

NEW APPLICATION
ORIGINAL



0000003383

RECEIVED

2004 JUN 15 P 3:17

ATTACHMENT "A"

AZ CORP COMMISSION
DOCUMENT CONTROL

Beaver Dam Water Company
P.O. Box 550
Beaver Dam, Arizona 86432

Arizona Corporation Commission
DOCKETED

June 10, 2004

JUN 15 2004

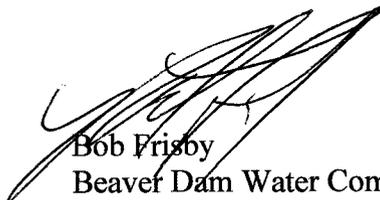
Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, Arizona
W-03067A-04-0445

DOCKETED BY	<i>CR</i>
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Attached is an application by Beaver Dam Water Company Inc. for Extension for Certificate of Convenience and Necessity. The purpose of this application is to eliminate the Littlefield Water Company by constructing a water transmission line. Construct a new storage, well and infrastructure for the Scenic area.

Beaver Dam Water II, ADEQ 08-006 serving a population in the Beaver Dam area. Enclosed is a request for a Line Extension from Paul Jensen with Walott Corporation. Also, we have enclosed a Purchase Agreement with Littlefield Water Company pending WIFA finance approval from ACC.

Beaver Dam Water III, ADEQ 08-093 serving the population in the Scenic area. Enclosed is a request for a Line Extension and a Water Facilities Extension Agreement from Millennia Investment Corp.


Bob Frisby
Beaver Dam Water Company

ARIZONA CORPORATION COMMISSION

APPLICATION FOR EXTENSION OF CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER

- A. Beaver Dam Water Company
P.O. Box 550
Beaver Dam, Arizona 86432

 - B. Bob Frisby
P.O. Box 307
Beaver Dam, Arizona 86432
(928-347-5000)

 - C. ADEQ Certified Operator #11388
Thomas G Stoddard
P.O. Box 550
Beaver Dam, AZ 86432
(602)625-7259

 - D. Jamie Kelley
P.O. Box 20189
Bullhead City, Arizona 86442
- 1. Certificate of Good Standing (enclosed)
 - 2. Corporate Resolution authorizing this application (enclosed)
- F. Enclosed find a legal description.
 - G. Area maps attached.
 - H. Attach a current balance sheet and profit and loss statement.
 - I. Provide the following information:
 - 1. NA
 - 2. (WATER ONLY) Indicate the estimated number of customers, by class, to be served in the new area in each of the next five years:

Residential:

First Year 20 Second Year 60 Third Year 100 Fourth Year 150

Fifth Year 200

Commercial:

First Year 0 Second Year 1 Third Year 1 Fourth Year 1

Fifth Year 1

Industrial:

First Year 0 Second Year 0 Third Year 0 Fourth Year 0

Fifth Year 0

Irrigation: None

Attached Attachment "D" (Water use data sheet) for the past 13 months

3. Indicate the total estimated annual operating revenue from the new area for each of the next five years:

First Year 9,600 Second Year 28,800 Third Year 48,000 Fourth Year 72,000

Fifth Year 96,000

- J.** Total estimated cost to construct utility facilities to serve customers in the requested area: Beaver Dam \$410,998.00 Scenic \$717,167
- K.** Financing utility facilities for Beaver Dam area will be done by Line Extensions and WIFA funding. Scenic area will be fund by Developer Build and Convey method.
- L.** Estimated starting and completion date of construction of utility facilities: Starting date October 1, 2004 Completion date December 30, 2004
- M.** Attach the following permits:
1. A portion of the requested area is currently within Mohave County Franchise (enclosed copy). June 10, 2004 Beaver Dam Water Company filed with Mohave County a request to include the Extension Area (enclosed).

2. Beaver Dam Water II, Transmission Line to Littlefield. Approval to Construct from ADEQ, ADOT and Mohave County Right of Way permit.

Beaver Dam Water III Ralph Watson Project Engineer for Millennia Investment Corp. Application for Approval to Construct will be filled with ADEQ Northern Office no latter than July 1, 2004

3. NA

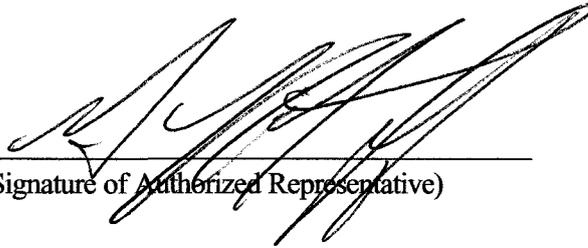
4. NA

5. NA

- If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources if applied for by the developer.

Ralph Watson P.E. has stated Application for ADRW Adequacy Statement will be filed before July 1, 2004. One well has been drilled and they are in the process of drilling a second.

- If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detailed information to prove that adequate water exists to provide water to the area requested.



(Signature of Authorized Representative)

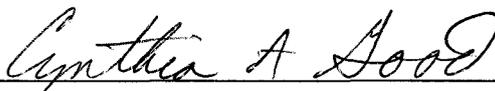


(Print or Type Name Here)



(Title)

SUBSCRIBED AND SWORN to before me this 9th day of June, 2004



NOTARY PUBLIC

My Commission Expires 1-15-07



ATTACHMENT "B"

MOHAVE	8, 9, 16, 17 & 21	39 N	16 W
COUNTY	SECTION	TOWNSHIP	RANGE

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

■
Excluded from Area.

Type or Print Description Here:

EXISTING:

All of Sections 3, 4 and 5 Township 39 North, Range 16 West. Also all of the E 1/2 of the E 1/2 of Section 8, all of the E 1/2 of the NE 1/4, the NE 1/4 of the SE 1/4 and the E 1/2 of the SE 1/4 of the SE 1/4 of section 17, Township 39 North, Range 16 West.

ADDITION:

All of Sections 9, 16 and 21, Township 39 North, Range 16 West. Also all of the E 1/2 of the E 1/2 of Section 8, all of the E 1/2 of the NE 1/4, the NE 1/4 of the SE 1/4 and the E 1/2 of the SE 1/4 of the SE 1/4 of section 17, Township 39 North, Range 16 West.

ATTACHMENT "B"

MOHAVE	4, 5, 8 & 9	40 N	15 W
COUNTY	SECTION	TOWNSHIP	RANGE

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

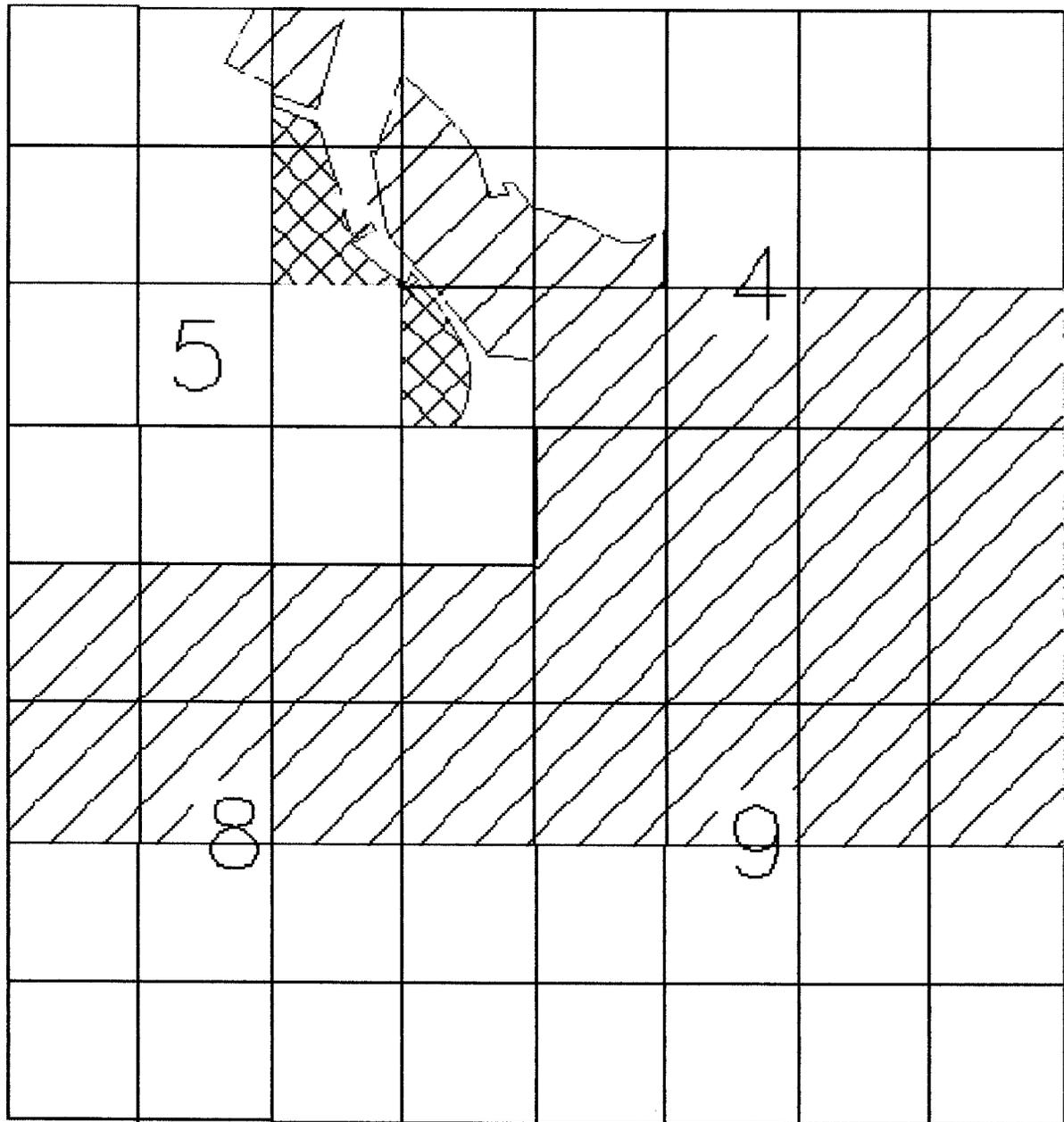
ATTACHMENT "B"

MOHAVE	5	40 N	15 W
COUNTY	SECTION	TOWNSHIP	RANGE

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

ATTACHMENT "B"

MOHAVE	4, 5, 8 & 9	40 N	15 W
COUNTY	SECTION	TOWNSHIP	RANGE



ATTACHMENT "C"

PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY BY BEAVER DAM WATER COMPANY

Beaver Dam Water Company has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide Water service. Our records indicate that you are either currently a customer of Beaver Dam Water Company or are a property owner in the proposed extension area. If the application is granted, Beaver Dam Water Company would be the exclusive provider of Water service to the proposed area. Beaver Dam Water Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in [phoenix at 1200 West Washington Street/Tucson at 400 West Congress, North Building, Room 218, and at Beaver Dam Water Company, P. O. Box 550, Beaver Dam, Arizona 86432

The Commission will hold a hearing on this matter. As a property owner, or customer, you may be entitled to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application or have any objections to its approval or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at [1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000 400 West Congress, North Building, Room 218, Tucson, Arizona 85701 or call1-800535-0148].

ATTACHMENT "D"

WATER USE DATA SHEET

<u>NAME OF COMPANY</u> _____	<i>Blanca Dam Water Company Inc.</i>
ADEQ Public Water System No. _____	<i>08-006 & 08-093</i>

MONTH/YEAR (Last 13 Months)	<u>NUMBER OF CUSTOMERS</u>	GALLONS SOLD (Thousands)	
<i>MAY / 2004</i>	<i>227</i>	<i>1589</i>	
<i>April / 2004</i>	<i>224</i>	<i>1639</i>	
<i>MARCH / 2004</i>	<i>219</i>	<i>1116</i>	
<i>February / 2004</i>	<i>219</i>	<i>1095</i>	
<i>JANUARY / 2003</i>	<i>215</i>	<i>881</i>	
<i>December / 2003</i>	<i>215</i>	<i>880</i>	
<i>November / 2003</i>	<i>211</i>	<i>1076</i>	
<i>October / 2003</i>	<i>211</i>	<i>1139</i>	
<i>September / 2003</i>	<i>210</i>	<i>1210</i>	
<i>August / 2003</i>	<i>210</i>	<i>1240</i>	
<i>July / 2003</i>	<i>208</i>	<i>1450</i>	
<i>JUNE / 2003</i>	<i>208</i>	<i>1210</i>	
<i>MAY / 2003</i>	<i>207</i>	<i>1095</i>	
STORAGE TANK CAPACITY (Gallons)	NUMBER OF EACH	ARIZONA DEPT. OF WATER RESOURCES WELL I.D. NUMBER	WELL PRODUCTION (Gallons per Minute)
<i>60,000</i>	<i>1</i>	<i>55-542347</i>	<i>140</i>
<i>40,000</i>	<i>1</i>	<i>55-542347</i>	<i>140</i>
<i>50,000</i>	<i>1</i>	<i>55-607609</i>	<i>100</i>

Other Water Sources in Gallons per Minute →	<u>GPM</u> 220
Fire Hydrants on System →	<input checked="" type="radio"/> Yes <input type="radio"/> No
Total Water Pumped Last 13 Months (Gallons in Thousands) →	15620

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

*****BEAVER DAM WATER COMPANY*****

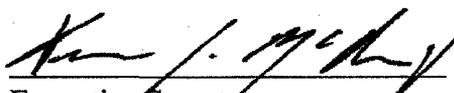
a domestic corporation organized under the laws of the State of Arizona, did incorporate on July 28, 1986.

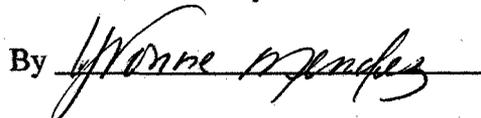
I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 30th Day of April, 2004, A. D.




