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MEMORANDUM

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DIRECTOR OF UTILITIES

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TO: Docket Control

FROM: Ernest G. Johnson
Director
Utilities Division

for

DATE: September 22, 2004

RE: STAFF REPORT FOR UTILITY SOURCE, L.L.C., APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER AND WASTEWATER SERVICE TO A PORTION OF COCONINO COUNTY. (DOCKET NO. WS-04235A-04-0073)

Attached is the Staff Report for Utility Source, L.L.C., application for Certificates of Convenience and Necessity in Coconino County. Staff recommends the Commission deny the application.

EGJ:JEF:lhm

Originator: Jim Fisher

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EXHIBIT

Service List for: Utility Source, L.L.C.
Docket No. WS-04235A-04-0073

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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

UTILITY SOURCE, L.L.C.

DOCKET NO. WS-04235A-04- 0073

APPLICATION FOR CERTIFICATES OF CONVENIENCE AND NECESSITY

SEPTEMBER 2004

STAFF ACKNOWLEDGMENT

The Staff Report for Utility Source, L.L.C. (Docket No. WS-04235A-04-0073) was the responsibility of the Staff members signed below. Jim Fisher was responsible for the review and analysis of the Company's application. John Chelus was responsible for the engineering and technical analysis. James Johnson was responsible for the review and recommendation on rate base and usage rates.

Jim Fisher
Executive Consultant

John Chelus
Utilities Engineer

James Johnson
Public Utilities Analyst

EXECUTIVE SUMMARY
UTILITY SOURCE, L.L.C.
APPLICATION FOR A CC&N
DOCKET NO. WS-04235A-04-0073

On January 30, 2004, Utility Source, L.L.C. ("Utility Source" or "Company") filed an Application for a Certificate of Convenience and Necessity ("CC&N") with the Arizona Corporation Commission ("ACC" or "Commission"). On February 17, 2004, the Commission Utilities Division Staff ("Staff") informed Utility Source that the application was insufficient for administrative purposes.

On March 30, April 6 and July 13, 2004, the Company provided additional information to support the application. On July 20, 2004, Staff informed Utility Source that the application was sufficient for administrative purposes.

Utility Source is an Arizona Limited Liability Company ("L.L.C.") in good standing with the Commission's Corporation Division. Utility Source was requesting a CC&N of approximately 137 acres in which to serve a proposed 650 customers at full build out. The Company was formed to provide service to Flagstaff Meadows, a development west of Flagstaff, near Bellemont, Arizona. Utility Source currently serves approximately 200 customers at Flagstaff Meadows, without a CC&N.

On February 17, 2004 and March 17, 2004, the Arizona Department of Water Resources, ("ADWR") reported that water supplies for the Company were found to be inadequate. On March 22, 2004, Staff informed the Company that as a public service company without a CC&N, and having been found to have an inadequate water supply, Utility Source is required serve the existing customers and to stop connecting additional customers until regulatory issues have been resolved. On June 3, 2004, the Arizona Department of Real Estate informed the developer that the public report for development is invalid and cannot be used for making binding sales.

The Company is subject to a determination by the Arizona Department of Water Resources ("ADWR") of adequate water resources in relation to a determination that the utility will be able to provide water to potential home buyers. In this application, ADWR has issued a finding of inadequate water supply, prior to the Commission authorizing a CC&N.

Water

Staff recommends that the Commission deny the Utility Source, L.L.C. application for a Certificate of Convenience and Necessity to provide water service.

Staff further recommends that the Commission require Utility Source, L.L.C. to provide water service to its existing customers as of March 22, 2004 only, subject to compliance with the following conditions:

1. That the Commission find that the fair value of the property devoted to water service is $2,318,654.

2. That the Commission authorize Utility Source, L.L.C. the water rates and charges shown on Schedule JJ-W-4.

3. That the Commission require Utility Source, L.L.C. to file in Docket Control a tariff consistent with the rates and charges authorized by the Commission within 30 days of the decision in this matter.

4. That the Commission require Utility Source, L.L.C. to file backflow prevention and curtailment tariffs as compliance items in this docket with Docket Control within 45 days of any decision in this matter.

5. That the Commission require Utility Source, L.L.C. to file a rate application no later May 1, 2006, using a 2005 test year.

6. That the Commission require Utility Source, L.L.C. to file a copy of the ADEQ Approval of Construction in Docket Control within 365 days of any decision in this matter.

7. That the Commission require Utility Source, L.L.C. to file a report on the arsenic levels of all production wells in Docket Control within 365 days of any decision in this matter.

8. That the Commission authorize Utility Source, L.L.C. the depreciation rates recommended in this Report.

9. That the Commission require Utility Source, L.L.C. to maintain its books and records in accordance with the NARUC Uniform System of Accounts for Water Utilities.

10. That the Commission require Utility Source, L.L.C. to obtain a County Franchise for the service areas within 365 days of any decision in this matter.

Wastewater

Staff recommends that the Commission approve the application for a Certificate of Convenience and Necessity to provide wastewater services, subject to the following conditions:

1. That the Commission find that the fair value of the property devoted to wastewater service is $1,329,455.

2. That the Commission authorize Utility Source, L.L.C. the wastewater rates and charges shown on Schedule JJ-WW-4.

3. That the Commission require Utility Source, L.L.C. to file a tariff consistent with the rates and charges authorized by the Commission in Docket Control within 30 days of the decision in this matter.

4. That the Commission require Utility Source, L.L.C. to file a rate application no later than May 1, 2006, using a 2005 test year.

5. That the Commission authorize Utility Source, L.L.C. the depreciation rates recommended in this Report.

6. That the Commission require Utility Source, L.L.C. to maintain its books and records in accordance with the NARUC Uniform System of Accounts for Wastewater Utilities.

7. That the Commission require Utility Source, L.L.C. to obtain a County Franchise for the service areas within 365 days of any decision in this matter.

