired the Maricopa County 2006 tire permit which allows Goodyear resident tire disposal at zero tipping fees;
- Added commingled glass to both the drop off recycling program and the curbside recycling pilot;
- Recycled 10 tons of Christmas trees. Chippings were used as ground cover by Duncan Farms;
- Extended the Residential Solid Waste Collection Agreement for six months;
- A sanitation staff member obtained the SWANA Collections Systems Manager certification;
- Two (2) Sanitation staff members completed the SWANA Recycling Systems Technical Associates certification exam;
- Sanitation staff member received the SWANA Collections System Technical Associates certification;
- A sanitation staff member received the Community Emergency Response Team (C.E.R.T.) certification;
- A sanitation staff member placed third in the roll off competition event for the Solid Waste Association of North America Truck Road-e-o;
- Placed "No Illegal Dumping" signs in the alleys;
- Implemented vehicle inspections of all Paradise/Allied Waste vehicles providing residential collection to Goodyear;
- Staff members volunteered to deliver Christmas gifts for Adopt-A-Family;
- Added electronic waste as an acceptable HHW item;

Community Services

- Promoted City goals and defended against legislative efforts to weaken local control or reduce revenue sources
- Successfully sought additional revenue for the City of Goodyear through federal and state funding sources
- Facilitated the success of the 2005 mid-decade Census survey for the City of Goodyear which resulted in a significant increase in state shared revenues.
- Maintained Goodyear representation on regional boards and quasi-governmental councils to keep our needs considered in broad-based decision-making
- Worked with regional partners to preserve the Mission of Luke Air Force Base (LAFB) and averted base closure
- Improved interdepartmental coordination to address private properties in distress
- Worked to ensure the safety, welfare, and cleanliness of Goodyear neighborhoods through an active code compliance program that included components of education toward voluntary compliance and partnership as well as enforcement.

- Systemically incorporated public participation (P2) procedures organization-wide for City staff and officials
- Sought citizen opinion on budgeting priorities through citizen focus groups
- Worked with Enrichment Areas (formerly Target Areas) to develop neighborhood leadership through the formation of one new neighborhood association (Canada Village)
- Offered the seventh Southwest Valley Citizen Academy in the fall, graduating 11 Goodyear residents out of a total of 19
- Offered through Southwest Valley Citizen Academy a spring HOA 101 workshop for citizens wanting to serve on an HOA board
- Sponsored G.A.I.N. (Getting Arizonans Involved) event citywide with seven neighborhoods participating
- Trained city staff on CERT (Citizen Emergency Response Teams) techniques to become train-the-trainers and began training volunteer residents.

For a complete listing of all the City departments and their accomplishments for FY 05-06, please contact the City's Budget and Research Office for a copy of the FY 06-07 budget book.

For The Future

The City's financial and operational plans will continue to support basic government services including roads, police, fire, water, sewer, solid waste management, building safety, code enforcement, and parks and recreation. In addition, the Council has begun a process to assist in the identification, prioritization, and management of emerging strategic issues that, by virtue of their scope, complexity, and/or potential impact, requires a coordinated multi-departmental action plan and budget. The City Council works closely with City management to implement specific objectives and tasks designed to meet these goals.

The following major goals were identified by the City Council as important priorities for the future:

- Improve the quality level of City services to its citizens
- Reduce crime in the City
- Improve the quality and level of public safety services to citizens
- Promote City's economic development through retention, expansion and recruitment of current and future businesses
- Continue, within financial constraints, the physical development of the City

Employee Pension Plans

The City maintains two employee pension plans. The general employee plan is administered through the Arizona State Retirement System. The Public Safety Pension Plan is administered by the Arizona Public Safety Personnel Retirement System. Both the employee and the employer make contributions directly to these organizations. Financial information about these plans can be found in the notes to the financial statements included in the Financial Section of this report. The City also

administers a small pension fund that provides retirement income for volunteer firemen. The City no longer utilizes volunteer firemen, and only one former member currently receives payments under the plan.

Debt Administration

The Arizona Constitution provides that the general obligation bonded indebtedness for a city for general municipal purposes may not exceed six percent (6%) of the secondary assessed valuation of the taxable property in that city. In addition cities may issue general obligation bonds up to an additional twenty percent (20%) of the secondary assessed valuation for supplying water, artificial light, or sewers, and for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities. The City of Goodyear anticipates selling additional General Obligation Bonds in FY 06-07.

The following is a summary of the City's outstanding debt as of June 30, 2006:

• General Obligation Bonds	$56,270,000
• Public Improvement Corporation Bonded Debt	$ 3,485,000
• Greater Arizona Development Authority Loan	$ 3,645,000
Total	$63,400,000

Cash Management

The Finance Department manages the City's investment portfolio. The City's investment policy is to invest public funds with maximum security in a manner which will provide the highest return while meeting the daily cash flow demands of the City and conform to all applicable state and local statutes. The primary objectives, in priority order, are safety of principal, liquidity, and attaining a market rate of return.

The City is permitted to invest in certificates of deposit, money market mutual funds, repurchase agreements, corporate securities, and direct U.S. Treasury debt, securities guaranteed by the U.S. Government or any of its agencies and instrumentalities, and the State of Arizona's Local Government Investment Pool.

Temporary idle cash during the year was invested in the State Treasurer's Investment Pool. The average yield on unrestricted investments was 4% for the year ended June 30, 2006. The book value of the City's LGIP investment portfolio at June 30, 2006 was $100,674,143. For further information on the City's investments please refer to the notes to the financial statements.

Risk Management

The City is exposed to various risks of loss related to public and property liability as well as Workers' Compensation. Public liability includes public officials' errors and omissions, automobile and general liability and related lines. During FY 05-06, the City was insured for losses up to $15 million. The City changed its

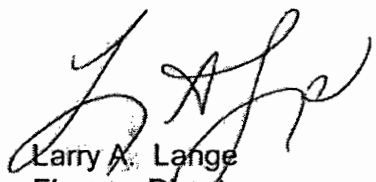
general liability deductible from $75,000 to a $250,000 deductible with a $500,000 aggregate. This change saved $91,374 in premium dollars in FY 05-06 and is anticipated to save an average of $100,000 annually over the next five years. The Risk Management Division of the Human Resources Office administers the City's liability and Workers' Compensation insurance programs. The City's commercial lines policies are insured with the Arizona Municipal Risk Retention Pool and workers' compensation is insured with the State Compensation Fund of Arizona.

The City of Goodyear has an aggressive safety program that promotes employee safety on the job and focuses on risk control techniques designed to minimize accident-related losses.

Acknowledgments

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the staff of the Finance Department, especially the Financial Services Division. We also wish to thank the Mayor and members of the City Council, and the City Manager's Office for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Sincerely,



Larry A. Lange
Finance Director

LAL/ts

ARIZONA
Goodyear

CITY OF GOODYEAR

LIST OF PRINCIPAL OFFICIALS

MAYOR

James M. Cavanaugh

VICE MAYOR

Frank Cavalier

COUNCIL MEMBERS

Richard A. Sousa

Rob Antoniak

Fred Scott

Brenda Holland

Georgia Lord

SENIOR MANAGEMENT STAFF

Stephen S. Cleveland
City Manager

Michael Simonson
Presiding Judge

Roric Massey
City Attorney

Brian J. Dalke
Deputy City Manager

James R. Nichols
Deputy City Manager

Dee Cockrum
City Clerk

Kay Wilkinson
Human Resources Director

Holly Childs
Economic Development Director

Mark K. Brown
Police Chief

Mark Gaillard
Fire Chief

Harvey Krauss
Community Development Director

Larry Lange
Finance Director

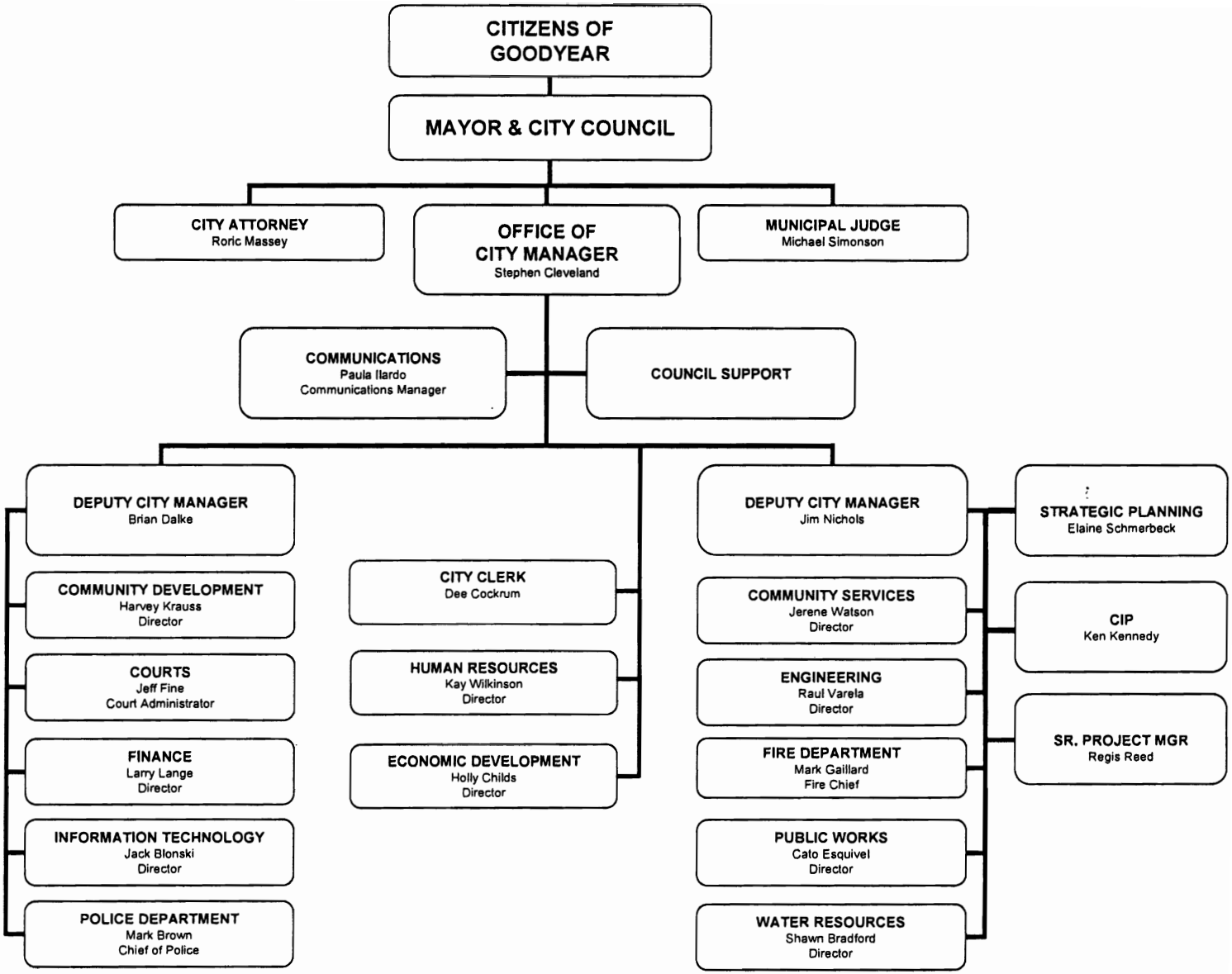
Jack Blonksi
Information Technology Director

Cato Esquivel
Public Works Director

Jerene Watson
Community Services Director

Shawn Bradford
Water Resources Director

Raul Varela
Engineering Director


CITIZENS OF GOODYEAR
MAYOR & CITY COUNCIL
CITY ATTORNEY
Roric Massey
OFFICE OF CITY MANAGER
Stephen Cleveland
MUNICIPAL JUDGE
Michael Simonson
COMMUNICATIONS
Paula Ilardo
Communications Manager
COUNCIL SUPPORT
DEPUTY CITY MANAGER
Brian Dalke
COMMUNITY DEVELOPMENT
Harvey Krauss
Director
COURTS
Jeff Fine
Court Administrator
FINANCE
Larry Lange
Director
INFORMATION TECHNOLOGY
Jack Blonski
Director
POLICE DEPARTMENT
Mark Brown
Chief of Police
CITY CLERK
Dee Cockrum
HUMAN RESOURCES
Kay Wilkinson
Director
ECONOMIC DEVELOPMENT
Holly Childs
Director
DEPUTY CITY MANAGER
Jim Nichols
COMMUNITY SERVICES
Jerene Watson
Director
ENGINEERING
Raul Varela
Director
FIRE DEPARTMENT
Mark Gaillard
Fire Chief
PUBLIC WORKS
Cato Esquivel
Director
WATER RESOURCES
Shawn Bradford
Director
STRATEGIC PLANNING
Elaine Schmerbeck
CIP
Ken Kennedy
SR. PROJECT MGR
Regis Reed

ACKNOWLEDGEMENTS

The Comprehensive Annual Financial Report was prepared by the Finance Department - Community Facilities District, General Accounting, and Utility Customer Service Divisions:

Theresa Simms, MBA, GGFM, CPA
Carla Williamson
MaryKae Struck
Kathy Painter
Regina Mullaney
Becky Moreno
Sheila Mills
Carmelita Evans
Marty Eckstaine

ARIZONA
Goodyear

FINANCIAL SECTION

ARIZONA
Goodyear

HENRY & HORNE, LLP
Advisors to Business

Independent Auditors' Report

The Honorable Mayor and Council
City of Goodyear, Arizona

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Goodyear (the City), Arizona, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Goodyear, Arizona, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Goodyear failed to use highway user revenue fund monies received by the City of Goodyear pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2 and any other dedicated state transportation revenues received by the City of Goodyear solely for the authorized transportation purposes. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

Tempe
2055 E. Warner Road
Suite 101
Tempe, AZ 85284-3487
(480) 839-4900
Fax (480) 839-3624

Scottsdale
7098 E. Cochise Road
Suite 100
Scottsdale, AZ 85253-4517
(480) 483-1170
Fax (480) 483-7126

Casa Grande
711 E. Cottonwood Lane
Suite C
Casa Grande, AZ 85222-2725
(520) 836-8201
Fax (520) 426-9432

Pinetop
Post Office Box 527
Pinetop, AZ 85935-0527

(928) 367-2591
Fax (928) 367-3501

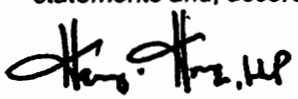
www.henryandhorne.com

The Honorable Mayor and Council
City of Goodyear, Arizona

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2006 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Goodyear, Arizona basic financial statements. The introductory section, the accompanying financial information listed as other supplementary information in the financial section, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The financial information listed as other supplementary information in the financial section has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



October 30, 2006

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION & ANALYSIS

ARIZONA
Goodyear

As management of the City of Goodyear, Arizona (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2006 (2006). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vii of this report.

Financial Highlights

The financial statements which follow the Management's Discussion and Analysis provide those significant key financial highlights for 2006 as follows:

- The City's total net assets of governmental activities increased $15.4 million to $261.3 million and business-type activities increased $5.6 million to $64.7 million representing 80.1% and 19.9% respectively, of the total net assets of $326.0 million.
- General revenues from governmental activities accounted for $61.6 million in revenue, or 57.0% of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for $43.1 million or 39.8% of total governmental activities revenues. The City had $42.9 million of program revenues and $17.5 million in general revenues related to business-type activities.
- The City had $54.6 million in expenses related to governmental activities; of which $43.1 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of $61.6 million were adequate to provide for the remaining costs of these programs. The City had $17.5 million in expenses related to business-type activities. Program specific charges for services or grants and contributions of $40.2 million were adequate to offset the costs.
- The most notable increase this year has been the investment income which increased by $3.4 million or 310.9 percent for the governmental activities and $.6 million or 710.8 percent for the business activities.
- Among major governmental funds, the General Fund had $66.1 million in revenues, which primarily consisted of taxes, licenses and permits, charges for services and intergovernmental revenues. The total expenditures of the General Fund were $38.7 million. The General Fund's fund balance increased from $24.5 million to $53.9 million. This increase was primarily due to revenues increasing faster than operating expenditures. The Community Facilities District – Debt Service Fund had revenues of $6.4 million, which consisted of taxes and special assessments, and expenditures of $5.3 million. The Capital Improvement Projects Fund had revenue of $.8 million, which consisted mainly of developer reimbursements. The fund balance of the Capital Improvement Projects Fund decreased by $36.0 million from the prior year due to the transfer of bonds proceeds $29.3 million that should have been recorded in the Enterprise Funds and expenditures of $7.8 million for capital projects. The Community Facilities District – Capital Projects Funds fund balance increased by $5.0 million primarily due to the debt issuance.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

In the government-wide financial statements the City's activities are presented in the following categories:

- *Governmental activities* – Most of the City's basic services are included here, such as general government, public safety, highways and streets, public works, culture and recreation, and community development. Sales taxes, intergovernmental, and charges for services revenue finance most of these activities.
- *Business-type activities* – The services provided by the City included here are water, wastewater, and sanitation services. These services are financed through user fees and charges.

The government-wide financial statements can be found on pages 17-19 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. These reconciliations are on pages 23 and 26, respectively.

The City maintains 15 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Community Facilities Districts – Debt Service, Capital Improvement Projects and Community Facilities Districts – Capital Projects Funds, all of which are considered to be major funds. Data from the other 11 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules beginning on page 66 of this report.

The governmental fund financial statements can be found on pages 20 – 28 of this report.

Proprietary funds. The City maintains two type proprietary funds. Proprietary funds (enterprise and internal service) utilize full accrual accounting, the same method used by private sector business. The City uses separate enterprise funds to account for its water and sewer services and its sanitation services. Both funds are considered to be major funds of the City. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund reports activities that provide preventative maintenance, repairs and safety inspections for City vehicles and equipment. The Fleet Services is the City's only internal service fund. Internal service fund activities are reported as governmental activities on the government-wide statements.

The proprietary fund financial statements can be found on pages 29 – 32 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statement can be found on pages 33 – 34 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37 – 59 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budget process. The City adopts an annual budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund as required supplementary information. The required supplementary information can be found on pages 62 – 64 of this report.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules can be found on pages 66 – 87 of this report.

Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $346.9 million as of June 30, 2006.

By far the largest portion of the City's net assets (63.0%) reflect its investment in capital assets (e.g., land, infrastructure, buildings, improvements other than buildings, vehicles, machinery and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the City net assets (6.3%) are restricted for the specified purposes of debt service repayment.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following tables present a summary of the City's net assets for the fiscal year ended June 30, 2006 and 2005.

	2006		
	Governmental Activities	Business-type Activities	Total
Current assets	$ 104,914,689	$ 18,248,023	$ 123,162,712
Restricted assets	21,312,389	15,863,767	37,176,156
Capital assets, net	251,663,633	104,867,998	356,531,631
Total assets	377,890,711	138,979,788	516,870,499
Current liabilities	8,572,898	9,595,281	18,168,179
Noncurrent liabilities	107,855,026	43,795,660	151,650,686
Total liabilities	116,427,924	53,390,941	169,818,865
Net assets			
Invested in capital assets, net of related debt	144,405,463	61,259,814	205,665,277
Restricted for:			
Special revenue purposes	19,835,781	-	19,835,781
Debt service	20,480,652	-	20,480,652
Capital projects	26,882,597	-	26,882,597
Unrestricted	49,858,294	24,329,033	74,187,327
Total net assets	$ 261,462,787	$ 85,588,847	$ 347,051,634

	2005		
	Governmental Activities	Business-type Activities	Total
Current assets	$ 122,362,399	$ 10,558,674	$ 132,921,073
Restricted assets	9,713,144	-	9,713,144
Capital assets, net	262,880,205	70,357,124	333,237,329
Total assets	394,955,748	80,915,798	475,871,546
Current liabilities	12,327,711	6,917,516	19,245,227
Noncurrent liabilities	136,735,337	14,836,776	151,572,113
Total liabilities	149,063,048	21,754,292	170,817,340
Net assets			
Invested in capital assets, net of related debt	127,120,944	55,662,609	182,783,553
Restricted for:			
Special revenue purposes	14,475,469	-	14,475,469
Debt service	19,013,124	-	19,013,124
Capital projects	58,902,675	-	58,902,675
Unrestricted	26,380,488	3,498,897	29,879,385
Total net assets	$ 245,892,700	$ 59,161,506	$ 305,054,206

The following are significant current year transactions that have had an impact on the Statement of Net Assets.

- The addition of $23.3 million in capital assets through the continued construction of system infrastructure, including developer contributions, and equipment additions.
- The issuance of $5.0 million in community facilities district bonds.
- The addition of $3.4 million in interest income.

Changes in Net Assets. The City's total revenues for the fiscal year ended June 30, 2006 were $147.6 million. The total cost of all programs and services was $72.0 million. The following table presents a summary of the changes in net assets for the fiscal year ended June 30, 2006 and 2005.

	2006		
	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues			
Charges for services	$ 15,655,750	$ 13,984,527	$ 29,640,277
Operating grants and contributions	648,756	240,000	888,756
Capital grants and contributions	26,761,281	26,016,946	52,778,227
General revenues:			
Sales taxes	37,420,013	-	37,420,013
Property taxes	9,826,690	-	9,826,690
Franchise taxes	1,479,868	-	1,479,868
State shared revenue	6,997,920	-	6,997,920
Investment income	4,436,598	715,181	5,151,779
Mitigation proceeds	-	1,950,000	1,950,000
Miscellaneous	1,486,027	17,431	1,503,458
Total Revenues	$ 104,712,903	$ 42,924,085	$ 147,636,988
Expenses			
General government	$ 8,969,973	$ -	$ 8,969,973
Public safety	15,998,399	-	15,998,399
Highways and streets	13,364,118	-	13,364,118
Public works	1,791,319	-	1,791,319
Culture and recreation	2,016,304	-	2,016,304
Community development	6,668,282	-	6,668,282
Interest on long-term debt	5,573,064	-	5,573,064
Water and sewer	-	14,036,458	14,036,458
Sanitation	-	3,435,486	3,435,486
Total expenses	54,381,459	17,471,944	71,853,403
Transfers	(117,062)	117,062	-
Increase (decrease) in net assets	$ 50,214,382	$ 25,569,203	$ 75,783,585

	2005		
	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues			
Charges for services	$ 11,459,192	$ 15,457,023	$ 26,916,215
Operating grants and contributions	523,405	-	523,405
Capital grants and contributions	16,472,105	10,853,019	27,325,124
General revenues:			
Sales taxes	21,747,851	-	21,747,851
Property taxes	8,583,676	-	8,583,676
Franchise taxes	1,166,525	-	1,166,525
State shared revenue	5,973,538	-	5,973,538
Investment income	1,079,720	88,211	1,167,931
Mitigation proceeds			
Miscellaneous	1,641,295	7,666	1,648,961
Total Revenues	$ 68,647,307	$ 26,405,919	$ 95,053,226
Expenses			
General government	$ 8,602,993	$ -	$ 8,602,993
Public safety	16,054,895	-	16,054,895
Highways and streets	8,007,969	-	8,007,969
Public works	6,398,665	-	6,398,665
Culture and recreation	2,591,911	-	2,591,911
Community development	6,861,768	-	6,861,768
Interest on long-term debt	4,567,604	-	4,567,604
Water and sewer	-	15,150,219	15,150,219
Sanitation	-	2,588,541	2,588,541
Total expenses	53,085,805	17,738,760	70,824,565
Transfers	634,153	(634,153)	-
Increase (decrease) in net assets	$ 16,195,655	$ 8,033,006	$ 24,228,661

Governmental and Business-type activities

The following table presents the cost of the nine major City functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and City's taxpayers by each of these functions.

	2006	
	Total Expenses	Net (Expense)/ Revenue
Governmental Activities		
General government	$ 8,969,973	$ (8,136,949)
Public safety	15,998,399	(15,400,782)
Highways and streets	13,364,118	2,593,389
Public works	1,791,319	9,127,187
Culture and recreation	2,016,304	(1,841,975)
Community development	6,668,282	7,916,522
Interest on long-term debt	5,573,064	(5,573,064)
Total expenses	54,381,459	(11,315,672)
Business-Type Activities		
Water and Sewer	14,036,458	22,779,628
Sanitation	3,435,486	(10,099)
Total expenses	17,471,944	22,769,529
Total	$ 71,853,403	$ 11,453,857

- The cost of all governmental activities this year was $54.6 million. The cost of all business-type activities this year was $17.5 million.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of $106.2 million.

The General Fund is the principal operating fund of the City. The General Fund balance increased by $24.5 million to $53.9 million as of June 30, 2006, $15.4 million of this increase is attributed to increase in tax revenues. The Community Facilities Districts – Debt Service Fund balance showed an increase of $1.1 million to $7.6 million as of June 30, 2006. The Capital Improvement Projects Fund showed a decrease in fund balance of $36.0 million to $1.7 million as of June 30, 2006 due to the transfer of bonds proceeds $29.3 million that should have been recorded in the Enterprise Funds and expenditures of $7.8 million for capital

Proprietary funds. Net assets of the Enterprise Funds at the end of the year amounted to $64.7 million. The increase of $5.5 million in the Enterprise Funds for the fiscal year ended June 30, 2006 is due primarily from the contribution in infrastructure by developers.

Budgetary Highlights

The City's annual budget is the legally adopted expenditure control document of the City. The schedules filed with the Auditor General's office list the original budget adopted for the prior year, estimated expenditures through the end of the fiscal year and the adopted current year's budget.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2006, the City had invested $356.5 million in capital assets including land, buildings, facilities, vehicles, computers, equipment, and infrastructure assets. Total depreciation expense for the year was 9.7million.

The following schedule presents capital asset balances and accumulated depreciation for the fiscal year ended June 30, 2006.

	2006		
	Governmental Activities	Business-type Activities	Total
Land	$ 17,122,314	$ 3,207,375	$ 20,329,689
Right of way	73,543,797	-	73,543,797
Streetscape	7,091,027	-	7,091,027
Infrastructure	155,043,906	-	155,043,906
Buildings and improvements	23,684,044	-	23,684,044
Vehicles, furniture and equipment	25,730,531	11,990,854	37,721,385
Improvements other than buildings	-	93,192,827	93,192,827
Construction in progress	4,522,441	15,578,363	20,100,804
Accumulated depreciation	(55,074,428)	(19,101,424)	(74,175,852)
Total	$ 251,663,632	$104,867,995	$ 356,531,627

Additional information on the City's capital assets can be found in Note 4 on pages 47 - 48 and in the schedules on pages 89 - 93 of this report.

Debt Administration

As of year-end, the City had $107.4 million in governmental long-term debt outstanding with $1.4 million due within one year. The City had $42.1 million in business-type long-term debt outstanding. The following table presents a summary of the City's outstanding long-term debt for the fiscal year ended June 30, 2006.

	2006		
	Governmental Activities	Business-type Activities	Total
General obligation bonds payable	$ 27,280,000	$ 28,990,000	$ 56,270,000
Community facilities districts bonds payable	73,000,000	-	73,000,000
Loan payable	3,645,000	10,505,512	14,150,512
Revenue bonds payable	3,485,000	2,580,000	6,065,000
Total	$107,410,000	$ 42,075,512	$ 149,485,512

The Arizona constitution limits the amount of general obligation debt a city may issue to 20 percent of its total assessed valuation for water, sewer, lights, open space preserves, parks, playgrounds and recreational facilities. The current debt limitation for the City is $78.3 million. The City has $47.8 million outstanding general obligation debt for these purposes. State statutes also currently limit the amount of general obligation debt a city may issue to 6 percent of its total assessed valuation for all other purposes. The current debt limitation for the City is $23.5 million less direct bonded debt outstanding of $8.5 million.

Additional information on the City's long-term debt can be found in Notes 5–10 on pages 48–55 of this report.