Executive Secretary

By 

8:29 AM
 06/01/04
 Cash Basis

Beaver Dam Water Inc.,
Balance Sheet
 As of December 31, 2003

	Dec 31, 03
ASSETS	
Current Assets	
Checking/Savings	
Certificate of Deposits	7,000.00
Checking	15,179.22
Savings	26.64
Total Checking/Savings	22,205.86
Accounts Receivable	
Accounts Receivable	-8,243.81
Total Accounts Receivable	-8,243.81
Total Current Assets	13,962.05
Fixed Assets	
Fixed Assets	
Accumulated Depreciation	-184,438.00
Arvada Land #3	10,596.00
Arvada Well #3	60,000.00
Associated Pipeline	73,100.27
Computer Equipment	3,049.88
Equipment	139,496.00
Land	20,000.00
Line Ext & Meters	41,636.39
Machinery & Equipment	26,066.95
Pumphouse, Well, 100k Tank	89,944.93
Software Programs	1,933.03
Water Pump Improvements	9,873.32
Water Tank	15,306.50
Water Well	8,040.96
Total Fixed Assets	314,606.23
Total Fixed Assets	314,606.23
TOTAL ASSETS	328,568.28
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
VISA	182.03
Total Credit Cards	182.03
Other Current Liabilities	
Advance on Construction	33,000.00
Impact Fees Liability	
Less - Amortization	-4,237.50
Impact Fees Liability - Other	84,750.00
Total Impact Fees Liability	80,512.50
Payroll Tax Accrual	863.83
Sales Tax Payable	542.40
Water Meter Deposits	16,455.00
Total Other Current Liabilities	131,373.73
Total Current Liabilities	131,555.76
Long Term Liabilities	
N/P - Trust	41,920.00
Total Long Term Liabilities	41,920.00
Total Liabilities	173,475.76

8:29 AM
06/01/04
Cash Basis

Beaver Dam Water Inc.,
Balance Sheet
As of December 31, 2003

	<u>Dec 31, 03</u>
Equity	
Capital Stock	172,204.00
Retained Earnings	-60,370.19
Net Income	43,258.71
Total Equity	<u>155,092.52</u>
TOTAL LIABILITIES & EQUITY	<u><u>328,568.28</u></u>

8:28 AM
06/01/04
Cash Basis

Beaver Dam Water Inc.,
Profit & Loss
January through December 2003

	<u>Jan - Dec 03</u>
Ordinary Income/Expense	
Income	
Bulk Water Sales	23,683.88
Impact Fee Amortization	4,237.50
Water Fee Income	144,558.10
Water Line Ext. Income	72,855.49
Total Income	<u>245,334.97</u>
Gross Profit	245,334.97
Expense	
Advertising	596.00
Bank Service Charges	92.39
Contract labor	3,707.11
Depreciation Expense	24,918.00
Dues and Subscriptions	463.21
Engineering	7,146.36
Estimated Tax	1,260.00
Field Management	7,500.00
Fuel	6,116.66
Insurance	7,291.93
Interest Expense	127.00
Licenses and Permits	626.85
Meter Readers	835.00
Miscellaneous	4,185.89
Office Expenses	3,183.69
Payroll Taxes	3,974.96
Payroll Wages	41,614.00
Postage and Delivery	710.00
Professional Fees	
Accounting	2,807.00
Legal Fees	1,481.53
Total Professional Fees	<u>4,288.53</u>
Repairs and Maintenance	31,007.05
Taxes	
Property Tax	2,763.39
Sales Tax	7,485.17
State Income Tax	1,399.00
Taxes & Licenses	31.78
Total Taxes	<u>11,679.34</u>
Telephone	3,616.41
Travel & Ent	
Travel	800.00
Travel & Ent - Other	8,576.91
Total Travel & Ent	<u>9,376.91</u>
Utilities	9,335.90
Vehicle Expense	6,961.66
Water	461.00
Water Purchased	9,435.05
Water Sample Testing	1,565.75
Total Expense	<u>202,076.65</u>
Net Ordinary Income	43,258.32
Other Income/Expense	
Other Income	
Interest Income	0.39
Total Other Income	<u>0.39</u>
Net Other Income	0.39
Net Income	<u><u>43,258.71</u></u>



April 5, 2004

Beaver Dam Water Company
P.O. Box 550
Beaver Dam, Arizona 86432

RE: LINE EXTENSION / ARIZONA PROPERTIES SECTION 17 & 21
TOWNSHIP 39 NORTH 16 WEST

Dear Mr. Frisby:

It is our understanding that Beaver Dam Water Company is the purveyor of Water and currently holds the Certificate of Convenience and Necessity from the Arizona Corporation Commission for Section 5, 4 & 3 of Township 39 North Range 16 West.

We are interested in obtaining a Line Extension Agreement for our properties.

Sincerely


Dan Jones
President

Paul S. Jensen
Walott Corp.
1015 Shadow Point Dr.
St. George, UT 84770
435.652.0858

19 May 2004

Beaver Dam Water Company
P.O. Box 550
Beaver Dam, AZ 86432

RE: LINE EXTENSION--WALOTT CORP. PROPERTY SECTION 5, TOWNSHIP 40
NORTH RANGE 15 WEST, MOHAVE COUNTY ARIZONA

Dear Mr Frisby:

We are interested in joining with the line extension efforts underway in the Beaver Dam area. Accordingly, please find attached legal description for the area in question. Please contact us if you need assistance.

Sincerely,

A handwritten signature in black ink, appearing to be 'Paul S. Jensen', written over a horizontal line.

Paul S. Jensen
President, Walott Corporation

NO. 117204-TME

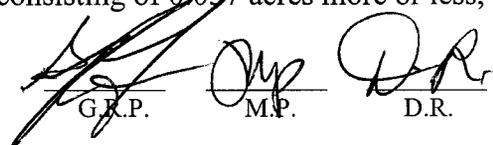
BEGINNING at the center 1/4 corner of Section 5, Township 40 North, Range 15 West of the Gila and Salt River Base and Meridian, Mohave County, Arizona, said point being North 00 degrees 05 minutes 25 seconds West 2641.22 feet along the center section line from the South 1/4 corner of said Section 5 (Brass Cap), and running thence North 00 degrees 05 minutes 25 seconds West 1786.80 feet along the center section line; thence South 72 degrees 19 minutes 00 seconds East, 489.03 feet; thence South 17 degrees 30 minutes 00 seconds East, 1180.00 feet; thence North 56 degrees 14 minutes 00 seconds East, 219.94 feet to the Westerly right of way line of Old U.S. Highway No. 91 (a Mohave County right of way); thence along the arc of a curve to the left and right of way, said curve having a radius of 931.92 feet, arc length of 80.05 feet, central angle of 04 degrees 55 minutes 19 seconds; thence South 56 degrees 14 minutes 00 seconds West, 285.03 feet; thence South 51 degrees 15 minutes 00 seconds East, 472.82 feet; thence South 68 degrees 50 minutes 00 seconds East, 190.59 feet; thence North 32 degrees 50 minutes 00 seconds East, 111.87 feet to said U.S. No. 91 right of way line; thence along said right of way line as follows: South 40 degrees 55 minutes 12 seconds East, 98.82 feet; thence South 49 degrees 04 minutes 48 seconds West, 25.00 feet; thence South 40 degrees 55 minutes 12 seconds East, 439.97 feet; thence along the arc of a curve to the right, said curve having a radius of 1372.94 feet, arc length of 199.15 feet, and a central angle of 08 degrees 18 minutes 39 seconds; thence South 23 degrees 42 minutes 30 seconds East 116.66 feet; thence along the arc of a curve to the right, said curve having a radius of 894.93 feet, arc length of 781.18 feet, and a central angle of 50 degrees 00 minutes 48 seconds; thence leaving said right of way North 89 degrees 57 minutes 23 seconds West, 551.84 feet to the West line of the Northeast quarter of the Southeast quarter of said Section 5; thence North 00 degrees 07 minutes 17 seconds West, 1113.17 feet along the 1/16 line; thence North 45 degrees 55 minutes 28 seconds East, 168.24 feet; thence North 58 degrees 27 minutes 25 seconds West, 197.79 feet; thence South 45 degrees 37 minutes 04 seconds West, 18.26 feet to the center section line of said Section 5; thence North 89 degrees 58 minutes 03 seconds West, 1259.04 feet along the center section line to the Point of Beginning.

TRANSFER OF ASSETS AND PURCHASE AGREEMENT

This TRANSFER OF ASSETS AND PURCHASE AGREEMENT (hereinafter "Agreement") is made and entered into effective the last date stated below (hereinafter "Effective Date") by and between LITTLEFIELD WATER COMPANY, once an Arizona non-profit corporation, having an address of P.O. Box 140, Littlefield, AZ 86432 (hereinafter "Littlefield" or "Seller"), and BEAVER DAM WATER COMPANY, an Arizona corporation, having an address of P.O. Box 550, Beaver Dam, Arizona 86432 (hereinafter "Beaver Dam" or "Buyer"), subject to the approval of the Arizona Corporation Commission (hereinafter "Commission") as below stated.

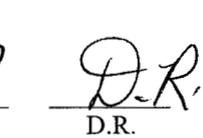
RECITALS

- A. Littlefield is a public service corporation that provides water utility service to the public to the North one-half of Section 8, the North one-half of Section 9, and the South one-half of Section 4, Township 40 North, Range 15 West, Gila and Salt Rivers Base and Meridian, Mohave County, Arizona ("Original Service Area"), pursuant to a certificate of convenience and necessity granted by the Commission in Decision No. 47690 dated February 22, 1977 (hereinafter "CC&N").
- B. Littlefield was incorporated as an Arizona non-profit corporation on October 9, 1975. Littlefield's Articles of Incorporation were revoked on August 10, 1984 for failure to file a report with the Commission's Corporations Division, and for the purposes herein recognized as a *de facto* corporation to the extent recognized by the Commission.
- C. A portion of Littlefield's service area was deleted pursuant to Decision No. 65977 dated June 17, 2003, and as a result, Littlefield's remaining service area consists of North one-half of Section 8, North one-half of Section 9, the Southwest quarter of Section 4, and the South one-half of the Southwest quarter of Section 4, Township 40 North, Range 15 West, Gila and Salt Rivers Base and Meridian, Mohave County, Arizona (hereinafter "Littlefield Service Area").
- D. Pursuant to Resolution No. 1148 dated November 15, 1976, the Mohave County Board of Supervisors granted Littlefield a franchise to operate a water works in and over the Original Service Area, subject to payment of 2% of annual gross revenues from the operation of the water system (hereinafter "Franchise").
- E. Littlefield owns a parcel of land located in the Southeast quarter of the Northeast quarter of Section 8, Range 15W, Township 40N, Gila and Salt Rivers Base and Meridian, within Mohave County, Arizona, consisting of 0.057 acres more or less,


G.R.P. M.P. D.R.

as more fully described in Appendix "A" attached hereto (hereinafter "Well Site"). The Well Site is further described as the real property identified as Mohave County Assessors' Parcel No. 402-35-015.

- F. Littlefield owns and operates a water well located in, on, and under the Well Site together with all pipes, casings, pumps, motors, valves, electrical facilities and connections, water transmission systems, fencing and other parts, equipment, machinery and appurtenances related to or used in connection thereto (hereinafter "Well").
- G. Littlefield owns and operates a water system and underground facilities as defined in A.R.S. §§ 40-201(31) and 40-360.21(14), respectively, on, in and under the Franchise, including without limitation all of its wells, pipes, casings, pumps, motors, valves, electrical facilities and connections, water transmission systems, fencing and other parts, equipment, machinery and appurtenances related to or used in connection thereto (hereinafter "Transmission System").
- H. Beaver Dam is a public service corporation that provides water utility service to the public, which is adjacent to and adjoins Littlefield's water service area, holding a certificate of convenience and necessity issued by the Commission, and holds a current franchise from Mohave County for the operation of same.
- I. Littlefield desires to sell, transfer and assign its interests in the Franchise, the remainder CC&N, the Well Site, the Well, the Transmission System, and all right, title and interest in the property, real or personal, tangible or intangible, reasonably necessary to provide water service within the Littlefield Service Area (hereinafter collectively referred to as "Transfer Property" or "Littlefield Water System") to Beaver Dam, subject to and contingent upon approval of the Commission.
- J. Beaver Dam desires to purchase and receive the Transfer Property for the purpose of expansion, enhancement, and consolidation of and between Beaver Dam Littlefield, as well as bringing the Littlefield Water System into compliance with applicable law thereby providing improved water utility service to the Littlefield Service Area, and ancillary, consequential and incidental benefit and improvement the water utility service provided by Beaver Dam, subject to and contingent upon approval of the Commission.
- K. "Closing Date" shall mean the thirtieth (30th) day immediately following the Effective Date. "Closing" shall mean and refer to the occurrence of the earlier of either the Closing Date or of all of Littlefield's Obligations as set forth in Paragraph 2 of the Agreement, below.


G.R.P. 
M.P. 
D.R.

AGREEMENT

1. Recitals Incorporated. The Recitals above stated are incorporated herein by this reference.

2. Littlefield's Obligations:

(a) Littlefield shall duly execute, acknowledge, and deliver a special warranty deed conveying title to the Well Site, including all rights and privileges appurtenant to or arising from the Well Site, to Beaver Dam on or before the Closing Date, and Beaver Dam and Littlefield shall execute and acknowledge, for recording, an affidavit of real property value regarding the Well Site as required by A.R.S. § 42-1612 on or before the Closing Date, to be held in trust pending final disposition by the Commission.

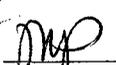
(b) Littlefield shall duly execute, acknowledge and deliver a bill of sale conveying title to the Well to Beaver Dam on or before the Closing Date, to be held in trust pending final disposition by the Commission.

(c) Littlefield shall release, transfer and convey all of Littlefield's right, title and interest in the Transfer Property, or remainder thereof, in favor of Buyer, by delivery to Buyer of a duly executed and acknowledged "Application for Approval of the Sale of Assets and/or Transfer of Certificate of Convenience and Necessity" in a format acceptable to the Beaver Dam and the Commission, on or before the Closing Date. Littlefield shall also execute and deliver to Beaver Dam a Bill of Sale in the form attached hereto which includes all items listed in the Application of Approval of the Sale of Assets and/or Transfer of Certificate of Convenience and Necessity together with the transfer property described in Appendix B.

(d) Littlefield shall timely execute any further documents or perform such other acts to transfer ownership, right, title, and/or interest in the Transfer Property or any part of the Transfer Property, whether express or implied, material, incidental, or consequential thereto, or necessary to secure or preserve the transferability, ownership, rights, title, or interests, in a form acceptable to Beaver Dam, the Commission, or other applicable governmental entity. Such documents may include, without limitation: public notices; shareholder agreements, endorsements or ratifications; customer agreements, endorsements or ratifications; bills of sale, assignments, deeds, or other conveyances of any form; and *lis pendens* or similar documents pending the Commission's final determination on the subject matter of this Agreement.

3. Beaver Dam's Obligations:

(a) The Purchase Price for the Transfer Property shall be five thousand dollars (\$5,000.00) payable in cash, cashier's check, or certified check, which Beaver Dam shall deliver


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M.P. 
D.R.

to Littlefield on or before the Closing Date, to be held in trust pending final disposition by the Commission.

(b) Beaver Dam shall timely execute any further documents or perform such other acts to receive ownership, right, title, and/or interest in the Transfer Property or any part of the Transfer Property as may be reasonably required to effect the intent of this Agreement.

(c) Subject to Paragraphs 7(c) and 8 below, upon approval of this Agreement by the Commission Beaver Dam shall execute such documents or perform such acts as may be reasonably required to bring the Transfer Property into compliance with applicable law.

4. Littlefield's Representations and Warranties. Littlefield warrants, represents, and covenants (with the understanding that Beaver Dam is relying on said warranties, representations, and covenants), except as expressly stated in this Agreement or otherwise disclosed in Appendix "B" which is incorporated herein by this reference, that:

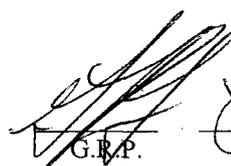
(a) Littlefield has full power and authority to enter into and perform this Agreement in accordance with its terms, or the approval by the Commission of this Agreement shall grant such authority for the purposes sufficient herein.

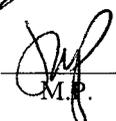
(b) There are no claims, actions, suits, or other proceedings pending or threatened by any governmental department or agency or any other corporation, partnership, entity, or person whomsoever, nor any voluntary actions or proceedings contemplated by Littlefield, which in any manner or to any extent may detrimentally affect Beaver Dam's right, title, or interest in and to the Transfer Property or the value of the Transfer Property or Littlefield's ability to perform its obligations under this Agreement.

(c) Littlefield owns the Well Site and Well in fee simple absolute, free and clear of any encumbrances, is the lawful owner of the Transfer Property including without limitation any water rights of any nature thereto, and has good and lawful right to transfer such in accordance with the terms of this Agreement.

(d) There is no pending or threatened condemnation or similar proceeding affecting any part of the Transfer Property, and Littlefield has not received any notice of any such proceeding and has no knowledge that any such proceeding is contemplated.

(e) No work has been performed or is in progress effecting any part of the Transfer Property and no materials have been furnished to the Transfer Property which might give rise to mechanic's, materialman's, or other liens against any part of the Transfer Property.


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(f) Littlefield is not prohibited from consummating the transactions contemplated by this Agreement by any agreement, instrument, restriction, order, or judgment.

(g) There are no entities in adverse possession of any part of the Transfer Property; there are no other entities in possession of any part of the Transfer Property; and no entity has been granted any license, lease, or other right relating to the use or possession of the Transfer Property.

(h) There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy or pursuant to any other laws for relief of debtors contemplated or filed by Littlefield or pending against Littlefield or affecting or involving the Transfer Property not expressly stated herein or otherwise disclosed in Appendix "B".

(i) There is no default, nor has any event occurred which with the passage of time or the giving of notice or both would constitute a default in any contract, mortgage, deed of trust, lease, or other instrument which relates to the Transfer Property or which affects the Transfer Property.

(j) There are no known contracts or other obligations outstanding for the sale, exchange, or transfer of all or any part of the Transfer Property.