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Introduction

On January 30, 2004, Utility Source, L.L.C. ("Utility Source" or "Company") filed an Application for a Certificate of Convenience and Necessity ("CC&N") with the Arizona Corporation Commission ("ACC" or "Commission"). On February 17, 2004, the Commission Utilities Division Staff ("Staff") informed Utility Source that the application was insufficient for administrative purposes.

On March 30, April 6 and July 13, 2004, the Company provided additional information to support the application. On July 20, 2004, Staff informed Utility Source that the application was sufficient for administrative purposes.

Background

Utility Source is an Arizona Limited Liability Company ("L.L.C.") in good standing with the Commission's Corporation Division. Mr. Lonnie McCleve is the Company's sole member. Mr. McCleve also operates Greenfield Land Development, the developer requesting service from the Company. Mr. McCleve also is the owner of Fuelco Travel Center, a nearby truck stop with water well, storage tank and wastewater treatment plant.

Utility Source is requesting a CC&N of approximately 137 acres in which to serve a proposed 650 customers at full build out. Utility Source was formed to provide service to Flagstaff Meadows, a development under construction and partial occupancy, located west of Flagstaff, near Bellemont, Arizona. The development is located north of Interstate 40, consists of 675 residential lots, 10 commercial lots and one golf course. Utility Source currently serves approximately 194 customers.

On February 17, 2004 and March 17, 2004, the Arizona Department of Water Resources ("ADWR") reported that water supplies for the Company were found to be inadequate.

On March 22, 2004, Staff informed the Company that as a public service company without a CC&N, and having been found to have an inadequate water supply, Utility Source is required to stop connecting additional customers until regulatory issues have been resolved.

On April 2, 2004, Richard Sallquist, Utility Source's attorney, informed Staff that:

> "The Applicant has been providing wholesale water and wastewater service to the Flagstaff Meadows Homeowners Association, which in turn provides residential water and wastewater service to the Flagstaff Meadows Subdivision. This service has been provided by the respective parties since approximately April 2003."

Staff was further informed that unregulated utility service would continue.

> "We believe the customers are properly and adequately protected and are receiving safe drinking water and sewer service during the transition from the HOA's operations to the requested public service corporation status. Therefore, until such time as the Commission has formalized its economic regulation of the Company, we propose to continue operation of the HOA as originally intended."

On April 9, 2004, Staff informed Utility Source that as issues remain unresolved, Staff would inform the ADEQ and Arizona Department of Real Estate ("ADRE") that the Company is operating without the required CC&N.

On April 20, 2004, Utility Source informed Staff that they had met with ADWR and requested Commission Staff to treat the application "like other CC&N applicants that do not have an ADEQ (sic) determination letter." The Company asserted that such action by Commission Staff would allow the Company to serve existing customers "and adding new customers."

On June 3, 2004, the ADRE informed Mr. McCleve that the public report for development is invalid and cannot be used for making binding sales. ADRE further informed the developer that until the water provider issues are resolved with the ACC, ADWR and ADEQ, the ADRE would not authorize binding sales.

On July 19, 2004, Utility Source provided Staff with documentation describing a water availability study and informed Staff that they expected ADWR to issue a letter of water adequacy within 90 days. Staff issued its sufficiency letter the following day.

On August 19, 2004, ADEQ informed the developer that the approvals for sanitary facilities were suspended and provided the developer with a list of regulatory issues to resolve. In a separate memorandum, ADEQ informed Staff that the initial approvals were based in part on reliance of an existing water system serving the Bellemont Travel Center. That water system is classified as a transient non-community water system. ADEQ found that the water system will need to be reclassified and comply with all state regulations before it can be used for service to the public. Utility Source intends to use Bellemont Travel Center facilities to serve the development.

The August 19, 2004, ADEQ memorandum also informed Staff that the development identified different water providers to ADWR than it did to ADEQ. However, ADWR has consistently found inadequate water availability no matter the listed provider.

On August 20, 2004, the ADRE informed the developer that until water issues are resolved, no new sales can be made. The ADRE allowed continuation with existing sales provided that full disclosure of the lack of compliance with ADEQ and ACC requirements was provided.

On September 7, 2004, Utility Source requested Staff to issue a letter informing regulatory agencies that the Company was required to serve existing customers.

On September 15, 2004, Staff informed Utility Source that an existing customer is defined as requesting service, setting a meter and receiving service prior to March 22, 2004. Staff advised the Company to retain all records to enable verification. Staff also informed the Company that the agreement of customer definition is conditioned on the developers' full disclosure of the ADWR letters of inadequacy and that the rates charged are not authorized by the Commission.

Water System

Utility Source is proposing a water system that will consist of three deep wells (107 gpm total capacity), three shallow wells (44 gpm total capacity), two storage tanks (285,000 [for excess effluent from the wastewater plant] and 422,000 gallons), a booster system, and a distribution system to serve 652 customers within the first five years. Utility Source is currently serving approximately 200 customers.

On April 8, 2004, consulting engineers for the developer provided their final report on estimated water availability. The consulting engineer's report provides that current ground water production is 70 gpm and that the proposed development requires an additional 130 gpm. The final report provides that two additional deep wells were constructed but failed to obtain adequate groundwater yield.

According to the April 8, 2004 report, seven wells have been drilled on the Bellmont property, five of the seven are at depths of 65 to 300 feet. Those wells have obtained yields of 7, 12, 10 and 5 gpm. Two deep wells have been drilled to the Coconino Sandstone at a depth of 2,440 feet and 2,100 feet. The two deep wells produce 14 gpm and 18 gpm, respectively.

The report recommends another well to be drilled into the Bellmont fault at a depth of 2,200 feet.

The estimated project costs for the water system in this application are shown on schedule 8 of the Utility Source schedules. The costs are shown to total $2,677,900 for both backbone plant and on-site facilities. The costs seem to be reasonable and appropriate. However, approval of this CC&N application does not imply any particular future treatment for the rate base. No "used and useful" determination of the proposed plant in service was made, and no conclusions should be inferred for rate making or rate base purposes.