Economic Factors and Next Year's Budget

The unemployment rate in the metropolitan Phoenix region for June 2006 was 3.8%, which remains below both the state (4.46%) and national average (4.6%) due to the continued population growth of the state and metropolitan area, as well as the financial services and tourism sectors. Arizona cities remain dependent on sales taxes and other economically sensitive tax revenues and are susceptible to slowdowns in the economy.

Because of the continued growth of the community, Goodyear's revenues have continued to increase. Goodyear continues to attract new retail businesses, restaurants, and employment businesses, helping to increase the City's sales tax base. The adopted fiscal year 2006-07 budget expects sales tax revenues to increase 8.0%, while total General Fund operating revenues are expected to increase 31.1%.

To ensure the City remains financially strong, the adopted fiscal year 2006-07 budget is $480.6 million (an increase of 114.8% from 2004-05). It includes a $72.2 million operating budget (an increase of 24.5% from 2005-06) and a $165.3 million capital improvement projects (CIP) budget (an increase of 25.8% from 2005-06). This CIP budget amount does not include the $200.0 million shown in the budget for special projects. The fiscal year 2006-07 budget included 61 new staff positions to support City services.

The City has continued to build cash balances over the last few years, both for financial stability and in anticipation of the capital and ongoing operational needs of a growing city. The City has established reserves within the General Fund in accordance with the City's adopted financial policies.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional information, contact the City's Controller, City of Goodyear, 190 N. Litchfield Road, Goodyear, Arizona 85338 or by mail at P.O. Box 5100, Goodyear, Arizona 85338.

ARIZONA
Goodyear

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

ARIZONA
Goodyear

CITY OF GOODYEAR
STATEMENT OF NET ASSETS
June 30, 2006

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 78,199,255	$ 15,285,945	$ 93,485,200
Receivables (net of allowance for uncollectibles)	25,314,733	1,971,005	27,285,738
Due from other governments	129,934	-	129,934
Inventories	243,621	238,015	481,636
Prepaid items	256,896	389,540	646,436
Deferred charges	770,250	363,518	1,133,768
Restricted cash and cash equivalents	21,312,389	15,863,767	37,176,156
Capital assets:			
Land and construction in progress	102,279,578	18,785,738	121,065,316
Other capital assets (net of accumulated depreciation)	149,384,055	86,082,260	235,466,315
Total assets	377,890,711	138,979,788	516,870,499
LIABILITIES			
Accounts payable and other current liabilities	2,236,932	4,433,839	6,670,771
Accrued payroll and employee benefits	1,335,414	157,024	1,492,438
Accrued interest payable	1,812,594	-	1,812,594
Deposits held for others	292,802	233,895	526,697
Unearned revenue	973,836	4,695,033	5,668,869
Noncurrent liabilities:			
Due within one year:			
Compensated absences	568,320	75,490	643,810
Bonds payable	1,353,000	-	1,353,000
Due in more than one year:			
Compensated absences	1,949,856	187,476	2,137,332
Loans payable	3,645,000	10,505,513	14,150,513
Bonds payable	102,412,000	31,570,000	133,982,000
Interest payable	-	1,054,188	1,054,188
Deferred amount on refunding	(77,694)	-	(77,694)
Bond discount	(76,567)	-	(76,567)
Bond premium	2,431	478,483	480,914
Total liabilities	116,427,924	53,390,941	169,818,865
NET ASSETS			
Invested in capital assets, net of related debt	144,405,463	61,259,814	205,665,277
Restricted for:			
Special revenue purposes	19,835,781	-	19,835,781
Debt service	20,480,652	-	20,480,652
Capital projects	26,882,597	-	26,882,597
Unrestricted	49,858,294	24,329,033	74,187,327
Total net assets	$ 261,462,787	$ 85,588,847	$ 347,051,634

See accompanying notes.

CITY OF GOODYEAR
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 8,969,973	$ 174,086	$ 586,140	$ 72,798
Public safety	15,998,399	595,731	1,886	-
Highways and streets	13,364,118	-	60,730	15,896,777
Public works	1,791,319	126,800	-	10,791,706
Culture and recreation	2,016,304	174,329	-	-
Community development	6,668,282	14,584,804	-	-
Interest on long-term debt	5,573,064	-	-	-
Total governmental activities	54,381,459	15,655,750	648,756	26,761,281
Business-type activities:				
Water and sewer	14,036,458	10,799,140	-	26,016,946
Sanitation	3,435,486	3,185,387	240,000	-
Total business-type activities	17,471,944	13,984,527	240,000	26,016,946
Total primary government	$ 71,853,403	$ 29,640,277	$ 888,756	$ 52,778,227
General revenues:				
Sales taxes				
Property taxes				
Franchise taxes				
State shared revenues				
Investment income				
Mitigation proceeds				
Miscellaneous				
Transfers in (out)				
Total general revenues and transfers				
Changes in net assets				
Net assets, beginning of year				
Prior period adjustment				
Net assets, beginning of year - restated				
Net assets, end of year				

See accompanying notes.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Totals
$ (8,136,949)	$ -	$ (8,136,949)
(15,400,782)	-	(15,400,782)
2,593,389	-	2,593,389
9,127,187	-	9,127,187
(1,841,975)	-	(1,841,975)
7,916,522	-	7,916,522
(5,573,064)	-	(5,573,064)
(11,315,672)	-	(11,315,672)
-	22,779,628	22,779,628
-	(10,099)	(10,099)
-	22,769,529	22,769,529
(11,315,672)	22,769,529	11,453,857
37,420,013	-	37,420,013
9,826,690	-	9,826,690
1,479,868	-	1,479,868
6,997,920	-	6,997,920
4,436,598	715,181	5,151,779
-	1,950,000	1,950,000
1,486,027	17,431	1,503,458
(117,062)	117,062	-
61,530,054	2,799,674	64,329,728
50,214,382	25,569,203	75,783,585
245,892,700	59,161,506	305,054,206
(34,644,295)	858,138	(33,786,157)
211,248,405	60,019,644	271,268,049
$ 261,462,787	$ 85,588,847	$ 347,051,634

CITY OF GOODYEAR
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2006

ASSETS	General	Community Facilities Districts-Debt Service	Capital Improvement Projects
Cash and cash equivalents	$ 45,846,023	$ 7,749,693	$ 2,307,484
Taxes receivable	8,800,737	90,945	-
Interest receivable	325,900	20,179	16,927
Accounts receivable	1,383,551	-	-
Special assessments receivable	-	13,991,489	-
Due from other governments	-	-	-
Due from other funds	735,302	-	-
Inventories	5,162	-	-
Prepaid items	239,896	-	-
Restricted cash and cash equivalents	-	-	8,411
Total assets	$ 57,336,571	$ 21,852,306	$ 2,332,822
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 1,250,996	$ 2,500	$ 607,843
Accrued payroll and employee benefits	1,566,812	-	-
Deposits held for others	53,627	163,093	-
Due to other funds	-	33,480	-
Deferred revenue	611,235	14,030,561	-
Total liabilities	3,482,670	14,229,634	607,843
Fund balances:			
Reserved:			
Debt service	-	7,622,672	-
Capital improvements	-	-	-
Unreserved:			
Designated for capital replacement	2,222,844	-	-
Unreserved, reported in:			
General fund	51,631,057	-	-
Special revenue funds	-	-	-
Capital improvements	-	-	1,724,979
Total fund balances	53,853,901	7,622,672	1,724,979
Total liabilities and fund balances	$ 57,336,571	$ 21,852,306	$ 2,332,822

See accompanying notes.

Community Facilities Districts-Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
$ 1,614,307	$ 20,680,399	$ 78,197,906
-	418,638	9,310,320
11,185	157,331	531,522
3,825	94,026	1,481,402
-	-	13,991,489
-	129,934	129,934
-	-	735,302
-	187,346	192,508
-	17,000	256,896
21,303,978	-	21,312,389
$ 22,933,295	$ 21,684,674	$ 126,139,668
$ -	$ 337,888	$ 2,199,227
-	39,845	1,606,657
-	76,082	292,802
-	701,822	735,302
-	482,758	15,124,554
-	1,638,395	19,958,542
-	210,498	7,833,170
21,303,978	-	21,303,978
-	-	2,222,844
-	-	51,631,057
-	19,835,781	19,835,781
1,629,317	-	3,354,296
22,933,295	20,046,279	106,181,126
$ 22,933,295	$ 21,684,674	$ 126,139,668

ARIZONA
Goodyear

CITY OF GOODYEAR
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
June 30, 2006

Total governmental fund balances		$ 106,181,126
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	$ 306,738,056	
Less accumulated depreciation	(55,074,423)	251,663,633
Certain revenues earned but not received within 60 days of year-end are deferred for the governmental statements, but are recognized as revenue for the government-wide statements.		
Property taxes	159,229	
Special assessments	13,991,489	14,150,718
Interest payable on long-term debt is not reported in the governmental funds.		(1,812,594)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable	(2,225,066)	
Bond issuance cost	770,250	
Bond refunding amount	77,694	
Bond discount	76,567	
Bond premiums	(2,431)	
Loan payable	(3,645,000)	
Bonds payable	(103,765,000)	(108,712,986)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are reported with governmental activities.		(7,110)
Net assets of governmental activities		$ 261,462,787

See accompanying notes.

CITY OF GOODYEAR
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2006

REVENUES	General	Community Facilities Districts Debt Service	Capital Improvement Projects
Taxes	$ 41,860,773	$ 3,106,886	$ -
Licenses and permits	10,593,032	-	-
Intergovernmental revenues	5,205,680	-	-
Charges for services	4,451,089	-	-
Fines and forfeits	482,604	-	-
Investment income	1,890,479	200,762	828,478
Special assessments	-	2,197,445	-
Contributions	561,242	918,861	-
Miscellaneous	1,050,580	-	5,782
Total revenues	66,095,479	6,423,954	834,260
EXPENDITURES			
Current:			
General government	8,867,383	-	-
Public safety	16,717,949	-	-
Highways and streets	-	-	-
Public works	2,041,014	-	-
Culture and recreation	2,381,569	-	-
Community development	6,303,285	-	-
Capital outlay	2,065,837	-	7,825,775
Debt service:			
Principal retirement	155,000	1,457,600	-
Interest and debt cost	169,985	3,868,859	423
Total expenditures	38,702,022	5,326,459	7,826,198
Excess (deficiency) of revenues over (under) expenditures	27,393,457	1,097,495	(6,991,938)
OTHER FINANCING SOURCES (USES)			
Debt issuance	-	-	-
Transfers in	1,682,000	6,609	12,999,621
Transfers out	(4,615,013)	(701)	(41,993,887)
Total other financing sources and uses	(2,933,013)	5,908	(28,994,266)
Net change in fund balances	24,460,444	1,103,403	(35,986,204)
Fund balances, beginning of year	29,393,457	6,519,269	37,711,183
Fund balances , end of year	$ 53,853,901	$ 7,622,672	$ 1,724,979

See accompanying notes.

Community Facilities Districts Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
$ -	$ 3,702,111	$ 48,669,770
-	-	10,593,032
-	2,485,851	7,691,531
-	8,139,222	12,590,311
-	-	482,604
737,635	779,244	4,436,598
-	-	2,197,445
183,000	54,739	1,717,842
-	377,151	1,433,513
920,635	15,538,318	89,812,646
-	760,004	9,627,387
-	137,749	16,855,698
-	3,647,507	3,647,507
-	113,768	2,154,782
-	-	2,381,569
-	236,282	6,539,567
999,474	3,928,216	14,819,302
-	2,165,000	3,777,600
-	1,273,976	5,313,243
999,474	12,262,502	65,116,655
(78,839)	3,275,816	24,695,991
5,005,000	-	5,005,000
701	3,521,489	18,210,420
(6,609)	(1,350,358)	(47,966,568)
4,999,092	2,171,131	(24,751,148)
4,920,253	5,446,947	(55,157)
18,013,042	14,599,332	106,236,283
$ 22,933,295	$ 20,046,279	$ 106,181,126

CITY OF GOODYEAR
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2006

Net change in fund balances - total governmental funds		$ (55,157)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. Also, assets contributed to the City are not reported in the fund statement and are reported in the Statement of Activities.		
Contributions	$ 15,896,777	
Expenditures for capitalized assets	14,368,665	
Less current year depreciation	(6,837,719)	23,427,723
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and revenues received in the current year that were accrued in the Statement of Activities in prior years are reported as revenues in the funds.		
Property taxes		56,801
Special assessments		(1,053,321)
Bond proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the Statement of Activities.		(5,005,000)
Interest expense in the Statement of Activities differs from the amount reported in governmental funds because accrued interest was calculated for bonds and notes payable for the Statement of Activities, but is expensed when due for the governmental fund statements.		(225,074)
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		137,254
Repayment of long-term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		
Debt principal retirement		3,777,600

See accompanying notes.

Governmental activity long-term debt proceeds were transferred to the business type activities. The operating transfer recorded in the governmental funds is not reported as a transfer in the statement of activities. It is recorded as a transfer of debt.	29,349,086
Internal service funds are used by management to charge the costs of Fleet service to individual funds. The net loss of certain activities of internal service funds is reported with governmental activities.	(7,110)
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(188,420)
Change in net assets of governmental activities	$ 50,214,382

CITY OF GOODYEAR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive
REVENUES	Original	Final	Actual	(Negative)
Taxes	$ 36,130,344	$ 36,130,344	$ 41,860,773	$ 5,730,429
Licenses and permits	7,889,561	7,889,561	10,593,032	2,703,471
Intergovernmental revenues	4,656,641	4,656,641	5,205,680	549,039
Charges for services	1,549,454	1,549,454	4,451,089	2,901,635
Fines and forfeits	324,991	324,991	482,604	157,613
Investment income	4,194	4,194	1,890,479	1,886,285
Contributions	125,773	125,773	561,242	435,469
Miscellaneous	131,022	131,022	1,050,580	919,558
Total revenues	50,811,980	50,811,980	66,095,479	15,283,499
EXPENDITURES				
Current				
General government	30,156,144	30,156,144	8,867,383	21,288,761
Public safety	15,333,773	15,323,773	16,717,949	(1,394,176)
Public works	2,938,268	2,938,268	2,041,014	897,254
Culture and recreation	2,932,086	2,932,086	2,381,569	550,517
Community development	7,593,522	7,593,522	6,303,285	1,290,237
Capital outlay	5,466,018	5,476,018	2,065,837	3,410,181
Debt service				
Principal retirement	137,080	137,080	155,000	(17,920)
Interest and fiscal charges	186,785	186,785	169,985	16,800
Total expenditures	64,743,676	64,743,676	38,702,022	26,041,654
Excess (deficiency) of revenues over expenditures	(13,931,696)	(13,931,696)	27,393,457	41,325,153
OTHER FINANCING SOURCES (USES)				
Transfers in	1,682,000	1,682,000	1,682,000	-
Transfers out	(6,311,285)	(6,311,285)	(4,615,013)	1,696,272
Total other financing sources (uses)	(4,629,285)	(4,629,285)	(2,933,013)	1,696,272
Net change in fund balance	(18,560,981)	(18,560,981)	24,460,444	43,021,425
Fund balance, beginning of year	29,393,457	29,393,457	29,393,457	-
Fund balance, end of year	$ 10,832,476	$ 10,832,476	$ 53,853,901	$ 43,021,425

See accompanying notes.

CITY OF GOODYEAR
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2006

	Business-type Activities-Enterprise Funds			Governmental Activities - Internal
ASSETS	Water & Sewer	Sanitation	Total	Service Fund
Current assets:				
Cash and cash equivalents	$ 15,284,372	$ 1,573	$15,285,945	$ 1,349
Interest receivable	232,443	-	232,443	-
Accounts receivable	1,174,668	563,894	1,738,562	-
Prepaid items	69,533	320,007	389,540	-
Inventories	238,015	-	238,015	51,112
Total current assets	16,999,031	885,474	17,884,505	52,461
Noncurrent assets:				
Deferred charges	363,518	-	363,518	-
Restricted cash and cash equivalents	15,863,767	-	15,863,767	-
Non-depreciable capital assets	18,785,738	-	18,785,738	-
Depreciable capital assets	85,708,000	374,260	86,082,260	-
Total noncurrent assets	120,721,023	374,260	121,095,283	-
Total assets	137,720,054	1,259,734	138,979,788	52,461
LIABILITIES				
Current liabilities:				
Accounts payable	3,440,435	213,044	3,653,479	37,704
Accrued payroll and employee benefits	124,982	32,042	157,024	21,867
Accrued liabilities	780,360	-	780,360	-
Deposits held for others	233,895	-	233,895	-
Unearned revenue	4,695,033	-	4,695,033	-
Compensated absences payable	61,219	14,271	75,490	-
Total current liabilities	9,335,924	259,357	9,595,281	59,571
Noncurrent liabilities:				
Accrued interest payable	1,054,188	-	1,054,188	-
Compensated absences payable	145,790	41,686	187,476	-
Loan payable	10,505,513	-	10,505,513	-
Bonds payable	28,990,000	-	28,990,000	-
Revenue bonds payable	2,580,000	-	2,580,000	-
Bond premium	478,483	-	478,483	-
Total noncurrent liabilities	43,753,974	41,686	43,795,660	-
Total liabilities	53,089,898	301,043	53,390,941	59,571
NET ASSETS				
Invested in capital assets, net of related debt.	60,885,554	374,260	61,259,814	-
Unrestricted	23,744,602	584,431	24,329,033	(7,110)
Total net assets	$ 84,630,156	$ 958,691	$85,588,847	$ (7,110)

See accompanying notes.

CITY OF GOODYEAR
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For The Year Ended June 30, 2006

	Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Fund
	Water & Sewer	Sanitation	Total	
Operating revenues:				
Charges for service	$ 10,799,140	$ 3,185,387	$ 13,984,527	$ 915,848
Miscellaneous	17,431	240,000	257,431	-
Total operating revenue	10,816,571	3,425,387	14,241,958	915,848
Operating expenses:				
Administration	2,427,531	687,534	3,115,065	380,897
Costs of sales and services	7,202,101	2,458,508	9,660,609	832,061
Depreciation	2,771,517	43,265	2,814,782	-
Total operating expenses	12,401,149	3,189,307	15,590,456	1,212,958
Operating income (loss)	(1,584,578)	236,080	(1,348,498)	(297,110)
Nonoperating revenues (expenses):				
Impact fees	7,284,046	-	7,284,046	-
Mitigation proceeds	1,950,000	-	1,950,000	-
Investment income	710,119	2,441	712,560	-
Interest expense	(1,878,867)	-	(1,878,867)	-
Total nonoperating revenues (expenses)	8,065,298	2,441	8,067,739	-
Income (loss) before capital contributions and transfers	6,480,720	238,521	6,719,241	(297,110)
Capital contributions	18,732,900	-	18,732,900	-
Transfers in	-	425,000	425,000	290,000
Transfers out	(307,938)	-	(307,938)	-
Change in net assets	24,905,682	663,521	25,569,203	(7,110)
Net assets, beginning of year	58,866,336	295,170	59,161,506	-
Prior period adjustment	858,138	-	858,138	-
Net assets, beginning of year - restated	59,724,474	295,170	60,019,644	-
Net assets, end of year	$ 84,630,156	$ 958,691	$ 85,588,847	$ (7,110)

See accompanying notes.

CITY OF GOODYEAR
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended June 30, 2006

	Business-type Activities Enterprise Funds			Governmental Activities - Internal
	Water & Sewer	Sanitation	Total	Service Fund
Cash flows from operating activities:				
Received from customers	$ 11,032,897	$3,152,811	$ 14,185,708	$ 915,848
Payments to vendors	(4,653,617)	(2,742,814)	(7,396,431)	(845,469)
Payments to employees	(2,331,468)	(654,416)	(2,985,884)	(359,030)
Net cash provided (used) by operating activites	4,047,812	(244,419)	3,803,393	(288,651)
Cash flows from noncapital and related financing activities				
Mitigation proceeds	1,950,000	-	1,950,000	-
Interfund transfers	(307,938)	425,000	117,062	290,000
Net cash provided for noncapital and related financing activities	1,642,062	425,000	2,067,062	290,000
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(17,418,491)	(316,121)	(17,734,612)	-
Transfer of capital debt proceeds	29,349,086	-	29,349,086	-
Principal paid on long-term debt	(902,111)	-	(902,111)	-
Interest paid on long-term debt	(1,775,692)	-	(1,775,692)	-
Development impact fees received	7,284,046	-	7,284,046	-
Net cash provided (used) for capital and related financing activities	16,536,838	(316,121)	16,220,717	-
Cash flows from investing activities:				
Investment income received	495,955	2,829	498,784	-
Net cash provided by investing activities	495,955	2,829	498,784	-
Net change in cash and cash equivalents	22,722,667	(132,711)	22,589,956	1,349
Cash and cash equivalents, beginning of year	8,425,472	134,284	8,559,756	-
Cash and cash equivalents, end of year	$ 31,148,139	$ 1,573	$ 31,149,712	$ 1,349
Cash and cash equivalents	$ 15,284,372	$ 1,573	$ 15,285,945	$ 1,349
Restricted cash and cash equivalents	15,863,767	-	15,863,767	-
	$ 31,148,139	$ 1,573	$ 31,149,712	$ 1,349

See accompanying notes.

CITY OF GOODYEAR
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended June 30, 2006

	Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Fund
	Water & Sewer	Sanitation	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ (1,584,578)	$ 236,080	$ (1,348,498)	$ (297,110)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	2,771,517	43,265	2,814,782	-
(Increase) decrease in:				
Accounts receivable	302,440	(272,576)	29,864	-
Prepaid items	-	(320,007)	(320,007)	-
Inventories	(95,724)	-	(95,724)	(51,112)
Increase (decrease) in:				
Accounts payable	2,208,636	35,701	2,244,337	37,704
Accrued payroll and employee benefits	50,178	9,534	59,712	21,867
Accrued liabilities	435,572	-	435,572	-
Unearned revenue	(72,587)	-	(72,587)	-
Deposits held for others	(13,527)	-	(13,527)	-
Compensated absences payable	45,885	23,584	69,469	-
Net cash provided (used) by operating activities	$ 4,047,812	$ (244,419)	$ 3,803,393	$ (288,651)
Noncash investing, capital, and financing activities:				
Contributions of capital assets	$ 18,732,900	$ -	$ 18,732,900	$ -
Prior period adjustments to capital assets	858,138	-	858,138	-
Amortization of bond premium	32,423	-	32,423	-
Amortization of deferred bond costs	24,234	-	24,234	-
Total	$ 19,647,695	$ -	$ 19,647,695	$ -

See accompanying notes.

CITY OF GOODYEAR
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2006

	Pension Trust
ASSETS	
Cash and cash equivalents	$ 406,229
Interest receivable	584
Total assets	406,813
LIABILITIES	
Total liabilities	-
NET ASSETS	
Held in trust for pension benefits	$ 406,813

See accompanying notes.

CITY OF GOODYEAR
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUND
For The Year Ended June 30, 2006

	Pension Trust
ADDITIONS	
Other revenue	$ 74,699
Total other revenue	74,699
Investment income	
Interest	49,330
Total investment income	49,330
Total additions	124,029
DEDUCTIONS	
Benefits	2,149
Total deductions	2,149
Net decrease	121,880
Net assets, beginning of year	284,933
Net assets, end of year	$ 406,813

See accompanying notes.

FINANCIAL SECTION

NOTES TO FINANCIAL STATEMENTS

ARIZONA
Goodyear

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Goodyear, Arizona (City) have been prepared in conformity with accounting principles generally accepted in the United Sates of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The City is a municipal entity governed by an elected Mayor and council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are combined with data from the City, the primary government.

The financial reporting entity consists of a primary government, and its component units. The City is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, component units are combined with the City for financial statement presentation purposes, and are not included in any other governmental reporting entity. Consequently, the City's financial statements include the funds of those organizational entities for which its elected governing body is financially accountable.

Blended Component Units - The Goodyear Community Facilities General District No. 1, Goodyear Community Facilities Utilities District No. 1, Wildflower Ranch Community Facilities General District No. 1, Wildflower Ranch Community Facilities General District No. 2, Estrella Mountain Ranch Community Facilities District, Cottonflower Community Facilities District, Centerra Community Facilities District, Cortina Community Facilities District, Palm Valley Community Facilities District No. 3, and King Ranch Community Facilities District were formed for the purpose of acquiring and improving public infrastructure in specified land areas. As special purpose districts and separate political subdivision under the Arizona Constitution, the District can levy taxes and issue bonds independently of the City. Property owners in the designated areas are assessed for District taxes and thus for the cost of operating the Districts. The City Council serves as the Board of Directors; however, the City has no liability for the Districts' debt. For financial reporting purposes, transactions of the Districts are combined together and included as if they were part of the City's operations.

Complete financial statements for each of the individual component units may be obtained at the entities administrative offices.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) present financial information about the City as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the City. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, state-shared revenues, investment income and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule the effect on internal activity has been eliminated from the government-wide financial statements.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses and permits, charges for service, special assessments and investment income associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenues as soon as all eligibility requirements imposed by the grantor or provider have been met. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received in cash. Deferred revenues also arise when the City receives resources before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes have been recorded as deferred revenue. Receivables that will not be collected within the available period have also been reported as deferred revenue on the governmental fund financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major governmental funds:

General Fund - This fund is the general operating fund of the City. It accounts for all financial resources of the City, except those required to be accounted for in other funds.

Community Facilities District - Debt Service Fund - This fund accounts for the debt portion of the City's Community Facilities Districts which are component units that provide general infrastructure and capital assets for the property within each District's boundaries.

Capital Improvement Projects Funds - This fund accounts for all the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Community Facilities District - Capital Project's Funds - This fund accounts for all the acquisition and construction portion of the City's Community Facilities District which are component units that provide general infrastructure and capital assets for the property within each District's boundaries.

The City reports the following major proprietary funds:

Water and Sewer Fund - This fund accounts for the city's water and sewer utility operations.

Sanitation Fund - This fund is used to account for the activities of the City's sanitation operations.

The City reports the following internal service fund:

Fleet Inter-Department Service Fund – This fund is used to account for maintenance and operations of City owned vehicles.

The City reports the following fiduciary fund:

Pension Trust Fund - This Pension Trust Fund is used to account for the City's Volunteer Firefighter's Relief and Pension Fund, a defined contribution plan for which the assets are held by the City in a trustee capacity.

Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, the City follows GASB guidance as applicable to its proprietary funds, and Financial Accounting Standards Boards Statements and Interpretations, Accounting Principals Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB Pronouncements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprises fund are charges to customers for water, wastewater, and sanitation services. Operating expenses for these funds include the cost of sales and services, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources, as they are needed.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The City's non-major funds are as follows:

Special Revenue Funds

- Highway User Revenue Fund (HURF)
- Community Facilities Districts
- General Government Impact Fees
- Fire Impact Fees
- Transportation Impact Fees
- Grants Fund
- Community Facilities Impact Fees
- Public Works Impact Fees
- Police Impact Fees
- Library Impact Fees

Debt Service Fund

Fiduciary funds are reported by fund type.

D. Cash and Cash Equivalents

Cash represents amounts in demand deposits and amounts held in trust by financial institutions. The funds held in trust are available to the City upon demand. Cash equivalents are defined as short-term (original maturities of three months or less), highly liquid investments that are 1) readily convertible to known amounts of cash and 2) so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

E. Investments

Arizona Revised Statutes (ARS) authorize the City to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings account, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, school districts, and special districts as specified by statute.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of the interfund loans).