(k) There are no known violations of laws, rules, regulations, ordinances, codes, covenants, conditions, restrictions, instructions, or agreements applicable to the Transfer Property not expressly stated herein. Littlefield has not received notices from any insurance companies, governmental agencies, or any other person with respect to violations concerning the Transfer Property. If any notices of violations are received prior to the Closing Date, Littlefield shall immediately submit copies to Buyer and Buyer's review and acceptance shall be a condition precedent to Closing.

(l) There has been no production, discharge, disposal, or storage on, from, or onto the Transfer Property or any lot or adjacent property, of any petroleum products or hazardous waste, hazardous materials, or other toxic substance or any activity which could have otherwise contaminated the Transfer Property, and there is no proceeding or inquiry by any governmental body with respect to contamination of the Transfer Property. Neither the Transfer Property nor any improvements or fixtures located on the Transfer Property contain any hazardous building materials or toxic substances, including, without limitation, asbestos, or PCB's and the Transfer Property does not contain and has never contained any underground tank.

(m) Littlefield will not at any time prior to Closing and pending the final decision and order of the Commission grant to any person an interest in the Transfer Property.


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(n) The water rights being transferred by Littlefield, effective upon the Commission's approval of this Agreement, are sufficient to permit the use of the Transfer Property in the same manner as it was used by Littlefield.

(o) That Littlefield has at all times complied with all statutes, rules, and conservation requirements with respect to the withdrawal, diversion, and use of water and agrees to indemnify and hold Beaver Dam and the Commission harmless from any and all claims or damages resulting from noncompliance with such requirements.

5. Beaver Dam's Representations and Warranties. Beaver Dam warrants, represents, and covenants (with the understanding that Littlefield is relying on said warranties, representations, and covenants) that Beaver Dam has full power and authority to enter into and perform this Agreement in accordance with its terms.

6. Water Rights. At Closing, Seller shall, without further act, be deemed to have assigned, transferred, conveyed, and set over unto Buyer all of the water rights, including access thereto, with respect to the Well Property, grandfathered or otherwise, and Seller agrees, if so requested by Buyer, to make, execute, and deliver an assignment, deed, or other appropriate instrument, to such rights in such form as Buyer may reasonably require at or after Closing, including without limitation the transfer of ownership of the Registration, to evidence the same.

7. Contingencies, Breach and Termination.

(a) Beaver Dam shall have the right to terminate this Agreement, in which case both Buyer and Seller shall be released from all further liability under this Agreement, for any reason or for no reason, in Beaver Dam's sole discretion, on or before the Closing Date, or upon refusal of Littlefield to perform any of its obligations pursuant to Paragraph 2. Upon such termination, Littlefield shall return the Purchase Price paid, or any portion thereof, to Beaver Dam.

(b) To the extent required by A.R.S. § 40-285(A), this Agreement is subject to and contingent upon the approval of the Commission. Should the Commission deny or fail to approve the subject matter of this Agreement, this Agreement shall be null and void and of no effect whatsoever, and Littlefield shall return the Purchase Price paid, or any portion thereof, to Beaver Dam.

(c) The Parties acknowledge that the determination and conditions that may be set forth by the Commission in regards to the subject matter of this Agreement may impact the desirability of Beaver Dam to enter into this Agreement, agree that Beaver Dam, in its sole and absolute discretion, shall have the right to declare this Agreement null and void and of no effect whatsoever prior to thirty (30) days following the filing, or fifteen (15) days after receipt by


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Beaver Dam, of any and all decisions and orders of the Commission regarding the subject matter of this Agreement.

(d) Beaver Dam shall have the right to specific performance of Littlefield's obligations after the Closing Date, without impairment of any other rights and remedies available to Beaver Dam, subject to subsections (a), (b) and (c) of this Paragraph 7.

(e) Beaver Dam shall not be obligated to perform under this Agreement until such time as the line extensions from Beaver Dam's current facility to the Littlefield facility has been funded by third party services and construction commenced.

(f) No remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy, and each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of one or more remedies shall not constitute a waiver of the right to pursue other remedies available under this Agreement, at law or in equity.

8. No Relationship Created. The parties agree that Beaver Dam is acquiring only the Transfer Property and rights thereto, including without limitation water and water service rights, and is not the successor of Littlefield. Beaver Dam does not assume, agree to pay, or indemnify Littlefield or any other person against any liability, obligation, or expense of Littlefield or relating in any to the Transfer Property except to the extent, if any, expressly and specifically provided for in this Agreement.

9. Miscellaneous.

(a) Time is hereby declared to be of the essence for the performance of all obligations and conditions under this Agreement.

(b) This Agreement is the result of arms-length negotiations between parties of roughly equivalent bargaining power and expresses the complete, actual, and intended agreement of the parties. This Agreement shall not be construed for or against either party as a result of its participation, or the participation of its counsel, in the preparation and/or drafting of this Agreement or any exhibits hereto.

(c) This Agreement shall not be construed as creating or resulting in a joint venture, merger, partnership, or any other cooperative or joint arrangement between Beaver Dam and Littlefield, and it shall be construed strictly in accordance with its terms.

(d) This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors in interest and permitted assigns.


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(e) Each party hereto shall, promptly upon the request of the other party, acknowledge and deliver to the other party any and all further instruments and assurances reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement.

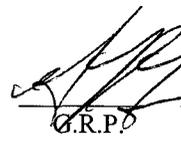
(f) This Agreement represents the entire agreement of the parties with respect to its subject matter, and all agreements, oral or written, entered into prior to this Agreement are revoked and superseded by this Agreement. No representations, warranties, inducements, or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written Agreements. This Agreement may not be changed, modified, or rescinded, except in a writing, signed by all parties hereto, and any attempt at oral modification of this Agreement shall be null, void and of no effect. Any novation of this Agreement in any manner or of any nature other than express terms in writing, signed by all parties hereto or the Commission, shall be voidable by any party herein irrespective of any terms of such novation to the contrary.

(g) This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the internal, substantive laws of the State of Arizona (without reference to choice of law principles). Any action brought to interpret, enforce, or construe any provision of this Agreement shall be commenced and maintained before the Commission or in the Superior Court of the State of Arizona in and for the County of Mohave (or, if appropriate, in the Justice Courts of Mohave County or in the United States District Court for the District of Arizona if, but only if, the Commission or superior court lacks or declines jurisdiction over such action). The parties irrevocably consent to jurisdiction and venue before the Commission or in such courts for such purposes and agree not to seek the transfer or removal of any action commenced in accordance with the terms of this Paragraph 9(g).

(h) If any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed from this Agreement, and this Agreement shall otherwise remain in full force and effect.

(i) Failure of any party to exercise any right, remedy, or option arising out of a breach of this Agreement shall not be deemed a waiver of any right, remedy, or option with respect to any subsequent or different breach, or the continuance of any existing breach.

10. Survival of Representations and Warranties. All representations and warranties contained in this Agreement (and in any instrument delivered by or on behalf of any party pursuant hereto or in connection with the transactions contemplated hereby) are true on and as of the date so made, will be true in all material respects on and as of the Closing Date, and will survive Closing and execution, delivery, and recordation of all instruments related to this Agreement, including without limitations assignments, deeds, and bill of sales. In the event that

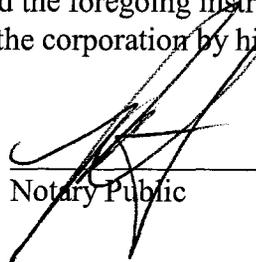

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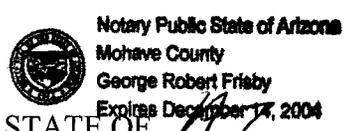
STATE OF AZ)
)
COUNTY OF Mohave) SS

On this, the _____ day of _____, 2004, before me, the undersigned notary public, personally appeared Melvin Peterson, who acknowledged himself to be a director, officer and shareholder of Littlefield Water Company, a *de facto* Arizona corporation, and that he in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of name of the corporation by himself in such capacity.

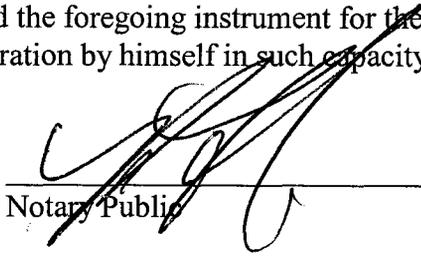


Notary Public

My Commission Expires:

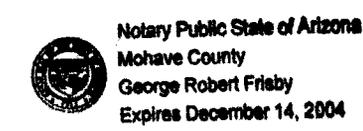

STATE OF AZ)
)
COUNTY OF Mohave) SS

On this, the _____ day of _____, 2004, before me, the undersigned notary public, personally appeared Dan Reber, who acknowledged himself to be a director, officer and shareholder of Littlefield Water Company, a *de facto* Arizona corporation, and that he in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself in such capacity.



Notary Public

My Commission Expires:



  
G.R.P. M.P. D.R.

APPENDIX "A"

A parcel of land located in the Southeast quarter of the Northeast quarter of Section 8, Range 15W, Township 40N, Gila and Salt Rivers Base and Meridian, within Mohave County, Arizona, described as follows:

Commencing from a tie at the Northeast Corner of said section 8;

Thence S0°03'E along the section line between Sections 8 and 9 a distance of 2287.9 feet;

Thence S89°57' W a distance of 478.8 feet to the TPOB from which the Northeast corner of said Section 8 bears N11°46'11 E a distance of 2337.51 feet;

Thence S0°03'E a distance of 50.00 feet;

Thence S89°57'W a distance of 50.00 feet;

Thence N0°03'W a distance of 50.00 feet;

Thence N89°57'E a distance of 50.00 feet to the TPOB.

Consisting of 0.057 acres more or less, and known as the Well Site. The Well Site is further described as Mohave County Assessors' Parcel No. 402-35-015.


G.R.P.


M.F.


D.R.

APPENDIX "B"

Pursuant to the foregoing TRANSFER OF ASSETS AND PURCHASE AGREEMENT at Paragraph 4, and valid only as to each item separately initialed herein by Beaver Dam, Littlefield discloses or has disclosed the following to Beaver Dam:


G.R.P.


M.P.


D.R.

Littlefield Water

May 3, 2004

RE: Residential water Connection Reber Property Lots 5,6,7,8,9,10,11,12,13 &14

To Whom it May Concern:

This letter is to confirm that Littlefield Water Company Water will serve the above referenced lots.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Selus". The signature is written in a cursive style with a long horizontal flourish extending to the right.

KELLEY, MOSS & WILLIAMS

Attorneys At Law

Jamie Kelley • Steven C. Moss • Rick A. Williams • Eric L. Beiningen

2031 Highway 95
P.O. Box 20189
Bullhead City, AZ 86439-0189
Telephone No. (928) 763-6969
Facsimile No. (928) 763-2181

April 26, 2004

Bob Frisby
P.O. Box 550
Beaver Dam, AZ 86432

Dear Bob:

Enclosed please find the revised agreement. I direct your attention to paragraph 7(e). Please ensure it accurately reflects your intent.

Should you have any questions please contact me.

Very truly yours,

KELLEY, MOSS & WILLIAMS


JAMIE KELLEY *by JK*

JK/kc

Enclosure

WATER FACILITIES EXTENSION AGREEMENT

This Agreement is made this 26th May, 2004, by and between BEAVER DAM WATER COMPANY INC. ("Company"), and MILLENNIA INVESTMENT CORP ("Developer").

RECITALS:

A. Developer desires that water utility service be extended to and for its residential real estate development located in SECTION 17 & 21 TOWNSHIP 39 NORTH 16 WEST consisting of **391** Single family lots, in Mohave County the general vicinity of the Town of Scenic, Arizona (the "Development"). A legal description for the Development is attached hereto as Exhibit "A" and incorporated herein by this reference. The Development is located adjacent Company's Certificate of Convenience and Necessity ("CC&N") and will require Company to file for an extension of its ("CC&N")

B. Company is a public service corporation as defined in Article XV, Section 2 of The Arizona Constitution which owns and operates water utility facilities and holds a CC&N from the Arizona Corporation Commission ("Commission") granting Company the Exclusive right to provide water utility service within unincorporated portions of Mohave County, Arizona.

C. Subject to the terms and conditions set forth hereinafter, Developer is willing to Construct and install facilities within the Development necessary to extend water utility service to and within the Development. Company is willing to provide water utility service to the Development in accordance with relevant law, including the rules and regulations of the Commission on the condition that Developer fully and timely perform the obligations and satisfy the conditions and requirements set forth below.

COVENANTS AND AGREEMENTS:

NOW, THEREFORE, in consideration of the following covenants and agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Construction of Facilities.** Developer agrees to construct and install wells, storage, water distribution mains and pipelines, valves, hydrants, fittings, service lines and all other related facilities and improvements necessary to provide water utility service to each lot or building within the Development as more particularly described in Exhibit "C" attached hereto and incorporated herein by this reference (referred to hereinafter as the "Facilities"). The Facilities approved plans as generally depicted on the map attached hereto as Exhibit "B," and shall be designed and constructed within the Development in a manner which allows the provision of safe and reliable water utility service to each lot therein. Subject to the terms and conditions set forth herein. Developer shall be responsible for all construction activities associated with the Facilities, and Developer shall be liable for and pay when due all costs, expenses, claims and liabilities associated with the construction and installation of the Facilities.

2. **Construction Standards and Requirements.** The construction and installation of the Facilities shall be in conformance with the applicable regulations of the Arizona Department of Environmental Quality ("ADEQ"), the Commission, and any other governmental authority having jurisdiction thereover.

3. **Transfer of Ownership.** Upon completion and approval of the as-built Facilities by Company and any other governmental authority, whose approval is required, Developer shall transfer all right, title and interest in the Facilities to Company via a bill of Sale to the Company. Thereafter, Company shall be the sole owner of the Facilities and be responsible for their operation, maintenance and repair. Company's ownership and responsibility shall include all distribution mains and/or related appurtenances for the Development. All work performed by or on behalf of Developer shall be warranted by the Developer for one year from the date of transfer of the Facilities to Company against defects in materials and workmanship. Developer shall also covenant, at the time of transfer, that the Facilities are free and clear of all liens and encumbrances, and unless the time period for filing lien claims has expired, shall provide evidence in the form of lien waivers that all claims of contractors, subcontractors, mechanics and materialmen have been paid and satisfied.

4. **Final As-Built Drawings and Accounting of Construction Costs.** Immediately following completion and approval of the Facilities, Developer shall provide Company with three sets of as-built drawings and specifications for the Facilities and a reproducible copy of such drawings. Developer shall also provide an accounting of the cost of constructing and installing the Facilities, which amount shall be refundable in accordance with paragraph 6, below.

5. **Easements.** Developer shall be responsible for obtaining all necessary easements and rights-of-way for the construction and installation, and subsequent operation, maintenance and repair of the Facilities. Such easements and rights-of-way shall be of adequate size, location, and configuration so as to allow Company ready access to the Facilities for maintenance and repairs and other activities necessary to provide safe and reliable water utility service. Such easements and rights-of-way shall be provided to Company by Developer at the same time as Developer transfers ownership of the Facilities pursuant to paragraph 3, above. At the time of transfer, all easements and rights-of-way shall be free of physical encroachments, encumbrances or other obstacles. Company shall have no responsibility to obtain or secure on Developer's behalf any such easements or rights-of-way.

6. **Refunds of Advances.** Company shall refund annually to Developer an amount equal to ten percent (10%) of the gross annual revenues received by Company from the provision of water utility service to each bona fide customer within the Development. Such refunds shall be paid by Company on or before the first day of August, commencing in the fourth calendar year following the calendar year in which title to the Facilities is transferred to and accepted by Company and continuing thereafter in each succeeding calendar year for a total of ten (10) years. No interest shall accrue or be payable on the amounts to be refunded hereunder. In no event shall the total amount of the refunds paid by Company hereunder exceed the total amount of all advances made by Developer hereunder.

7. **Company's Obligation to Serve.** Subject to the condition that Developer fully perform its obligations under this Agreement, Company shall provide water utility service to all customers within the Development in accordance with Company's tariffs and schedule of rates and charges for service, the rules and regulations of the Commission and other regulatory authorities and requirements. However, Company shall have no obligation to accept and operate the Facilities in the event Developer fails to construct and install the Facilities in accordance with specifications and in accordance with the applicable rules and regulations of ADEQ, the Commission or any other governmental authority having jurisdiction thereover, or otherwise fails to comply with the term and conditions of this Agreement. Developer acknowledges and understands that Company will not establish service to any customer within the Development until such time as Company has accepted the transfer of the Facilities.