Arizona Department of Water Resources ("ADWR") Compliance

The Company is subject to a determination by the ADWR of adequate water resources in relation to a determination that the utility will be able to provide water to potential home buyers.

According to ADWR, the Adequate Water Supply program, first created in 1973, operates outside of the Active Management Areas as a consumer protection program. Developers are required to obtain a determination from ADWR concerning the quantity and quality of water available before the ADRE will allow any lot sales.

If the application for a Water Adequacy Report successfully demonstrates that water of sufficient quality will be physically, legally, and continuously available for the next 100 years, then ADWR will determine the water supply to be adequate. If the water supply is determined to be inadequate, the developer may still sell lots, but the inadequate determination must be disclosed to potential buyers in the public report approved by ADRE and in all promotional materials. In this application, ADWR issued a finding of inadequate water supply, prior to the Commission authorizing a CC&N.

In July 2004, Utility Source submitted a physical availability demonstration ("PAD") application to ADWR. An evaluation has not yet been completed. The application makes the argument that the regional Coconino Aquifer can support a total annual supply of 346 acre-feet per year for 100 years and that total current and committed demand through Phase III for the 675 lots is 188 acre-feet per year for 100 years.

Utility Source has not demonstrated that the proposed water system will have adequate production capacity to serve the proposed CC&N area. Staff recommends that Utility Source should be required to supply documentation from ADWR stating that Utility Source has a 100 year supply of water available to serve its requested CC&N area before the system can connect any additional customers than are currently authorized under Staff's September 15, 2004 letter.

Arizona Department of Environmental Quality ("ADEQ") Capacity Development

The applicant lists the existing Bellemont Travel Center, Public Water System ("PWS") – 03-300 as its water supply. This is a transient non-community water system which, according to ADEQ, is currently delivering water that meets water quality standards. Arsenic levels in the wells runs around 2 parts per billion ("ppb"), which is below the new standard of 10 ppb.

This system will need to be reclassified from the current transient non-community water system to a community water system by ADEQ in order to serve the requested CC&N area. This system will also have to go through capacity development review.

ADEQ Capacity Development rules, effective September 23, 1999, require new public drinking water systems to meet distinct financial, managerial and technical capacity requirements. ADEQ will accept a financial determination made by this Commission as meeting the financial capacity requirements for new water systems under the jurisdiction of the Commission. The technical and managerial capability is determined by ADEQ.

All three components are combined in the final approval of the water company's "elementary business plan", pursuant to ADEQ Rule R18-4-606. The three components are

reviewed and approved sequentially, with the technical capacity approval and "Approval to Construct" being the last performed. The Approval to Construct acts as a control point in the process, and once an Approval to Construct has been issued, it can be assumed that the water company has complied with the capacity development rules.

Based on the above criteria, it is Staff's recommendation that Utility Source be required to submit a copy of the initial ADEQ "Approval To Construct" to the Director of Utilities, Arizona Corporation Commission, within 12 months of the effective date of the final decision and order in this matter.

Special Service Tariffs

A "Curtailment Plan Tariff" is an effective tool to allow a water company to manage its resources during periods of water shortages due to pump breakdowns, droughts, or other unforeseeable events. A "Cross Connection/Backflow Tariff" gives a private water utility the means and authority to implement a cross connection program as required by Arizona Revised Statutes and Administrative Codes. The cross connection tariff provides for the installation and testing of backflow devices and provides for corrective actions where cross connection hazards exist. Since Utility Source does not yet have either a curtailment tariff or cross connection tariff, this CC&N application provides an opportune time to prepare and file such tariffs.

Utility Source submitted a curtailment tariff with its application. The language does not conform to the latest requirements for compliance with Commission guidelines. Staff recommends that the Company file a revised curtailment tariff within 45 days after the effective date of any decision and order pursuant to this application. Staff recommends that the tariffs conform to the sample tariff found posted on the Commission's web site (www.cc.state.az.us/utility) or available upon request from Commission Staff. The tariffs should be docketed as a compliance item under this docket number for the review and certification of the Utilities Division Director.

Arsenic

The U. S. Environmental Protection Agency ("EPA") has reduced the arsenic maximum contaminant level ("MCL") in drinking water from 50 micrograms per liter ("μg/l") to 10 μg/l. The date for compliance with the new MCL is January 23, 2006.

Due to the fact that all production wells are not in service, Staff recommends that the Company be required to file a report on the actual arsenic levels of its production wells within 60 days of any decision in this matter.

Off-Site Facilities Hook-up Fee

Utility Source submitted a proposal for a hookup fee in their application to assist in the purchase of backbone plant. A hook-up fee can be an appropriate way to recover a portion of the capital burden imposed by new customers on an existing system in compliance with state regulations. However, Staff believes hook-up fees are inappropriate for new CC&Ns. Therefore, Staff recommends denial of the proposed hook-up fee.

Proposed Water Rates

Utility Source is requesting initial water rates with a monthly minimum of $6.48 and $1.70 per 1,000 gallons.

Staff is concerned that the proposed rates understate the water production costs for the existing and future customers of Utility Source. Staff recommends a monthly minimum charge of $24.37. Staff also recommends a three tiered plan which is designed to encourage conservation and produce revenues to more closely match expected expense levels.

Staff's proposed rates are $6.47 per 1,000 gallons up to 4,000 gallons, increased to $9.70 per 1,000 gallons up to 12,000 gallons, and $11.64 for all usage in excess of 12,000 gallons. The Company is also seeking authorization for separate irrigation rates. (See Schedule JHJ-2, attached.)