All trade and property tax receivables are shown net of allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivables allowance for uncollectibles.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes are levied by the City and collected by the Maricopa County Treasurer. Property taxes are levied no later than the third Monday in August and are payable in two installments due October 1 of the current year and March 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on installments after the delinquent date. Pursuant to ARS, a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

G. Inventory

Inventories are stated at average cost using the first-in/first-out (FIFO) method. Governmental funds maintain inventories using the consumption method of accounting.

H. Prepaid Items

Certain payments to vendors reflect the cost applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

I. Restricted Assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted cash and investments on the balance sheet because their use is limited by applicable bond covenants.

J. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, vehicles, machinery, equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of $5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certain capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	20-65
Buildings	50
Improvement other than buildings	7-50
Vehicles, machinery and equipment	3-7

K. Compensated Absences

The City's employee vacation and sick leave policies provide for granting vacation and sick leave with pay. Sick leave and vacation benefits vest at the employee's current rate of pay. The current and long-term liabilities for accumulated vacation and sick leave are reported on the government-wide financial statements and in the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignation and retirements. Resources from the General Fund are generally used to liquidate the governmental funds liabilities compensated absences.

L. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

M. Fund Equity

In the fund financial statements, governmental funds report reservations of the fund balance for amounts that are not available for expenditures or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent management's intended use of resources and reflect actual plans approved by the government's senior management. At June 30, 2006, the City reserved and designated fund balance for several various purposes.

N. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

O. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

At June 30, 2006, cash and cash equivalents are presented in the funds as follows:

	Governmental Activities	Business Activities	Fiduciary Fund	Total
Cash and cash equivalents	$ 78,199,255	$ 15,285,945	$ 406,229	$ 93,891,429
Restricted cash and cash equivalents	21,312,389	15,863,767	-	37,176,156
	$ 99,511,644	$ 31,149,712	$ 406,229	$ 131,067,585

Cash and cash equivalents consisted of the following deposits and investments:

Cash on hand	$ 3,325
Cash equivalents-investments	127,180,754
Cash in bank	3,883,506
Total cash and cash equivalents	$ 131,067,585

Deposits

At June 30, 2006, the City had $3,325 of cash on hand. The carrying amount of the City's cash in bank totaled $3,883,506 and the bank balance was $8,789,493. The City's deposits at June 30, 2006 were covered by Federal Depository Insurance to the extent of $385,958. Deposits of $8,403,535 were collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the depositor-government's name.

Investments

ARS authorize the City to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings account, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, school districts, and special districts as specified by statute.

The City invests in the Local Government Investment Pool 5 (LGIP), an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. The LGIP is not registered with the Securities Exchange Commission under the 1940 Investment Advisors Act. The State Board of Investment has oversight responsibilities of the investment pool in accordance with ARS 35-311. The pool's policy is to invest in fixed-rate securities with a final maturity less than 36 months from the settlement date of the purchase and variable-rate securities with final maturity less than 5 years. The dollar weighted average portfolio maturity is less than 240 days. The net asset value per share of the pool at June 30, 2006 was $1.00. The Arizona State Treasurer issues a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007.

NOTE 2 CASH AND INVESTMENTS (Continued)

Funds held in the State Treasurer's Local Government Investment Pool represent a proportionate interest in the pool's portfolio; however, the City's portion is not identified with specific investments and is not subject to custodial credit risk. At June 30, 2006, the City's funds invested with the State Treasurer totaled $100,674,143.

The City is invested in multiple mutual funds through the trust department of Wells Fargo. The mutual funds have a value of $25,507,358 at June 30, 2006.

The City is invested in repurchase agreements through the trust department of Wells Fargo. The repurchase agreements have a value of $667,000 at June 30, 2006.

The City also owns investments that belong to the City's Volunteer Fire Department. These funds are held by Linsco Private Ledger Investment Services and consist of multiple money market funds and mutual funds. The maturities of these investments are usually less than 30 days. The Fiduciary Fund investments have a value of $332,253 at June 30, 2006.

Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The repurchase agreements the City is invested in mature in July of 2016. All other investments have maturities of less than 12 months.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for each investment type.

Governmental funds		Ratings as of Year-End	
Investment Type	Total	AAA	Unrated
LGIP	$ 70,268,721	$ -	$ 70,268,721
Money market mutual funds	25,507,358	25,507,358	-
Repurchase agreements	667,000	-	667,000
	$ 96,443,079	$ 25,507,358	$ 70,935,721

NOTE 2 CASH AND INVESTMENTS (Continued)

Proprietary funds

Investment Type	Total	Ratings as of Year-End AAA	Unrated
LGIP	$ 30,334,110	$ -	$ 30,334,110
	$ 30,334,110	$ -	$ 30,334,110

Fiduciary funds

Investment Type	Total	Ratings as of Year-End AAA	Unrated
LGIP	$ 71,312	$ -	$ 71,312
Money market funds	21,212	-	21,212
Mutual funds	311,041	-	311,041
	$ 403,565	$ -	$ 403,565

NOTE 3 RECEIVABLES

Receivables, net of allowance for uncollectibles, as of year-end for the City's individual major governmental funds and nonmajor governmental funds in the aggregate are as follows:

Receivables:	General Fund	Community Facilities Districts- Debt Service Fund	Capital Improvement Projects Fund	Community Facilities Districts- Capital Projects Fund	Non-Major Governmental Fund	Total
Taxes	$ 8,800,737	$ 90,945	$ -	$ -	$ 418,638	$ 9,310,320
Interest	325,900	20,179	16,927	11,185	157,331	531,522
Accounts	1,385,410	-	-	3,825	94,026	1,483,261
Special assessments	-	13,991,489	-	-	-	13,991,489
	10,512,047	14,102,613	16,927	15,010	669,995	25,316,592
Less:						
Allowance	(1,859)	-	-	-	-	(1,859)
Net receivables	$ 10,510,188	$ 14,102,613	$ 16,927	$ 15,010	$ 669,995	$ 25,314,733

NOTE 3 RECEIVABLES (Continued)

The following table summarizes the City's receivables for the enterprise funds as of June 30, 2006.

Receivables:	Water and Sewer Fund	Sanitation Fund	Total
Interest	$ 232,443	$ -	$ 232,443
Accounts	1,352,668	563,894	1,916,562
	1,585,111	563,894	2,149,005
Less:			
Allowance	(178,000)	-	(178,000)
Net receivables	$ 1,407,111	$ 563,894	$ 1,971,005

Revenues of the Water and Sewer Fund and Sanitation Fund are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to water and sewer	$ 45,521
Uncollectibles related to sanitation	19,517
Total uncollectibles for the current year	$ 65,038

NOTE 4 CAPITAL ASSETS

A summary of capital assets activity for the fiscal year ended June 30, 2006 follows.

Governmental Activities	Beginning Balance*	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 16,762,034	$ 360,280	$ -	$ 17,122,314
Construction in progress	552,357	3,970,083	-	4,522,440
Right of way	73,468,797	75,000	-	73,543,797
Streetscape	7,091,027	-	-	7,091,027
Total capital assets not being depreciated	97,874,215	4,405,363	-	102,279,578
Capital assets, being depreciated:				
Infrastructure	139,143,127	15,900,777	-	155,043,904
Buildings and improvements	18,149,602	5,534,442	-	23,684,044
Vehicles, furniture and equipment	21,305,670	4,424,860	-	25,730,530
Total capital assets being depreciated	178,598,399	25,860,079	-	204,458,478
Less accumulated depreciation for:				
Infrastructure	(28,988,708)	(5,303,185)	-	(34,291,893)
Buildings and improvements	(2,329,807)	(90,098)	-	(2,419,905)
Vehicles, furniture and equipment	(16,918,189)	(1,444,436)	-	(18,362,625)
Total accumulated depreciation	(48,236,704)	(6,837,719)	-	(55,074,423)
Total capital assets, being depreciated, net	130,361,695	19,022,360	-	149,384,055
Governmental activities capital assets, net	$ 228,235,910	$ 23,427,723	$ -	$ 251,663,633

Business-Type Activities	Beginning Balance*	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 3,158,615	$ 48,760	$ -	$ 3,207,375
Construction in progress	-	15,578,363	-	15,578,363
Total capital assets not being depreciated	3,158,615	15,627,123	-	18,785,738
Capital assets, being depreciated:				
Improvements other than buildings	73,025,398	20,167,429	-	93,192,827
Vehicles, machinery and equipment	11,317,890	672,965	-	11,990,855
Total capital assets being depreciated	84,343,288	20,840,394	-	105,183,682
Less accumulated depreciation for:				
Improvements other than buildings	(10,215,240)	(2,512,203)	-	(12,727,443)
Vehicles, machinery and equipment	(6,071,400)	(302,579)	-	(6,373,979)
Total accumulated deprecation	(16,286,640)	(2,814,782)	-	(19,101,422)
Total capital assets, being depreciated, net	68,056,648	18,025,612	-	86,082,260
Business-Type activities capital assets, net	$ 71,215,263	$ 33,652,735	$ -	$ 104,867,998

* restated for prior period adjustment

NOTE 4 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	$ 257,941
Public safety	1,057,783
Highway and streets	5,085,209
Public works	436,786
Total depreciation expense	$ 6,837,719
Business-type activities	
Water and wastewater	$ 2,771,517
Sanitation	43,265
Total depreciation expense	$ 2,814,782

NOTE 5 LOANS PAYABLE

The City received a loan from the Greater Arizona Development Authority for the fire facilities and street and highway improvements. In addition, the City received two loans from the Water Infrastructure Finance Authority. The first loan was used to acquire the rights and make improvements to existing capacity in the wastewater treatment plant. The second loan will be used to finance the planning and design of a pilot recharge project and to construct a well distribution line. The loans payable at June 30, 2006, are as follows:

Description	Interest Rate (Including Fees)	Maturity	Outstanding Principal June 30, 2006	Due Within One Year
Governmental activities:				
Greater Arizona Development Authority Loan	4.1 - 5.75%	07/01/07 - 13	$ 3,645,000	$ -
Total Governmental activities			$ 3,645,000	$ -
Business-type activities:				
Water Infrastructure Finance Authority Loan	4.06%	07/01/07 - 21	$ 3,623,404	$ -
Water Infrastructure Finance Authority Loan	4.06%	07/01/07 - 21	6,882,109	-
Total Business-type activities			$ 10,505,513	$ -
Total			$ 14,150,513	$ -

NOTE 5 LOANS PAYABLE (Continued)

Annual debt service requirements to maturity on the loans payable at June 30, 2006 are summarized as follows:

Fiscal year ending	Governmental Activities		Business-Type Activities	
June 30,	Principal	Interest	Principal	Interest
2007	$ -	$ 79,351	$ -	$ 213,052
2008	460,000	149,273	522,477	415,508
2009	475,000	129,986	543,669	393,886
2010	495,000	109,611	565,721	371,387
2011	520,000	87,783	588,666	347,977
2012-2016	1,695,000	118,237	3,321,442	1,354,106
2017-2021	-	-	4,051,932	608,800
2022-2026	-	-	911,606	18,487
Total	$ 3,645,000	$ 674,241	$10,505,513	$ 3,723,203

NOTE 6 BONDS PAYABLE

Bonds payable at June 30, 2006, consisted of the outstanding general obligation and refunding bonds presented below. The bonds are generally callable with interest payable semiannually. Of the total amounts originally authorized, $254,765,449 remains unissued. The bonds payable at June 30, 2006 are presented below.

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2006	Due Within One Year
Governmental activities:				
General Obligation Bonds Series 1998	4.00 - 6.00%	7/1/07 - 13	$ 5,885,000	$ -
Refunding Bonds Series 2002	3.25 - 5.25%	7/1/07 - 08	905,000	-
General Obligation Bonds Series 2002	3.65 - 4.25%	7/1/07 - 17	9,690,000	-
General Obligation Bonds Series 2003	3.00 - 4.50%	7/1/08 - 18	10,800,000	-
Total Governmental activities			$ 27,280,000	$ -
Business-type activities:				
General Obligation Bonds Series 2005	3.50 - 5.00%	7/1/07 - 20	$ 28,990,000	
Total Business-type activities			$ 28,990,000	$ -
Total			$ 56,270,000	$ -

NOTE 6 BONDS PAYABLE (Continued)

Annual debt service requirements to maturity on governmental bonds payable at June 30, 2006 are summarized as follows:

Fiscal year ending	Governmental Activities		Business-Type Activities	
June 30,	Principal	Interest	Principal	Interest
2007	$ -	$ 549,837	$ -	$ 576,454
2008	1,940,000	1,056,359	885,000	1,137,421
2009	2,740,000	956,423	1,000,000	1,101,934
2010	2,375,000	848,803	1,510,000	1,055,509
2011	2,460,000	750,640	1,815,000	983,709
2012-2016	12,115,000	2,262,784	10,080,000	3,651,587
2017-2021	5,650,000	307,676	13,700,000	1,450,572
Total	$27,280,000	$ 6,732,522	$28,990,000	$ 9,957,186

In prior years, the City defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all further debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2006, the total outstanding on the defeased bonds was $900,000.

NOTE 7 REVENUE BONDS PAYABLE

Revenue bonds payable at June 30, 2006 consisted of the outstanding revenue bonds presented below. The bonds are generally callable with interest payable semiannually.

Governmental activities:			Outstanding Principal	Due Within
Description	Interest Rate	Maturity	June 30, 2006	One Year
Public Improvement Corporation Municipal Facilities Revenue Bonds, Series 2002	4.00 - 6.00%	7/1/07 - 21	$ 3,485,000	$ -

Business-type activities:			Outstanding Principal	Due Within
Description	Interest Rate	Maturity	June 30, 2006	One Year
Revenue Bonds, Series 1999	4.47 - 6.73%	7/1/07 - 18	$ 2,580,000	$ -

NOTE 7 REVENUE BONDS PAYABLE (Continued)

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending	Governmental Activities		Business-Type Activities	
June 30,	Principal	Interest	Principal	Interest
2007	$ -	$ 80,343	$ -	$ -
2008	165,000	155,735	120,000	80,000
2009	175,000	145,535	115,000	70,000
2010	180,000	136,685	300,000	175,000
2011	190,000	129,238	280,000	185,000
2012-2016	1,075,000	516,521	1,230,000	1,195,000
2017-2021	1,380,000	240,300	535,000	740,000
2022-2026	320,000	7,400	-	-
Total	$ 3,485,000	$ 1,411,757	$ 2,580,000	$ 2,445,000

NOTE 8 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE

Community facilities district bonds payable at June 30, 2006 consisted of outstanding general obligation and special assessment bonds. The bonds are generally callable with interest payable semiannually. The community facilities district bonds payable at June 30, 2006, are presented below.

Description	Interest Rate	Maturity	Outstanding Principal June 30, 2006	Due Within One Year
General District No. 1:				
G.O. Bonds, Series 1994	7.50%	7/15/06 - 09	$ 90,000	$ 20,000
G.O. Bonds, Series 1996 (A)	6.5 - 7.0%	7/15/10 - 21	500,000	-
G.O. Bonds, Series 1998	4.55 - 5.25%	7/15/06 - 23	1,975,000	65,000
G.O. Bonds, Series 2000	4.6 - 5.3%	7/15/06 - 25	5,725,000	160,000
G.O. Bonds, Series 2003	3.3 - 5.75%	7/15/09 - 28	5,295,000	-
Assessment Bonds, Series 1996(C)	6.75 - 7.25%	7/01/07 - 17	3,151,000	-
Utilities District No. 1:				
G.O. Bonds, Series 1998	4.55 - 5.25%	7/15/06 - 23	6,375,000	220,000
G.O. Bonds, Series 2000	4.7 - 5.2%	7/15/06 - 25	7,075,000	175,000
G.O. Bonds, Series 2003	3.3 - 5.75%	7/15/09 - 28	7,870,000	-
G.O. Bonds, Series 2005 Refunding	3.0 - 4.3%	7/15/08 - 21	1,455,000	-
G.O. Bonds, Series 2005	3.5 - 4.5%	7/15/11 - 29	7,190,000	-
Wildflower Ranch General District 1:				
G.O. Bonds, Series 1997	5.875 - 6.5%	7/15/06 - 22	555,000	20,000
G.O. Bonds, Series 1998	5.2 - 5.75%	7/15/06 - 23	650,000	20,000
Wildflower Ranch General District 2:				
G.O. Bonds, Series 2000	6.0 - 7.0%	7/15/06 - 25	660,000	15,000
G.O. Bonds, Series 2001	4.5 - 5.9%	7/15/06 - 26	715,000	20,000
Estrella Mountain Ranch:				
Assessment Bonds, Series 2001(A)	7.88%	7/01/06 - 25	6,926,000	241,000
Assessment Bonds, Series 2002	7.38%	7/01/06 - 27	4,643,000	127,000
G.O. Bonds, Series 2005	5.0 - 5.8%	7/01/06 - 30	5,005,000	135,000
Cottonflower:				
G.O. Bonds, Series 2003	4.1 - 5.7%	7/15/06 - 28	1,720,000	45,000
G.O. Bonds, Series 2004	3.7 - 6.75%	7/15/06 - 28	1,325,000	25,000
Cortina:				
G.O. Bonds, Series 2005	5.0 - 5.7%	7/15/06 - 29	1,700,000	25,000
Centerra:				
G.O. Bonds, Series 2005	5.50%	7/15/06 - 29	2,400,000	40,000
Total			$ 73,000,000	$ 1,353,000

NOTE 8 COMMUNITY FACILITIES DISTRICTS BONDS PAYABLE (Continued)

Community Facilities District bonds debt service requirements to maturity are as follows:

	Governmental Activities	
Fiscal year ending June 30,	Principal	Interest
2007	$ 1,353,000	$ 3,947,927
2008	1,411,000	3,981,976
2009	1,667,000	3,892,875
2010	2,000,000	3,789,319
2011	2,289,000	3,673,055
2012-2016	13,519,000	16,270,131
2017-2021	15,740,000	12,096,279
2022-2026	20,019,000	7,048,521
2027-2031	15,002,000	1,530,375
Total	$ 73,000,000	$ 56,230,458

On March 31, 2005, Community Facilities Utilities District #1 issued $1,455,000 of General Obligation Bonds to do an advance refunding of the 1996(B) bonds. Under the terms of the refunding issue, sufficient assets to pay all principal and interest on the refunded bonds issue have been placed in irrevocable trust accounts at commercial banks and invested in U.S. Government Securities which, together with interest earned thereon, will provide amounts sufficient for future payment of principal and interest of the issue refunded. The amount outstanding on those bonds as of June 30, 2006 is $1,305,000. These bonds have been fully defeased. The difference between the cash flows required to service the refunded debt and the new debt resulted in a savings to the City of $230,805. The net present value cash flow for savings on issuing the refunding bonds at a 4.59% bond yield was $171,450. The $77,694 deferred amount on retirement of bonds is being amortized over the lives of the refunding bonds on the straight-line basis. Amortization for the year ended June 30, 2006 of $5,180 was taken on the deferred amount.

Legal Debt Limit- General obligation bonded indebtedness for each District cannot exceed 60 percent of the market value of the property in the District after the infrastructure is completed plus the value of the infrastructure improvement made.

NOTE 9 AMORTIZATION OF BOND COSTS, BOND DISCOUNTS AND BOND PREMIUMS

Bond costs, discounts and premiums are being amortized over the life of the bonds on the straight-line basis. Amortization has been offset against interest expense. A summary of the amortizations are as follows:

NOTE 9 AMORTIZATION OF BOND COSTS, BOND DISCOUNTS AND BOND PREMIUMS (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance
Bond Costs:				
Governmental Activities				
General Obligation Bonds				
Series 2005	$ 387,752	$ -	$ 387,752	$ -
Community Facilities District Bonds Payable				
Utilities District #1 Series 2005	369,869	-	15,411	354,458
Utilities District #1 Series 2005 Refunding	17,882	-	1,118	16,764
Cortina Series 2005	110,631	-	4,610	106,021
Centerra Series 2005	126,267	-	5,261	121,006
Estrella Mountain Ranch Series 2005	-	178,881	6,880	172,001
Business-type Activities				
General Obligation Bonds				
Series 2005	-	387,752	24,234	363,518
	$ 1,012,401	$ 566,633	$ 445,266	$ 1,133,768

	Beginning Balance	Additions	Reductions	Ending Balance
Bond Premiums (Discounts)				
Governmental Activities				
General Obligation Bonds				
Series 2005	$ 476,838	$ -	$ 476,838	$ -
Community Facilities District Bonds Payable				
Utilities District #1 Series 2005	(79,896)	-	(3,329)	(76,567)
Utilities District #1 Series 2005 Refunding	2,593	-	162	2,431
Business-type Activities				
General Obligation Bonds				
Series 2005	-	476,838	29,802	447,036
Revenue Bonds, Series 1999	34,068	-	2,621	31,447
	$ 433,603	$ 476,838	$ 506,094	$ 404,347

NOTE 10 CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2006 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 2,250,846	$ 1,261,650	$ 994,320	$ 2,518,176	$ 568,320
General obligation bonds payable	58,265,000	-	30,985,000	27,280,000	-
Loans payable	4,085,000	-	440,000	3,645,000	-
Community Facilities District bonds payable	69,452,600	5,005,000	1,457,600	73,000,000	1,353,000
Revenue bonds payable	3,640,000	-	155,000	3,485,000	-
Governmental activities long-term liabilities	$ 137,693,446	$ 6,266,650	$ 34,031,920	$ 109,928,176	$ 1,921,320

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Compensated absences	$ 193,497	$ 168,978	$ 99,509	$ 262,966	$ 75,490
General obligation bonds payable	-	29,260,000	270,000	28,990,000	-
Revenue bonds payable	2,710,000	-	130,000	2,580,000	-
Loans payable	11,007,624	-	502,111	10,505,513	-
Business-type activities long-term liabilities	$ 13,911,121	$ 29,428,978	$ 1,001,620	$ 42,338,479	$ 75,490

NOTE 11 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2006, interfund balances were as follows:

Interfund receivable/payable:

Fund	Receivable Amount	Payable Amount
General Fund	$ 735,302	$ -
Community Facilities Districts-Debt Service	-	33,480
Non-Major Governmental Funds	-	701,822
Total	$ 735,302	$ 735,302

All interfund borrowing resulted from the borrowing of funds to cover deficit cash.

NOTE 11 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Interfund transfers:

Fund	Transfers Out	Transfers In
General Fund	$ 4,615,013	$ 1,682,000
Community Facilities Districts-Debt Service	701	6,609
Capital Improvements	41,993,887	12,999,621
Community Facilities Districts-Capital Projects	6,609	701
Non-Major Governmental Funds	1,350,358	3,521,489
Water and Sewer Fund	307,938	-
Sanitation Fund	-	425,000
Internal Service Fund	-	290,000
Total	$ 48,274,506	$ 18,925,420

The Capital Improvements Fund transferred $29,349,086 of cash from the 2005 bond issue to the Water and Sewer Enterprise Fund. The enterprise fund recorded $29,349,086 of debt and the related bond costs.

All other transfers made during the year were routine in nature and consistent with the activities of the fund making the transfer.

NOTE 12 CONTINGENT LIABILITIES

Federal and State grants and loans- The City has received a number of grants and loans from both the Federal and State governments. Although the programs have been audited, not all audits have been approved as of June 30, 2006, however, the City expects no material disallowances of expenditures.

Lawsuits – The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 13 RISK MANAGEMENT

The City is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the City is a participating member.

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has authority to assess its members additional premiums should reserve and annual premiums be insufficient to meet the pool's obligations.

The City is insured by the Workers' Compensation Insurance Fund for potential worker-related accidents.

NOTE 14 RETIREMENT PLANS

All full-time City employees are covered by one of two contributory retirement and pension plans, which are administered by the State of Arizona under State Statute.

Arizona State Retirement Plan

Plan Description - The *Arizona State Retirement System* (ASRS) administers a cost-sharing multiple-employer defined benefits pension plan that covers general employees of the City. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of ARS Title 38, Chapter 5, Article 2. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. ASRS issues a publicly available report that includes financial statements and required supplementary information. The report may be obtained in writing at Arizona State Retirement System, 3300 Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067 or by calling 602-240-2200 or 1-800-621-3778.

Funding Policy – The Arizona State Legislature establishes and may amend active plan members' and the City's contribution rates. For the year ended June 30, 2005, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 5.7 percent (5.2 percent retirement and .49 percent long-term disability) of the member's annual covered payroll. The City's contributions to ASRS for the years ended June 30, 2005, 2004, and 2003 were $645,078, $528,675, and $211,962, respectively, which were equal to the required contributions for the year.

Arizona Public Safety Personnel Retirement System

Plan Description - The *Public Safety Personnel Retirement System* (PSPRS) is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS acting as a common investment and administrative agent, is governed by a five-member board, known as The Fund Manager, and 167 local boards according to the provisions of ARS Title 38, Chapter 5, Article 4. The City contributes to one PSPRS plan for police and one for firefighters. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. PSPRS issues a publicly available report that includes financial statements and required supplementary information. The report may be obtained in writing at PSPRS, 1020 East Missouri Avenue, Phoenix, Arizona 85014 or by calling 602-255-5575.

Funding Policy – The Arizona State Legislature establishes and may amend active plan members' and the City's contribution rates. For the year ended June 30, 2005, active PSPRS members were required by statute to contribute 7.65 percent of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 8.89% and 7.23% of the covered payroll to the Plan for the Police and Firefighters, respectively.

NOTE 14 RETIREMENT PLANS (Continued)

Annual Pension Cost - The City's pension cost for the agent plan for the year ended June 30, 2005, and related information follows:

Contribution Rates:	PSPRS – Police	PSPRS - Fire
City	8.89%	7.23%
Plan members	7.65%	7.65%
Annual pension cost	$298,580	$89,277
Contributions made	$298,580	$89,277
Actuarial valuation date	June 30, 2005	June 30, 2005
Actuarial cost method	Entry Age	Entry Age
Actuarial assumptions:		
Investment rate of return	8.5%	8.5%
Projected salary increases	6.0% - 9.0%	6.0% - 9.0%
Includes inflation at cost-of-living adjustment	5.0%	5.0%
Amortization method	Level Percent Open	Level Percent Open
Remaining amortization period	Open 20 Years	Open 20 Years
Asset valuation method	Smoothed Market	Smoothed Market
Post retirement benefit increases	Based on Income	Based on Income

Trend Information - Information for the PSPRS plan as of the most recent actuarial valuations follows:

Plan	Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PSPRS - Police	2005	$ 298,580	100.0%	-
	2004	274,670	100.0%	-
	2003	237,104	100.0%	-
PSPRS - Fire	2005	89,277	100.0%	-
	2004	268,224	100.0%	-
	2003	234,027	100.0%	-

Funding Progress - An analysis of funding progress for each of the agent plan as most recent actuarial valuations, June 30, 2005 follows:

NOTE 14 RETIREMENT PLANS (Continued)

PSPR - Goodyear Police Plan:

Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funding Liability (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ([b-a]/c)
2005	$6,372,349	$8,017,990	$(1,645,641)	79.5%	$3,407,937	48.3%
2004	5,499,466	6,111,357	(611,891)	90.0%	2,933,985	20.9%
2003	4,937,802	4,925,456	12,346	100.3%	2,708,779	0%

PSPR - Goodyear Fire Plan:

Valuation Date June 30,	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funding Liability (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ([b-a]/c)
2005	$4,580,344	$4,826,980	$ (246,636)	94.9%	$3,561,253	6.9%
2004	3,846,596	3,201,957	644,639	120.1%	2,916,393	0%
2003	3,065,496	2,520,831	544,665	121.6%	2,666,015	0%

NOTE 15 PRIOR PERIOD ADJUSTMENT

The July 1, 2005, fund balance of the government-wide governmental and business-type activities does not agree to the prior year financial statements due to the correction of errors in capital assets. Net capital assets in the government-wide financial statements were overstated by $34,644,295 for the governmental activities and understated by $858,138 for the business-type activities for the year ending June 30, 2005. Net capital assets in the fund financial statements were also understated by $858,138 for the Water and Sewer Fund for the year ending June 30, 2005. Beginning net assets in the government-wide statements for the governmental activities were decreased by $34,644,295. The change in net assets in the government-wide statements for the governmental activities would have been $21,880 less for the year ending June 30, 2005. Beginning net assets in the Water and Sewer Fund were increased by $858,138. The change in net assets in the Water and Sewer Fund would have been $204,134 less for the year ending June 30, 2005.