8. **Notice.** All notices and other written communications required hereunder shall be sent to the parties as follows:

COMPANY:
Beaver Dam Water Company Inc. Attn: Bob Frisby
P.O. Box 550
Beaver Dam, AZ 86432

DEVELOPER:
Millennia Investment Corp
Attn: Dan Jones
6795 South 300 West
Midvale, Utah 84047

9. **Time is of the Essence.** Time is and shall be of the essence of this Agreement.

10. **Indemnification: Risk of Loss.** Developer shall indemnify and hold Company harmless for, from and against any and all claims, demands and other liabilities and expenses (including attorneys' fees and other costs of litigation) arising out of or otherwise relating to Developer's failure to comply with any of the terms and conditions contained herein. This indemnity of Company shall extend to all construction activities undertaken by Developer, its contractors, subcontractors, agents, and employees hereunder. Company shall indemnify and hold harmless Developer from and against all claims, demands, and other liabilities and expenses (including attorneys' fees and other costs of litigation) arising out of or otherwise relating to Company's failure to comply with any of terms and conditions contained herein.

11. **Successors and Assigned.** This Agreement may be assigned by either of the parties provided that the assignee agrees in writing to be bound by and fully perform all of the assignor's duties and obligations hereunder. This Agreement and all terms and conditions contained herein shall be binding upon and shall inure to the benefit of the successors and assigns of the parties.

DEVELOPER:

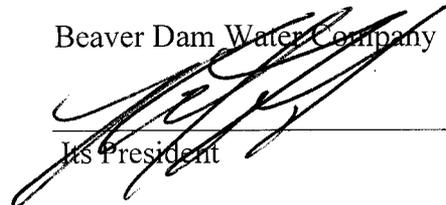
Millennia Investment Corp.



Its President

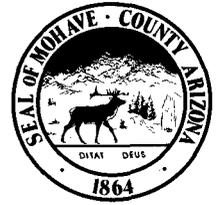
COMPANY:

Beaver Dam Water Company



Its President

MOHAVE COUNTY BOARD of SUPERVISORS



P.O. Box 7000
Website - www.co.mohave.az.us

Kingman, Arizona 86402-7000
TDD - (520) 753-0726

District 1
Pete Byers
(520) 753-0722

District 2
Tom Sockwell
(520) 758-0713

District 3
Buster D. Johnson
(520) 453-0724

Interim County Manager
Richard A. Skalicky, P.E.
Telephone (520) 753-0729
FAX (520) 753-5103

Clerk of the Board
Patsy A. "Pat" Chastain
Telephone (520) 753-0731
FAX (520) 753-0732

April 19, 2001

Robert Frisby
Beaver Dam Water Company
PO Box 550
Beaver Dam, AZ 86432

RE: Water Franchise

Dear Mr. Frisby:

Please be advised at the Mohave County Board of Supervisors Meeting held April 16, 2001, the Board approved the water system franchise request for additional area for Beaver Dam Water Company, Inc.

Attached is the new agreement. Under Section 14 of the franchise agreement: Franchisee will provide, to the Clerk of the Board of Mohave County, a Certificate of Insurance naming the County as additional insured. Please provide an updated Certificate of Insurance.

Should you have any questions in this regard, please feel free to call at 520-753-0731.

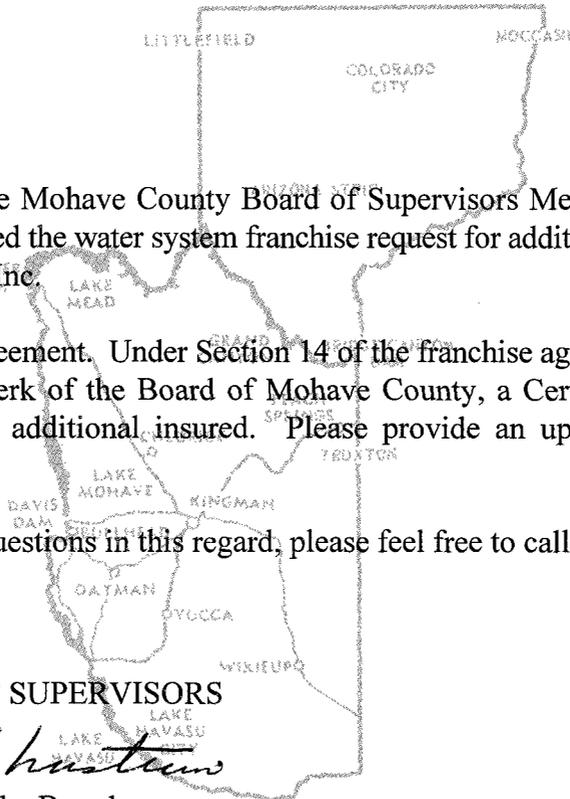
Sincerely,

FOR THE BOARD OF SUPERVISORS

Pat Chastain, Clerk of the Board

Attachments

XC: Mohave County Planning & Zoning
Mohave County Public Works



**FRANCHISE AGREEMENT
and
FRANCHISE
for
PUBLIC SERVICE CORPORATIONS**

Date of Franchise: 04-16-2001
Term of Franchise: 25 years
Renewal Date Option: 04-16-2026

This is a Franchise Agreement between the County of Mohave, State of Arizona, and Beaver Dam Watca Co., authorizing the location, construction, maintenance and operation of Watca Systems within the unincorporated areas of Mohave County. This Franchise specifically grants to Beaver Dam Watca Co. the privilege of using the Public Rights-of-Way and Easements of Mohave County in accordance with established policies, practices, and procedures of Mohave County and its several departments.

RECITALS

WHEREAS, the Mohave County Board of Supervisors has the duty and responsibility to protect the health, safety and welfare of the residents of Mohave County; and

WHEREAS, the Mohave County Board of Supervisors has the duty and responsibility to assure that Public Rights-of-Way and Easements of Mohave County are used in a responsible manner consistent with the best interests of the residents of Mohave County; and

WHEREAS, the Mohave County Board of Supervisors strives to authorize the use of the Public Rights-of-Way and Easements of Mohave County in a uniform manner among all users; and

WHEREAS, the Mohave County Board of Supervisors deems this form of Franchise Agreement and Franchise to be fair, reasonable and appropriate for Public Service Corporations;

NOW, THEREFORE, the Mohave County Board of Supervisors and Beaver Dam Watca Co. do hereby state, promise and agree as follows:

SECTION 1. DEFINITIONS.

As used in this Franchise Agreement and Franchise, the following terms have been agreed to have the meanings indicated:

- A. "Agreement" means this Franchise Agreement and Franchise.
- B. "Area of Jurisdiction" means that part of Mohave County for which this Franchise is granted.
- C. "Board" means the Mohave County Board of Supervisors.
- D. "County" means Mohave County, Arizona.
- E. "Emergency" means any occurrence that may arise without prior notice to Franchisee.
- F. "Franchise" means this Franchise Agreement and Franchise.
- G. "Franchisee" means_____.
- H. "Franchising Authority" means the Mohave County Board of Supervisors.
- I. "Franchise Property" means all materials, equipment, and facilities of Franchisee located, constructed, maintained, and/or operated in the Public Rights-of-Way and Easements of Mohave County pursuant to the terms and conditions of this Franchise Agreement and Franchise.
- J. "Gross Annual Receipts" means any compensation derived from any Subscriber or User in payment for delivery of a product or services from Franchisee. This meaning shall not include any taxes collected by Franchisee and transmitted to a governmental agency, and it shall not include any amounts collected by Franchisee by virtue of the Franchise Fee provisions of this Franchise.
- K. "Intergovernmental Agreement" means the joint exercise of powers authorized by Title 11, Chapter 7, Article 3 of Arizona Revised Statutes.
- L. "Public Rights-of-Way and Easements" means that real property located within unincorporated areas of Mohave County within which the Mohave County Board of Supervisors has the power and authority to grant a Franchise.
- M. "Rights-of-Way and Easements" shall mean the surface of, the space above, and the space below the Public Rights-of-Way and Easements reasonably necessary to construct, operate, and maintain the Franchise Property.

N. "Service Area" means the unincorporated areas of Mohave County in which the Franchisee delivers the service for which this Franchise is granted.

O. "Subscriber or User" means any person or entity receiving, for any purpose, the services of the Franchisee.

Section 2. GRANTING OF FRANCHISE.

A non-exclusive Franchise is hereby granted to Franchisee for the purpose of locating, constructing, and maintaining Franchise Property in the unincorporated area of Mohave County. This Franchise shall include the authority, privilege, and power to construct, operate, and maintain all necessary Franchise Property in, over, under, across, and upon the Public Rights-of-Way and Easements consistent with the terms and conditions of this Franchise.

Section 3. TERM OF FRANCHISE.

This Franchise shall be for an initial term of twenty five (25) years beginning on the date of Board approval. This term may be extended only by reapplication and grant of an extension. Application for an extension shall be submitted to the Board no sooner than three hundred sixty-five (365) days, nor later than one hundred twenty (120) days, prior to the expiration date of this Franchise.

Section 4. TERMS AND CONDITIONS.

This Franchise shall be subject to the following conditions:

A. This Franchise shall not be deemed to limit the authority of the Board to include other conditions or restrictions which may be necessary for the protection of the health, safety and welfare of the residents of the County and/or for the efficient administration of the Rights-of-Way and Easements in general.

B. This Franchise is non-exclusive.

C. The Board has granted this Franchise in reliance upon the Franchisee's business skill, reputation, financial capacity, and character. Accordingly, this Franchise and/or any interest hereunder, shall not be assigned, transferred, conveyed, or otherwise encumbered without the express written consent of the Board. Failure of performance by the Franchisee of any of the terms and conditions of this Franchise may be cause for termination of this Franchise pursuant to Section 16 of this Agreement.

D. No privilege or exemption shall be granted or inferred unless specifically set forth in this Franchise.

E. Any privilege claimed under this Franchise by the Franchisee in any Right-of-Way or Easement shall be subordinated to any prior lawful occupancy of the Right-of-Way or Easement.

F. Prior to commencing any activity authorized by this Franchise, the Franchisee shall submit plans and specifications for such activity to the County Public Works Director for approval; provided, however, whenever Franchisee is required to undertake emergency activities required to protect the health, safety and welfare of the public and/or the safety and reliability of the Franchise Property, Franchisee shall notify the County Public Works Director not later than twenty four (24) hours after notice of the emergency; and provided further, however, should such emergency present an immediate threat or danger to the health, safety and welfare of the public, Franchisee shall notify the County Manager or the County Public Works Director or the County Emergency Services Coordinator or the Chairman of the Board within one (1) hour of notice of the emergency.

G. Any failure of the Board, or its agents, to promptly enforce compliance of the terms and/or conditions of this Franchise shall not be deemed a waiver of such terms and/or conditions.

H. The Franchisee shall have no recourse against the Board or its agents for any loss, cost, expense, or damage arising out of any term, condition or enforcement of this Franchise.

I. The Franchisee shall be subject to all County rules, regulations and/or specifications pertaining to the use of Public Rights-of-Way and Easements which may be adopted from time to time by the Board.

J. Prior to the grant of this Franchise by the Board, and annually thereafter, Franchisee shall submit to the Board a complete financial statement that reflects the current financial status of the Franchisee and a list of names and addresses of proprietors, owners, or beneficial shareholders who hold more than a ten percent (10%) interest in the corporation, organization, or regulated entity.

SECTION 5. RECORDS TO BE KEPT AND MAINTAINED; REPORTS; INSPECTION OF RECORDS.

A. Franchisee shall prepare and furnish to the Board, or its agents, such reports and records of its operations, affairs, transactions and/or property as the Board deems necessary or appropriate for the enforcement of performance by the Franchisee according to the terms and conditions of this Franchise.

B. Franchisee shall keep and maintain within the County, and make available for County inspection upon reasonable request, full and complete plans and records showing the exact location of all Franchise Property installed and/or in use in the Public Rights-of-Way and Easements.

C. Franchisee shall file with the County Public Works Director, on or before the 31st day of December of each year, a map and/or a set of plans showing all Franchise Property installed and/or in use in the Public Rights-of-Way and Easements current as of the immediately preceding November 30th.

D. Franchise shall keep its Franchise Property in good operating condition, and Franchisee shall cause all customer complaints to be duly investigated and, where the circumstances warrant, corrected within a reasonable period of time. Records reflecting such complaints, and the time and manner in which they are resolved, shall be maintained by the Franchisee for at least one (1) year and shall be made available for inspection by the Board or its agents upon reasonable request.

SECTION 6. INSTALLATION STANDARDS.

A. Franchisee shall be responsible for meeting all County, State, Federal, and local installation standards.

B. Any other provision of this Franchise notwithstanding, all installations of Franchise Property shall be made in a safe and workmanlike manner and maintained in good condition at all times. Except for the conduct of normal construction and repair activities, all such installations of Franchise Property shall be approximately placed so as not to interfere in any manner with the rights of the public or individual property owners and shall not interfere with the use of public property by the public and shall not obstruct or impede traffic. The Board reserves the right of regulation of the erection and construction of any Franchise Property, by Franchisee and its agents or employees, and to designate where such Franchise Property shall be placed. Franchisee agrees to make changes in its plans, specifications and/or Franchise Property to conform with all requirements of the Board.

C. Franchisee shall be responsible for obtaining all necessary licenses, certificates, permits and approvals from all government authorities having jurisdiction over the activities to be conducted under this Franchise.

SECTION 7. UNDERGROUND LINES.

Franchisee shall, at its own expense, place its lines underground in areas which it serves where telephone and electric power lines are, or are required to be, underground.

SECTION 8. LOCATION OF FRANCHISE PROPERTY.

Franchise Property shall be constructed or installed in Public Rights-of-Way and Easements of the County only at such locations and in such manner as shall be approved by the Board or its agents. Construction or installation of Franchise Property shall be in accordance with all Federal, State, and County laws and regulations.

SECTION 9. REPAIR OF ROADS, STREETS, RIGHTS-OF-WAY AND EASEMENTS.

Franchisee shall, at its own expense, promptly repair and restore any and all roads, streets, sidewalks or other public and/or private property altered, damaged, or destroyed by Franchisee in exercising the privileges granted herein to Franchisee.

SECTION 10. FAILURE TO PERFORM AS REQUIRED IN SECTION 9 ABOVE.

A. Upon failure of Franchisee, and its agent or employees, to complete any work required by this Franchise, the Board or its agents may notify Franchisee of non-compliance by registered mail. Franchisee shall have fourteen (14) days from the receipt of the notice to complete the repairs or to enter into an agreement with the Board and/or its agents for the completion of the repairs.

B. If, in the opinion of the County Director of Public Works and/or the County Manager, the failure to repair or complete construction presents a serious and immediate danger to the public health, safety and welfare, they, separately or together, may take immediate action to mitigate the damage. All costs associated with such actions will be the sole responsibility of Franchisee, and Franchisee shall reimburse the County for such costs within thirty (30) days after receipt of an itemized bill.

SECTION 11. REMOVAL AND ABANDONMENT OF FRANCHISE PROPERTY.

A. In the event the use of any Franchise Property is discontinued for a continuous period of twelve (12) months and Franchisee is unable to reasonably demonstrate the usefulness of such Franchise Property for future use, Franchisee shall either remove such Franchise Property or abandon such Franchise Property in place.

B. In the event Franchise Property is installed in violation of any requirements of this Franchise, and Franchisee fails to take reasonable measures to cure such violation within thirty (30) days after written notice of such violation, Franchisee shall either remove such Franchise Property or abandon such Franchise Property in place.

C. Franchise Property to be abandoned in place shall be abandoned in accordance with applicable law. Upon abandonment of Franchise Property in place, Franchisee shall submit to the Board an instrument satisfactory to the Board transferring the ownership of such Franchise Property to the County.