Depreciation Rates for the Water System

Staff has developed typical and customary depreciation rates within a range of anticipated equipment life. These rates are presented in the following table, and it is recommended that Utility Source use the depreciation rates by individual National Association of Regulatory Commissioners ("NARUC") category, as delineated in the attached Exhibit 1.

TYPICAL DEPRECIATION RATES FOR WATER COMPANIES

NARUC Account No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)
304	Structures & Improvements	30	3.33
305	Collecting & Impounding Reservoirs	40	2.50
306	Lake, River, Canal Intakes	40	2.50
307	Wells & Springs	30	3.33
308	Infiltration Galleries	15	6.67
309	Raw Water Supply Mains	50	2.00
310	Power Generation Equipment	20	5.00
311	Pumping Equipment	8	12.5
320	Water Treatment Equipment		

320.1	Water Treatment Plants	30	3.33
320.2	Solution Chemical Feeders	5	20.0
330	Distribution Reservoirs & Standpipes		
330.1	Storage Tanks	45	2.22
330.2	Pressure Tanks	20	5.00
331	Transmission & Distribution Mains	50	2.00
333	Services	30	3.33
334	Meters	12	8.33
335	Hydrants	50	2.00
336	Backflow Prevention Devices	15	6.67
339	Other Plant & Misc Equipment	15	6.67
340	Office Furniture & Equipment	15	6.67
340.1	Computers & Software	5	20.00
341	Transportation Equipment	5	20.00
342	Stores Equipment	25	4.00
343	Tools, Shop & Garage Equipment	20	5.00
344	Laboratory Equipment	10	10.00
345	Power Operated Equipment	20	5.00
346	Communication Equipment	10	10.00
347	Miscellaneous Equipment	10	10.00
348	Other Tangible Plant	----	----

NOTES:

1. These depreciation rates represent average expected rates. Water companies may experience different rates due to variations in construction, environment, or the physical and chemical characteristics of the water.
2. Acct. 348, Other Tangible Plant may vary from 5 percent to 50 percent. The depreciation rate would be set in accordance with the specific capital items in this account.

Plan 208 Approval

The Federal Water Pollution Control Act as amended by the Water Quality Act of 1987 ("Clean Water Act") is a commitment by the federal government to the elimination of pollution in the nation's waters. Each state is required, under Section 208 of the Clean Water Act, to develop and implement area-wide water quality management plans for pollution control.

In Arizona, six (6) Councils of Government ("COGs") have been designated by the Governor as "Water Quality Management Planning Agencies" under Section 208, of the Clean Water Act. The Northern Arizona Council of Governments ("NACOG") is designated by the Governor and the EPA as the area wide water quality management planning agency for Coconino County.

The guidelines for 208 planning set forth in the Clean Water Act are fairly broad so that the various water quality issues in different areas of the nation can be addressed appropriately. Each 208 Plan must identify the water quality management needs in its planning area and provide a program to develop solutions. The NACOG 208 planning process is an ongoing effort in response to changing water resource issues, regulations, treatment technologies and changing demographics.

On the federal level, the Environmental Protection Agency ("EPA") has the responsibility of overseeing the planning efforts necessary to meet the specific requirements of Section 208. The ADEQ administers both the basin-wide planning and water quality monitoring programs. In addition, ADEQ is responsible for reviewing and enforcing water quality standards for the State. For the NACOG 208 Program, the EPA and ADEQ provides guidance in the terms of policy, procedure and review of documents to assure adherence to the requirements of the Clean Water Act.

ADEQ Permits

A major effort of the 208 Plan is the Point Source Plan. Point Source Planning is primarily directed at compiling the preferred wastewater collection and treatment system for the affected area through the year 2020. Toward that end, the Point Source Plan examines population and wastewater flow projections, wastewater treatment plant siting, treatment methods, effluent disposal, reclaimed water reuse and sludge management.

The objective of a Point Source Plan is to identify the preferred wastewater collection and treatment and effluent reuse or disposal systems for the affected area. The regulatory framework for management of water quality is comprised of permit compliance and monitoring of protected uses. The ADEQ defines, monitors and enforces water quality standards for protected uses of surface waters, aquifers and public water supplies. The ADEQ permit framework for point source management consists of three primary elements consisting of the Arizona Pollutant Discharge Elimination System ("AZPDES") the Aquifer Protection Permit ("APP") and the reclaimed water reuse permit program.

The purpose of the AZPDES permit programs is to regulate the quality of point source discharges into the waters of the nation. Based on specific criteria, discharges to rivers, tributaries to the rivers, dry washes and various lakes and canals within the affected area are subject to the AZPDES permit program provisions.

The ADEQ has established Surface Water Quality Standards ("SWQS") as required to meet the goals of the federal Clean Water Act and to protect the quality of surface waters in the state. The EPA incorporates the SWQS and federal regulation related to surface water quality and effluent discharge quality into the AZPDES permits. Pollutant levels established by the AZPDES permit programs vary among wastewater reclamation facilities depending upon the designated use of reclaimed water. Permits are typically issued for a term of five years.

Aquifer Protection Permit

The APP was established by the Environmental Quality Act of 1986 and implemented by rule in 1989. The purpose of the APP program is to protect the groundwater quality and public health from potential environmental risks posed by the facilities that discharge pollutants to the land surface, underlying soil, or groundwater that have a potential to reach an aquifer.

The APP permitting requirements are determined based on the type of facility or land use, capacity of the facility, and/or the type of discharges that the facility will produce. The most crucial requirements for obtaining an APP are demonstrating that the Best Available Demonstrated Control Technology ("BADCT") will be used to minimize the discharge of pollutants, Aquifer Water Quality Standards will not be violated and that the facility processes the financial and technical capability to comply with the permit conditions.

The Environmental Quality Act requires that all domestic wastewater and disposal facilities requiring an APP use BADCT as part of their wastewater treatment process. The ADEQ adopted BADCT requirements for new sewage treatment facilities. The design review of sewage treatment facilities has been consolidated into the APP application review process. BADCT requirements are defined within the rules which require secondary treatment, removal for new facilities and expansion of existing facilities. The revision of the APP rule took effect January 2001.