NOTE 16 DEFICIT NET ASSETS

Internal Service Fund Deficit Net Assets – At June 30, 2006, the Internal Service Fund contains a deficit net assets balance of $7,110 in the fund financial statements.

ARIZONA
Goodyear

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

MAJOR GOVERNMENTAL FUNDS

CITY OF GOODYEAR
COMMUNITY FACILITIES DISTRICTS - DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	$ 3,206,861	$ 3,206,861	$ 3,106,886	$ (99,975)
Investment income	-	-	200,762	200,762
Special assessments	1,699,157	1,699,157	2,197,445	498,288
Contributions	1,539,764	1,539,764	918,861	(620,903)
Total revenues	6,445,782	6,445,782	6,423,954	(21,828)
EXPENDITURES				
Debt service				
Principal retirement	1,502,600	1,502,600	1,457,600	45,000
Interest and debt costs	4,813,815	4,813,815	3,868,859	944,956
Total expenditures	6,316,415	6,316,415	5,326,459	989,956
Excess (deficiency) of revenues over (under) expenditures	129,367	129,367	1,097,495	968,128
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	6,609	6,609
Transfers out	-	-	(701)	(701)
Total other financing sources (uses)	-	-	5,908	5,908
Net change in fund balance	129,367	129,367	1,103,403	974,036
Fund balance, beginning of year	6,519,269	6,519,269	6,519,269	-
Fund balance, end of year	$ 6,648,636	$ 6,648,636	$ 7,622,672	$ 974,036

CITY OF GOODYEAR
CAPITAL IMPROVEMENT PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 1,191,169	$ 1,191,169	$ -	$ (1,191,169)
Investment income	-	-	828,478	828,478
Contributions	7,250,000	7,250,000	-	(7,250,000)
Miscellaneous	-	-	5,782	5,782
Total revenues	8,441,169	8,441,169	834,260	(7,606,909)
EXPENDITURES				
Capital outlay	77,204,372	77,204,372	7,825,775	69,378,597
Debt service				
Interest and debt cost	-	-	423	(423)
Total expenditures	77,204,372	77,204,372	7,826,198	69,378,174
Excess (deficiency) of revenues over (under) expenditures	(68,763,203)	(68,763,203)	(6,991,938)	61,771,265
OTHER FINANCING SOURCES (USES)				
Debt issuance	29,210,087	29,210,087	-	(29,210,087)
Transfer in	-	-	12,999,621	12,999,621
Transfers out	-	-	(41,993,887)	(41,993,887)
Total other financing sources (uses)	29,210,087	29,210,087	(28,994,266)	(58,204,353)
Net change in fund balance	(39,553,116)	(39,553,116)	(35,986,204)	3,566,912
Fund balance, beginning of year	37,711,183	37,711,183	37,711,183	-
Fund balance, end of year	$ (1,841,933)	$ (1,841,933)	$ 1,724,979	$ 3,566,912

CITY OF GOODYEAR
COMMUNITY FACILITIES DISTRICTS - CAPITAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment income	$ -	$ -	$ 737,635	$ 737,635
Contributions	-	-	183,000	183,000
Miscellaneous income	-	-	-	-
Total revenues	-	-	920,635	920,635
EXPENDITURES				
Capital outlay	43,681,232	43,681,232	999,474	42,681,758
Total expenditures	43,681,232	43,681,232	999,474	42,681,758
Excess (deficiency) of revenues over (under) expenditures	(43,681,232)	(43,681,232)	(78,839)	43,602,393
OTHER FINANCING SOURCES (USES)				
Debt issuance	28,615,000	28,615,000	5,005,000	(23,610,000)
Transfers in	-	-	701	701
Transfers out	-	-	(6,609)	(6,609)
Total other financing sources (uses)	28,615,000	28,615,000	4,999,092	(23,615,908)
Net change in fund balance	(15,066,232)	(15,066,232)	4,920,253	19,986,485
Fund balance, beginning of year	18,013,042	18,013,042	18,013,042	-
Fund balance, end of year	$ 2,946,810	$ 2,946,810	$ 22,933,295	$ 19,986,485

OTHER SUPPLEMENTARY INFORMATION

COMBINING FUND FINANCIAL STATEMENTS

CITY OF GOODYEAR
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2006

	Special Revenue		
ASSETS	Highway User Revenue	Grants	Community Facilities Districts
Cash and cash equivalents	$ 482,413	$ 46,796	$ 1,157,911
Taxes receivable	284,210	-	32,148
Interest receivable	-	-	6,963
Accounts receivable	-	72,908	21,118
Due from other governments	-	129,934	-
Inventories	187,346	-	-
Prepaid items	-	-	-
Total assets	$ 953,969	$ 249,638	$ 1,218,140
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 246,972	$ 9,991	$ 34,668
Accrued payroll and employee benefits	39,027	818	-
Deposits held for others	71,082	-	5,000
Due to other funds	-	232,000	469,822
Deferred revenue	409,542	-	21,377
Total liabilities	766,623	242,809	530,867
Fund balances:			
Reserved:			
Debt service	-	-	-
Unreserved, reported in			
Special revenue	187,346	6,829	687,273
Total fund balances	187,346	6,829	687,273
Total liabilities and fund balances	$ 953,969	$ 249,638	$ 1,218,140

Special Revenue					
Community Facilities Impact Fees	General Government Impact Fees	Public Works Impact Fees	Fire Impact Fees	Police Impact Fees	Transportation Impact Fees
$ 3,280,896	$ 2,769,139	$ 3,079,475	$ (4,638)	$ 3,488,633	$ 4,354,782
-	-	-	-	-	-
25,025	21,063	23,901	1,668	26,138	36,854
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 3,305,921	$ 2,790,202	$ 3,103,376	$ (2,970)	$ 3,514,771	$ 4,391,636
$ -	$ -	$ -	$ -	$ -	$ 43,957
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	43,957
-	-	-	-	-	-
3,305,921	2,790,202	3,103,376	(2,970)	3,514,771	4,347,679
3,305,921	2,790,202	3,103,376	(2,970)	3,514,771	4,347,679
$ 3,305,921	$ 2,790,202	$ 3,103,376	$ (2,970)	$ 3,514,771	$ 4,391,636

CITY OF GOODYEAR
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
June 30, 2006

	Special Revenue		
ASSETS	Library Impact Fees	Debt Services	Total Non-Major Governmental Funds
Cash and cash equivalents	$ 1,883,048	$ 141,944	$ 20,680,399
Taxes receivable	-	102,280	418,638
Interest receivable	14,606	1,113	157,331
Accounts receivable	-	-	94,026
Due from other governments	-	-	129,934
Inventories	-	-	187,346
Prepaid items	-	17,000	17,000
Total assets	$ 1,897,654	$ 262,337	$ 21,684,674
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 2,300	$ -	$ 337,888
Accrued payroll and employee benefits	-	-	39,845
Deposits held for others	-	-	76,082
Due to other funds	-	-	701,822
Deferred revenue	-	51,839	482,758
Total liabilities	2,300	51,839	1,638,395
Fund balances:			
Reserved:			
Debt service	-	210,498	210,498
Unreserved:			
Special revenue	1,895,354	-	19,835,781
Total fund balances	1,895,354	210,498	20,046,279
Total liabilities and fund balances	$ 1,897,654	$ 262,337	$ 21,684,674

ARIZONA
Goodyear

CITY OF GOODYEAR
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2006

	Special Revenue		
REVENUES	Highway User Revenue	Grants	Community Facilities Districts
Taxes	$ -	$ -	$ 690,619
Intergovernmental	1,852,970	632,881	-
Charges for services	-	-	-
Investment income	13,983	38	77,092
Contributions	-	-	54,739
Miscellaneous	9,022	269,078	99,051
Total revenues	1,875,975	901,997	921,501
EXPENDITURES			
Current:			
General government	-	-	760,004
Public safety	-	137,749	-
Highway and streets	3,647,507	-	-
Public works	-	-	-
Community development	-	236,282	-
Capital outlay	137,685	624,289	-
Debt service:			
Principal retirement	-	-	-
Interest and debt costs	-	-	-
Total expenditures	3,785,192	998,320	760,004
Excess (deficiency) of revenues over (under) expenditures	(1,909,217)	(96,323)	161,497
OTHER FINANCING SOURCES (USES)			
Transfer in	2,027,727	-	-
Transfers out	-	-	-
Total other financing sources (uses)	2,027,727	-	-
Net change in fund balances	118,510	(96,323)	161,497
Fund balances, beginning of year	68,836	103,152	525,776
Fund balances, end of year	$ 187,346	$ 6,829	$ 687,273

Special Revenue					
Community Facilities Impact Fees	General Government Impact Fees	Public Works Impact Fees	Fire Impact Fees	Police Impact Fees	Transportation Impact Fees
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
1,140,109	1,170,888	1,042,625	1,040,311	1,329,544	1,817,920
103,979	87,063	103,305	53,912	106,944	154,850
-	-	-	-	-	-
-	-	-	-	-	-
1,244,088	1,257,951	1,145,930	1,094,223	1,436,488	1,972,770
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	19,310	94,458	-	-	-
-	-	-	-	-	-
64,791	55,388	37,358	2,151,810	104,920	747,337
-	-	-	-	-	-
-	-	-	-	-	-
64,791	74,698	131,816	2,151,810	104,920	747,337
1,179,297	1,183,253	1,014,114	(1,057,587)	1,331,568	1,225,433
-	-	-	-	-	-
-	-	-	(354,820)	-	-
-	-	-	(354,820)	-	-
1,179,297	1,183,253	1,014,114	(1,412,407)	1,331,568	1,225,433
2,126,624	1,606,949	2,089,262	1,409,437	2,183,203	3,122,246
$ 3,305,921	$ 2,790,202	$ 3,103,376	$ (2,970)	$ 3,514,771	$ 4,347,679

CITY OF GOODYEAR
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS (CONTINUED)
For The Year Ended June 30, 2006

	Special Revenue		
	Library Impact Fees	Debt Service	Total Non-Major Government Funds
REVENUES			
Taxes	$ -	$ 3,011,492	$ 3,702,111
Intergovernmental	-	-	2,485,851
Charges for services	597,825	-	8,139,222
Investment income	62,183	15,895	779,244
Contributions	-	-	54,739
Miscellaneous	-	-	377,151
Total revenues	660,008	3,027,387	15,538,318
EXPENDITURES			
Current:			
General government	-	-	760,004
Public safety	-	-	137,749
Highway and streets	-	-	3,647,507
Public works	-	-	113,768
Community development	-	-	236,282
Capital outlay	4,638	-	3,928,216
Debt service:			
Principal retirement	-	2,165,000	2,165,000
Interest and debt costs	-	1,273,976	1,273,976
Total expenditures	4,638	3,438,976	12,262,502
Excess (deficiency) of revenues over (under) expenditures	655,370	(411,589)	3,275,816
OTHER FINANCING SOURCES (USES)			
Transfer in	-	1,493,762	3,521,489
Transfers out	-	(995,538)	(1,350,358)
Total other financing sources (uses)	-	498,224	2,171,131
Net change in fund balances	655,370	86,635	5,446,947
Fund balances, beginning of year	1,239,984	123,863	14,599,332
Fund balances, end of year	$ 1,895,354	$ 210,498	$ 20,046,279

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

NON – MAJOR GOVERNMENTAL FUNDS

ARIZONA
Goodyear

CITY OF GOODYEAR
HIGHWAY USER REVENUE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 1,601,209	$ 1,601,209	$ 1,852,970	$ 251,761
Investment income	-	-	13,983	13,983
Miscellaneous	-	-	9,022	9,022
Total revenues	1,601,209	1,601,209	1,875,975	274,766
EXPENDITURES				
Current				
Highway and streets	4,388,640	4,388,640	3,647,507	741,133
Capital outlay	493,562	493,562	137,685	355,877
Total expenditures	4,882,202	4,882,202	3,785,192	1,097,010
Excess (deficiency) of revenues over (under) expenditures	(3,280,993)	(3,280,993)	(1,909,217)	1,371,776
OTHER FINANCING SOURCES (USES)				
Transfer in	2,787,433	2,787,433	2,027,727	(759,706)
Total other financing sources (uses)	2,787,433	2,787,433	2,027,727	(759,706)
Net change in fund balance	(493,560)	(493,560)	118,510	612,070
Fund balance, beginning of year	68,836	68,836	68,836	-
Fund balance, end of year	$ (424,724)	$ (424,724)	$ 187,346	$ (147,636)

CITY OF GOODYEAR
GRANTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 2,762,500	$ 2,762,500	$ 632,881	$ (2,129,619)
Investment income	-	-	38	38
Miscellaneous	-	-	269,078	269,078
Total revenues	2,762,500	2,762,500	901,997	(1,860,503)
EXPENDITURES				
Current				
Public safety	-	-	137,749	(137,749)
Community development	-	-	236,282	(236,282)
Capital outlay	730,608	730,608	624,289	106,319
Total expenditures	730,608	730,608	998,320	(267,712)
Excess (deficiency) of revenues over (under) expenditures	2,031,892	2,031,892	(96,323)	(2,128,215)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	2,031,892	2,031,892	(96,323)	(2,128,215)
Fund balance, beginning of year	103,152	103,152	103,152	-
Fund balance, end of year	$ 2,135,044	$ 2,135,044	$ 6,829	$ (2,128,215)

CITY OF GOODYEAR
COMMUNITY FACILITIES DISTRICTS - GENERAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	$ 708,127	$ 708,127	$ 690,619	$ (17,508)
Investment income	-	-	77,092	77,092
Contributions	56,049	56,049	54,739	(1,310)
Miscellaneous	-	-	99,051	99,051
Total revenues	764,176	764,176	921,501	157,325
EXPENDITURES				
Current				
General government	1,010,986	1,010,986	760,004	250,982
Total expenditures	1,010,986	1,010,986	760,004	250,982
Net change in fund balance	(246,810)	(246,810)	161,497	408,307
Fund balance, beginning of year	525,776	525,776	525,776	-
Fund balance, end of year	$ 278,966	$ 278,966	$ 687,273	$ 408,307

CITY OF GOODYEAR
COMMUNITY FACILITIES IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 1,256,700	$ 1,256,700	$ 1,140,109	$ (116,591)
Investment income	-	-	103,979	103,979
Total revenues	1,256,700	1,256,700	1,244,088	(12,612)
EXPENDITURES				
Capital outlay	1,050,000	1,050,000	64,791	985,209
Total expenditures	1,050,000	1,050,000	64,791	985,209
Net change in fund balance	206,700	206,700	1,179,297	972,597
Fund balance, beginning of year	2,126,624	2,126,624	2,126,624	-
Fund balance, end of year	$ 2,333,324	$ 2,333,324	$ 3,305,921	$ 972,597

CITY OF GOODYEAR
GENERAL GOVERNMENT IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 1,091,079	$ 1,091,079	$ 1,170,888	$ 79,809
Investment income	-	-	87,063	87,063
Total revenues	1,091,079	1,091,079	1,257,951	166,872
EXPENDITURES				
Current				
Public works	800,000	400,000	19,310	380,690
Community development	-	-	0	-
Capital outlay	-	400,000	55,388	344,612
Total expenditures	800,000	800,000	74,698	725,302
Net change in fund balance	291,079	291,079	1,183,253	892,174
Fund balance, beginning of year	1,606,949	1,606,949	1,606,949	-
Fund balance, end of year	$ 1,898,028	$ 1,898,028	$ 2,790,202	$ 892,174

CITY OF GOODYEAR
PUBLIC WORKS IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 940,342	$ 940,342	$ 1,042,625	$ 102,283
Investment income	-	-	103,305	103,305
Total revenues	940,342	940,342	1,145,930	205,588
EXPENDITURES				
Current				
Public works	-	-	94,458	(94,458)
Capital outlay	2,527,238	2,527,238	37,358	2,489,880
Total expenditures	2,527,238	2,527,238	131,816	2,395,422
Net change in fund balance	(1,586,896)	(1,586,896)	1,014,114	2,601,010
Fund balance, beginning of year	2,089,262	2,089,262	2,089,262	-
Fund balance, end of year	$ 502,366	$ 502,366	$ 3,103,376	$ 2,601,010

CITY OF GOODYEAR
FIRE IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 1,175,883	$ 1,175,883	$ 1,040,311	$ (135,572)
Investment income	-	-	53,912	53,912
Total revenues	1,175,883	1,175,883	1,094,223	(81,660)
EXPENDITURES				
Capital outlay	-	-	2,151,810	(2,151,810)
Total expenditures	-	-	2,151,810	(2,151,810)
Excess (deficiency) of revenues over (under) expenditures	1,175,883	1,175,883	(1,057,587)	(2,233,470)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(354,820)	(354,820)
Total other financing sources (uses)	-	-	(354,820)	(354,820)
Net change in fund balance	1,175,883	1,175,883	(1,412,407)	(2,588,290)
Fund balance, beginning of year	1,409,437	1,409,437	1,409,437	-
Fund balance, end of year	$ 2,585,320	$ 2,585,320	$ (2,970)	$ (2,588,290)

CITY OF GOODYEAR
POLICE IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 873,438	$ 873,438	$ 1,329,544	$ 456,106
Investment income	-	-	106,944	106,944
Total revenues	873,438	873,438	1,436,488	563,050
EXPENDITURES				
Capital outlay	360,000	360,000	104,920	255,080
Total expenditures	360,000	360,000	104,920	255,080
Net change in fund balance	513,438	513,438	1,331,568	818,130
Fund balance, beginning of year	2,183,203	2,183,203	2,183,203	-
Fund balance, end of year	$ 2,696,641	$ 2,696,641	$ 3,514,771	$ 818,130

CITY OF GOODYEAR
TRANSPORTATION IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 2,200,000	$ 2,200,000	$ 1,817,920	$ (382,080)
Investment income	-	-	154,850	154,850
Total revenues	2,200,000	2,200,000	1,972,770	(227,230)
EXPENDITURES				
Capital outlay	5,903,976	5,903,976	747,337	5,156,639
Total expenditures	5,903,976	5,903,976	747,337	5,156,639
Net change in fund balance	(3,703,976)	(3,703,976)	1,225,433	4,929,409
Fund balance, beginning of year	3,122,246	3,122,246	3,122,246	-
Fund balance, end of year	$ (581,730)	$ (581,730)	$ 4,347,679	$ 4,929,409

CITY OF GOODYEAR
LIBRARY IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 709,670	$ 709,670	$ 597,825	$ (111,845)
Investment income	-	-	62,183	62,183
Total revenues	709,670	709,670	660,008	(49,662)
EXPENDITURES				
Capital outlay	100,000	100,000	4,638	95,362
Total expenditures	100,000	100,000	4,638	95,362
Net change in fund balance	609,670	609,670	655,370	45,700
Fund balance, beginning of year	1,239,984	1,239,984	1,239,984	-
Fund balance, end of year	$ 1,849,654	$ 1,849,654	$ 1,895,354	$ 45,700

CITY OF GOODYEAR
DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	$ 3,044,108	$ 3,044,108	$ 3,011,492	$ (32,616)
Investment income	-	-	15,895	15,895
Total revenues	3,044,108	3,044,108	3,027,387	(16,721)
EXPENDITURES				
Debt service				
Principal retirement	3,172,070	3,172,070	2,165,000	1,007,070
Interest and debt costs	486,605	486,605	1,273,976	(787,371)
Total expenditures	3,658,675	3,658,675	3,438,976	219,699
Excess (deficiency) of revenues over (under) expenditures	(614,567)	(614,567)	(411,589)	202,978
OTHER FINANCING SOURCES				
Transfers in	614,567	-	1,493,762	1,493,762
Transfers out	-	-	(995,538)	(995,538)
Total other financing sources	614,567	-	498,224	498,224
Net change in fund balance	-	(614,567)	86,635	701,202
Fund balance, beginning of year	123,863	123,863	123,863	-
Fund balance, end of year	$ 123,863	$ (490,704)	$ 210,498	$ 701,202

CITY OF GOODYEAR
WATER & SEWER ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating revenues:				
Charges for service	$ 10,162,573	$ 10,162,573	$ 10,799,140	$ 636,567
Miscellaneous	8,427	8,427	17,431	9,004
Total operating revenue	10,171,000	10,171,000	10,816,571	645,571
Operating expenses:				
Administration	2,164,734	2,164,734	2,427,531	(262,797)
Costs of sales and services	55,087,318	55,087,318	7,202,101	47,885,217
Depreciation	-	-	2,771,517	(2,771,517)
Total operating expenses	57,252,052	57,252,052	12,401,149	44,850,903
Operating income (loss)	(47,081,052)	(47,081,052)	(1,584,578)	45,496,474
Nonoperating revenues (expenses):				
Impact fees	4,993,994	4,993,994	7,284,046	2,290,052
Mitigation proceeds	-	-	1,950,000	1,950,000
Investment income	-	-	710,119	710,119
Interest expense	-	-	(1,878,867)	(1,878,867)
Total nonoperating revenues (expenses)	4,993,994	4,993,994	8,065,298	3,071,304
Income (loss) before capital contributions and transfers	(42,087,058)	(42,087,058)	6,480,720	48,567,778
Capital contributions	500,000	500,000	18,732,900	18,232,900
Transfers in	1,830,012	1,830,012	-	(1,830,012)
Transfers out	-	-	(307,938)	(307,938)
Change in net assets	(39,757,046)	(39,757,046)	24,905,682	64,662,728
Net assets, beginning of year	58,866,336	58,866,336	58,866,336	-
Prior period adjustment	-	-	858,138	858,138
Net assets, beginning of year - restated	58,866,336	58,866,336	59,724,474	858,138
Net assets, end of year	$ 19,109,290	$ 19,109,290	$ 84,630,156	$ 65,520,866

CITY OF GOODYEAR
SANITATION ENTERPRISE FUND
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
For The Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Charges for service	$ 3,364,410	$ 3,364,410	$ 3,185,387	$ (179,023)
Miscellaneous	-	-	240,000	240,000
Total operating revenue	3,364,410	3,364,410	3,425,387	60,977
Operating expenses:				
Administration	563,604	563,604	687,534	(123,930)
Costs of sales and services	2,403,776	2,403,776	2,458,508	(54,732)
Depreciation	25,444	25,444	43,265	(17,821)
Total operating expenses	2,992,824	2,992,824	3,189,307	(196,483)
Operating income (loss)	371,586	371,586	236,080	(135,506)
Nonoperating revenues (expenses):				
Investment income	-	-	2,441	2,441
Total nonoperating revenues (expenses)	-	-	2,441	2,441
Income (loss) before transfers	371,586	371,586	238,521	(133,065)
Transfers in	-	-	425,000	425,000
Transfers out	(602,728)	(602,728)	-	602,728
Change in net assets	(231,142)	(231,142)	663,521	894,663
Net assets, beginning of year	295,170	295,170	295,170	-
Net assets, end of year	$ 64,028	$ 64,028	$ 958,691	$ 894,663

ARIZONA
Goodyear

CITY OF GOODYEAR
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
June 30, 2006

Governmental funds capital assets	2006
Land	$ 17,122,314
Right of way	73,543,797
Streetscape	7,091,027
Buildings and improvements	21,260,844
Improvements other than buildings	2,423,200
Vehicles, machinery and equipment	25,730,530
Infrastructure	155,043,904
Construction in progress	4,522,440
Total governmental funds capital assets	$ 306,738,056

Investment in governmental funds capital assets by source:	
Government funds	$ 306,738,056
Total governmental funds capital assets	$ 306,738,056

CITY OF GOODYEAR
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
June 30, 2006

Function and Activity	Land, Right of Way Streetscape	Buildings and Improvements
General Government	$ 4,408,817	$ 136,817
Public Safety	-	13,377,973
Highways and Streets	80,634,824	-
Culture and Recreation	12,593,223	813,910
Public Works	120,274	6,932,144
Total governmental funds capital assets	$ 97,757,138	$ 21,260,845

Improvements other than Buildings	Vehicles, Machinery and Equipment	Infrastructure	Construction in Progress	Total
$ -	$ 5,508,407	$ -	$ 1,274,101	$ 11,328,142
-	13,524,641	-	72,195	26,974,809
-	-	155,043,904	-	235,678,728
828,340	1,794,319	-	1,405,499	17,435,291
1,594,860	4,903,163	-	1,770,645	15,321,087
$ 2,423,200	$ 25,730,530	$ 155,043,904	$ 4,522,440	$ 306,738,056

CITY OF GOODYEAR
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the fiscal year ended June 30, 2006

Function and Activity	Governmental Funds Capital Assets July 1, 2005	Additions
General Government	$ 9,701,103	$ 1,564,435
Public Safety	20,499,456	6,475,353
Highways and Streets	219,702,955	15,975,777
Culture and Recreation	14,836,128	2,041,938
Public Works	11,732,978	4,207,939
Total governmental funds capital assets	$ 276,472,619	$ 30,265,442

Deductions	Governmental Funds Capital Assets June 30, 2006
$ -	$ 11,265,538
-	26,974,809
-	235,678,730
-	16,878,066
-	15,940,916
$ -	$ 306,738,059

ARIZONA
Goodyear

STATISTICAL SECTION

Table 1

City of Goodyear
Net Assets by Component
Fiscal Year 2006
(accrual basis of accounting)
(Unaudited)

Governmental Activities	
Invested in Capital Assets, Net of Related Debt	$ 144,233,462
Restricted	67,199,030
Unrestricted	49,858,294
Total Governmental Activities Net Assets	261,290,786
Business-type Activities	
Invested in Capital Assets, Net of Related Debt	61,259,814
Restricted	-
Unrestricted	24,329,033
Total Business-type Activities Net Assets	85,588,847
Primary Government	
Invested in Capital Assets, Net of Related Debt	205,493,276
Restricted	67,199,030
Unrestricted	74,187,327
Total Primary Government Net Assets	$ 346,879,633

Table 2

City of Goodyear
Changes in Net Assets
Fiscal Year 2006
(accrual basis of accounting)
(Unaudited)

Expenses	
Governmental Activities:	
General Government	$ 18,464,341
Police	9,305,303
Financial Services	1,658,631
Community Services	1,108,528
Information Services	1,551,418
Fire	5,839,807
Municipal Services	853,289
Human Resources	1,361,992
Planning and Development	6,668,282
Culture and Recreation	2,016,304
Community Facilities District	152,501
Interest on Long-term Debt	5,573,064
Total Governmental Activities Expenses	54,553,460
Business-type Activities	
Water Utility	9,722,925
Wastewater Utility	4,313,533
Sanitation	3,435,486
Total Business-type Activities Expenses	17,471,944
Total Primary Government Net Assets	$ 72,025,404

City of Goodyear
Changes in Net Assets
Fiscal Year 2006
(accrual basis of accounting)
(Unaudited)

Program Revenue	
Governmental Activities:	
Charges for Services:	
General Government	$ 413,219
Fire	61,456
Police	67,264
Community Services	529,007
Planning and Development	14,584,804
Community Facilities Districts (CFDs)	-
Operating Grants and Contributions	648,756
Capital Grants and Contributions	26,761,281
Total Governmental Activities Program Revenues	43,065,787
Business-type Activities	
Charges for Services:	
Water Utility	5,952,571
Wastewater Utility	4,846,569
Sanitation	3,185,387
Operating Grants and Contributions	240,000
Capital Grants and Contributions	26,016,946
Total Business-type Activities Revenues	40,241,473
Total Primary Government Revenues	$ 83,307,260
Net (Expenses)/Revenue	
Governmental Activities	$ (11,487,673)
Business-type Activities	22,769,529
Total Primary Government Net Expense	$ 11,281,856