SECTION 12. CHANGES REQUIRED BY PUBLIC IMPROVEMENTS.

Franchisee shall, at its own expense, protect, support, temporarily disconnect, relocate in the same street, alley or public place, any Franchise Property when required by the Board or its agents by reason of County public improvements; provided, however, Franchisee shall have the right to abandon Franchise Property as provided in Section 11 above.

SECTION 13. INDEMNIFICATION OF COUNTY.

Franchisee shall defend the County against all claims for injury to any person or property caused by the negligence of Franchisee, its agents and/or employees, in the construction or operation of Franchise Property, and, in the event of a determination of liability, shall indemnify the County, the Board, its agents and/or employees. More particularly, Franchisee, its successors and assigns, does hereby agree to indemnify and hold harmless the County, the Board and/or its agents and employees, from any and all liability, claim, demand or judgment arising out of any injury to any person or property as a result of a violation or failure on the part of Franchisee, its successors and assigns, to observe their proper duty or because of negligence in whole or in part arising out of the construction, repair, extension, maintenance, or operation of Franchise Property of any kind or character used in connection with this Franchise.

SECTION 14. LIABILITY INSURANCE REQUIRED.

Franchisee agrees that, at all times during the existence of this Franchise, Franchisee will carry a minimum of \$1,000,000 in excess liability insurance on a combined single limit basis above any permitted self-insured retention. Self-insured retention shall be permitted so long as Franchisee continues to report to the Securities and Exchange Commission of the United States a Total Assets amount in excess of \$100,000,000. The insurance coverage required by this Section shall be provided by one or more insurers permitted under Title 20 or Arizona Revised Statutes to transact insurance business. Further, Franchisee shall provide, to the Clerk of the Board of Mohave County, a Certificate of Insurance naming the County, the Board and/or its agents and employees as additional insured. The Certificate will provide for notification to the Clerk of the Board of Mohave County prior to any change in said policy, or cancellation of said policy, for any reason including nonpayment of premiums.

SECTION 15. FRANCHISE FEE.

A. Franchisee shall pay to the County an annual Franchise Fee in an amount equal to two percent (2%) of Franchisee's Gross Annual Receipts derived from the operation of Franchise Property so long as the Board shall have the authority to levy a Franchise Fee. Further, Franchisee shall not be required to pay to the County any other Franchise fee or Permit fee in connection with this Franchise. There shall be no offsets for any other taxes or assessments, i.e., sales tax, fuel tax, personal property tax, general ad valorem property tax, special assessments for local improvements or any other tax or assessment not directly related to the use of the Public Rights-of-Way and Easements that may be required of Franchisee by any governmental agency.

B. The annual Franchise Fee shall be paid no later than the first (1st) day of May following each calendar year during the term of this Franchise. All such payments shall be made to the Mohave County Finance Department, P.O. Box 7000, Kingman, Arizona 86402-7000. So long as the Board shall have the authority to levy a Franchise Fee, failure to pay such Franchise Fee by the first (1st) day of May following the calendar year is a material breach of this Franchise Agreement and is subject to the termination provisions of Section 16 hereinafter.

C. The Board shall have the right to inspect and audit all Franchisee's books and records which may be necessary in determining Franchisee's Gross Annual Receipts derived from the use of the Public Rights-of-Way and Easements and the right of audit and recomputation of any amount paid under this Section; provided, however, that the right of recomputation shall be limited to the two (2) calendar years immediately preceding the initiation of any such audit. Financial statements required by this Franchise Agreement for each calendar year shall be submitted annually on or before April 15 of each year. No acceptance of any payment shall be construed as a release or accord and satisfaction of any claim the County may have for further or additional sums payable under this Section or for the performance of any obligation under this Franchise Agreement.

D. The percentage of Gross Annual Receipts set forth in this Section and the insurance requirements set forth in Section 14 above shall be subject to reevaluation by the Board every fifth year of this Franchise; provided, however, that no reevaluation shall occur so long as Franchisee continues to report to the Securities and Exchange Commission of the United States a Total Assets amount in excess of \$100,000,000. If reevaluation of the amounts due under this Section or the insurance requirements set forth in Section 14 above should result in a dispute between the parties, the dispute shall be presented to a neutral Arbitration Board for decision and settlement. The Arbitration Board shall consist of either one person mutually acceptable to the parties to this Franchise Agreement or to the American Arbitration Association. In the event of arbitration, the parties shall each pay their individual costs for such arbitration. The standard procedures and policies of arbitration shall apply in all cases.

SECTION 16. TERMINATION.

A. This Franchise Agreement and Franchise may be terminated by the mutual consent of the Board and the Franchisee evidenced by a writing.

B. This Franchise Agreement and Franchise, and all rights granted hereunder, may be terminated by the Board upon any breach of the terms and conditions hereof by Franchisee and Franchisee's failure to undertake reasonable measures to cure such breach within thirty (30) days subsequent to Franchisee's receipt of written notice of such breach. Written notice shall be by registered mail.

SECTION 17. OTHER PROVISIONS.

Franchise shall keep a copy of its current Tariffs applicable to Subscribers or Users in Mohave County on file with the Clerk of the Board of Mohave County.

SECTION 18. RESERVATION OF POWERS.

A. There is hereby reserved to the Board every right and power which is required to be reserved and Franchisee, by its acceptance of this Franchise, agrees to be bound thereby and to comply with any action or requirements of the Board in its exercise of any such right of power enacted or established.

B. Neither the granting of this Franchise nor any of the provisions contained herein shall be construed to prevent the Board from granting any identical, or similar, Franchise to any person or corporation other than Franchisee.

SECTION 19. SEVERABILITY.

In the event any provision of this Agreement is rendered inoperative by virtue of the entry of a final judgment of a Court of competent jurisdiction, such event shall not affect any other provision of this Agreement that can be given effect without such inoperative provision and, for this purpose, the provisions of this Agreement are hereby declared to be severable.

SECTION 20. OFFICIAL NOTICES.

Notices concerning this Franchise Agreement and Franchise shall be sent to:

FOR THE COUNTY:

Clerk of the Board
Mohave County
P.O. Box 7000
Kingman, AZ 86402-7000
520-753-0731

FOR FRANCHISEE:

Robert Frisby
Beaver Dam Water Company Inc.
PO Box 550
Beaver Dam AZ 86432
520-347-5000

SECTION 21. EFFECTIVE DATE.

This Franchise shall take effect upon the date of approval by the Board.

Approved by the Mohave County Board of Supervisors this 16 day of

April, 2001.

For the Board:

Pete Byers
Chairman of the Board

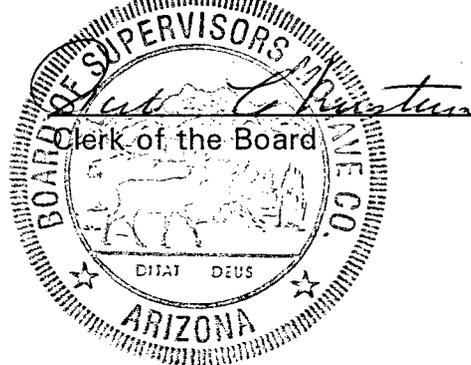
Accepted for Franchisee:

[Signature]

Approved as to form:

[Signature]
County Attorney

ATTEST:



FRANCHISE AGREEMENT BETWEEN MOHAVE COUNTY AND _____

**ATTACHMENT "A"
LEGAL DESCRIPTION**

AS THIS AGREEMENT SUPERSEDES ANY PREVIOUS FRANCHISE AGREEMENTS, THIS LEGAL INCLUDES AREAS PREVIOUSLY APPROVED BY THE BOARD OF SUPERVISORS AND ANY ANNEXATION AREAS THAT ARE REQUESTED (IF ANY)

ATTACHMENT "A"

Section 5, T.40 N., R.15 W.

$W\frac{1}{2}W\frac{1}{2}$ Gov't. Lot 2
 $N\frac{1}{2}$ Gov't. Lot 3

Section 32, T.41 N., R.15 W.

$S\frac{1}{2}SW\frac{1}{4}$
 $NW\frac{1}{4}SW\frac{1}{4}$ excluding $NE\frac{1}{4}NE\frac{1}{4}NE\frac{1}{4}NW\frac{1}{4}SW\frac{1}{4}$
 $SW\frac{1}{4}SW\frac{1}{4}NE\frac{1}{4}SW\frac{1}{4}$
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 $NW\frac{1}{4}NW\frac{1}{4}NW\frac{1}{4}SW\frac{1}{4}NW\frac{1}{4}$

Section 33, T.41 N., R.15 W.

$S\frac{1}{2}S\frac{1}{2}NE\frac{1}{4}SW\frac{1}{4}$
 $SE\frac{1}{4}SW\frac{1}{4}$

" B "

LEGAL DESCRIPTION

APPROXIMATELY 8,114 ACRES DESCRIBED AS FOLLOWS:

Of Township 40 North, Range 15 West, G.S.R.B. & M.:

Section 4: W 1/2 NW 1/4; W 1/2 SW 1/4

Section 5: All excluding NW 1/4 NE 1/4

Section 6: SE 1/4

Section 7: All

Section 8: All, excluding SE 1/4 SE 1/4

Section 17: NW 1/4; N 1/2 SW 1/4

Section 18: All, excluding SE 1/4 SE 1/4

Section 19: NW 1/4; N 1/2 SW 1/4; W 1/2 NE 1/4

Of Township 40 North, Range 16 West, G.S.R.B. & M.:

Section 13: SE 1/4

Section 24: All, excluding NW 1/4

Section 25: NW 1/4; N 1/2 NE 1/4

Section 26: All, excluding NW 1/4

Section 32: All, excluding Fairview Mobile Home Subdivision

Section 33: All, excluding SW 1/4 NW 1/4 and NE 1/4 NW 1/4 &
NW 1/4 NW 1/4

Section 34: All

Section 35: West 1/2; W 1/2 NE 1/4

Of Township 39 North, Range 16 West, G.S.R.B. & M.:

Section 2: N 1/2 NW 1/4

Section 3: N 1/2; N 1/2 SW 1/4, NW 1/4 SE 1/4

Section 4: All, excluding S 1/2 SE 1/4 and SE 1/4 SW 1/4.

Section 5: All

Section 8: N 1/2 NE 1/4; N 1/2 NW 1/4

NEW "D" DAVE CLIVE

**BOUNDARY DESCRIPTION
DAVE CLIVE SUBDIVISION
A PORTION OF
VIRGIN ACRES TRACT NO. 1**

Beginning at the Northwest Corner of Section 32, Township 41 North, Range 15 West, Gila and Salt River Base and Meridian; thence North $89^{\circ}49'22''$ East along the North Boundary Line of said Section 32 for a distance of 1392.53 feet; thence leaving said North Boundary Line South $30^{\circ}41'09''$ East 302.78 feet; thence South $55^{\circ}59'29''$ West 479.58 feet; thence South $89^{\circ}51'34''$ West 158.80 feet to the Northeast Corner of Lot 20, Block 142, Virgin Acres Tract No. 1; thence South $0^{\circ}06'02''$ East 131.94 feet to the Southeast Corner of said Lot 20; thence South $89^{\circ}52'07''$ West 82.48 feet to the Southwest Corner of said Lot 20; thence South $0^{\circ}06'03''$ East 131.93 feet; thence South $89^{\circ}52'40''$ West 164.96 feet; thence North $0^{\circ}06'04''$ West 131.90 feet to the Southeast Corner of Lot 17, Block 142, Virgin Acres Tract No. 1; thence South $89^{\circ}52'07''$ West 82.48 feet to the Southwest Corner of said Lot 17; thence North $0^{\circ}06'05''$ West 131.89 feet to the Northwest Corner of said Lot 17; thence South $89^{\circ}51'34''$ West 82.48 feet to the Southwest Corner of Lot 13, Block 143, Virgin Acres Tract No. 1; thence North $0^{\circ}06'05''$ West 263.74 feet; thence South $89^{\circ}50'28''$ West 577.36 feet to the West Boundary Line of said Section 32, said point also being the Southwest Corner of Lot 8, Block 144, Virgin Acres Tract No. 1; thence North $0^{\circ}06'09''$ West along said West Boundary Line 263.56 feet to the point of beginning. Containing 15.05 acres more or less.

LEGAL DESCRIPTION'SNew "E" Kim Merrihew

A PARCEL OF LAND LOCATED IN PORTIONS OF THE NORTH & SOUTH 1/2 OF SECTION 32 AND PORTIONS OF THE VIRGIN ACRES SUBDIVISION AS RECORDED IN THE MOHAVE COUNTY RECORDERS OFFICE, TOWNSHIP 41 NORTH, RANGE 15 WEST, GILA & SALT RIVER BASE AND MERIDIAN AND BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 32 (BRASS CAP) AND RUNNING THENCE N89°55'28"E, 1,839.30 FEET ALONG THE SECTION LINE; THENCE S28°59'59"E, 584.06 FEET; THENCE S27°04'49"E, 365.93 FEET; THENCE S17°13'27"E, 333.55 FEET; THENCE S25°12'42"E, 243.11 FEET; THENCE S32°57'49"E, 281.80 FEET TO THE CENTER SECTION LINE OF SAID SECTION 32; THENCE S00°09'27"E, 2,348.92 FEET ALONG THE CENTER SECTION LINE TO THE CENTER SOUTH 1/16 CORNER OF SAID SECTION 32; THENCE N89°57'56"W, 747.21 FEET ALONG THE 1/16 LINE; THENCE N00°05'36"W, 264.05 FEET; THENCE N89°57'41"W, 165.00 FEET; THENCE N00°05'36"W, 132.03 FEET; THENCE N89°57'34"W, 82.50 FEET; THENCE N00°05'36"W, 132.04 FEET; THENCE N89°57'26"W, 82.52 FEET; THENCE N32°03'24"W, 311.66 FEET; THENCE N00°05'36"W, 132.12 FEET; THENCE S89°57'04"E, 165.00 FEET; THENCE N00°05'36"W, 132.04 FEET; THENCE N89°56'56"W, 174.96 FEET TO THE WEST LINE OF A 50.00 FOOT WIDE RIGHT OF WAY; THENCE N35°59'42"W, 290.42 FEET ALONG SAID RIGHT OF WAY; THENCE N33°45'54"W, 704.91 FEET ALONG SAID RIGHT OF WAY; THENCE S56°14'06"W, 69.68 FEET; THENCE N33°45'54"W, 200.00 FEET; THENCE S55°04'12"W, 39.37 FEET; THENCE N33°02'31"W, 952.24 FEET; THENCE S89°52'33"W, 112.01 FEET; THENCE N00°05'36"W, 1,176.63 FEET TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PARCEL CONTAINS 156.369 ACRES MORE OR LESS. 156.122 ACRES MORE OR LESS EXCLUDING LOT 16, BLOCK 138 OF THE SAID VIRGIN ACRES SUBDIVISION.

RIGHT OF WAYS FOR INGRESS AND EGRESS TO AND THROUGH PARCELROAD RIGHT OF WAY (FROM REBER TO MERRIHEW)

BEGINNING AT A POINT N89°46'43"W ALONG THE 1/16 LINE 536.31 FEET FROM THE SOUTHEAST CORNER OF THE NE1/4, SW1/4 OF SECTION 32, TOWNSHIP 41 NORTH, RANGE 15 WEST, GILA AND SALT RIVER BASE & MERIDIAN, SAID POINT BEING ON THE WESTERLY LINE OF A 50 FOOT WIDE ROAD RIGHT OF WAY; THENCE RUNNING THENCE N34°01'41"W ALONG SAID RIGHT OF WAY LINE 1219.77 FEET; THENCE N35°59'42"W 348.30 FEET; THENCE N33°45'54"W 704.91 FEET; THENCE N56°14'06"E 50.00 FEET; TO THE EASTERLY LINE OF SAID ROAD RIGHT OF WAY; THENCE S33°45'54"E 703.94 FEET; THENCE S35°59'42"E 348.12 FEET; THENCE S34°10'41"E 1254.52 FEET; THENCE N89°56'43"W 60.37 FEET TO THE POINT OF BEGINNING. ALSO THE FOLLOWING DESCRIBED RIGHT OF WAY;

BEGINNING AT A POINT ON THE EASTERLY LINE OF THE ABOVE DESCRIBED RIGHT OF WAY SAID POINT BEING S00°05'38"E 2605.227 FEET ALONG THE SECTION LINE AND N90°00'00"E 1241.778 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 32, TOWNSHIP 41 NORTH, RANGE 15 WEST, GILA AND SALT RIVER BASE AND MERIDIAN AND RUNNING THENCE N54°49'03"E, 855.95 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 100.00 FEET, ARC LENGTH OF 157.58 FEET, AND A CENTRAL ANGLE OF 090°17'03"; THENCE S35°28'00"E, 150.50 FEET; THENCE S54°49'03"W, 957.47 FEET; THENCE N35°59'42"W, 11.76 FEET; THENCE N33°45'54"W, 38.26 FEET TO THE POINT OF BEGINNING.