The reclaimed water use permit program, established in 1985, allows the reuse of reclaimed water for a variety of applications such as agriculture, urban lakes, golf course irrigation, ponds and industrial uses. Water reclamation plants are required by rules to have a reuse permit for the release of reclaimed water for reuse purposes.

There are two main categories of reclaimed water reuse including direct non-potable reuse and indirect reuse. Direct reuse consists of irrigation and makeup water for urban lakes. Indirect reuse typically involves aquifer recharge and recovery. The indirect reuse of reclaimed water usually involves recharge to an aquifer for storage and future recovery. The reclaimed water is typically allowed to infiltrate through the dry soils above the aquifer allowing additional treatment. Recharge projects using reclaimed water are required to obtain an APP.

Utility Source Wastewater System

Utility Source wastewater treatment is provided by a 37,500 and 100,000 gpd SANTEC activated sludge process with de-nitrification. Treatment includes a flow equalization chamber, aeration basins, anoxic basins, and re-aeration in the secondary clarifier, influent pump stations, head works, and chlorination/dechlorination basins. There are two lift stations and one evaporation lagoon. The wastewater facilities appear to be appropriate and adequate for the needs of the planned development.

The utility has received the final permit from the ADEQ. The Permit Number is P104083.

Proposed Rates

Utility Source is requesting usage sensitive wastewater rates of $12.94 per month and $2.73 per 1,000 gallons of water usage.

Staff is concerned that the proposed rates understate the wastewater treatment costs for the existing and future customers of Utility Source.

Staff is recommending initial residential wastewater rates of $40.64. (See Schedule JHJ-3, attached.)

Finance of Plant

According Utility Source's application, the Company anticipates financing the water facilities with a combination of equity, advances in aid of construction, and contribution in aid of construction.

The Company requests Commission authorization for Hook-up fees to finance portions of the water and wastewater plant with non-refundable contributions. Such a request is contrary to Commission policy for initial rates of new utilities. Staff recommends the Commission deny the Company's request.

In addition, the Company is requesting Commission authority to obtain $575,000 in a revolving credit from the developer and Utility Source owner, Mr. McCleve. The Company also seeks authority to obtain$3,202,554 in long-term financing of the utility plant.

Due to the problematic nature of the utility, its customer base, revenue and expense levels, Staff recommends the Commission deny the financing requests.

County Franchise

Utility Source has not obtained a county franchise for the proposed service area. Staff recommends that before any CC&N is granted for this Company it should be required to provide a copy of a Coconino County franchise for the requested service area.

Wastewater Depreciation Rates

Staff has developed typical and customary depreciation rates within a range of anticipated equipment life. These rates are presented in the following table. It is recommended that the company use depreciation rates by individual NARUC category, as shown below.

TYPICAL DEPRECIATION RATES FOR WASTEWATER COMPANIES

NARUC Account No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)
354	Structures & Improvements	30	3.33
355	Power Generation Equipment	30	3.33
360	Collection Sewers – Force	50	2.0
361	Collection Sewers- Gravity	50	2.0
362	Special Collecting Structures	50	2.0
363	Services to Customers	50	2.0
364	Flow Measuring Devices	10	10.0
365	Flow Measuring Installations	20	5.00
366	Reuse Services	50	2.00
367	Reuse Meters and Meter Installations	30	3.33
370	Receiving Wells	30	3.33
371	Pumping Equipment	10	10.0
374	Reuse Distribution Reservoirs	40	2.50
375	Reuse Transmission and Distribution System	50	2.0
380	Treatment and Disposal Equipment	20	5.0
381	Plant Sewers	20	5.0
382	Outfall Sewer Lines	25	4.0
389	Other Plant & Miscellaneous Equipment	15	6.67
390	Office Furniture & Equipment	15	6.67
390.1	Computers & Software	5	20.0
391	Transportation Equipment	5	20.0
392	Stores Equipment	25	4.0
393	Tools, Shop & Garage Equipment	20	5.0
394	Laboratory Equipment	10	10.0
395	Power Operated Equipment	20	5.0
396	Communication Equipment	10	10.0
397	Miscellaneous Equipment	10	10.0
398	Other Tangible Plant	----	----

NOTES:

1. These depreciation rates represent average expected rates. Wastewater companies may experience different rates due to variations in construction, environment, or the physical and chemical characteristics of the water.
2. Acct. 348, Other Tangible Plant may vary from 5 percent to 50 percent. The depreciation rate would be set in accordance with the specific capital items in this account.

Staff Recommendations

Staff recommends that the Commission deny the Utility Source, L.L.C. application for a Certificate of Convenience and Necessity to provide water service.

Staff further recommends that the Commission require Utility Source, L.L.C. to provide water service, subject to compliance with the following conditions:

Water

1. That the Commission find that the fair value of the property devoted to water service is $2,318,654.

2. That the Commission authorize Utility Source, L.L.C. the water rates and charges shown on Schedule JJ-W-4.

3. That the Commission require Utility Source, L.L.C. to file in Docket Control a tariff consistent with the rates and charges authorized by the Commission within 30 days of the decision in this matter.

4. That the Commission require Utility Source, L.L.C. to file backflow prevention and curtailment tariffs as compliance items in this docket with Docket Control within 45 days of any decision in this matter.

5. That the Commission require Utility Source, L.L.C. to file a rate application no later May 1, 2006, using a 2005 test year.

6. That the Commission require Utility Source, L.L.C. to file a copy of the ADEQ Approval of Construction in Docket Control within 365 days of any decision in this matter.

7. That the Commission require Utility Source, L.L.C. to file a report on the arsenic levels of all production wells in Docket Control within 365 days of any decision in this matter.