City of Goodyear
Changes in Net Assets
Fiscal Year 2006
(accrual basis of accounting)
(Unaudited)

Governmental Revenues and Other Changes in Net Assets	
Governmental Activities:	
Taxes	$ 48,726,571
Intergovernmental	6,997,920
Interest and Investment Income	4,436,598
Miscellaneous	1,486,027
Transfers	(117,062)
Total Governmental Activities	61,530,054
Business-type Activities	
Interest and Investment Income	715,181
Mitigation proceeds	1,950,000
Miscellaneous	17,431
Transfers	117,062
Total Business-type Activities	2,799,674
Total Primary Government	$ 64,329,728
Changes in Net Assets	
Governmental Activities	$ 50,042,381
Business-type Activities	25,569,203
Total Primary Government	$ 75,611,584

Table 3

City of Goodyear
Governmental Activities Tax Revenues By Source
Fiscal Year 2006
(accrual basis of accounting)
(Unaudited)

		Sales and Use Taxes			Intergovernmental		
Fiscal Year	Property	Privilege & Use - General	Transient Occupancy	Franchise Taxes	State Shared Sales	State Revenue Sharing	Highway User Revenue
2006	$ 9,826,690	$ 36,526,485	$ 893,528	$ 1,479,868	$ 3,225,710	$ 1,979,970	$ 1,792,240

Table 4

City of Goodyear
Fund Balances of Governmental Funds
Fiscal Year 2006
(modified accrual basis of accounting)
(Unaudited)

General Fund	
Reserved	$ -
Unreserved	53,853,901
Total General Fund	$ 53,853,901
All Other Governmental Funds	
Reserved, Reported in:	
Debt Service Funds	7,833,170
Capital Projects Funds	21,303,978
Unreserved, Reported in:	
Special Revenue Funds	19,835,781
Capital Projects Funds	3,354,296
Total All Other Governmental Funds	$ 106,181,126

Table 5

City of Goodyear
Changes in Fund Balances of Governmental Funds
Fiscal Year 2006
(modified accrual basis of accounting)
(Unaudited)

Revenues	
Taxes	$ 48,669,770
Licenses and permits	10,593,032
Intergovernmental	7,691,531
Charges for services	12,590,311
Fines and forfeits	482,604
Investment income	4,436,598
Special assessments	2,197,445
Contributions	1,717,842
Miscellaneous	1,433,513
Total Revenues	$ 89,812,646

Table 5 continued

City of Goodyear
Changes in Fund Balances of Governmental Funds
Fiscal Year 2006
(modified accrual basis of accounting)
(Unaudited)

Expenditures	
General Government	$ 9,674,228
Police	8,674,983
Financial Services	1,657,610
Community Services	1,190,116
Information Services	1,593,403
Fire	7,332,103
Municipal Services	848,612
Human Resources	1,360,762
Planning and Development	6,599,788
Culture and Recreation	2,381,569
Community Facilities District	(106,664)
Debt Service:	
Principal retirement	3,777,600
Interest and debt cost	5,313,243
Capital outlay	14,819,302
Total Expenditures	65,116,655
Excess of Revenues over (under) Expenditures	$ 24,695,991

City of Goodyear
Changes in Fund Balances of Governmental Funds
Fiscal Year 2006
(modified accrual basis of accounting)
(Unaudited)

Expenditures	
Transfer in	$ 18,210,420
Transfer out	(47,966,568)
Debt issuance	5,005,000
Total Other Financing Sources and (Uses)	(24,751,148)
Net Change in Fund Balances	$ (55,157)
Debt Service as a Percentage of Noncapital Expenditures	18.1%

Table 6

City of Goodyear
Governmental Activities Tax Revenues By Source
Fiscal Year 2006
(modified accrual basis of accounting)
(Unaudited)

Fiscal Year	Property	Sales and Use Taxes		Franchise Taxes	Intergovernmental		
		Privilege General	Transient Occupancy		State Shared Sales	State Revenue Sharing	Highway User Revenue
2006	$ 9,769,889	$ 36,526,485	$ 893,528	$ 1,479,868	$ 3,225,710	$ 1,979,970	$ 1,792,240

Table 7

City of Goodyear
Property Tax Rates
Direct and Overlapping Governments[1]
Fiscal Year 2006
(Unaudited)

	City Direct Rate			Overlapping Rates					
				County-Wide Jurisdictions					
Fiscal Year	Operating Rate	Debt Service Rate	Total City Rate	County Operating Rate	County Library District Rate	Fire District Assistance Rate	County Flood District Rate	County Education Equalization Rate	Community College Rate
2006	$0.8222	$0.7778	$1.6000	$1.1971	$0.0521	$0.0069	$0.2119	$0.4358	$1.0315

[1] Source: Maricopa County Assessor's Office

Overlapping Rates								
County-Wide Jurisdictions			School Districts				Other Special Taxing Districts	
Central Arizona Project Rate	Special Health Care District Rate	Total County Rate	Agua Fria/ Avondale Rate	Agua Fria/ Litchfield Rate	Buckeye/ Liberty Rate	Tolleson/ Littleton Rate	West Maricopa Education Center District Rate	Roosevelt Irrigation District Rate
$0.1200	$0.1206	$3.1759	$7.8631	$6.9430	$7.4944	$8.3794	$0.0500	$15.0000

City of Goodyear
Property Tax Rates
Direct and Overlapping Governments[1]
Fiscal Year 2006
(Unaudited) Continued

Overlapping Rates								
Other Special Taxing Districts								
Centerra Community Facilities District Rate	Cortina Community Facilities District Rate	Cottonflower Community Facilities District Rate	Estrella Mtn. Ranch Community Facilities District Rate	Goodyear Community Facilities General District #1 Rate	Goodyear Community Facilities Utilities District #1 Rate	Palm Valley Community Facilities District #3 Rate	Wildflower Community Facilities General District #1 Rate	Wildflower Community Facilities General District #2 Rate
$3.0000	$2.8500	$3.0000	$1.3000	$1.0000	$1.0000	$0.3000	$2.1893	$2.3547

Table 8

City of Goodyear
Principal Property Tax Payers
Fiscal Year 2006
(Unaudited)

Taxpayer	Taxable Assesed Value	Rank	Percentage of Total Taxable Assessed Value
Sun MP LLC	$ 17,519,218		4.48%
BT Goodyear LLC	9,583,848		2.45%
Arizona Public Service Company	9,142,805		2.34%
VHS of South Phoenix Inc.	7,647,436		1.95%
Suncor Development Company	5,260,780		1.34%
PVPW Corporation	3,944,260		1.01%
First American Title Insurance Co.	3,616,550		0.92%
Qwest Corporation	3,191,327		0.82%
Snyders of Hanover	3,077,579		0.79%
McLane/Sunwest Inc.	2,829,601		0.72%
Total	$ 65,813,404		15.31%

[1]Source: Arizona Department of Revenue

[2]Source: Maricopa County Assessor's Office

Table 9

City of Goodyear
Assessed Value and Estimated Actual Value of Taxable Property[1]
Fiscal Year 2006
(Unaudited)

Fiscal Year Ended June 30	Residential Property	Commercial Property	Agricultural/ Vacant Land	Other	Less: Tax-Exempt Property	Total Taxable Assessed Value
2006	$ 219,161,231	$ 109,929,249	$ 97,388,312	$ 226,783	$ 35,549,177	$ 391,156,398

[1] Source: AZ Department of Revenue - Property Tax Division

Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value a Percentage of Actual Value
$ 1.60	$ 3,254,133,854	12.0%

Table 10

City of Goodyear
Property Tax Levies and Collections[1]
Fiscal Year 2006
(Unaudited)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	6,070,318	5,972,384	98.39%	-	5,972,384	98.39%

Schedule includes General and Debt Service Funds

[1] Source: City records

ARIZONA
Goodyear

Table 11

City of Goodyear
Ratios of Outstanding Debt by Type
Fiscal Year 2006
(Unaudited)

	Governmental Activities				Business-Type Activities		
Fiscal Year Ended June 30	General Obligation Bonds	Greater Arizona Development Authority Loan	Public Improvement Corporation Municipal Facilities Revenue Bond	Community Facilities District Bonds	General Obligation Bonds	Revenue Bonds	Water Infrastructure Finance Authority Loan
2006	$ 27,280,000	$ 3,645,000	$ 3,485,000	$ 73,000,000	$ 29,073,518	$ 2,611,447	$ 10,505,512

Total Primary Government	Percentage of Personal Income	Per Capita
$ 149,600,477	11.74%	$ 3,009

Table 12

City of Goodyear
Ratios of Outstanding Debt by Type
Fiscal Year 2006
(Unaudited)

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage Estimated Actual Taxable Value of Property	Per Capita
2006	$ 56,353,518	$ 210,498	$ 56,143,020	12.0%	$ 1,129

Table 13

City of Goodyear
Direct and Overlapping Governmental Activities Debt
As of June 30, 2006
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes and special assessment liens			
Maricopa County	$ -	1.3636%	$ -
Maricopa County Community College District	399,805,000	1.3636%	5,451,741
Avondale Elementary School District #44	11,200,000	60.0264%	6,722,957
Liberty Elementary School District #25	1,470,000	73.0778%	1,074,244
Litchfield Elementary School District #79	17,040,000	34.9761%	5,959,927
Agua Fria Union High School District #216	60,795,000	47.9864%	29,173,332
Buckeye Union High School District #201	21,920,000	17.5868%	3,855,027
Centerra Community Facilities District	2,400,000	100.0000%	2,400,000
Cortina Community Facilities District	1,700,000	100.0000%	1,700,000
Cottonflower Community Facilities District	3,045,000	100.0000%	3,045,000
Estrella Mountain Ranch Community Facilities District	16,776,000	100.0000%	16,776,000
Goodyear Community Facilities Utilities District #1	29,965,000	100.0000%	29,965,000
Goodyar Community Facilities General District #1	17,023,000	100.0000%	17,023,000
Palm Valley Community Facilities District #3	-	100.0000%	-
Wildflower Ranch Community Facilities District #1	1,205,000	100.0000%	1,205,000
Wildflower Ranch Community Facilities District #2	1,375,000	100.0000%	1,375,000
King Ranch Community Facilities District	-	100.0000%	-

(a) Proportion applicable to the City of Goodyear, Arizona is computed on the ratio of secondary assessed valuation for 2005-2006.

Sources: Maricopa County Department of Finance, Maricopa County Assessor's Office and Official Statements.

Table 14

City of Goodyear
Legal Debt Margin Information
Fiscal Year 2006
(Unaudited)

20% Limitation	
Debt Limit Equal to 20% of Assessed Valuation	$ 78,275,474
Total Debt Applicable to 20% Limit	47,795,000
Legal 20% Debt Margin (Available Borrowing Capacity)	$ 30,480,474
Total Net Debt Applicable to the 20% Limit as a Percentage of 20% Debt Limit	61.06%
6% Limitation	
Debt Limit Equal to 6% of Assessed Valuation	$ 23,482,642
Total Debt Applicable to 6% Limit	8,475,000
Legal 6% Debt Margin (Available Borrowing Capacity)	$ 15,007,642
Total Net Debt Applicable to the 20% Limit as a Percentage of 6% Debt Limit	36.09%

City of Goodyear
Legal Debt Margin Information
Fiscal Year 2006
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2006	
Net Secondary Assessed Valuation as of June 30, 2006	$ 391,377,371
20% Limitation	
Debt Limit Equal to 20% of Assessed Valuation	$ 78,275,474
Debt applicable to limit:	
General Obligation Bonds	47,795,000
Legal 20% Debt Margin (Available Borrowing Capacity)	$ 30,480,474
6% Limitation	
Debt Limit Equal to 6% of Assessed Valuation	$ 23,482,642
Debt applicable to limit:	
General Obligation Bonds	8,475,000
Legal 6% Debt Margin (Available Borrowing Capacity)	$ 15,007,642

Table 15

City of Goodyear
Pledged-Revenue Coverage
Fiscal Year 2006
(Unaudited)

	Greater Arizona Development Authority Infrastucture Revenue Bonds					
Fiscal Year Ended June 30	Operating Revenue	Less: Operating Expenses	Net Operating Revenue	Debt Service Principal	Debt Service Interest	Coverage
2006	$ 1,509,657	$ 995,538	$ 514,119	$ 440,000	$ 167,723	0.85

	Public Improvement Corporation Municipal Facilities Revenue Bonds					
Fiscal Year Ended June 30	Operating Revenue	Less: Operating Expenses	Net Operating Revenue	Debt Service Principal	Debt Service Interest	Coverage
2006	$ 66,095,479	$ 38,702,022	$ 27,393,457	$ 155,000	$ 165,335	85.52

	Water Infrastructure Finance Authority Loan							
Fiscal Year Ended June 30	Operating Revenue	Less: Operating Expenses	Net Operating Revenue	Development Fee Revenue	Net Revenue	Debt Service Principal	Debt Service Interest	Coverage
2006	$ 10,816,571	$ 12,401,149	$ (1,584,578)	$ 7,284,046	$ 5,699,468	$ 502,118	$ 436,286	6.07

	Water and Sewer Revenue Bonds							
Fiscal Year Ended June 30	Operating Revenue	Less: Operating Expenses	Net Operating Revenue	Development Fee Revenue	Net Revenue	Debt Service Principal	Debt Service Interest	Coverage
2006	$ 10,816,571	$ 12,401,149	$ (1,584,578)	$ 7,284,046	$ 5,699,468	$ 130,000	$ 70,000	28.50

Table 16

City of Goodyear
Demographic and Economic Statistics
Fiscal Year 2006
(Unaudited)

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	Unemployment Rate
2006	49,714	$ 1,274,269	$ 25,632	35.7	13 to 16	3.8%

Table 17

City of Goodyear
Principal Employers[1]
Fiscal Year 2006
(Unaudited)

Major Corporation	Employees	2006 Rank	Percentage of Total City Employment*
Lockheed Martin	800	1	4.76%
Arizona State Prison/Perryville	750	2	4.47%
Rudolpho Brothers	562	3	3.35%
McLane Sunwest	500	4	2.98%
Cavco Industries, Inc.	475	5	2.83%
City of Goodyear	471	6	2.81%
Wal-Mart Supercenter	400	7	2.38%
West Valley Hospital	350	8	2.08%
Safeway (2 Locations)	210	9	1.25%
Target	160	10	0.95%
Total	3,878		23.10%

[1]Source: City Records
*2006 labor force = 16,791 (households)

Table 18

City of Goodyear
Full-time Equivalent City Government Employees by Function
Fiscal Year 2006
(Unaudited)

Function	
General Government	41
Financial Services	21
Information Services	9
Police	
Officers	72
Civilians	18
Planning and Development	21
Fire	
Firefighters and Officers	65
Civilians	12
Human Resources	9
Community Services	8
Economic Development	3
Municipal Services	9
Public Works	49
Water	30
Wastewater	14
Sanitation	10
Total	391

Table 19

City of Goodyear
Operating Indicators by Function
Fiscal Year 2006
(Unaudited)

Function	2006
General Government	
City Clerk's Office	
# of records requests	180
City Attorney's Office	
% of cases resolved at first court appearance (arraignment)	94.77%
City Court	
Charges filed/charges adjudicated (resolved)	2,692
City Manager's Office	
% of survey respondents rating "Your Neighborhood as a Place to Live" as good to excellent	91%
Communications & Public Information	
News releases, media updates, traffic alerts, construction updates releases to news media	627
Police	
# Total arrests	2,603
# Moving violations citations	12,175
Fire	
# Emergency responses	1,960
# Fire extinguished	150
# Inspections	759
Financial Services	
# accounts payable checks issued	9,014
# purchase orders	1,067
# water meters read annually	125,382
Information Services	
# documents requests for service (Help Desk tickets)	3,477
# of SPAM emails blocked from being delivered to the staff	878,595
# of emails received	1,246,386
Planning and Development	
Customer wait-time (in minutes) at One Stop Shop	< 5
Total Number of Permits Issued	7,859
Provide applicant with pre-application meeting within 30 days of submitting request	100%
% of inspections performed within 24 hours of request	100%

City of Goodyear
Operating Indicators by Function
Fiscal Year 2006
(Unaudited)

Function	2006
Human Resources	
# of new hires (FT & PT)	174
HR operating cost as a % of City payroll	5.26%
Parks and Recreation	
# attending Park & Recreation facilities and Libraries annually (Acquatics)	46,330
# of square feet of medians and rights of way maintained	106,600,032
Economic Vitality	
Sales Tax growth (% annual change)	74%
Bed Tax growth (% annual change)	28%
Municipal Services	
# of homes serviced by Residential Refuse Collection	17,228
# of citizens serviced by Household Hazardous Waste collection program	531
Water Service	
Water Service Connections	66,434
Drinking Water Supplied (million gallons per day)	6.95
Reclaimed Water Supplied (million gallons per day)	0.09
Wastewater	
Sewer Service Connections	5,037
Sewage Treated (millions gallons per day)	2.29
Other Public Works	
Street resurfacing (miles)	32.7
Potholes repaired	977
Citizen & Neighborhood Resources	
% increase of Neighborhood Watch groups annually	6.83%
# of new Code Enforcement cases processed per year	2,092

Table 20

City of Goodyear
Capital Asset Statistics by Function
Fiscal Year 2006
(Unaudited)

Function	
Public Safety	
Police:	
Stations	1
Police Vehicles	107
Fire Stations	4
Highways and Streets	
Street (miles)	791
Streetlights	7,915
Traffic signals	30
Culture and Recreation	
Parks	11
Parks Acreage	82
Swimming Pools	1
Tennis Courts	2
Community Centers	1
Water	
Water Mains (miles)	173
Fire Hydrants	2,053
Storage capacity (thousands of gallons)	12
Wastewater	
Sanitary Sewers (miles)	167
Storm Sewers (miles)	105
Treatment capacity (thousands of gallons)	11.6 MGD

COMPLIANCE REPORT

ARIZONA
Goodyear

HENRY & HORNE, LLP
Advisors to Business

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and Council
City of Goodyear, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Goodyear, Arizona (the "City"), as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 30, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Goodyear's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described below:

1. Detailed records are not reconciled to the general ledger control accounts and supporting documents timely for the Community Facilities Districts (CFD). Reconciliations for all significant asset and liability accounts should be performed on a timely basis.

Tempe
2055 E Warner Road
Suite 101
Tempe, AZ 85284-3487
(480) 839-4900
Fax (480) 839-3624

Scottsdale
7098 E Cochise Road
Suite 100
Scottsdale, AZ 85253-4517
(480) 483-1170
Fax (480) 483-7126

Casa Grande
711 E Cottonwood Lane
Suite C
Casa Grande, AZ 85222-2725
(520) 836-8201
Fax (520) 426-9432

Pinetop
Post Office Box 527
Pinetop, AZ 85935-0527
(928) 367-2591
Fax (928) 367-3501

www.henryandhorne.com

2. The limited number of personnel prevents a proper segregation of accounting functions necessary to assure adequate internal controls. This is not unusual in entities of this size. Management should be constantly aware of this condition and realize that concentrations of duties in a limited number of personnel could create control situations that would allow personnel to misappropriate assets. This is especially evident with the CFD's. During the fiscal year ending June 30, 2006 the CFD administration manager handled all cash receipts and disbursements functions. She prepared invoices for payment, wrote checks by hand, and approved all cash reconciliations.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above are not material weaknesses. We also noted other matters involving the internal control over financial reporting, which we have reported to management of the City of Goodyear in a separate letter dated October 30, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that we reported to management of the City of Goodyear, in a separate letter dated October 30, 2006.

This report is intended for the information and use of the Honorable Mayor, Members of the Council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld, Meech & Co., P.C.

October 30, 2006

Appendix J

APPENDIX J

CC & N Ruling

Montage
HOLDINGS

April 2, 2007

David Iwanski
Water Resources Manager
Water Resources Department
P.O. Box 5100
5424 S. 157th Avenue
Goodyear, AZ. 85338

SUBJECT: CC&N FOR SONORAN VALLEY ANNEXATION/MOBILE

Dear Mr. Iwanski

In our meetings with Maricopa County and Maricopa Association of Governments regard to the MAG 208 application for the Sonoran Valley Annexation, a request was made to explain the current status of the CC&N for the region. I have attached a decision made by the Arizona Corporation Commission on February 14, 1991 that should answer any questions.

In the decision it was concluded that the Old Mobile Water Company did hold the CC&N from 1962 to 1977. In 1977 the Articles of Incorporation for Old Mobile were revoked. In 1982, the new Mobile Water Company was formed to take ownership of the CC&N that was held by Old Mobile Water Company. The decision of the Arizona Corporation Commission rendered on February 14, 1991 states that since Old Mobile never owned or constructed facilities to provide water, the CC&N is not valid and a new application should be made to secure a CC&N for the area.

Should you have any questions, please contact me at 480.346.9614.

Sincerely,

MONTAGE HOLDINGS LLC

Tim Keenan
Member.

Montage Holdings, LLC
6720 North Scottsdale Road • Suite 335
Scottsdale, Arizona • 85253
(480) 346-9600 • (480) 346-9696 facsimile

BEFORE THE ARIZONA CORPORATION COMMISSION

MARCIA WEEKS
CHAIRMAN
RENZ D. JENNINGS
COMMISSIONER
DALE H. MORGAN
COMMISSIONER

DOCKETED

FEB 14 1991

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF MOBILE WATER COMPANY FOR THE TRANSFER OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND/OR SALE OF ASSETS.	DOCKET NO. U-1849-88-269 DECISION NO. 57143 OPINION AND ORDER

DATE OF HEARING: August 2, 1990

PLACE OF HEARING: Phoenix, Arizona

PRESIDING OFFICER: Cheryl K. Hachman

APPEARANCES: Mr. Gordon Greenbank, President, Mobile Water Company, on behalf of Mobile Water Company; and

Ms. Janice M. Alward, Staff Attorney, Legal Division, Arizona Corporation Commission, on behalf of the Utilities Division of the Arizona Corporation Commission.

BY THE COMMISSION:

On October 20, 1988, the Mobile Water Company ("New Mobile") filed with the Arizona Corporation Commission ("Commission") an application for approval of the transfer of the certificate of public convenience and necessity ("certificate") of Mobile Water Company ("Old Mobile") to New Mobile. On December 18, 1989, the Commission's Utilities Division ("Staff") filed a Motion to Dismiss on the grounds that: Old Mobile does not exist and has not existed since May 10, 1977, when its Articles of Incorporation were revoked; New Mobile was incorporated five years later, on July 19, 1982, by new incorporators; and neither Old Mobile nor New Mobile have provided or constructed facilities to provide water service to

customers in Old Mobile's certificated service area. In its motion, Staff also suggested that since Old Mobile is no longer a legal entity which can agree to or request Commission approval of the transfer of a certificate, New Mobile should file an application for its own certificate.

In accordance with procedural orders issued on April 3, 1990 and May 2, 1990, New Mobile filed its response to Staff's Motion to Dismiss on May 24, 1990. In its response New Mobile asserted that the Motion to Dismiss should be denied because there are factual issues which must first be resolved and requested an opportunity for oral argument. New Mobile's response also includes a statement of facts which it believes supports denial of the Motion to Dismiss.

In a Procedural Order issued on July 16, 1990, the Commission granted New Mobile's request for oral argument and scheduled a hearing on the Motion to Dismiss.

DISCUSSION

In 1962, ten property owners organized Old Mobile to provide water service to themselves and other residents in a large area of undeveloped land (approximately 140,000 acres) which, in 1928, had been set aside by the federal government for homesteading by Afro-Americans. At the time Old Mobile was organized, there were only two small wells in the area (one owned by the local school and the other by a private landowner for his own use) and the residents hauled water in barrels to their property. Old Mobile was organized to meet the need of the existing residents for a water utility and to stimulate developement of the area, which had been inhibited by the lack of water. In Decision No. 34094 (September 24, 1962), the Commission granted Old Mobile a certificate to construct, operate

and maintain a domestic water system and furnish water service to residential and commercial consumers in the area, approved rates and charges for service and expressly reserved jurisdiction to delete 160 acres or more from the certificated service area upon request by a landowner. A map of Old Mobile's certificated service area is attached hereto as Appendix A.

Whether Old Mobile actually constructed or acquired a water system and provided service to customers after it received its certificate is disputed. On the basis of annual reports filed with the Commission for 1962 through 1974, Staff claims that Old Mobile never owned any water utility facilities and never provided service. In fact, the annual financial statements filed with the Commission's Incorporating Division for 1962 and 1963 (the "Corporate Reports") indicate that Old Mobile had issued stock and did own some land, while the Annual Water Utility Report (the "Utility Report") filed in 1969 indicates that Old Mobile had one well, two 10,000 gallon storage tanks and one pump. That 1969 report also indicates that Mobile had no transmission or distribution lines, no operating revenues and expenses and no customers. In any event the Corporate Reports for 1964 and 1965 indicate that Old Mobile was "inactive", and the Corporate Reports for 1966 through 1974 indicate that Old Mobile had no assets or liabilities. Similarily, the Utility Reports filed for 1976, 1977 and 1978 state that Old Mobile had no assets (including, in particular, wells, storage tanks and pumps) no liabilities, no operating revenues, no expenses and no customers. Further, Old Mobile's Articles of Incorporation were revoked in 1977 for failure to file its Corporate Reports and since then it has not been authorized to do business in Arizona.

On the other hand, New Mobile has provided sworn affidavits from four individuals that they received water service from Old Mobile over various periods of time ranging from 7 to 22 years. It also provided a letter from two former customers which states that into the late 1960s they and approximately 15 farm families received water service from Old Mobile. With respect to utility facilities, Mr. Greenbank, New Mobile's president, stated that Old Mobile once owned 10 acres of land with a well but lost title due to foreclosure. Thus, New Mobile could not and did not acquire the well site from Old Mobile's former stockholders.

New Mobile was incorporated in 1982, about five years after Old Mobile ceased to exist. Although it has the same name as Old Mobile, it is an entirely different corporation. Since 1982 it has acquired certificates for 122,350 shares of Old Mobile common stock from four of Old Mobile's former shareholders.

Based on the available documents and the information provided at the hearing, it appears that at some point in time Old Mobile did own some water utility facilities and did provide water service to a small number of customers. However, whether, when and how Old Mobile provided service is immaterial: Old Mobile ceased to exist in 1977. Therefore, to the extent an entity called Mobile Water Company continued to provide water service after 1977, it did so as a partnership comprised of individuals who owned its stock at the time Old Mobile's Articles of Incorporation were revoked. Each of those former stockholders owned an undivided interest in Old Mobile's assets, including, in particular, its certificate. Although those individuals could transfer their undivided ownership interest in any of Old Mobile's assets (assuming they were not

encumbered) they could no longer do so by selling Old Mobile's stock. Thus, when New Mobile acquired some or all Old Mobile's common stock five years after Old Mobile's Articles of Incorporation were revoked, New Mobile did not thereby acquire ownership of Old Mobile's certificate. Ownership of the certificate remains with the former shareholders/partners. If they want the certificate transferred to New Mobile, they can and should file an application seeking approval of the transfer. They have not done so. Therefore, New Mobile's application will be dismissed.

FINDINGS OF FACT

1. In Decision No. 34094, the Commission granted Old Mobile a certificate of public convenience and necessity to provide water service to the public in the area shown on Appendix A.