ALSO IT IS EXPRESSLY UNDERSTOOD BETWEEN GRANTORS AND GRANTEE HEREIN THAT THERE EXISTS ONLY A PRESCRIPTIVE RIGHT OF WAY TO AND FROM A PORTION OF THE PROPERTY HEREIN CONVEYED AND THE GRANTORS CONVEY ONLY THEIR RIGHTS OF USE TO SAID PRESCRIPTIVE RIGHT OF WAY. SAID RIGHT OF WAY RUNS FROM THE EXISTING OLD STATE HIGHWAY No.91 TO AND FROM SAID PROPERTY AS THE SAME IS NOW EXISTING.

" F "

BEAVER DAM WATER COMPANIES 1 & 2**Mesquite Addition to County Franchise**

NE1/4SE1/4, S1/2SE1/4, S1/2SW1/4, Section 3, Township 39 North, Range 16 West, G. & S. R. M., S1/2SE1/4, SE1/4SW1/4 Section 4, Township 39 North, Range 16 West, G. & S. R. M., all of the Fairview Mobile Home Subdivision located in Section 32, Township 40 North, Range 16 West, G. & S. R. M., W1/2NW1/4, NE1/4NW1/4 Section 33, Township 40 North, Range 16 West, G. & S. R. M.

Mesquite State Franchise

All of Section 3, 4, and 5 of Township 39 North, Range 16 West, G. & S. R. M., and all of Section 32, 33 and 34 of Township 40 North, Range 16 West, G. & S. R. M.

Seifert, Bill, Young, Wright, Palmer, Graco, Pratt, Merrihew and Clive addition to County Franchise

NE1/4SW1/4, SE1/4NW1/4, N1/2NW1/4, N1/2SW1/4NW1/4, SE1/4SW1/4NW1/4 Section 32, Township 41 North, Range 15 West, G. & S. R. M.

**FRANCHISE AGREEMENT
and
FRANCHISE
for
PUBLIC SERVICE CORPORATIONS**

Date of Franchise: _____

Term of Franchise: 25 years

Renewal Date Option: _____

This is a Franchise Agreement between the County of Mohave, State of Arizona, and Beaver Dam Water Co., authorizing the location, construction, maintenance and operation of Water System within the unincorporated areas of Mohave County. This Franchise specifically grants to Beaver Dam Water Co. the privilege of using the Public Rights-of-Way and Easements of Mohave County in accordance with established policies, practices, and procedures of Mohave County and its several departments.

RECITALS

WHEREAS, the Mohave County Board of Supervisors has the duty and responsibility to protect the health, safety and welfare of the residents of Mohave County; and

WHEREAS, the Mohave County Board of Supervisors has the duty and responsibility to assure that Public Rights-of-Way and Easements of Mohave County are used in a responsible manner consistent with the best interests of the residents of Mohave County; and

WHEREAS, the Mohave County Board of Supervisors strives to authorize the use of the Public Rights-of-Way and Easements of Mohave County in a uniform manner among all users; and

WHEREAS, the Mohave County Board of Supervisors deems this form of Franchise Agreement and Franchise to be fair, reasonable and appropriate for Public Service Corporations;

NOW, THEREFORE, the Mohave County Board of Supervisors and Beaver Dam Water Co. do hereby state, promise and agree as follows:

SECTION 1. DEFINITIONS.

As used in this Franchise Agreement and Franchise, the following terms have been agreed to have the meanings indicated:

- A. "Agreement" means this Franchise Agreement and Franchise.
- B. "Area of Jurisdiction" means that part of Mohave County for which this Franchise is granted.
- C. "Board" means the Mohave County Board of Supervisors.
- D. "County" means Mohave County, Arizona.
- E. "Emergency" means any occurrence that may arise without prior notice to Franchisee.
- F. "Franchise" means this Franchise Agreement and Franchise.
- G. "Franchisee" means _____.
- H. "Franchising Authority" means the Mohave County Board of Supervisors.
- I. "Franchise Property" means all materials, equipment, and facilities of Franchisee located, constructed, maintained, and/or operated in the Public Rights-of-Way and Easements of Mohave County pursuant to the terms and conditions of this Franchise Agreement and Franchise.
- J. "Gross Annual Receipts" means any compensation derived from any Subscriber or User in payment for delivery of a product or services from Franchisee. This meaning shall not include any taxes collected by Franchisee and transmitted to a governmental agency, and it shall not include any amounts collected by Franchisee by virtue of the Franchise Fee provisions of this Franchise.
- K. "Intergovernmental Agreement" means the joint exercise of powers authorized by Title 11, Chapter 7, Article 3 of Arizona Revised Statutes.
- L. "Public Rights-of-Way and Easements" means that real property located within unincorporated areas of Mohave County within which the Mohave County Board of Supervisors has the power and authority to grant a Franchise.
- M. "Rights-of-Way and Easements" shall mean the surface of, the space above, and the space below the Public Rights-of-Way and Easements reasonably necessary to construct, operate, and maintain the Franchise Property.

N. "Service Area" means the unincorporated areas of Mohave County in which the Franchisee delivers the service for which this Franchise is granted.

O. "Subscriber or User" means any person or entity receiving, for any purpose, the services of the Franchisee.

Section 2. GRANTING OF FRANCHISE.

A non-exclusive Franchise is hereby granted to Franchisee for the purpose of locating, constructing, and maintaining Franchise Property in the unincorporated area of Mohave County. This Franchise shall include the authority, privilege, and power to construct, operate, and maintain all necessary Franchise Property in, over, under, across, and upon the Public Rights-of-Way and Easements consistent with the terms and conditions of this Franchise.

Section 3. TERM OF FRANCHISE.

This Franchise shall be for an initial term of twenty five (25) years beginning on the date of Board approval. This term may be extended only by reapplication and grant of an extension. Application for an extension shall be submitted to the Board no sooner than three hundred sixty-five (365) days, nor later than one hundred twenty (120) days, prior to the expiration date of this Franchise.

Section 4. TERMS AND CONDITIONS.

This Franchise shall be subject to the following conditions:

A. This Franchise shall not be deemed to limit the authority of the Board to include other conditions or restrictions which may be necessary for the protection of the health, safety and welfare of the residents of the County and/or for the efficient administration of the Rights-of-Way and Easements in general.

B. This Franchise is non-exclusive.

C. The Board has granted this Franchise in reliance upon the Franchisee's business skill, reputation, financial capacity, and character. Accordingly, this Franchise and/or any interest hereunder, shall not be assigned, transferred, conveyed, or otherwise encumbered without the express written consent of the Board. Failure of performance by the Franchisee of any of the terms and conditions of this Franchise may be cause for termination of this Franchise pursuant to Section 16 of this Agreement.

D. No privilege or exemption shall be granted or inferred unless specifically set forth in this Franchise.

E. Any privilege claimed under this Franchise by the Franchisee in any Right-of-Way or Easement shall be subordinated to any prior lawful occupancy of the Right-of-Way or Easement.

F. Prior to commencing any activity authorized by this Franchise, the Franchisee shall submit plans and specifications for such activity to the County Public Works Director for approval; provided, however, whenever Franchisee is required to undertake emergency activities required to protect the health, safety and welfare of the public and/or the safety and reliability of the Franchise Property, Franchisee shall notify the County Public Works Director not later than twenty four (24) hours after notice of the emergency; and provided further, however, should such emergency present an immediate threat or danger to the health, safety and welfare of the public, Franchisee shall notify the County Manager or the County Public Works Director or the County Emergency Services Coordinator or the Chairman of the Board within one (1) hour of notice of the emergency.

G. Any failure of the Board, or its agents, to promptly enforce compliance of the terms and/or conditions of this Franchise shall not be deemed a waiver of such terms and/or conditions.

H. The Franchisee shall have no recourse against the Board or its agents for any loss, cost, expense, or damage arising out of any term, condition or enforcement of this Franchise.

I. The Franchisee shall be subject to all County rules, regulations and/or specifications pertaining to the use of Public Rights-of-Way and Easements which may be adopted from time to time by the Board.

J. Prior to the grant of this Franchise by the Board, and annually thereafter, Franchisee shall submit to the Board a complete financial statement that reflects the current financial status of the Franchisee and a list of names and addresses of proprietors, owners, or beneficial shareholders who hold more than a ten percent (10%) interest in the corporation, organization, or regulated entity.

SECTION 5. RECORDS TO BE KEPT AND MAINTAINED; REPORTS; INSPECTION OF RECORDS.

A. Franchisee shall prepare and furnish to the Board, or its agents, such reports and records of its operations, affairs, transactions and/or property as the Board deems necessary or appropriate for the enforcement of performance by the Franchisee according to the terms and conditions of this Franchise.

B. Franchisee shall keep and maintain within the County, and make available for County inspection upon reasonable request, full and complete plans and records showing the exact location of all Franchise Property installed and/or in use in the Public Rights-of-Way and Easements.

C. Franchisee shall file with the County Public Works Director, on or before the 31st day of December of each year, a map and/or a set of plans showing all Franchise Property installed and/or in use in the Public Rights-of-Way and Easements current as of the immediately preceding November 30th.

D. Franchisee shall keep its Franchise Property in good operating condition, and Franchisee shall cause all customer complaints to be duly investigated and, where the circumstances warrant, corrected within a reasonable period of time. Records reflecting such complaints, and the time and manner in which they are resolved, shall be maintained by the Franchisee for at least one (1) year and shall be made available for inspection by the Board or its agents upon reasonable request.

SECTION 6. INSTALLATION STANDARDS.

A. Franchisee shall be responsible for meeting all County, State, Federal, and local installation standards.

B. Any other provision of this Franchise notwithstanding, all installations of Franchise Property shall be made in a safe and workmanlike manner and maintained in good condition at all times. Except for the conduct of normal construction and repair activities, all such installations of Franchise Property shall be approximately placed so as not to interfere in any manner with the rights of the public or individual property owners and shall not interfere with the use of public property by the public and shall not obstruct or impede traffic. The Board reserves the right of regulation of the erection and construction of any Franchise Property, by Franchisee and its agents or employees, and to designate where such Franchise Property shall be placed. Franchisee agrees to make changes in its plans, specifications and/or Franchise Property to conform with all requirements of the Board.

C. Franchisee shall be responsible for obtaining all necessary licenses, certificates, permits and approvals from all government authorities having jurisdiction over the activities to be conducted under this Franchise.

SECTION 7. UNDERGROUND LINES.

Franchisee shall, at its own expense, place its lines underground in areas which it serves where telephone and electric power lines are, or are required to be, underground.

SECTION 8. LOCATION OF FRANCHISE PROPERTY.

Franchise Property shall be constructed or installed in Public Rights-of-Way and Easements of the County only at such locations and in such manner as shall be approved by the Board or its agents. Construction or installation of Franchise Property shall be in accordance with all Federal, State, and County laws and regulations.

SECTION 9. REPAIR OF ROADS, STREETS, RIGHTS-OF-WAY AND EASEMENTS.

Franchisee shall, at its own expense, promptly repair and restore any and all roads, streets, sidewalks or other public and/or private property altered, damaged, or destroyed by Franchisee in exercising the privileges granted herein to Franchisee.

SECTION 10. FAILURE TO PERFORM AS REQUIRED IN SECTION 9 ABOVE.

A. Upon failure of Franchisee, and its agent or employees, to complete any work required by this Franchise, the Board or its agents may notify Franchisee of non-compliance by registered mail. Franchisee shall have fourteen (14) days from the receipt of the notice to complete the repairs or to enter into an agreement with the Board and/or its agents for the completion of the repairs.

B. If, in the opinion of the County Director of Public Works and/or the County Manager, the failure to repair or complete construction presents a serious and immediate danger to the public health, safety and welfare, they, separately or together, may take immediate action to mitigate the damage. All costs associated with such actions will be the sole responsibility of Franchisee, and Franchisee shall reimburse the County for such costs within thirty (30) days after receipt of an itemized bill.

SECTION 11. REMOVAL AND ABANDONMENT OF FRANCHISE PROPERTY.

A. In the event the use of any Franchise Property is discontinued for a continuous period of twelve (12) months and Franchisee is unable to reasonably demonstrate the usefulness of such Franchise Property for future use, Franchisee shall either remove such Franchise Property or abandon such Franchise Property in place.

B. In the event Franchise Property is installed in violation of any requirements of this Franchise, and Franchisee fails to take reasonable measures to cure such violation within thirty (30) days after written notice of such violation, Franchisee shall either remove such Franchise Property or abandon such Franchise Property in place.

C. Franchise Property to be abandoned in place shall be abandoned in accordance with applicable law. Upon abandonment of Franchise Property in place, Franchisee shall submit to the Board an instrument satisfactory to the Board transferring the ownership of such Franchise Property to the County.

SECTION 12. CHANGES REQUIRED BY PUBLIC IMPROVEMENTS.

Franchisee shall, at its own expense, protect, support, temporarily disconnect, relocate in the same street, alley or public place, any Franchise Property when required by the Board or its agents by reason of County public improvements; provided, however, Franchisee shall have the right to abandon Franchise Property as provided in Section 11 above.

SECTION 13. INDEMNIFICATION OF COUNTY.

Franchisee shall defend the County against all claims for injury to any person or property caused by the negligence of Franchisee, its agents and/or employees, in the construction or operation of Franchise Property, and, in the event of a determination of liability, shall indemnify the County, the Board, its agents and/or employees. More particularly, Franchisee, its successors and assigns, does hereby agree to indemnify and hold harmless the County, the Board and/or its agents and employees, from any and all liability, claim, demand or judgment arising out of any injury to any person or property as a result of a violation or failure on the part of Franchisee, its successors and assigns, to observe their proper duty or because of negligence in whole or in part arising out of the construction, repair, extension, maintenance, or operation of Franchise Property of any kind or character used in connection with this Franchise.

SECTION 14. LIABILITY INSURANCE REQUIRED.

Franchisee agrees that, at all times during the existence of this Franchise, Franchisee will carry a minimum of \$1,000,000 in excess liability insurance on a combined single limit basis above any permitted self-insured retention. Self-insured retention shall be permitted so long as Franchisee continues to report to the Securities and Exchange Commission of the United States a Total Assets amount in excess of \$100,000,000. The insurance coverage required by this Section shall be provided by one or more insurers permitted under Title 20 or Arizona Revised Statutes to transact insurance business. Further, Franchisee shall provide, to the Clerk of the Board of Mohave County, a Certificate of Insurance naming the County, the Board and/or its agents and employees as additional insured. The Certificate will provide for notification to the Clerk of the Board of Mohave County prior to any change in said policy, or cancellation of said policy, for any reason including nonpayment of premiums.

SECTION 15. FRANCHISE FEE.

A. Franchisee shall pay to the County an annual Franchise Fee in an amount equal to two percent (2%) of Franchisee's Gross Annual Receipts derived from the operation of Franchise Property so long as the Board shall have the authority to levy a Franchise Fee. Further, Franchisee shall not be required to pay to the County any other Franchise fee or Permit fee in connection with this Franchise. There shall be no offsets for any other taxes or assessments, i.e., sales tax, fuel tax, personal property tax, general ad valorem property tax, special assessments for local improvements or any other tax or assessment not directly related to the use of the Public Rights-of-Way and Easements that may be required of Franchisee by any governmental agency.