8. That the Commission authorize Utility Source, L.L.C. the depreciation rates recommended in this Report.

9. That the Commission require Utility Source, L.L.C. to maintain its books and records in accordance with the NARUC Uniform System of Accounts for Water Utilities.

10. That the Commission require Utility Source, L.L.C. to obtain a County Franchise for the service areas within 365 days of any decision in this matter.

Wastewater

1. That the Commission find that the fair value of the property devoted to wastewater service is $1,329,455.

2. That the Commission authorize Utility Source, L.L.C. the wastewater rates and charges shown on Schedule JJ-WW-4.

3. That the Commission require Utility Source, L.L.C. to file a tariff consistent with the rates and charges authorized by the Commission in Docket Control within 30 days of the decision in this matter.

4. That the Commission require Utility Source, L.L.C. to file a rate application no later than May 1, 2006, using a 2005 test year.

5. That the Commission authorize Utility Source, L.L.C. the depreciation rates recommended in this Report.

6. That the Commission require Utility Source, L.L.C. to maintain its books and records in accordance with the NARUC Uniform System of Accounts for Wastewater Utilities.

7. That the Commission require Utility Source, L.L.C. to obtain a County Franchise for the service areas within 365 days of any decision in this matter.

MEMORANDUM

DATE: September 10, 2004

TO: James E. Fisher

FROM: John A. Chelus

RE: Utility Source L.L.C
CC&N – Water
Docket No. WS-04235A-04-0073

Introduction

Utility Source L.L.C. "Utility Source/Company" has submitted a Certificate of Convenience and Necessity (CC&N) application to provide water service to the Flagstaff Meadows properties in Coconino County. The Flagstaff Meadows properties include Units I, II, and III and the Town Homes Units I and II. This requested area is approximately 10 miles west of Flagstaff in the community of Bellemont and is .214 square-miles or 137 acres in area.

Utility Source is proposing a water system that will consist of three deep wells (107 gpm total capacity), three shallow wells (44 gpm total capacity), two storage tanks (285,000 (for excess effluent from the wastewater plant) and 422,000 gallons), booster system, and a distribution system to serve 652 customers within the first five years. Utility Source is currently serving 133 customers and 68 are ready to be served.

Arizona Department of Water Resources (ADWR) Water Capacity

Utility Source submitted applications to the Arizona Department of Water Resources (ADWR) for a water adequacy determination. ADWR found these water supplies to be inadequate. In July 2004, Utility Source submitted a physical availability demonstration (PAD) application to ADWR. An evaluation has not yet been completed. The application makes the argument that the regional Coconino Aquifer can support a total annual supply of 346 acre-ft per year for 100 years and that total current and committed demand through Phase III for the 675 lots is 188 acre-ft per year for 100 years.

Staff concludes that Utility Source has not yet demonstrated that the proposed water system will have adequate production capacity to serve the proposed CC&N area. Staff recommends that Utility Source must supply documentation

from ADWR stating that Utility Source has a 100 year supply of water available to serve its requested CC&N area.

Cost Analysis

The estimated project costs for the water system in this application shown on schedule 8 of the Utility Source schedules docketed on August 10, 2004 total $2,677,900 for both backbone plant and on-site facilities. The costs seem to be reasonable and appropriate. However, approval of this CC&N application does not imply any particular future treatment for the rate base. No "used and useful" determination of the proposed plant in service was made, and no conclusions should be inferred for rate making or rate base purposes.

Arizona Department of Environmental Quality (ADEQ)
Capacity Development

The applicant lists the existing Bellemont Travel Center, Public Water System (PWS) – 03-300 as its water supply. This is a transient non-community water system which according to ADEQ is currently delivering water that meets water quality standards. Arsenic levels in the wells runs around 2 parts per billion "ppb", which is below the new standard of 10 ppb.

This system will need to be reclassified from the current transient non-community water system to a community water system by ADEQ in order to serve the requested CC&N area. This system will also have to go through capacity development review.

ADEQ Capacity Development rules require new public drinking water systems to meet (1) financial capacity, (2) managerial capacity, and (3) technical capacity requirements. ADEQ will accept a financial determination made by this Commission as meeting the financial capacity requirements for new water systems under the jurisdiction of the Commission. The technical and managerial capability is determined by ADEQ.

All three components are combined in the final approval of the water company's "elementary business plan", pursuant to ADEQ rule R-18-4-606. The three components are reviewed and approved sequentially, with the technical capacity approval and the "Approval to Construct" and/or "Approval of Construction" being the last performed. Therefore it is recommended that Utility Source submit copies of the ADEQ "Approval To Construct" and "Approval of Construction" for all drinking water facilities that are necessary to serve the CC&N within one year of the effective date of the final decision and order in this matter.

Depreciation Rates

Staff has developed typical and customary depreciation rates within a range of anticipated equipment life. These rates are presented in Exhibit 1, and it is recommended that Utility Source use the depreciation rates by individual National Association of Regulatory Commissioners (NARUC) category, as delineated in the attached Exhibit 1.

Off –site Facilities Hook-up Fee

A hook-up fee is an appropriate way to recover the capital burden imposed by new customers. Utility Source submitted a proposal for a hookup fee in their application to assist in the purchase of backbone plant. However, to be consistent with prior decisions, Staff recommends denial of the proposed hook-up fee since this is a new CC&N.

Curtailment Plan Tariff

Utility Source submitted a curtailment tariff with its application. The language does not conform to the latest requirements for compliance with Commission guidelines. Staff recommends that the Company file a revised curtailment tariff within 45 days after the effective date of any decision and order pursuant to this application. Staff recommends that the curtailment tariff shall generally conform to the sample tariff found posted on the Commission's web site (www.cc.state.az.us/utility) or available upon request from Commission Staff. The tariff shall be docketed as a compliance item under this docket number for the review and certification of the Utilities Division Director.