2. On May 10, 1977, Old Mobile's Articles of Incorporation were revoked.

3. Old Mobile does not exist, is not an entity which can sue or be sued, and can not do business in Arizona.

4. In 1982, Mr. Gordon Greenback and Mr. C. Gregory Eagleburger incorporated New Mobile.

5. Neither Mr. Greenback nor Mr. Eagleburger were shareholders of Old Mobile.

6. The former shareholders of Old Mobile did not organize and do not own the common stock of New Mobile.

7. From June 1982 through September 1983, New Mobile acquired certificates for 122,350 shares of Old Mobile common stock.

8. On October 20, 1988, New Mobile filed an application for approval of the transfer of Old Mobile's certificate to New Mobile.

9. Old Mobile's former shareholders have not filed an application for approval of the transfer of the Old Mobile certificate to New Mobile.

CONCLUSIONS OF LAW

1. When Old Mobile's Articles of Incorporation were revoked, it was no longer authorized to do business as a corporation in Arizona.

2. When Old Mobile's Articles of Incorporation were revoked, its shareholders became the holders of the certificate, as a partnership, by operation of law.

3. When New Mobile acquired some or all of the shares of a defunct corporation, it did not thereby acquire the certificate granted in Decision No. 34094.

4. The holders of a certificate are necessary parties to an application for approval of the transfer of their certificate.

5. The holders of the certificate granted in Decision No. 34094 have not applied for approval of the transfer of that certificate.

6. In view of the foregoing facts and circumstances, New Mobile's application for approval of the transfer of the certificate granted in Decision No. 34094 should be dismissed.

ORDER

IT IS THEREFORE ORDERED that the application of Mobile Water Company for approval of the transfer of the certificate of public convenience and necessity granted by the Arizona Corporation Commission in Decision No. 34094 (September 24, 1962) be, and hereby is, dismissed.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN COMMISSIONER COMMISSIONER

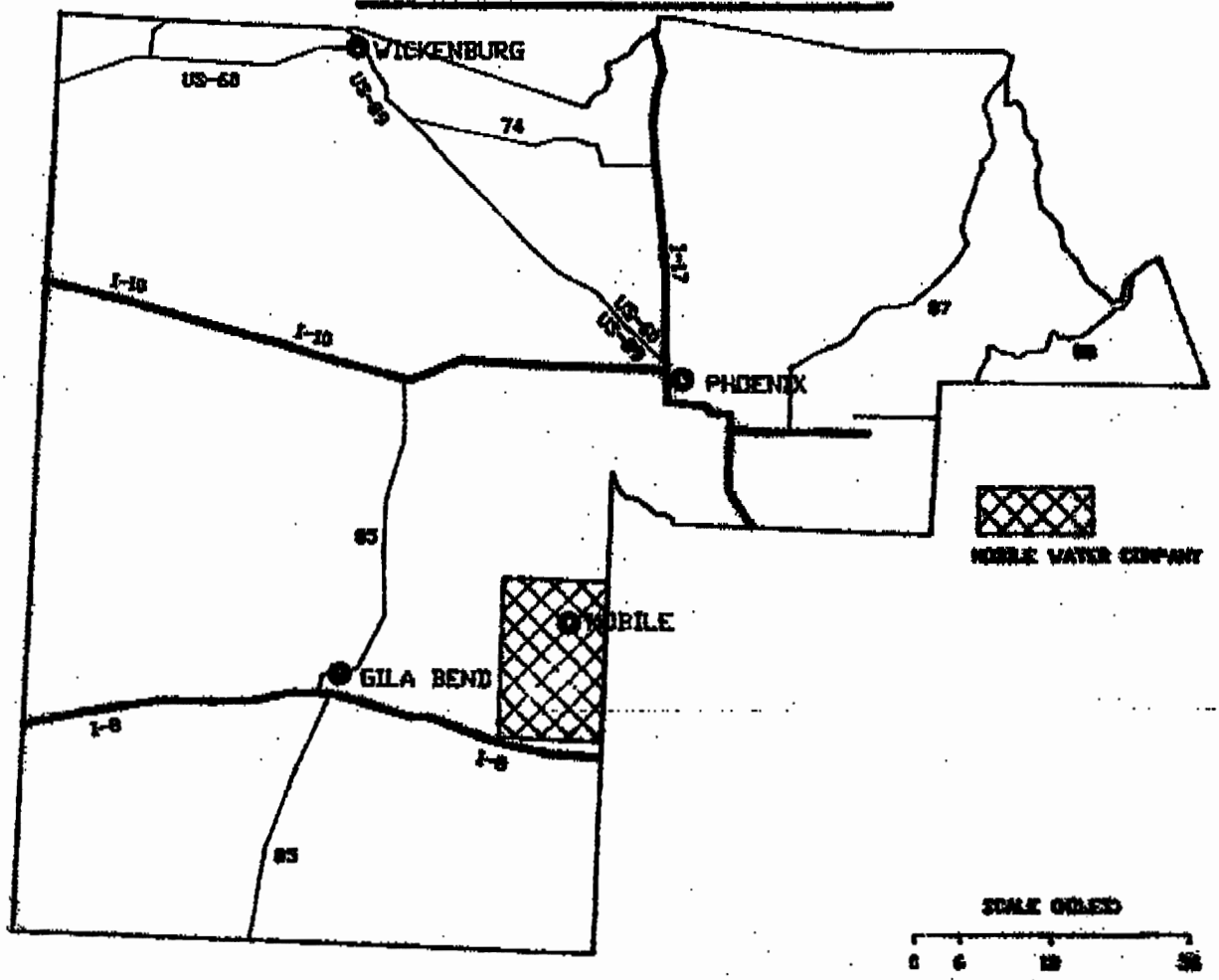
IN WITNESS WHEREOF, I, JAMES MATTHEWS, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 19 day of February, 1991.

JAMES MATTHEWS
EXECUTIVE SECRETARY

DISSENT _____

CKH:11

MARICOPA COUNTY



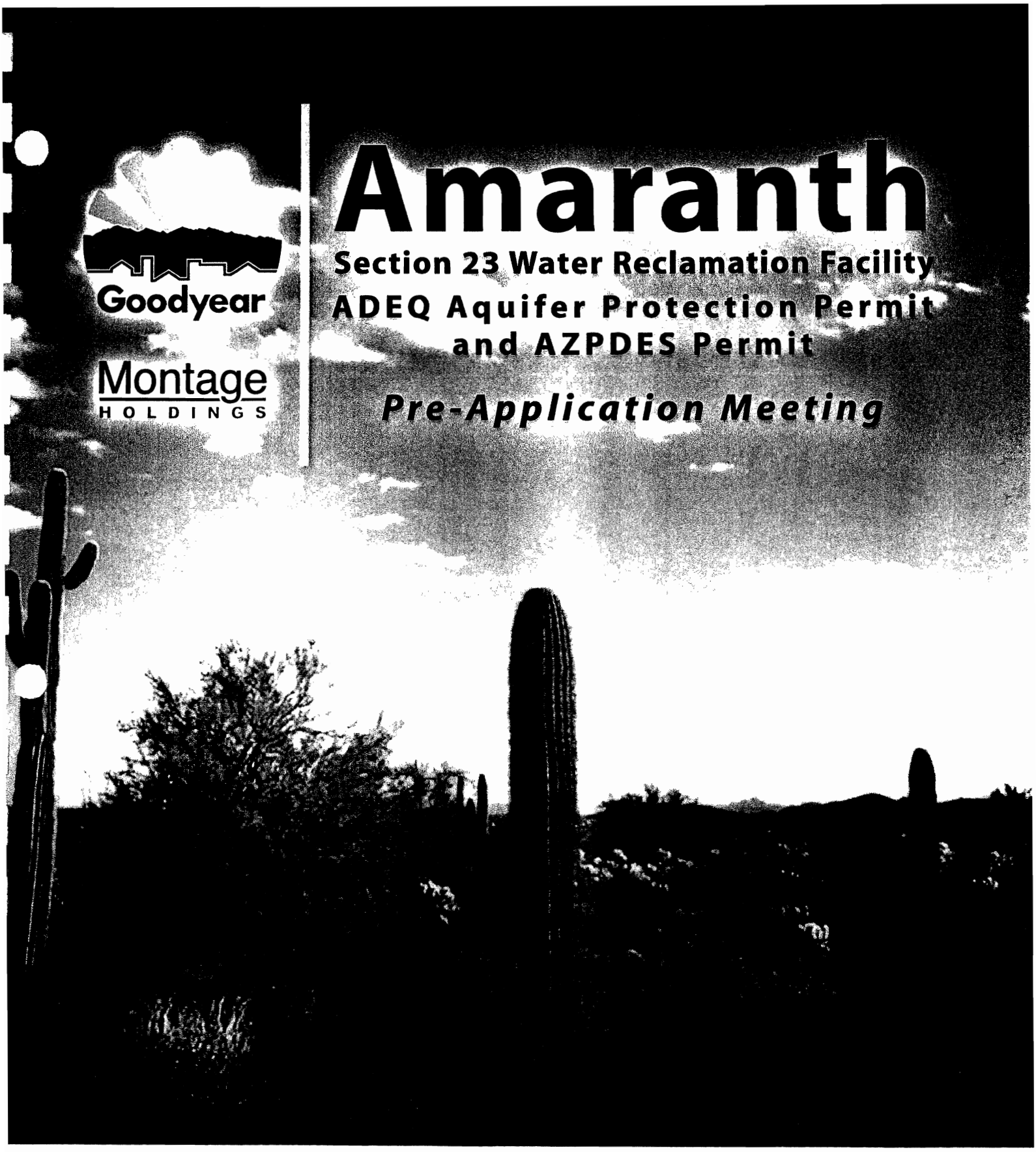
Appendix K

APPENDIX K

ADEQ Pre-Application Meeting

SIGN IN SHEET
AMARANTH Goodyear WWTP May 30, 2007

Name	Company OR Agency / Section / Unit	Phone #	
John Dennis	ADEQ WQS/TSU	(602) 771-4458	
Jennifer Hill	ADEQ Surface water Permits	(602) 771-4675	
Jacqueline Maye	ADEQ WQD/SPRU	(602) 771-4607	
Mike Whitten	ADEQ /WQS/TSU	771-4869.	
Bob Manley	ADEQ WQS/APP+Reuse	(602) 771-4498	RM4@azdeq.g
David Iwanski	Goodyear	623-882-7062 diwanski@goodyearaz.gov	
Steve Todd	Wilson Engineers	480-821-9249	



Amaranth

Section 23 Water Reclamation Facility
ADEQ Aquifer Protection Permit and AZPDES Permit

Pre-Application Meeting

Project No. 07-011

May 30, 2007

WILSON ENGINEERS

Arizona Department of Environmental Quality

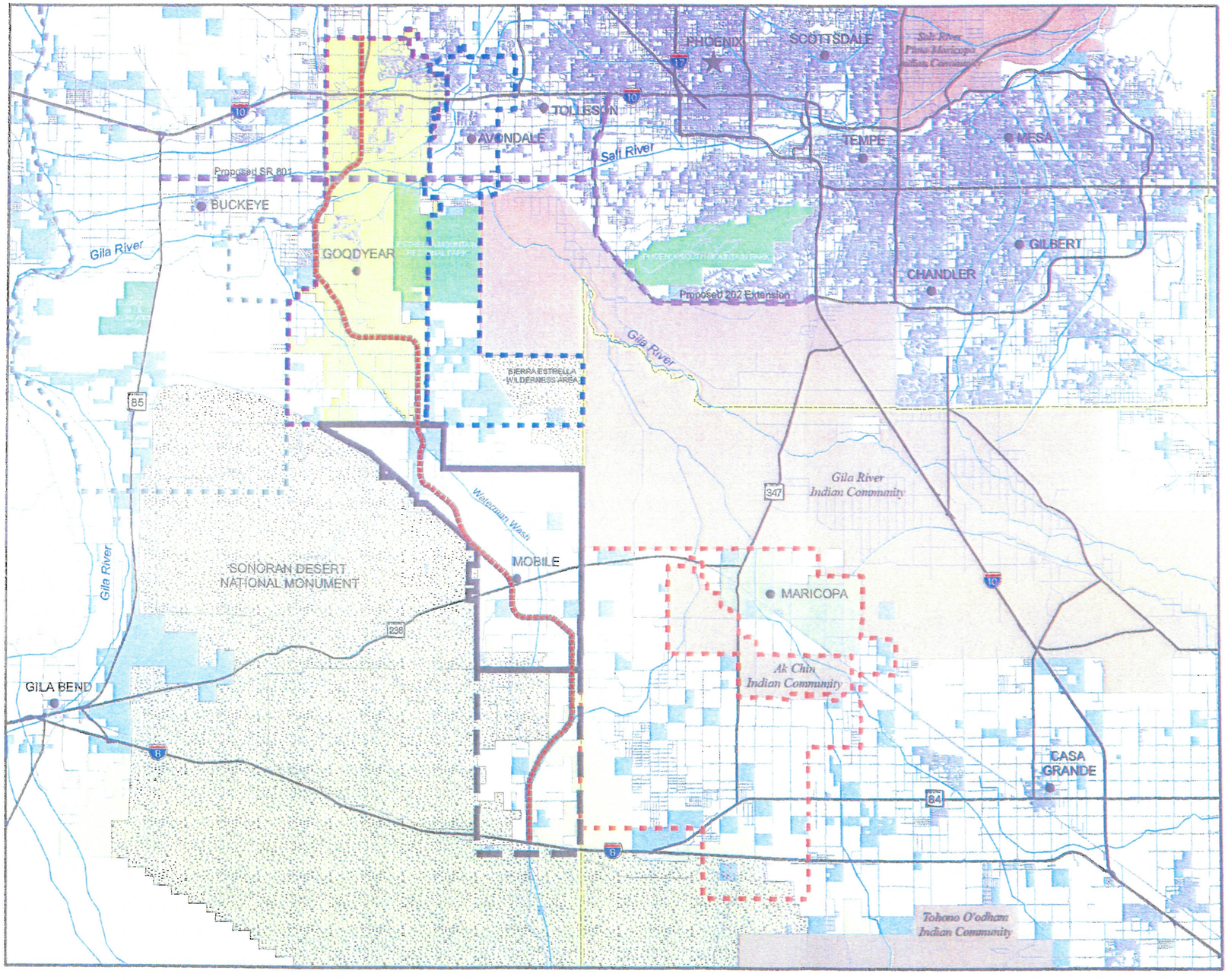
Pre-Application Meeting

Amaranth Water Reclamation Facilities

5/30/07

1. Introduction
2. Purpose of the Meeting
   - Provide necessary information to obtain an APP Permit for the proposed water reclamation facilities.
3. Locations of Facilities:
   - General Location: South of the City of Goodyear within the new MPA. Refer to the Planning Area Map and Service Area Map, enclosed for reference.
4. Proposed Facilities:
   - Influent Pumping
   - Influent Grinder
   - Influent Metering
   - Activated Sludge Secondary Treatment with Biological Nutrient Removal
   - Clarification
   - Filtration
   - Disinfection
   - Effluent Pumping
   - Sludge Handling
   - Noise and Odor Control Facilities
5. Discharge Characterization:
   - Discharge rate = 0.6 MGD
   - Effluent quality = A+
6. Planned Use of Effluent:
   - Irrigation
   - Recharge
   - Discharge

7. Planned Life of Facility:
    - Will serve as WRF while flows within the area are relatively low, then transition into scalping plant that will just treat the required flows to satisfy the adjacent reclaimed water needs of Goodyear as flows increase.
8. Previous Facility Discharges:
    - None
9. BADCT:
    - Refer to Chapter 2 in the Design Report
10. Schedule:
    - APP application will be submitted in June 2007



Sonoran Valley Planning Area

Regional Context Map

- Proposed Sonoran Valley Planning Area Phase 1
- Future Proposed Vekol Valley Planning Area Phase 2
- Sonoran Desert National Monument
- BLM
- Indian Lands
- Arizona State Land Department (ASLD)
- County Boundary
- City of Goodyear Municipal Planning Area
- City of Avondale Municipal Planning Area
- Town of Buckeye Municipal Planning Area
- City of Maricopa Municipal Planning Area
- City of Goodyear Municipal Limits
- City of Maricopa Municipal Limits
- Proposed SR 303 Alignment
- Proposed SR 801 & Loop 202
- Freeways/Highways
- Arterials/Roads
- Rivers/Drainage

0 2.5 5 10
Miles

Goodyear

RBF GIS

The data displayed on the exhibit maps is based on available Government Agency information. For Planning Use Only. Map Revised July 2008

WILSON ENGINEERS

City of Goodyear
Sonoran Valley Planning Area 208 Plan
Regional Context Map

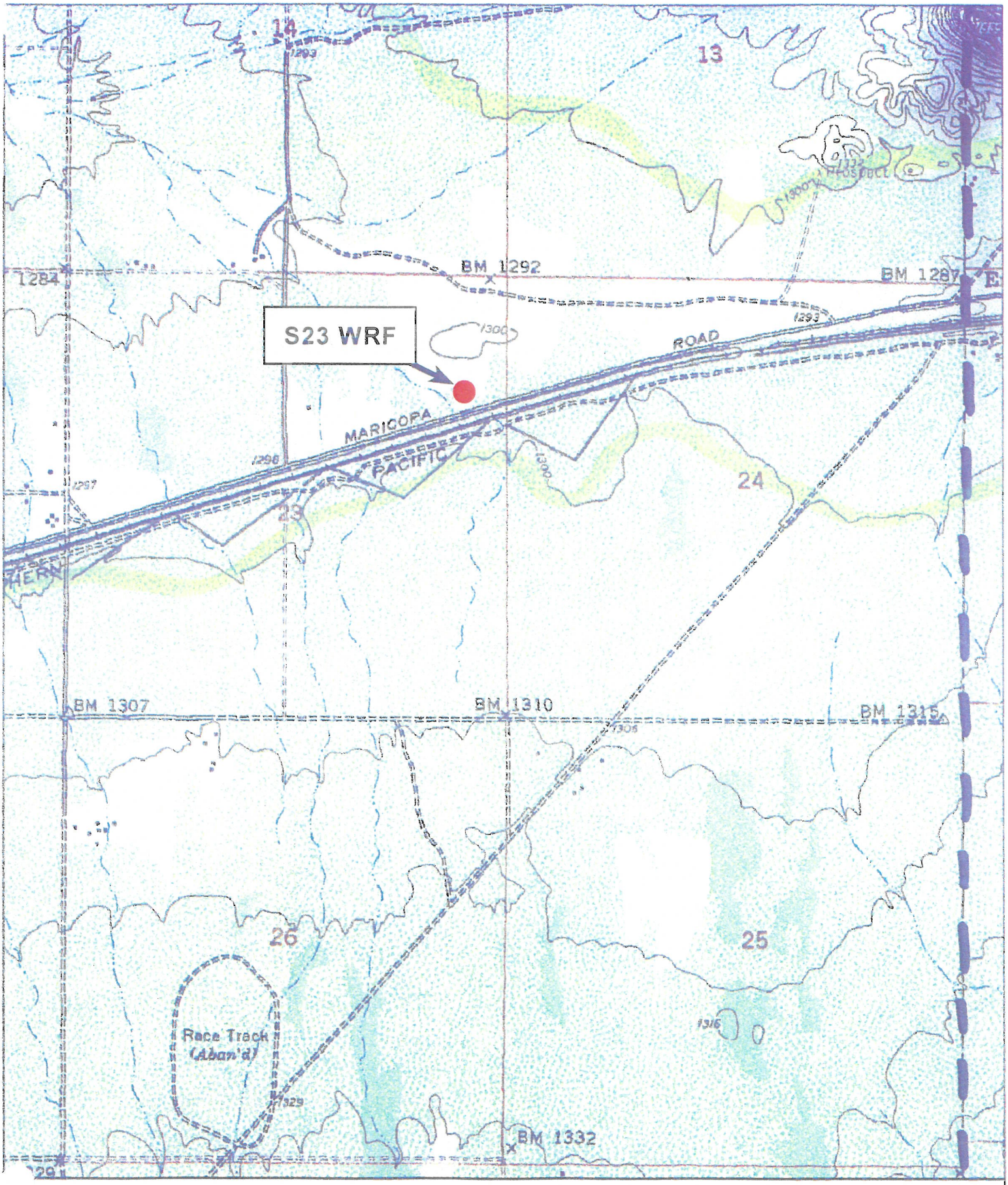
Figure 2

WILSON ENGINEERS

CITY OF GOODYEAR
AMARANTH SECTION 23 WRF
SERVICE AREA

FIGURE 1-1

May 2007



Amaranth S23 WRF
Location Map

WILSON ENGINEERS

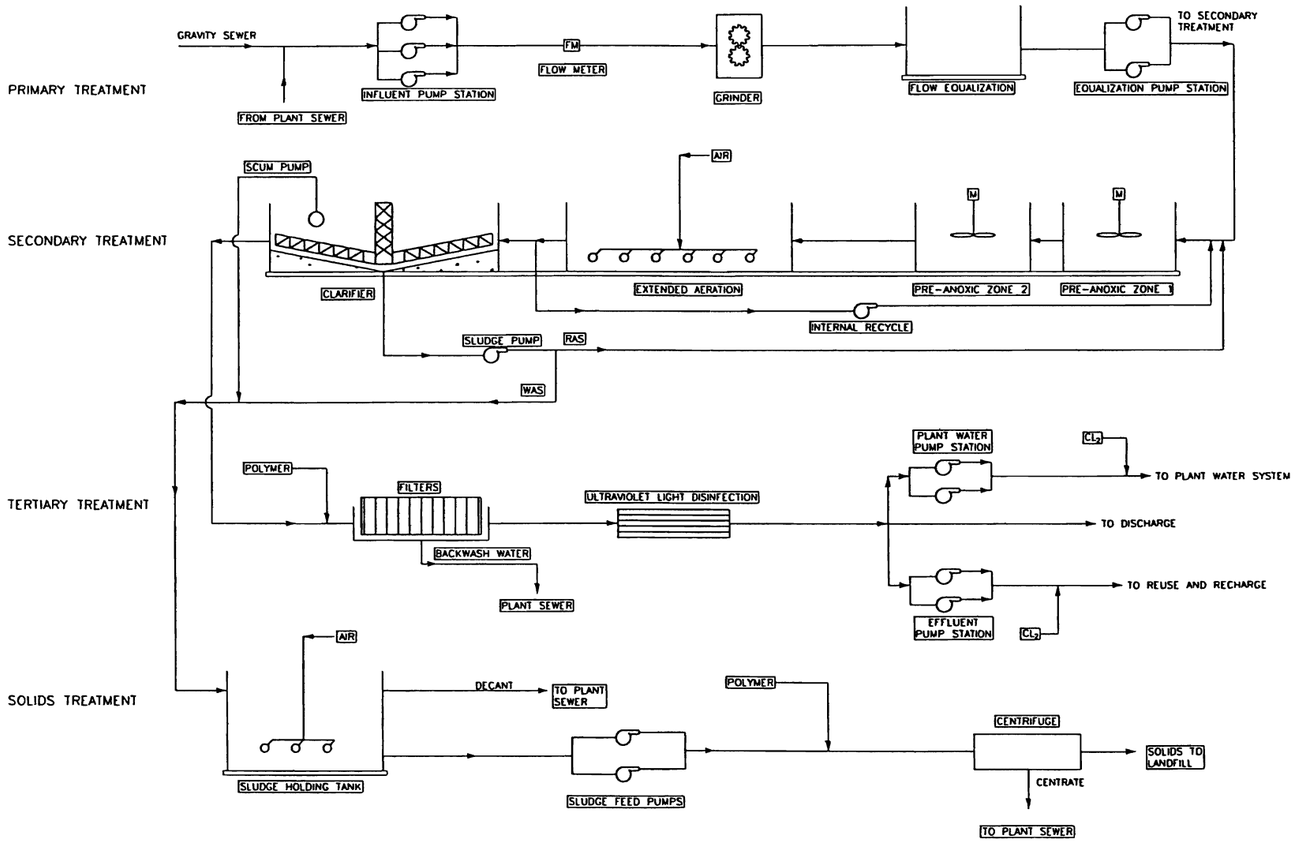


FIGURE 2-1

WILSON ENGINEERS
9633 South 48th Street, Suite 290
Phoenix, Arizona 85044-5858
Phone: (480) 893-8860
Improving Arizona's Infrastructure Since 1942

AMARANTH
SECTION 23 WATER RECLAMATION FACILITY
PROCESS FLOW SCHEMATIC

WILSON PROJECT NO. 07-013

Design: SMT
Drawn: NBG
Checked: SMT
Date: 5/07
Wilson Project No.: 07013

Revision	Date	Description	By

Sheet No.

XREF: TB-07013

PRELIMINARY - NOT FOR CONSTRUCTION OR RECORDING

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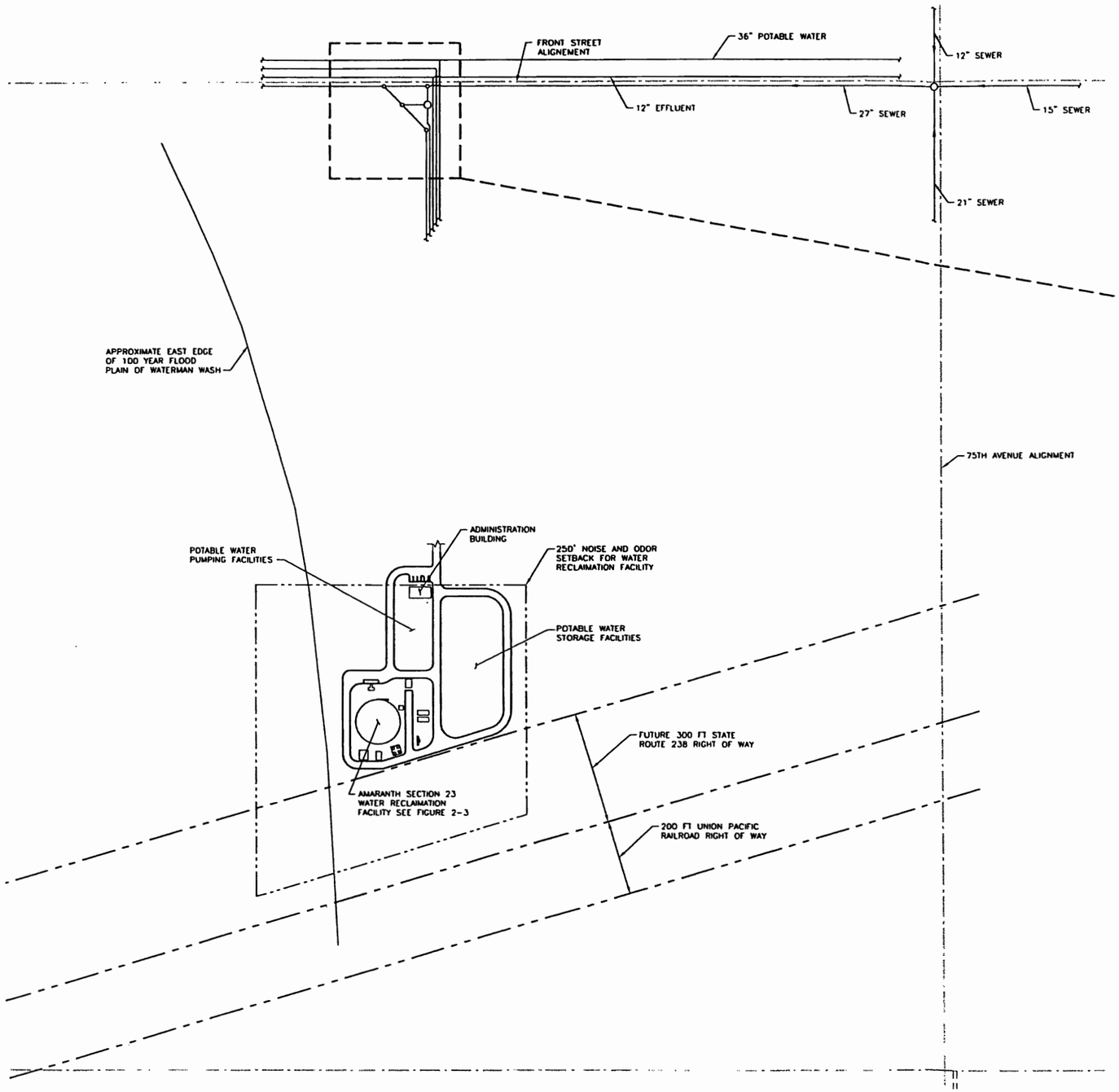
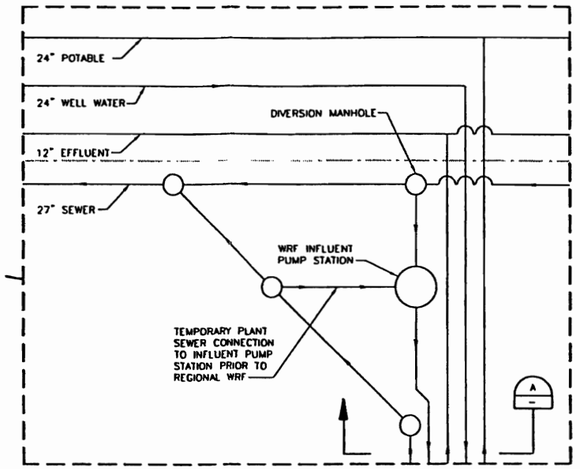
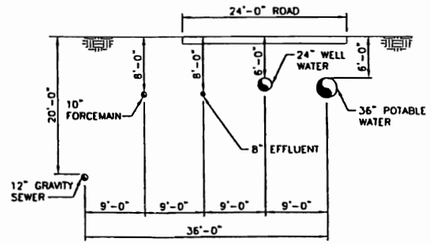


PLAN
SCALE: 150'-0"



PIPING DETAIL



PIPING SECTION ON ENTRANCE ROAD

SECTION A
NOT TO SCALE

FIGURE 2-2

WILSON ENGINEERS
9633 South 48th Street, Suite 290
Phoenix, Arizona 85044-5858
Phone: (480) 893-8860
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AMARANTH
SECTION 23 WATER RECLAMATION FACILITY
AREA SITE PLAN

WILSON PROJECT NO. 07-013

Design: SMT	Drawn: KJG	Checked: SMT
Date: 5/07	Wilson Project No.: 07013	

Revision	Date	Description	By

Sheet No.