B. The annual Franchise Fee shall be paid no later than the first (1st) day of May following each calendar year during the term of this Franchise. All such payments shall be made to the Mohave County Finance Department, P.O. Box 7000, Kingman, Arizona 86402-7000. So long as the Board shall have the authority to levy a Franchise Fee, failure to pay such Franchise Fee by the first (1st) day of May following the calendar year is a material breach of this Franchise Agreement and is subject to the termination provisions of Section 16 hereinafter.

C. The Board shall have the right to inspect and audit all Franchisee's books and records which may be necessary in determining Franchisee's Gross Annual Receipts derived from the use of the Public Rights-of-Way and Easements and the right of audit and re-computation of any amount paid under this Section; provided, however, that the right of re-computation shall be limited to the two (2) calendar years immediately preceding the initiation of any such audit. Financial statements required by this Franchise Agreement for each calendar year shall be submitted annually on or before April 15 of each year. No acceptance of any payment shall be construed as a release or accord and satisfaction of any claim the County may have for further or additional sums payable under this Section or for the performance of any obligation under this Franchise Agreement.

D. The percentage of Gross Annual Receipts set forth in this Section and the insurance requirements set forth in Section 14 above shall be subject to reevaluation by the Board every fifth year of this Franchise; provided, however, that no reevaluation shall occur so long as Franchisee continues to report to the Securities and Exchange Commission of the United States a Total Assets amount in excess of \$100,000,000. If reevaluation of the amounts due under this Section or the insurance requirements set forth in Section 14 above should result in a dispute between the parties, the dispute shall be presented to a neutral Arbitration Board for decision and settlement. The Arbitration Board shall consist of either one person mutually acceptable to the parties to this Franchise Agreement or to the American Arbitration Association. In the event of arbitration, the parties shall each pay their individual costs for such arbitration. The standard procedures and policies of arbitration shall apply in all cases.

SECTION 16. TERMINATION.

A. This Franchise Agreement and Franchise may be terminated by the mutual consent of the Board and the Franchisee evidenced by a writing.

B. This Franchise Agreement and Franchise, and all rights granted hereunder, may be terminated by the Board upon any breach of the terms and conditions hereof by Franchisee and Franchisee's failure to undertake reasonable measures to cure such breach within thirty (30) days subsequent to Franchisee's receipt of written notice of such breach. Written notice shall be by registered mail.

SECTION 17. OTHER PROVISIONS.

Franchise shall keep a copy of its current Tariffs applicable to Subscribers or Users in Mohave County on file with the Clerk of the Board of Mohave County.

SECTION 18. RESERVATION OF POWERS.

A. There is hereby reserved to the Board every right and power which is required to be reserved and Franchisee, by its acceptance of this Franchise, agrees to be bound thereby and to comply with any action or requirements of the Board in its exercise of any such right of power enacted or established.

B. Neither the granting of this Franchise nor any of the provisions contained herein shall be construed to prevent the Board from granting any identical, or similar, Franchise to any person or corporation other than Franchisee.

SECTION 19. SEVERABILITY.

In the event any provision of this Agreement is rendered inoperative by virtue of the entry of a final judgment of a Court of competent jurisdiction, such event shall not affect any other provision of this Agreement that can be given effect without such inoperative provision and, for this purpose, the provisions of this Agreement are hereby declared to be severable.

SECTION 20. OFFICIAL NOTICES.

Notices concerning this Franchise Agreement and Franchise shall be sent to:

FOR THE COUNTY:

Clerk of the Board
Mohave County
P.O. Box 7000
Kingman, AZ 86402-7000
928-753-0731

FOR FRANCHISEE:

SECTION 21. EFFECTIVE DATE.

This Franchise shall take effect upon the date of approval by the Board.

Approved by the Mohave County Board of Supervisors this _____ day of

_____, _____.

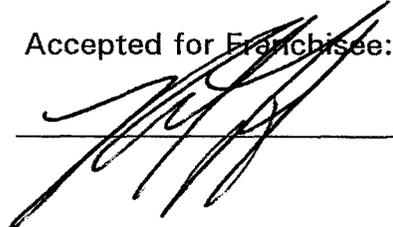
For the Board:

Chairman of the Board

Approved as to form:

County Attorney

Accepted for Franchisee:



ATTEST:

Clerk of the Board

ATTACHMENT "B"

MOHAVE	8, 9, 16, 17 & 21	39 N	16 W
COUNTY	SECTION	TOWNSHIP	RANGE

6							2	1
	5					4		
7						10	11	12
	8							
18						15	14	13
	17							
19	20				22	23	24	
30	29	28	27	26	25	25		
31	32	33	34	35	36	38		

Type or Print Description Here:

EXISTING:

All of Sections 3, 4 and 5 Township 39 North, Range 16 West. Also all of the E 1/2 of the E 1/2 of Section 8, all of the E 1/2 of the NE 1/4, the NE 1/4 of the SE 1/4 and the E 1/2 of the SE 1/4 of the SE 1/4 of section 17, Township 39 North, Range 16 West.

ADDITION:

All of Sections 9, 16 and 21, Township 39 North, Range 16 West. Also all of the E 1/2 of the E 1/2 of Section 8, all of the E 1/2 of the NE 1/4, the NE 1/4 of the SE 1/4 and the E 1/2 of the SE 1/4 of the SE 1/4 of section 17, Township 39 North, Range 16 West.



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Certificate of Approval to Construct a Water Distribution System

Applicant Information:		Place ID	21323	ADEQ CF #	20040098	LTF #	32143
Name		Beaver Dam Water Company		Project Name		Littlefield Line Extension	
Mail Address 1				County		Coconino	
Mail Address 2							
City/State/Zip							
Project Type(s)			Project Description				
x	Pressure Main		Storage Tank	6,6232 10' PVC, 282' 8" PVC, 515' 8" HDPE, 4,663' 6" PVC			
	Hydro Tank		Other				
Facility Name		Beaver Dam Water System #2					
Street Address 1							
Street Address 2							
City/State/Zip							
System Capacity Affirmation (Agent, Date)				NA			
PWS ID #		08006		Site Information			
Design Documents Approved			Date	Nearest Town		Littlefield	
Application			2/12/04	Location of Distribution System			
Site Plan			3/18/04	Township	40N	Range 15W	
Design Plan			2/2/04	Section	8, 5	Quarter Section	
Operations & Maintenance Plan			NA	Latitude	36° 53' 19"		
Response Letter				Longitude	113° 56' 10"		
Other							

Approval to Construct (ATC) the above-described facilities as represented in the approved plans documents on file the with the Arizona Department of Environmental Quality, is hereby given subject to the following provisions.

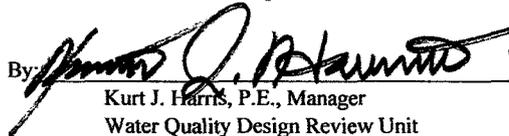
The General Provisions and Special Provisions for the Water Distribution System appear on Pages 2 of 2

KH1/th2
CERTIFICATE DISTRIBUTION

Original Certificate:
 Applicant

Certificate Copy Only:
 ADEQ/NRO Reading File
 ADEQ/NRO Construction File
 County P&Z
 Phillip Leslie
 Leslie & Assoc.
 444 S Main St Suite A4
 Cedar City, UT 84720

Stephen A. Owens, Director
 Arizona Department of Environmental Quality

By:  3-23-04
 Kurt J. Harris, P.E., Manager
 Water Quality Design Review Unit
 Northern Regional Office
 Date Approved

General Provisions

1. A public water system shall be designed using good engineering practices. A public water system which is designed in a manner consistent with the criteria contained in Engineering Bulletin No. 10, "Guidelines for the Construction of Water Systems,"
2. This Approval to Construct becomes void if an extension of time is not granted by the Department within 90 days after passage of one of the following [R18-4-505(E)]:
 - A. Construction does not begin within one year after the date the Approval to Construct is issued, or
 - B. There is a halt in construction of more than one year, or
 - C. Construction is not completed within three years after the date construction begins.
3. All construction shall conform to approved plans and specifications. Should it be necessary or desirable to make a change in the approved design which will affect water quality, capacity, flow, sanitary features, or performance, the revised plans and specifications, together with a written statement of the reasons for such a change, shall be submitted to the Department for review, and approval shall be obtained in writing before the construction affected by the change is undertaken. Revisions not affecting water quality, capacity, flow, sanitary features, or performance may be permitted during construction without further approval if record if record drawings documenting these changes, prepared by a professional engineer registered in the state of Arizona, are submitted to the Department, pursuant to A.A.C. R18-4-508.
4. Notice shall be given to the Northern Regional Office (NRO) in Flagstaff (1-877-602-3675) and to County P&Z Department when construction of the project begins to allow for inspection during construction per A.R.S. § 49-104(B)(10).
Contact Mr. Craig Beeson x2713 at least seven days prior to the start of construction, and again at least ten day before the end of construction.
5. Operation of a newly constructed facility shall not begin until an Approval of Construction (AOC) is issued by the Department per A.A.C. R18-4-507(A). Failure to comply with A.A.C. R18-4-507(A) will result if a Notice of Violation (NOV).
6. The following requirements shall be met before an AOC will be issued by the Department on a newly constructed public water system, an extension to an existing public water system, or any alterations of an existing public water system, or any alteration of an existing public water system which affects its treatment, capacity, water quality, flow, distribution, or operational performance [R18-4-507(B)]:
 - A. A professional engineer, registered in the state of Arizona, or a person under the direct supervision thereof, shall complete a final inspection and submit a Certificate of Completion on a form approved by the Department to which the seal and signature of the registrant have been affixed;
 - B. The construction conforms to approved plans and specifications, as indicated in the Certificate of Completion, and all changes have been documented by the submission of record drawings, pursuant to R18-4-508;
 - C. An operations and maintenance manual has been submitted and approved by the Department if construction includes a new water treatment facility; and
 - D. An operator, who is certified by the Department at a grade appropriate for each facility, is employed to operate each water treatment plant and the potable water distribution system.

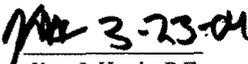
After receipt of the items outlined above, NRO will review the file and, if in order, will issue an Approval of Construction (AOC).

7. A minimum pressure of 20 psi shall be provided at all points in the distribution lines at all times.
8. All materials and products that come into contact with drinking water or drinking water treatment chemicals must comply with NSF Standard 61. Any "or equal" substitution shall also meet NSF Standard 61. Materials which do not meet NSF Standard 61 may be considered if they otherwise comply with A.R.S. § 49-353.01.
9. Backflow prevention shall be provided in accordance with R18-4-115 and/or local ordinances.
10. The open end of each air relief pipe from automatic valves shall extend at least one foot above grade and shall incorporate pipe elbows to cause the opening, permanently covered with #16 mesh screen, to face downward.
11. This certificate voids and supersedes all previous "Approvals to Construct" issued previously for this file number.
12. Potable water line and sewer line separation shall meet A.A.C. R18-4-502. Reclaimed water line and potable water line separation shall meet A.A.C. R18-9-602. The separation requirements of A.A.C. R18-4-502 shall extend to all water line services and sewer line services within the right-of-way. Separation of water and sewer line on individual private property shall meet the requirements of the Uniform Plumbing Code.
13. Construction material used in a public water system, including residential and non-residential facilities connected to the public water system, shall be lead free as defined at R18-4-101(46).

Special Provisions

None

End of Provisions


Kurt J. Harris, P.E.



Arizona Department of Transportation
Intermodal Transportation Division

206 South Seventeenth Avenue Phoenix, Arizona 85007-3213

Janet Napolitano
Governor

Victor M.
Mendez
Director

October 8, 2003

Debra Brisk
State Engineer

Beaver Dam Water Company
Attn: G. R. Frisby
P.O. Box 550
Beaver Dam, AZ 86432

Re: Encroachment Permit No. 89346

Dear Mr. Frisby:

Enclosed is the approved Arizona Department of Transportation Right of Way Encroachment Permit for the work outlined and detailed. Please take a moment to review the permit, its reverse side (or second page), the addendum and all attached standards, details, specifications, and drawings. Acceptance of the permit constitutes agreement to all specifications, conditions, and provisions as described within the permit and its attachments. If the permittee does not agree to all the conditions as outlined within this contract, it must be returned to ADOT's Flagstaff Encroachment Permit office within 10 days of issuance. *No work shall take place within ADOT right of way without an approved Encroachment Permit.*

Should you have any questions pertaining to the permit please feel free to contact the Encroachment Permits office at (928) 774-1491.

Sincerely,

Larry Addison - Permits Supervisor
1801 S. Milton - MD-568
Flagstaff, AZ 86001
1-779-7550

Cc: Maintenance Supervisor

Through W.K. Link, Maintenance Engineer, and Jim Bernard, Permit Inspector

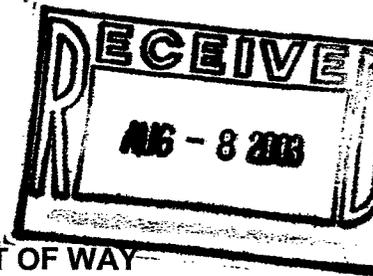
Central Maintenance Permits
File

WKL
10/9/03



2001 Award Recipient

89346



ARIZONA DEPARTMENT OF TRANSPORTATION
FLAGSTAFF DISTRICT PERMITS
1801 S. MILTON RD.
FLAGSTAFF, ARIZONA 86001

APPLICATION FOR PERMIT TO USE STATE HIGHWAY RIGHT OF WAY
(PRINT OR TYPE)

Application is hereby made to enter in upon and use a portion of the State Highway.

Name of Encroachment Owner Beaver Dam Water Company

Address of Owner 333 East Clark Gable Drive

City Beaver Dam State AZ Zip 86432

Signature of Owner [Signature] Phone (928) 347-5000

Name of Applicant G. R. Frisby Legal Relationship to Owner SAME

Mailing Address P.O. Box 550

City Beaver Dam State AZ Zip 86432

Phone (928) 347-5000

Signature of Applicant [Signature]

(Applicant and Owner are responsible for conditions on permit)

City (in or near) Littlefield, AZ PROJECT NO. I-15-14)6

Highway Route No. I-15 Approximately 765' Feet N of Milepost No. 8

Side of Highway N S E W (circle one) Highway Station 428 + 67

Purpose To provide adequate water supply and fire protection to the community of Littlefield, it is necessary to install an 8" water line under the I-15 Freeway. The method of installation will be to bore a hole under I-15 through which the pipe will be inserted.

FOR DEPARTMENT USE ONLY

This application is approved with the following directions, requirements and specifications indicated on the back of this form. With the acceptance of this permit, the permittee agrees to all the conditions as described herein. No work will be allowed to take place inside the right of way without a valid permit on site.

Date 10-8-03 Permits Supervisor _____

PERMIT AND LICENSE

Permit No. 89346

A permit and license is hereby issued to the foregoing licensee for the purpose contained in the application and upon the expressed rendition that every agreement and covenant therein contained is faithfully performed, and said work to be performed in accordance with final approved plans and specifications. Construction is authorized only for the period indicated below.