Summary

1. Staff concludes that Utility Source has not yet demonstrated that the proposed water system will have adequate production capacity to serve the proposed CC&N area. Staff recommends that Utility Source must supply documentation from ADWR stating that Utility Source has a 100 year supply of water available to serve its requested CC&N area.

2. Staff concludes that the estimated construction costs seem reasonable and appropriate. However, no "used and useful" determination of the proposed plant in service was made, and no particular future treatment should be inferred for rate making or rate base purposes.

3. This system will also have to go through ADEQ capacity development review. Staff requests that copies of the ADEQ "Approval to Construct" and "Approval of Construction" for all drinking water facilities necessary to serve the CC&N area within one year of the effective date of the final decision and order in this matter

4. Staff recommends that this water system be reclassified from the current transient non-community water system to a community water system by ADEQ as part of the capacity development review in order to serve the requested CC&N area.

5. Staff has developed typical and customary depreciation rates within a range of anticipated equipment life. These rates are presented in Table I, and it is recommended that the company use the depreciation rates by individual NARUC category, as delineated in the attached Exhibit 1.

6. Staff recommends that the Company file a revised curtailment tariff within 45 days after the effective date of any decision and order pursuant to this application. Staff recommends that the curtailment tariff shall generally conform to the sample tariff found posted on the Commission's web site (www.cc.state.az.us/utility) or available upon request from Commission Staff. The tariff shall be docketed as a compliance item under this docket number for the review and certification of the Utilities Division Director.

7. To be consistent with prior decisions, Staff recommends denial of the proposed hook-up fee since this is a new CC&N.

Exhibit 1

TYPICAL DEPRECIATION RATES FOR WATER COMPANIES

NARUC Account No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)
304	Structures & Improvements	30	3.33
305	Collecting & Impounding Reservoirs	40	2.50
306	Lake, River, Canal Intakes	40	2.50
307	Wells & Springs	30	3.33
308	Infiltration Galleries	15	6.67
309	Raw Water Supply Mains	50	2.00
310	Power Generation Equipment	20	5.00
311	Pumping Equipment	8	12.5
320	Water Treatment Equipment		
320.1	Water Treatment Plants	30	3.33
320.2	Solution Chemical Feeders	5	20.0
330	Distribution Reservoirs & Standpipes		
330.1	Storage Tanks	45	2.22
330.2	Pressure Tanks	20	5.00
331	Transmission & Distribution Mains	50	2.00
333	Services	30	3.33
334	Meters	12	8.33
335	Hydrants	50	2.00
336	Backflow Prevention Devices	15	6.67
339	Other Plant & Misc Equipment	15	6.67
340	Office Furniture & Equipment	15	6.67
340.1	Computers & Software	5	20.00
341	Transportation Equipment	5	20.00
342	Stores Equipment	25	4.00
343	Tools, Shop & Garage Equipment	20	5.00
344	Laboratory Equipment	10	10.00
345	Power Operated Equipment	20	5.00
346	Communication Equipment	10	10.00
347	Miscellaneous Equipment	10	10.00
348	Other Tangible Plant	----	----

NOTES:

1. These depreciation rates represent average expected rates. Water companies may experience different rates due to variations in construction, environment, or the physical and chemical characteristics of the water.
2. Acct. 348, Other Tangible Plant may vary from 5% to 50%. The depreciation rate would be set in accordance with the specific capital items in this account.

ATTACHMENT B

MEMORANDUM

DATE: September 10, 2004

TO: James E. Fisher

FROM: John A. Chelus

RE: Utility Source L.L.C
CC&N – Wastewater
Docket No. WS-04235A-04-0073

Introduction

Utility Source L.L.C. "Utility Source/Company" has submitted a Certificate of Convenience and Necessity (CC&N) application to provide wastewater service to the Flagstaff Meadows properties in Coconino County. The Flagstaff Meadows properties include Units I, II, and III and the Town Homes Units I and II. This requested area is approximately 10 miles west of Flagstaff in the community of Bellemont and is .214 square-miles or 137 acres in area. The development consists of 675 residential lots, 10 commercial lots and one golf course. Utility Source is already serving 133 customers with 61 customers ready to be served.

Capacity

Wastewater treatment is provided by a 37,500 and 100,000 gallon per day (gpd) SANTEC activated sludge process with de-nitrification. Treatment includes a flow equalization chamber, aeration basins, anoxic basins, and re-aeration in the secondary clarifier, influent pump stations, head works, and chlorination/dechlorination basins. There are two lift stations and one evaporation lagoon. The wastewater facilities appear to be appropriate and adequate for the needs of the planned development.

Arizona Department of Environmental Quality (ADEQ)

The construction of the wastewater treatment plant requires a state Aquifer Protection Permit. The utility has received the final permit from the Arizona Department of Environmental Quality. The Permit Number is P104083.

Cost Analysis

Wastewater treatment plants at this high level of environmental sophistication usually cost between 8 and 10 dollars per gallon, excluding effluent disposal

costs. The estimated project costs for the wastewater system in this application shown on schedule 9 of the Utility Source schedules docketed on August 10, 2004 total $1,394,604 for both backbone plant and on-site facilities, which implies an economical and cost effective project. However, approval of this CC&N application does not imply any particular future treatment for the rate base. No "used and useful" determination of the proposed plant in service was made, and no conclusions should be inferred for rate making or rate base purposes.

Depreciation Rates

Staff has developed typical and customary depreciation rates within a range of anticipated equipment life. These rates are presented in Exhibit 1, and it is recommended that the company use the depreciation rates by individual National Association of Regulatory Utility Commissioners "NARUC" category, as delineated in Exhibit 1.

Off –site Facilities Hook-up Fee

A hook-up fee is an appropriate way to recover the capital burden imposed by new customers. Utility Source submitted a proposal for a hookup fee in their application to assist in the purchase of backbone plant. However, to be consistent with prior decisions, Staff recommends denial of the proposed hook-up fee since this is a new CC&N.