XREF: 70130047, CP-SITE, CX-SITE, EM-Parcel Ownership - Area 2 - 11x17exhibit & TB-07013

PRELIMINARY - NOT FOR CONSTRUCTION OR RECORDING
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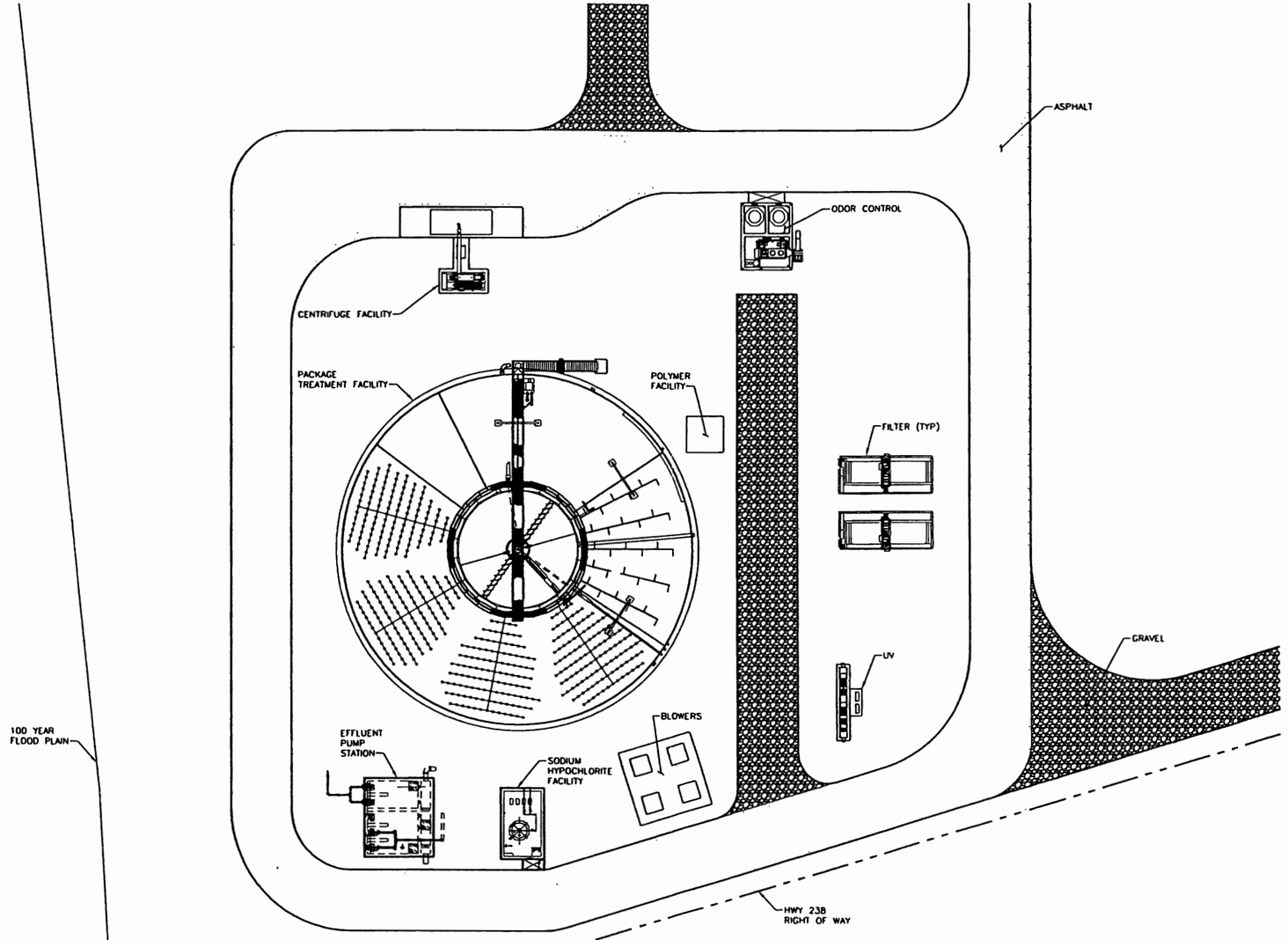


PLAN
SCALE: 1"=20'

FIGURE 2-3

WILSON ENGINEERS
9633 South 48th Street, Suite 290
Phoenix, Arizona 85044-5858
Phone: (480) 893-8880
Improving Arizona's Infrastructure Since 1942

AMARANTH
SECTION 23 WATER RECLAMATION FACILITY
WRF SITE PLAN
WILSON PROJECT NO. 07-013

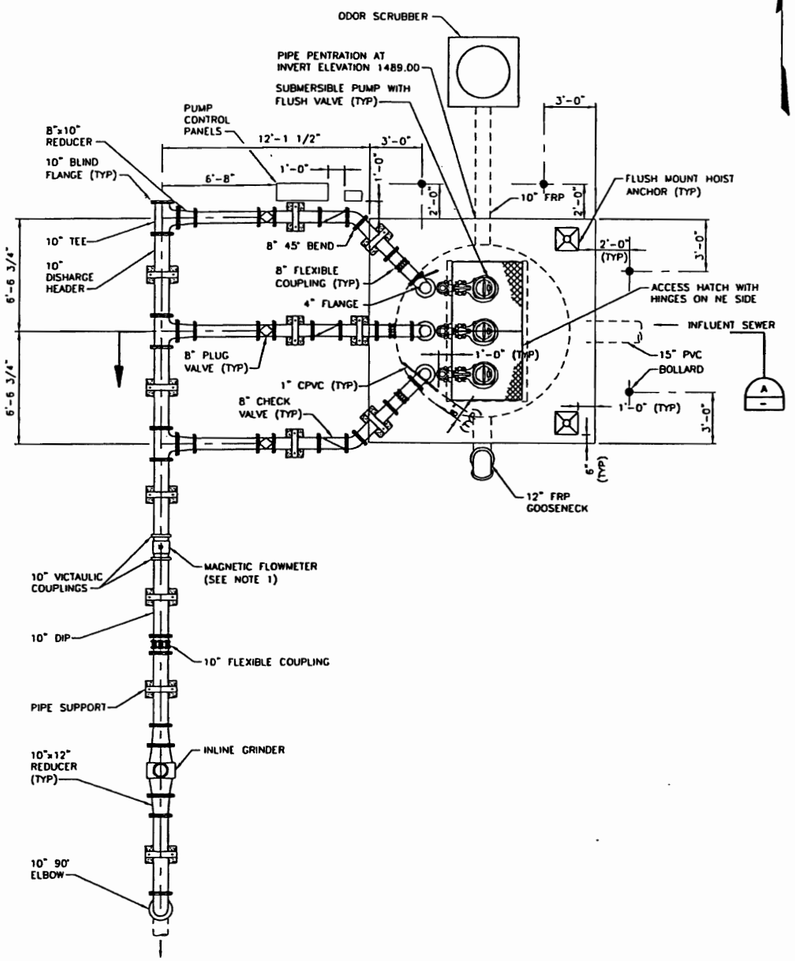
Design: SWT	Drawn: KJG	Checked: SWT
Date: 5/07	Wilson Project No.: 07013	

Revision	Date	Description	By

Sheet No.

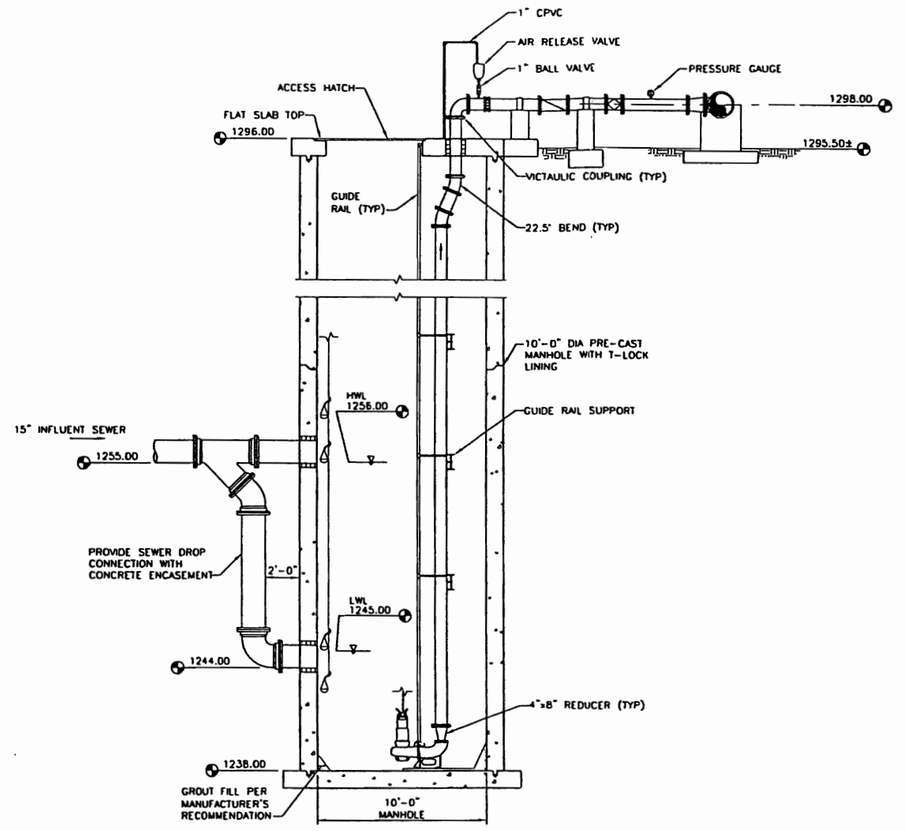
XREF: CP-SITE, CX-SITE, CP-PAVE, EM-Parcel Ownership - Area 2 - 11x17exhibit, 701J0011, 701J0035, 701J0042, 701J0048, 701J0050, 701J0055, 701J0052 # TB-07013

PRELIMINARY - NOT FOR CONSTRUCTION OR RECORDING



NOTE:
1. CONTRACTOR SHALL PROVIDE SPOOL PIECES TO CONNECT BETWEEN FITTINGS DURING FLOWMETER OR GRINDER MAINTENANCE.

PLAN
SCALE: 1/4"=1'-0"



SECTION A
SCALE: 1/4"=1'-0"

FIGURE 3-1

WILSON ENGINEERS
9633 South 48th Street, Suite 290
Phoenix, Arizona 85044-5658
Phone: (480) 893-8860
Improving Arizona's Infrastructure Since 1942

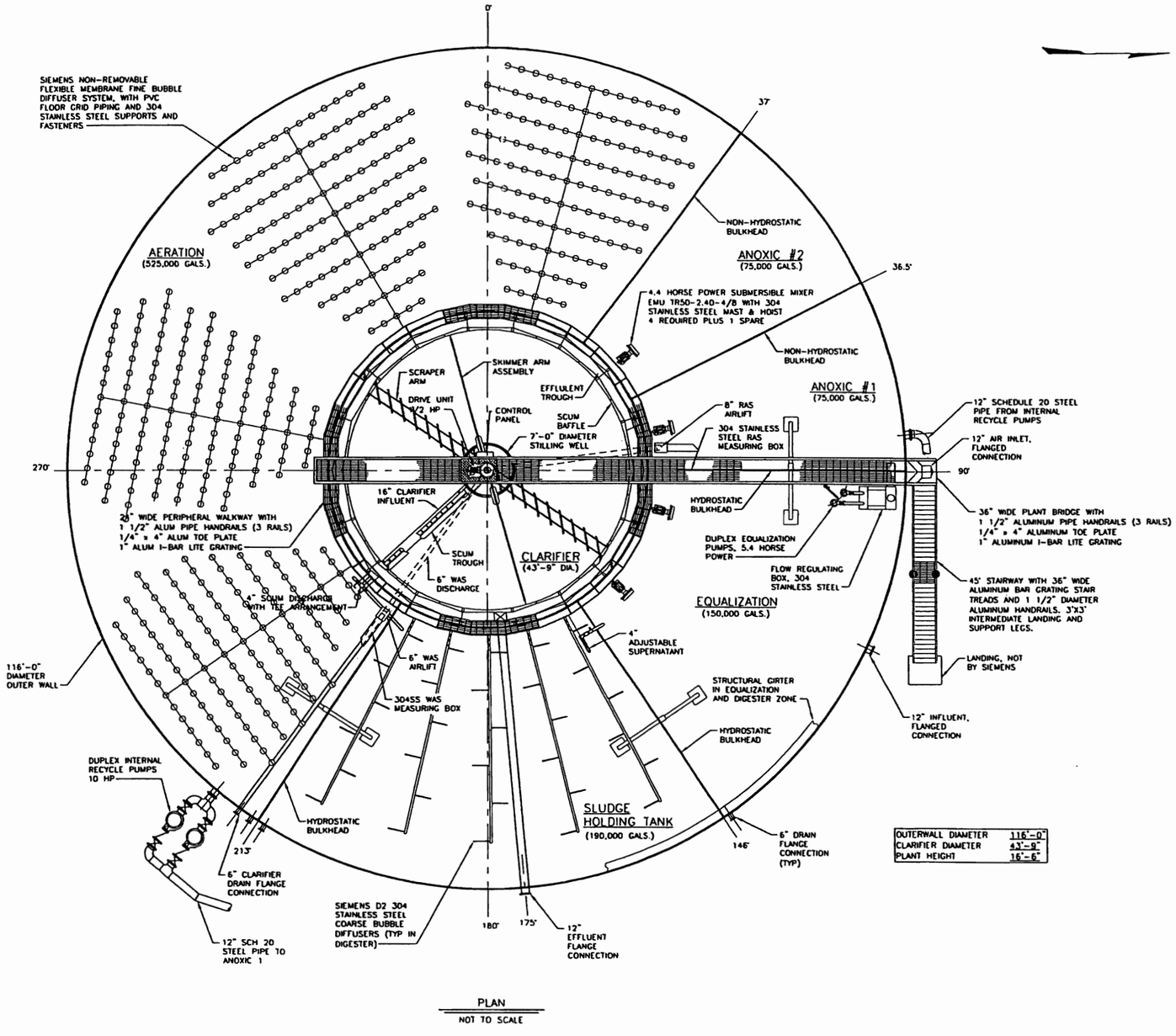
AMARANTH WATER RECLAMATION FACILITY
SECTION 23 WATER RECLAMATION FACILITY
INFLUENT PUMP STATION
PLAN AND SECTIONS
WILSON PROJECT NO. 07-013

Design:	RMO	Drawn:	FH	Checked:	SMT
Date:	5/07	Wilson Project No.: 07013			

Revision	Date	Description	By

XREF: WWTPSITE, WWWTPYPIPE, 70130019, TB-07013

PRELIMINARY - NOT FOR CONSTRUCTION OR RECORDING



OUTERWALL DIAMETER	116'-0"
CLARIFIER DIAMETER	43'-9"
PLANT HEIGHT	16'-6"

PLAN
NOT TO SCALE

FIGURE 4-1

XREF: 70130035 & TB-07013

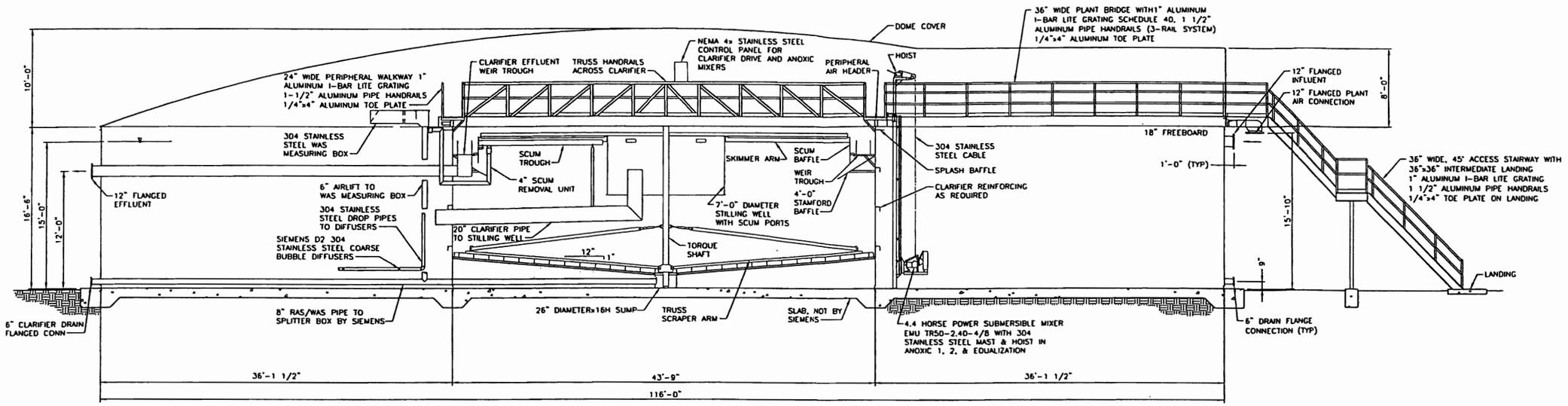
WILSON ENGINEERS
9633 South 48th Street, Suite 290
Phoenix, Arizona 85044-5858
Phone: (480) 893-8860
Improving Arizona's Infrastructure Since 1942

AMARANTH
SECTION 23 WATER RECLAMATION FACILITY
TREATMENT BASIN PLAN
WILSON PROJECT NO. 07-013

Design: SMT	Drawn: KLC	Checked: SMT
Date: 5/07	Wilson Project No.: 07013	

Revision	Date	Description	By

PRELIMINARY - NOT FOR CONSTRUCTION OR RECORDING



SECTIONAL ELEVATION

(SOME ITEMS ROTATED OR OMITTED FOR CLARITY)

SECTION A

SCALE: 3/16"=1'-0"

FIGURE 4-2

XREF: 70130D36 & TB-07013

WILSON ENGINEERS
9833 South 48th Street, Suite 290
Phoenix, Arizona 85044-5858
Phone: (480) 893-8860
Improving Arizona's Infrastructure Since 1942

AMARANTH
SECTION 23 WATER RECLAMATION FACILITY
TREATMENT BASIN SECTION

WILSON PROJECT NO. 07-013

Design:	RHO	Drawn:	KLC	Checked:	SMT
Date:	5/07	Wilson Project No.: 07013			

Revision	Date	Description	By

PRELIMINARY - NOT FOR CONSTRUCTION OR RECORDING

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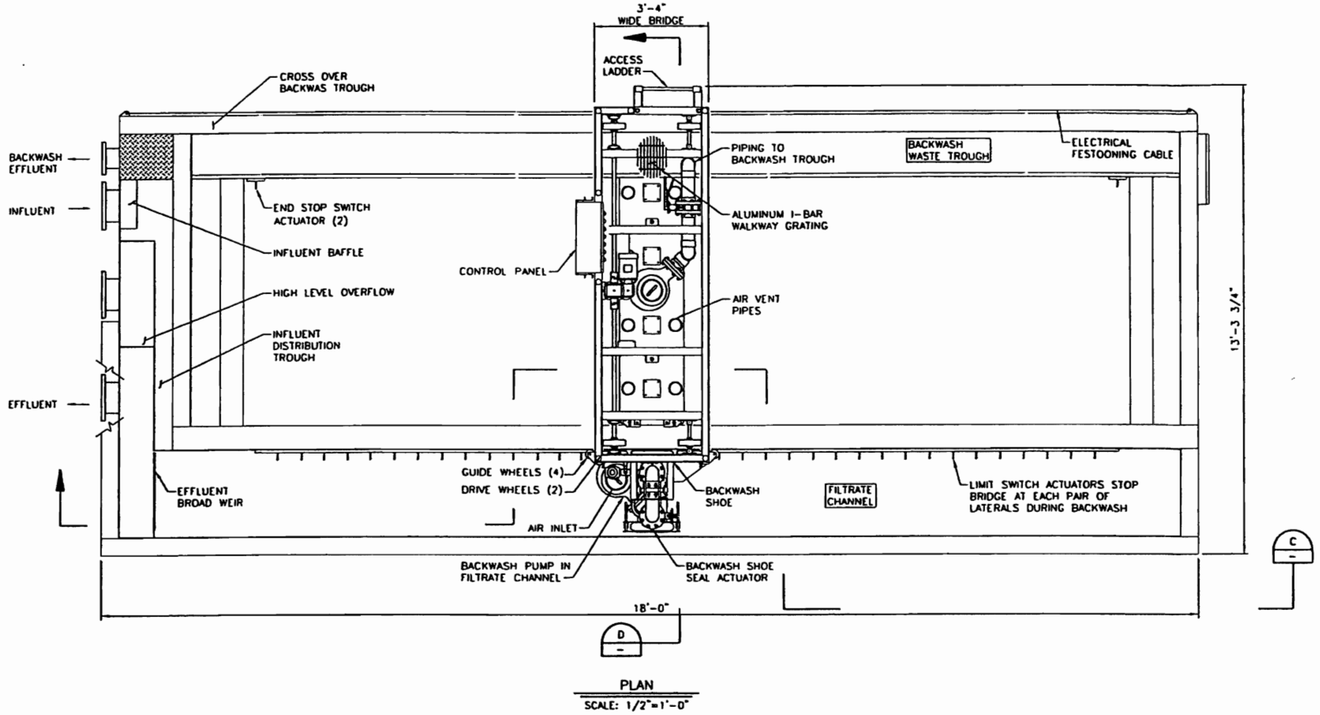
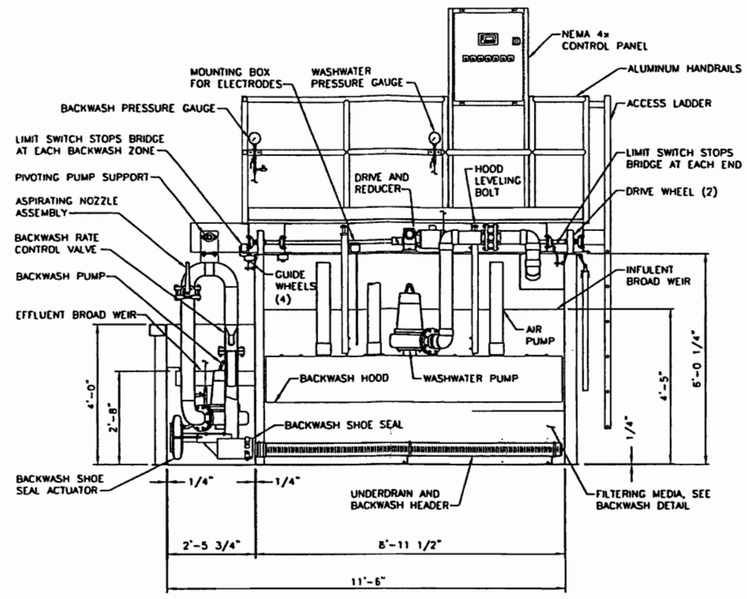
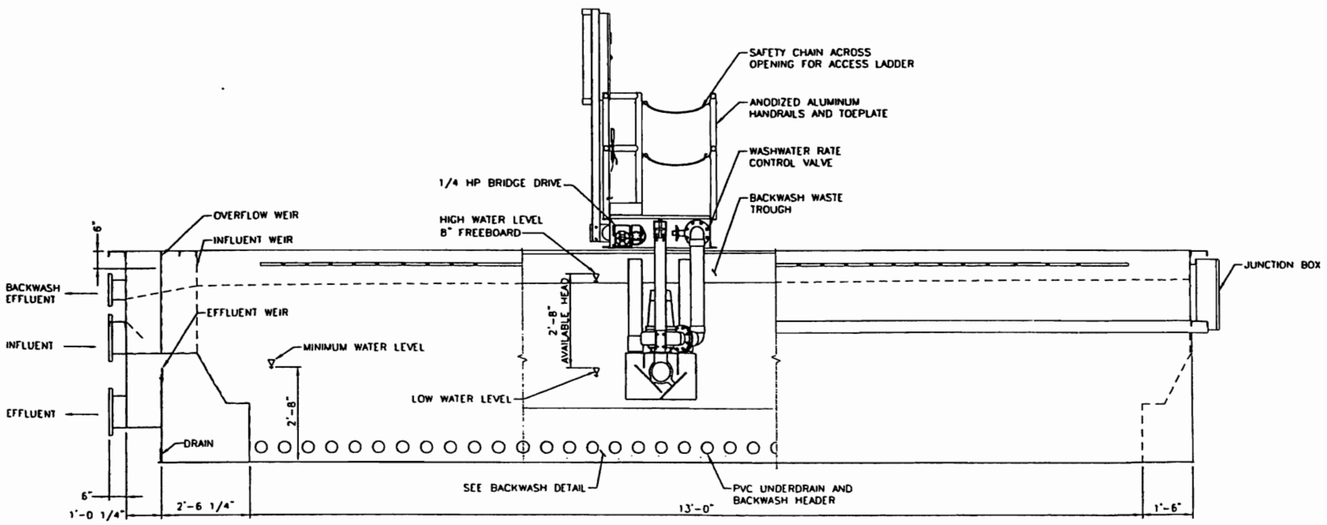


PLAN
SCALE: 1/2"=1'-0"



SECTION
SCALE: 1/2"=1'-0"