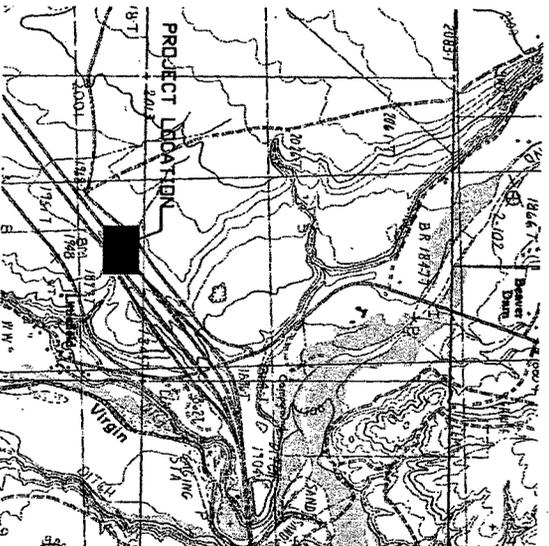
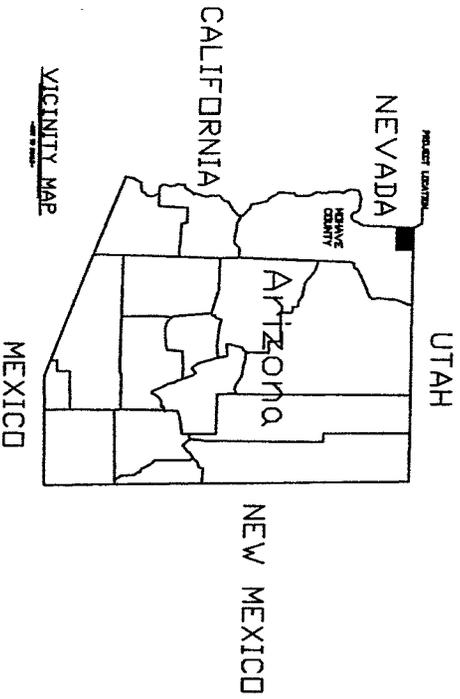
Dated 10-8-03 ARIZONA DEPARTMENT OF TRANSPORTATION

Construction to be completed by: DOI-08-04

Authorized Signature [Signature] Date 10-8-03

Beaver Dam Water Company

I-15 Crossing to Littlefield



SHEET INDEX

SHEET #	DESCRIPTION
1	PLAN VIEW
2	CASING PROFILE AND DETAILS

DATE: Jan 2000
 DATE: DATE



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 138
 139
 140
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 142

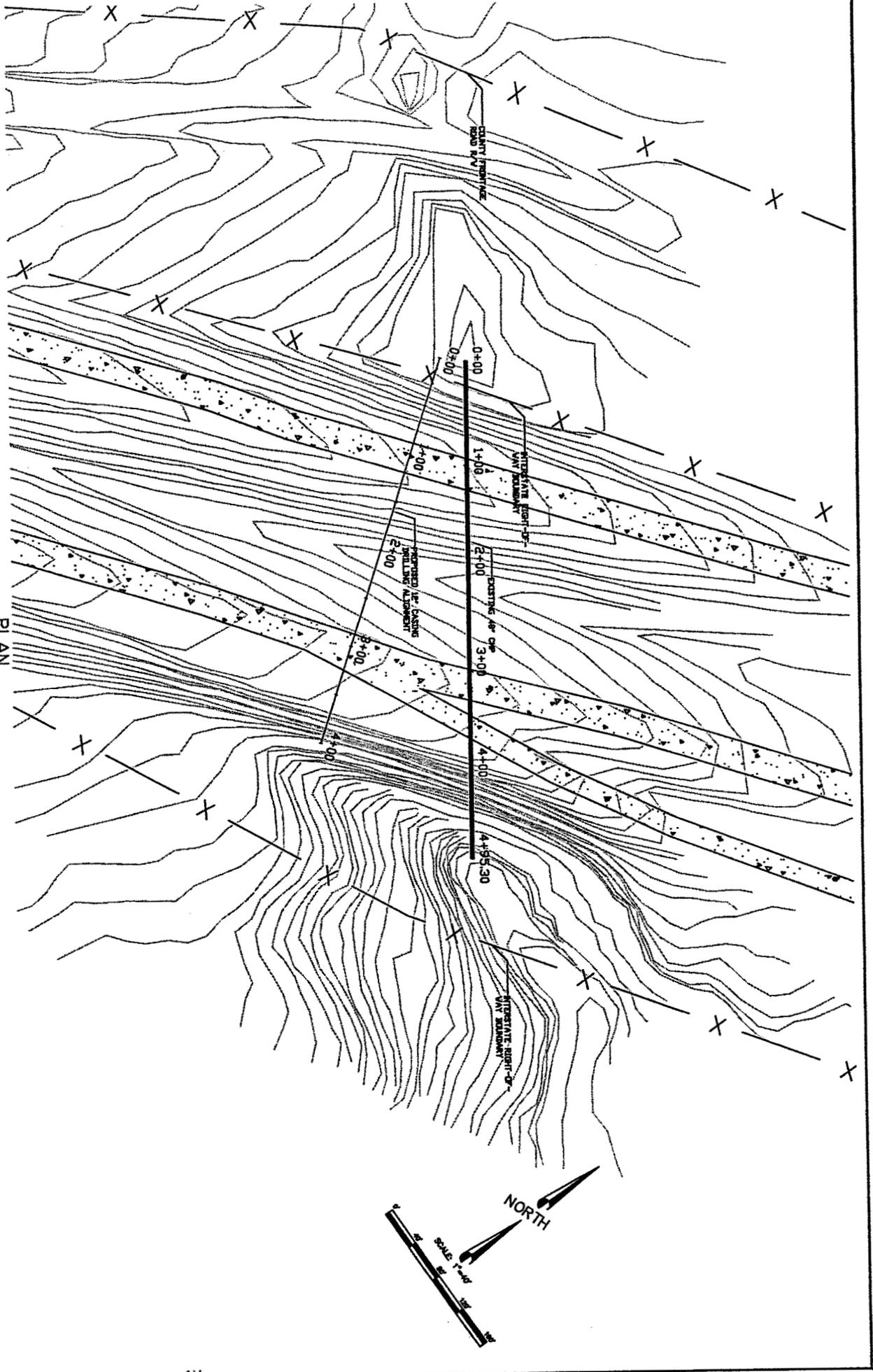
NUMBER 04-148
 WHEN FINISHED DATE 11/11/00
 DRAWN DATE



PLAN
I-18 CROSSING TO LEFTFIELD

PLAN VIEW

1/2



04000000

MOHAVE COUNTY
APPLICATION FOR PERMIT TO USE RIGHT-OF-WAY

MOHAVE COUNTY DEPARTMENT OF PUBLIC WORKS
Telephone: (928) 757-0910
Fax: (928) 757-0912

3675 East Andy Devine Ave.
P.O. Box 7000
Kingman, Arizona 86402-7000

GENTLEMEN:

The undersigned herewith make application for a permit to enter in or upon and to use a portion of the right-of-way of County Road in T. 40 N. R. 15 W, Sec. 6-5 on VIRGIN AVENUE RD (Name of Road).
For the purpose of INSTALLATION 10" WATER MAIN LATER ENDS

Scheduled Start Date: 6/30/04
Scheduled Completion Date: 8/30/04

FOR AND IN CONSIDERATION of the granting of a permit for the purpose set forth herein, the Permittee hereby agrees, covenants and binds said Permittee as follows, to wit:

- 1) To perform all work in accordance with the Mohave County Standard Specifications and Details (Mohave County Board of Supervisor's Resolution No. 2002-397);
- 2) If the above stated scheduled start date or completion date is changed for any reason, the Permittee shall notify Public Works by telephone at least two working days in advance;
- 3) All work in the ROW will require engineering inspection;
- 4) Any work rejected by engineering inspection shall be remedied or removed and replaced by the Permittee in a manner acceptable to the Public Works Department;
- 5) Failure to comply with the permit conditions may result in revocation of the permit and the requirement of posting an appropriate performance bond for future permit applications.

IN WITNESS WHEREOF this application has been duly signed this 6 day of April, 2004

I certify that I am properly licensed by the State of Arizona, to work within Mohave County R-O-W's

Contractor Bruce Dean Water
License No. LC-139518

Name of Owner, Contractor or Owner's Agent Bruce Dean Water Co.
Telephone No. 928-347-6000
Applicant's Signature [Signature]
Address 3120 E. Parkdale

THIS APPLICATION IS APPROVED with the following directions, requirements and specifications:

When trenching operations cross the roadway/traveled way, the backfill material shall be placed in lifts no greater than 8 inches thick. Each lift must be watered and compacted to 95% maximum density as per ASTM D 698 C this area of compaction will be 20 feet left and right of the centerline of this existing roadway/traveled way as it falls within the right-of-way limits.

The trench backfill outside the traveled way of the roadway, as described above, shall be compacted in relatively shallow lifts at near the optimum moisture content to achieve adequate compaction. The future performance of the backfill will be monitored by the County and in case of future settlement, the Permittee will perform necessary repair as requested by the County

Mohave County is granting permission for the proposed work to be performed where Mohave County has right-of-way jurisdiction.

THE TRENCH BACKFILL WHEN CROSSING PARALLEL PAVEMENT SHALL BE 1 SALK LEAST SLURRY

All work shall follow what is outlined in County Standard Specification 210 "BORE CUT"

When boring under the roadway, the bore pit backfill material shall be placed in lifts no greater than 8 inches thick. Each lift must be watered and compacted to 95% maximum density as per ASTM D 698 C.

The future performance of this backfill will be monitored by the County and in case of future settlement; the Permittee will perform necessary repairs, and testing, as requested by the County.

Mohave County is granting permission for the proposed work to be performed where Mohave County has right-of-way jurisdiction.

WATER LINE TO BE PLACED (5') FIVE FT FROM RIGHT OF WAY LINE

PERMIT

A permit is hereby issued to the foregoing for the purpose contained in the application and upon the expressed condition that every agreement and covenant therein contained is faithfully performed, and said work to be performed in accordance with approved plans and specifications or as stipulated hereinbefore.

MOHAVE COUNTY DEPARTMENT OF PUBLIC WORKS
By VERN BEEGHER FOR MICHAEL P. HENDRIX

Public Works Director

Dated 4-8-04

PERMIT NO. 2004-188

SEE REVERSE SIDE FOR ADDITIONAL REQUIREMENTS

**Arizona Department of Environmental Quality
 Water Quality Compliance Assurance Unit
 1110 W. Washington Street, 5415B-1
 Phoenix, AZ 85007**

Over

Drinking Water Compliance Status Report

Public Water System Name: Beaver Dam Water Co. III

Public Water System ID #: 08-093

Overall Compliance Status: No Major Deficiencies Major Deficiencies

Monitoring and Reporting Status: No Major Deficiencies Major Deficiencies

Comments:

This system is currently classified as an unregulated water system and has no monitoring or reporting requirements.

Operation and Maintenance Status: No Major Deficiencies Major Deficiencies

Comments:

Major unresolved/ongoing operation and maintenance deficiencies:

- | | |
|---|---|
| <input type="checkbox"/> unable to maintain 20psi | <input type="checkbox"/> inadequate storage |
| <input type="checkbox"/> cross connection/backflow problems | <input type="checkbox"/> surface water treatment rule |
| <input type="checkbox"/> treatment deficiencies | <input type="checkbox"/> approval of construction |
| <input type="checkbox"/> certified operator | <input type="checkbox"/> other |

Date of last inspection / sanitary survey: 12-18-89

Administrative Orders:

Is an ADEQ administrative order in effect? Yes No

Comments:

System information:

Number of Points of Entry N/A **Number of Sources** N/A **Population Served** 25

Service Connections 13 **Initial Monitoring Year** 1995 **Initial MAP Year** N/A

Evaluation completed by: **Jim Puckett**

Phone: 602-771-4649 **Date:** 5-10-04

**Arizona Department of Environmental Quality
 Water Quality Compliance Assurance Unit
 1110 W. Washington Street, 5415B-1
 Phoenix, AZ 85007**

OKAY

Drinking Water Compliance Status Report

Public Water System Name: Beaver Dam Water Co. II

Public Water System ID #: 08-006

Overall Compliance Status: No Major Deficiencies Major Deficiencies

Monitoring and Reporting Status: No Major Deficiencies Major Deficiencies
Comments:

Operation and Maintenance Status: No Major Deficiencies Major Deficiencies
Comments:

Major unresolved/ongoing operation and maintenance deficiencies:

- | | |
|---|---|
| <input type="checkbox"/> unable to maintain 20psi | <input type="checkbox"/> inadequate storage |
| <input type="checkbox"/> cross connection/backflow problems | <input type="checkbox"/> surface water treatment rule |
| <input type="checkbox"/> treatment deficiencies | <input type="checkbox"/> approval of construction |
| <input type="checkbox"/> certified operator | <input type="checkbox"/> other |

Date of last inspection / sanitary survey: 4-9-80

Administrative Orders:

Is an ADEQ administrative order in effect? Yes No

Comments:

System information:

Number of Points of Entry 1 Number of Sources 1 Population Served 400

Service Connections 103 Initial Monitoring Year 1996 Initial MAP Year 1999

Evaluation completed by: Jim Puckett

Phone: 602-771-4649 **Date:** 5-10-04

Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for this system in the future. This compliance status report does not reflect the status of any other water system owned by this utility company.

Arizona Department of Environmental Quality
Water Quality Compliance Assurance Unit
1110 W. Washington Street, 5415B-1
Phoenix, AZ 85007

OK

Drinking Water Compliance Status Report

Public Water System Name: Beaver Dam Water Co. II

Public Water System ID #: 08-006

Overall Compliance Status: No Major Deficiencies Major Deficiencies

Monitoring and Reporting Status: No Major Deficiencies Major Deficiencies
Comments:

Operation and Maintenance Status: No Major Deficiencies Major Deficiencies
Comments:

Major unresolved/ongoing operation and maintenance deficiencies:

- unable to maintain 20psi
- cross connection/backflow problems
- treatment deficiencies
- certified operator
- inadequate storage
- surface water treatment rule
- approval of construction
- other

Date of last inspection / sanitary survey: 4-9-80

Administrative Orders:

Is an ADEQ administrative order in effect? Yes No

Comments:

System information:

Number of Points of Entry 1 Number of Sources 1 Population Served 400

Service Connections 103 Initial Monitoring Year 1996 Initial MAP Year 1999

Evaluation completed by: Jim Puckett

Phone: 602-771-4649 Date: 5-10-04

Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for this system in the future. This compliance status report does not reflect the status of any other water system owned by this utility company.

Arizona Department of Environmental Quality
Water Quality Compliance Assurance Unit
1110 W. Washington Street, 5415B-1
Phoenix, AZ 85007

DRAT

Drinking Water Compliance Status Report

Public Water System Name: Beaver Dam Water Co. I

Public Water System ID #: 08-311

Overall Compliance Status: No Major Deficiencies Major Deficiencies

Monitoring and Reporting Status: No Major Deficiencies Major Deficiencies

Comments:
This system has failed to provide any nitrite analyses.

Operation and Maintenance Status: No Major Deficiencies Major Deficiencies

Comments:

Major unresolved/ongoing operation and maintenance deficiencies:

- unable to maintain 20psi
- cross connection/backflow problems
- treatment deficiencies
- certified operator
- inadequate storage
- surface water treatment rule
- approval of construction
- other

Date of last inspection / sanitary survey: 3-11-03

Administrative Orders:

Is an ADEQ administrative order in effect? Yes No

Comments:

System information:

Number of Points of Entry 1 Number of Sources 1 Population Served 150

Service Connections 85 Initial Monitoring Year 1993 Initial MAP Year N/A

Evaluation completed by: **Jim Puckett**

Phone: **602-771-4649** Date: **5-10-04**

Because of the previously identified compliance monitoring deficiencies, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for this system in the future. This compliance status report does not reflect the status of any other water system owned by this utility company.

Arizona Department of Environmental Quality
Water Quality Compliance Assurance Unit
1110 W. Washington Street, 5415B-1
Phoenix, AZ 85007

Over

Drinking Water Compliance Status Report

Public Water System Name: Beaver Dam Water Co. III

Public Water System ID #: 08-093

Overall Compliance Status: No Major Deficiencies Major Deficiencies

Monitoring and Reporting Status: No Major Deficiencies Major Deficiencies

Comments:

This system is currently classified as an unregulated water system and has no monitoring or reporting requirements.

Operation and Maintenance Status: No Major Deficiencies Major Deficiencies

Comments:

Major unresolved/ongoing operation and maintenance deficiencies:

- unable to maintain 20psi
- cross connection/backflow problems
- treatment deficiencies
- certified operator
- inadequate storage
- surface water treatment rule
- approval of construction
- other

Date of last inspection / sanitary survey: 12-18-89

Administrative Orders:

Is an ADEQ administrative order in effect? Yes No

Comments:

System information:

Number of Points of Entry N/A Number of Sources N/A Population Served 25

Service Connections 13 Initial Monitoring Year 1995 Initial MAP Year N/A

Evaluation completed by: **Jim Puckett**

Phone: **602-771-4649** Date: **5-10-04**