NOTE:
1 HIGH LEVEL OVERFLOW IS NOT SHOWN IN THIS VIEW

SECTION
SCALE: 1/2"=1'-0"

FIGURE 5-1

WILSON ENGINEERS
9633 South 48th Street, Suite 290
Phoenix, Arizona 85044-5858
Phone: (480) 893-8880
Improving Arizona's Infrastructure Since 1942

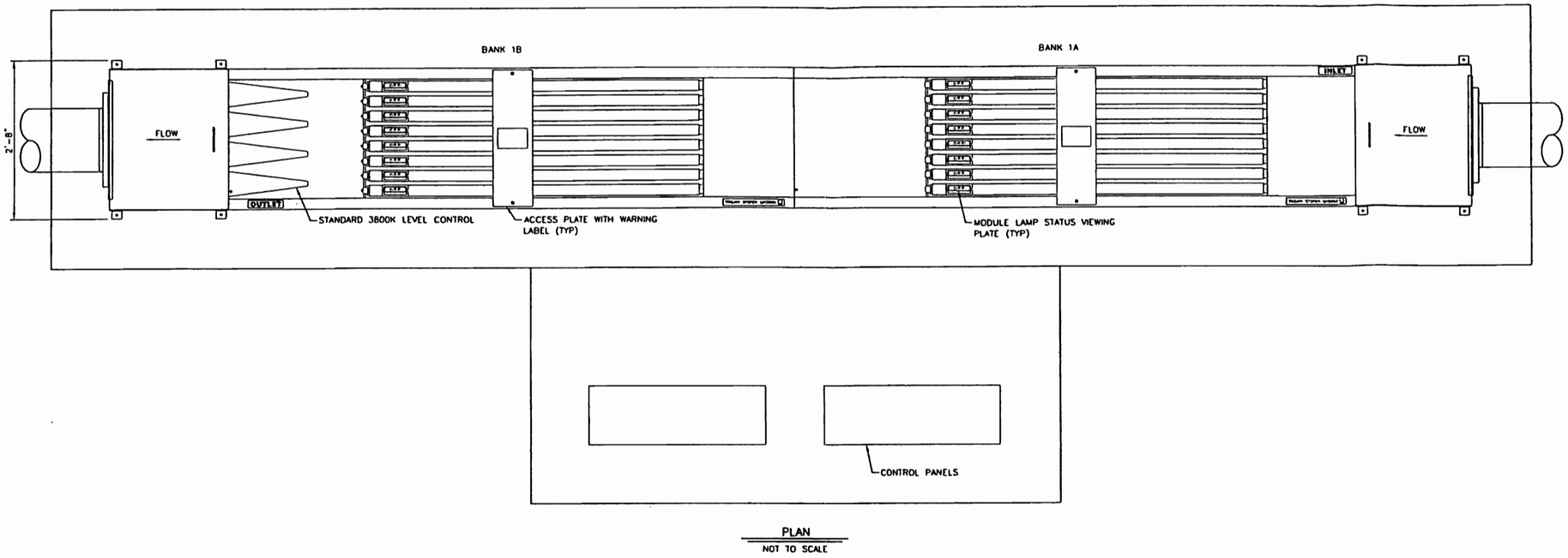
AMARANTH
SECTION 23 WATER RECLAMATION FACILITY
TRAVELING BRIDGE FILTER PLAN AND SECTIONS
WILSON PROJECT NO. 07-013

Design: RNO	Drawn: NBG	Checked: SMT
Date: 5/07	Wilson Project No.: 07013	

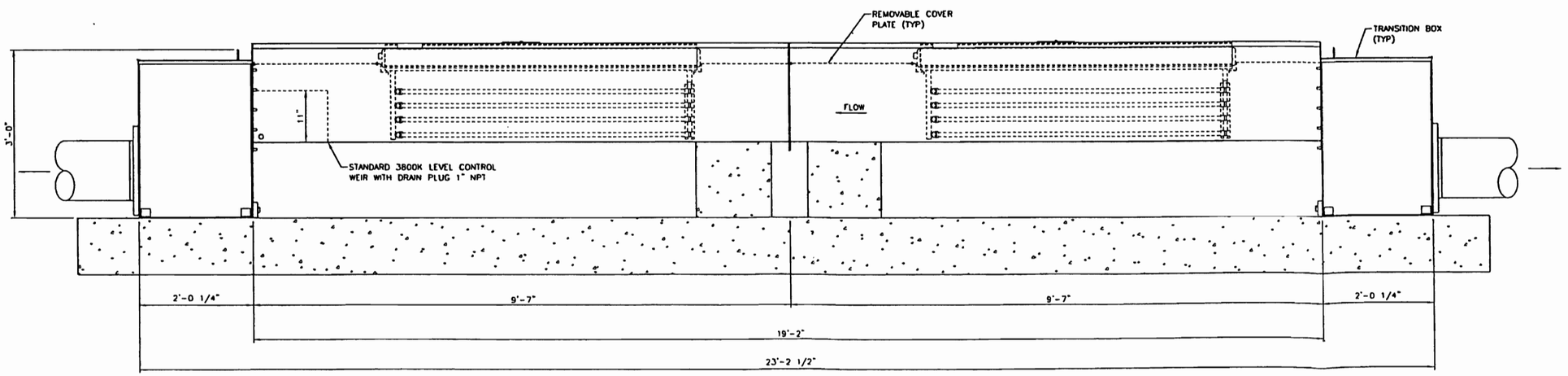
Revision	Date	Description	By

XREF: 70130009, 70130010, 70130011, & TB-07013

PRELIMINARY - NOT FOR CONSTRUCTION OR RECORDING



PLAN
NOT TO SCALE



FRONT VIEW

FIGURE 6-1

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AMARANTH
SECTION 23 WATER RECLAMATION FACILITY
UV DISINFECTION
PLAN AND SECTIONS
WILSON PROJECT NO. 07-013

Design: RHO	Drawn: KLC	Checked: SMT
Date: 5/07	Wilson Project No.: 07013	

Revision	Date	Description	By

XREF: 70130050, 70130051 & TB-07013

PRELIMINARY - NOT FOR CONSTRUCTION OR RECORDING
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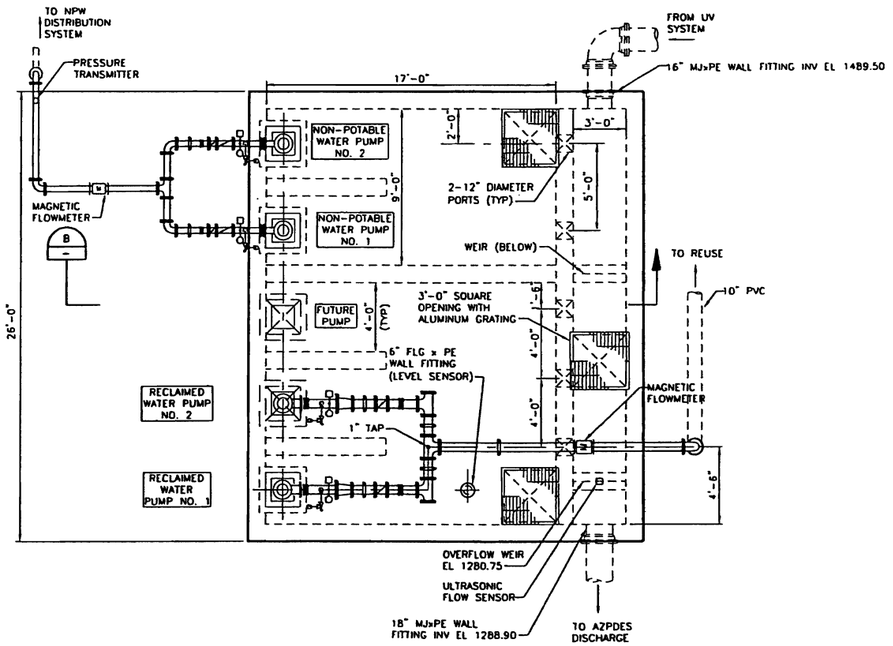
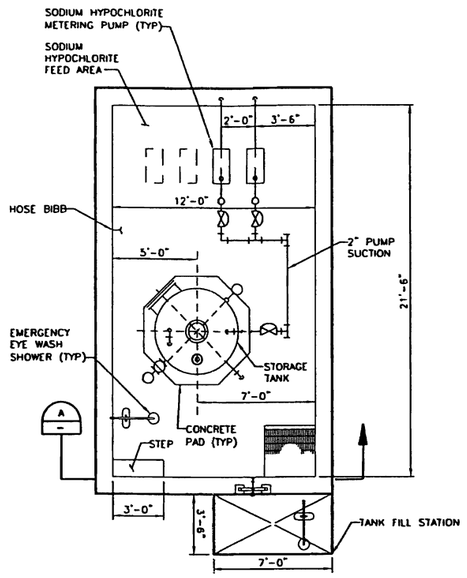
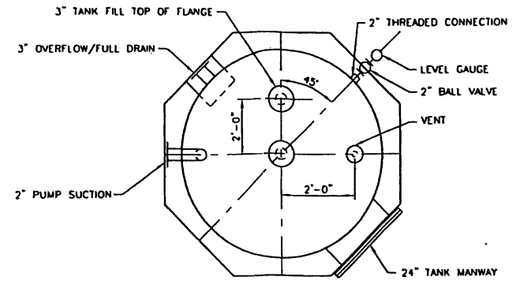


PLAN

SCALE: 1/4"=1'-0"

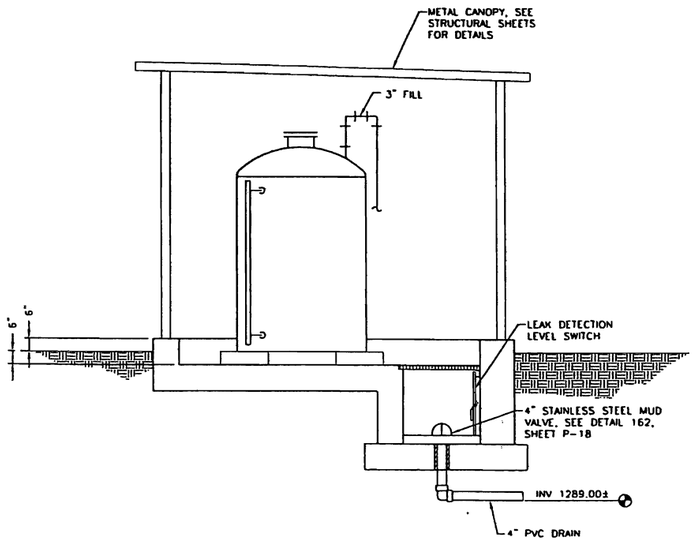




TANK FITTING

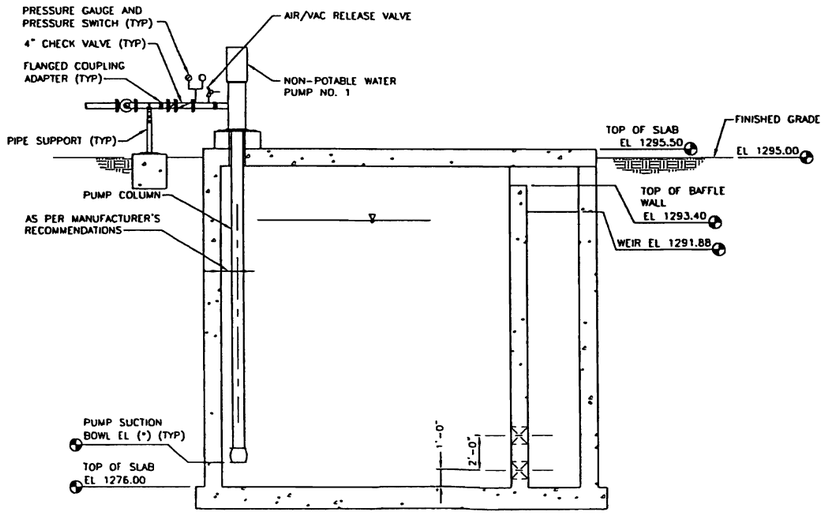
PLAN

NOT TO SCALE



SECTION A

SCALE: 3/8"=1'-0"

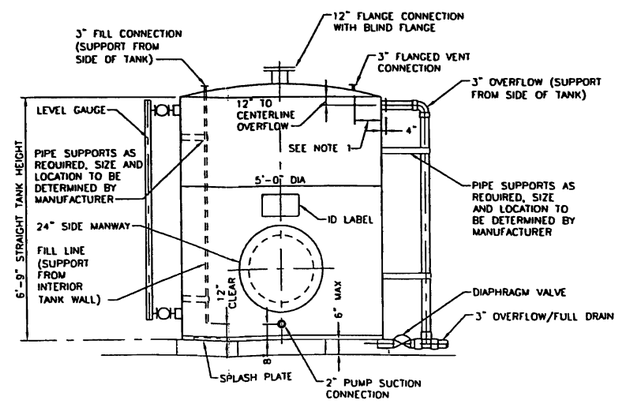


NOTE:

1 (*) DENOTES DIMENSION OR ELEVATION TO BE DETERMINED ACCORDING TO EQUIPMENT FURNISHED

SECTION B

SCALE: 1/4"=1'-0"



NOTE:

1. PROVIDE LOW LEVEL SENSOR, AS RECOMMENDED BY MANUFACTURER.

SODIUM HYPOCHLORITE STORAGE TANK ARRANGEMENT

DETAIL B

NOT TO SCALE

FIGURE 7-1

WILSON ENGINEERS
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AMARANTH
SECTION 23 WATER RECLAMATION FACILITY
EFFLUENT PUMP STATION
AND CHEMICAL FACILITY PLAN AND SECTIONS

WILSON PROJECT NO. 07-013

Design:	PJN	Drawn:	KLC	Checked:	SMT
Date:	5/07	Wilson Project No.:	07013		
Revision	Date	Description			By

XREF: 701J0029, 701J0030, 701J0031, 701J0032 & TB-07013

PRELIMINARY - NOT FOR CONSTRUCTION OR RECORDING

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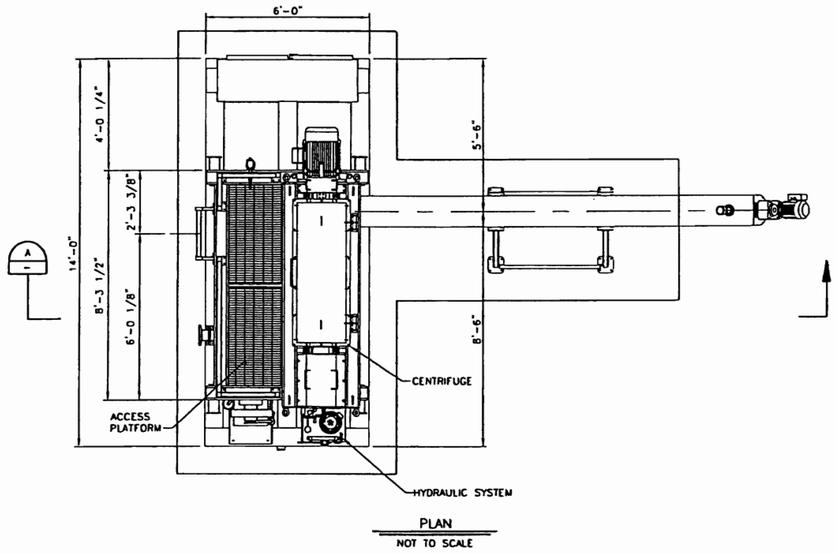
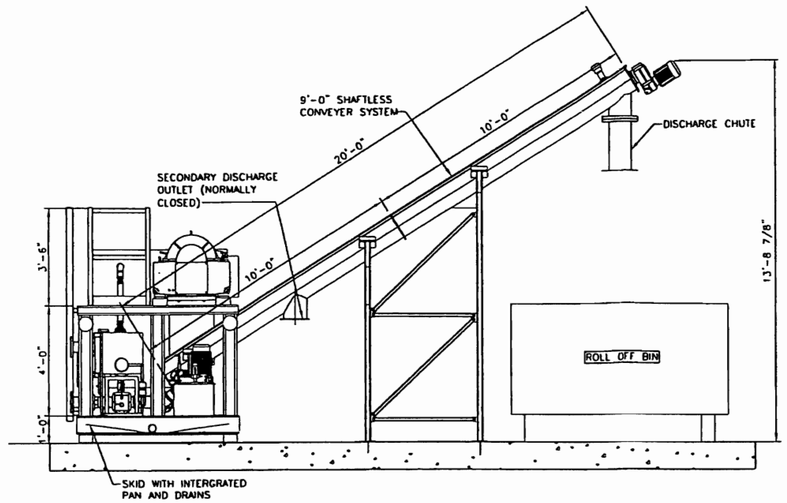


PLAN
NOT TO SCALE



SECTION
NOT TO SCALE

FIGURE 8-1

XREF: 70130048, 70130049 & TB-07013

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Phoenix, Arizona 85044-5858
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AMARANTH
SECTION 23 WATER RECLAMATION FACILITY
CENTRIFUGE PLAN AND SECTIONS

WILSON PROJECT NO. 07-013

Design: SMT	Drawn: KLC	Checked: SMT
Date: 5/07	Wilson Project No.: 07013	

Revision	Date	Description	By

PRELIMINARY - NOT FOR CONSTRUCTION OR RECORDING
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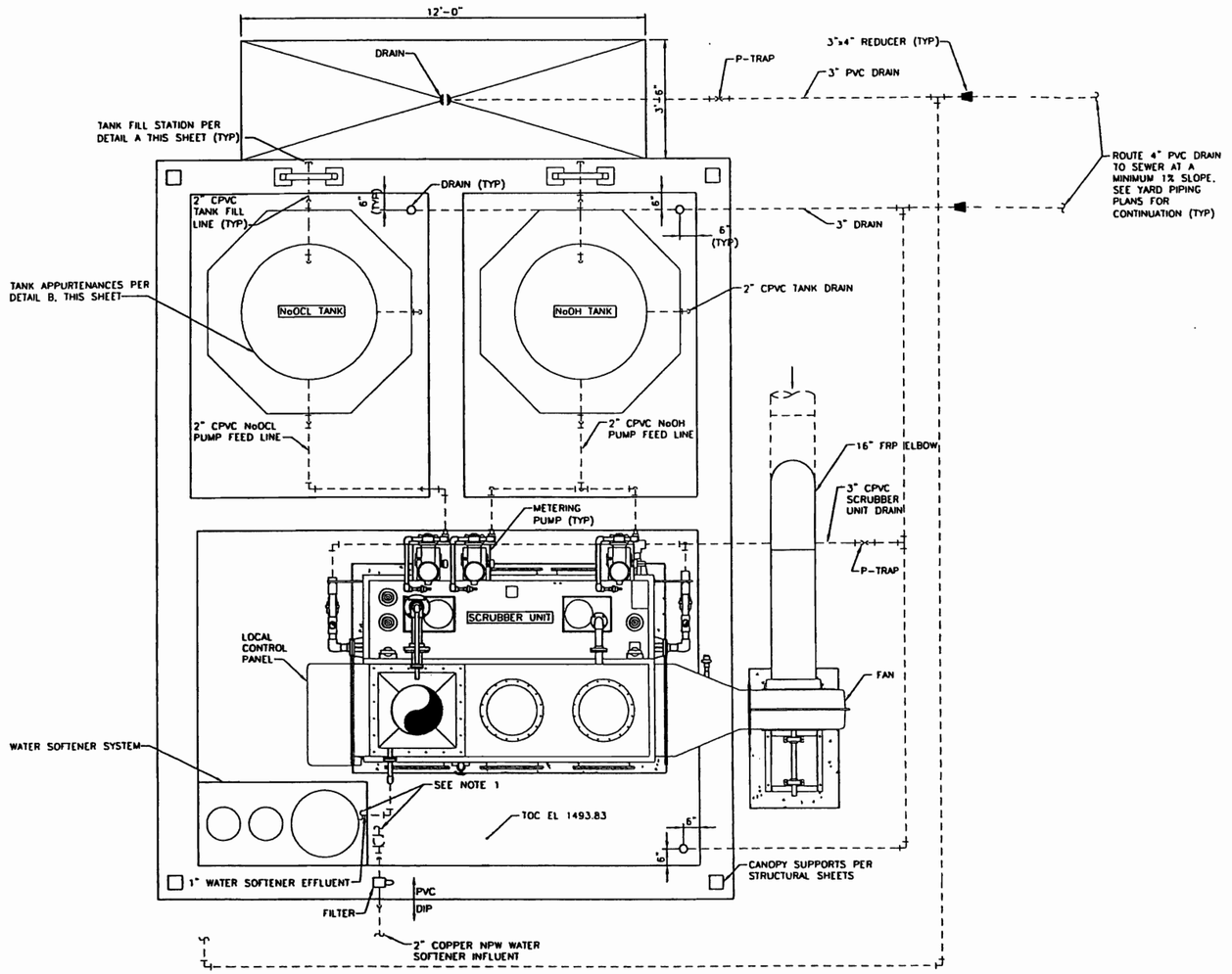
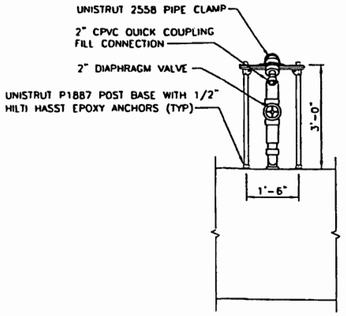


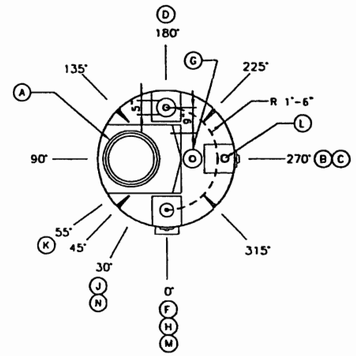
NOTE:
1. CONTRACTOR SHALL COORDINATE WITH ODOR CONTROL SYSTEM MANUFACTURER TO CONNECT WATER SOFTENER INFLUENT, EFFLUENT, AND DRAIN LINES WITH REDUCERS AND CONNECTION FITTINGS AS NEEDED.

PLAN
SCALE: 1/2" =1'-0"



FILL STATION UNISTRUT ASSEMBLY

DETAIL A
SCALE: 1/2"=1'-0"



DETAIL B
NOT TO SCALE

ITEM	DESCRIPTION	SIZE	ORIENTATION	EL
A	16" DIA MANWAY	-	90°	TOP
B	DRAIN PVC FLANGED FITTING	2"	270°	4"
C	OVERFLOW PVC FLANGED FITTING	2"	270°	6'-3"
D	FILL PORT PVC BULKHEAD FITTING	2"	180°	TOP
-	-	-	-	-
F	UPPER SIGHT GAUGE PVC FLANGED FITTING	1"	0°	TOP
G	VENT PORT PVC FITTING	2"	270°	TOP
H	CHEMICAL FEED/ LOWER SIGHT G. FLANGED FITTING	1"	0°	5"
J	TANK ID TAG	-	30°	4'-0"
K	NFPA LABEL	-	55°	4'-0"
L	LOW LEVEL SWITCH PORTS PVC FITTING	2"	270°	TOP
M	SIGHT GAUGE SUPPORT BRACKET	-	0°	3'-0"
N	TANK CAUTION TAG	-	30°	4'-10"

FIGURE 9-1

WILSON ENGINEERS
9833 South 48th Street, Suite 290
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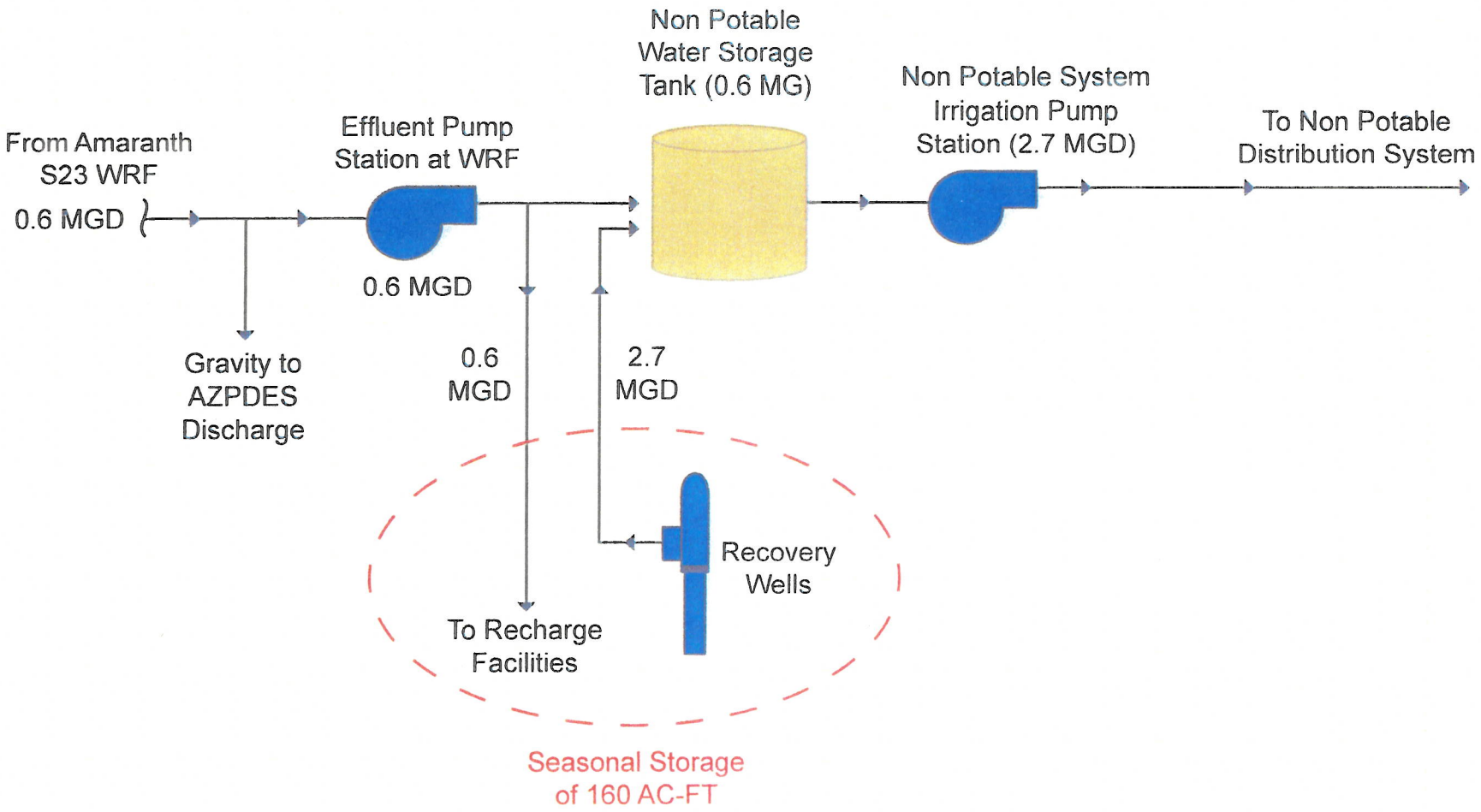
AMARANTH
SECTION 23 WATER RECLAMATION FACILITY
ODOR CONTROL FACILITY
PLAN, SECTION, AND DETAILS
WILSON PROJECT NO. 07-013

Design:	RND	Drawn:	KLC	Checked:	SMT
Date:	5/07	Wilson Project No.: 07013			

Revision	Date	Description	By

XREF: 70130042, 70130043, 70130044, CP-SITE & TB-07013

PRELIMINARY - NOT FOR CONSTRUCTION OR RECORDING



WILSON ENGINEERS	**Amaranth S23 WRF Effluent System**	**Option 1**