Summary

1. Staff concludes that the proposed wastewater system has the necessary treatment capacity to serve the customer base for the first five years.

2. Staff has developed typical and customary depreciation rates within a range of anticipated equipment life. These rates are presented in Exhibit 1, and it is recommended that the company use the depreciation rates by individual NARUC category, as delineated in the attached Exhibit 1.

3. Staff believes that a hook-up fee is an appropriate method to recover capital costs for future off-site infrastructure from new customers. However, to be consistent with prior decisions, Staff recommends denial of the proposed hook-up fee since it is a new CC&N.

Exhibit 1

TYPICAL DEPRECIATION RATES FOR WASTEWATER COMPANIES

NARUC Account No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)
354	Structures & Improvements	30	3.33
355	Power Generation Equipment	30	3.33
360	Collection Sewers – Force	50	2.0
361	Collection Sewers- Gravity	50	2.0
362	Special Collecting Structures	50	2.0
363	Services to Customers	50	2.0
364	Flow Measuring Devices	10	10.0
365	Flow Measuring Installations	20	5.00
366	Reuse Services	50	2.00
367	Reuse Meters and Meter Installations	30	3.33
370	Receiving Wells	30	3.33
371	Pumping Equipment	10	10.0
374	Reuse Distribution Reservoirs	40	2.50
375	Reuse Transmission and Distribution System	50	2.0
380	Treatment and Disposal Equipment	20	5.0
381	Plant Sewers	20	5.0
382	Outfall Sewer Lines	25	4.0
389	Other Plant & Miscellaneous Equipment	15	6.67
390	Office Furniture & Equipment	15	6.67
390.1	Computers & Software	5	20.0
391	Transportation Equipment	5	20.0
392	Stores Equipment	25	4.0
393	Tools, Shop & Garage Equipment	20	5.0
394	Laboratory Equipment	10	10.0
395	Power Operated Equipment	20	5.0
396	Communication Equipment	10	10.0
397	Miscellaneous Equipment	10	10.0
398	Other Tangible Plant	----	----

NOTES:

1. These depreciation rates represent average expected rates. Wastewater companies may experience different rates due to variations in construction, environment, or the physical and chemical characteristics of the water.

2. Acct. 348, Other Tangible Plant may vary from 5% to 50%. The depreciation rate would be set in accordance with the specific capital items in this account.

MEMORANDUM

TO: Jim Fisher
Executive Consultant
Utilities Division

FROM: J. H. Johnson
Public Utilities Analyst III
Financial and Regulatory Analysis Section, Utilities Division

DATE: September 21 2004

RE: UTILITY SOURCE, L.L.C.
DOCKET NO. W- 04235A-04-0074

Introduction

On January 30, 2004, Utility Source L.L.C. ("Utility" or "Company"), filed an Application with the Arizona Corporation Commission ("Commission") for a Certificate of Convenience and Necessity ("CC&N") to provide water and wastewater service in Coconino County, Arizona.

Utility filed a separate financing application on January 30, 2004 with the Commission to issue promissory notes ("Application"). The financing application requests authorization to borrow $575,000. The application states that the Company's principal, Lonnie McCleve, will loan those funds to the Company.

On August 2, 2004, Utility filed a motion to consolidate the CC&N and Application dockets based on the fact that the Financing and CC&N applications rely on the same law, facts, and witnesses.

A Procedural Order was issued on August 23, 2004, consolidating the above matters for the purposes of hearing and ordered Staff to file its Staff Report for the consolidated applications on or before September 22, 2004, and scheduled a hearing in these matters for October 12, 2004.

Utility proposes operation of water and wastewater services in Bellemont, Coconino County, Arizona. Bellemont is approximately 10 miles west of Flagstaff, Arizona in an area with historical water shortages. Utility plans on developing water resources to serve a travel center, a motel and residential customers. Utility anticipates 289 residential customers by the end of 2005 and 726 residential customers by the end of year 2009.

The Company states that it has pending with the Arizona Department of Water Resources ("ADWR"), an Application for Physical Availability Determination supporting the 100-year water supply for the entire certificate area. The Company proposes that until such time as a determination is made as to the adequacy of water for the entire project, it will limit service to its existing customers as of March 22, 2004.

Water CC&N

FVRB

Consistent with Commission rules, the Company's filing included the required five-year projections for plant values, operating revenues, operating expenses, and number of customers. Projections and assumptions are necessary to establish a fair value rate of return and initial rates due to the lack of historical information. Staff reviewed the Company's projections and found them to be unreasonable as Company revenues in the fifth year are projected to be insufficient to cover operating expenses and provide a rate of return on Original Cost Less Depreciation ("OCLD"). Rate Base for the Water Division is calculated to be $2,768,846 for the Year Ending 2009 (Schedule JHJ-1).

Plant in Service

The Company plans to initially invest $210,000 for Land and $2,467,900 in backbone plant and on-site facilities for a total Year One investment of $2,677,900. The Company plans additional investments of: Year Two - $655,500, Year Three - $175,000, Year Four - $175,000 and $650,000 in Year Five for a projected Plant in Service total $4,333,400 by the end of Year Five.

Revenues/Expenses

Staff has utilized Schedule 1, Page 2 of 4 which was provided in response to Data Request JHJ 1.3. This document shows projected revenues for 2005 and four subsequent years. Staff's analysis, while taking into account all of the years presented, is concentrated on 2009, the fifth year of operation when breakeven or profitability is usually expected.

Staff's pro forma water income statement, Schedule JHJ 4A, reflects water revenues of $507,370 (including provision for income tax) for year 2009 and operating expenses of $258,174. Staff made no adjustments to expenses. Staff's pro forma revenue requirements projects Operating Income of $249,196, an approximately nine percent rate of return on the projected Rate Base of $2,768,846.

Rate Design

The Company's projected revenue is derived from the residential and commercial customer classes. Staff has reviewed the estimates and found them unreasonable in that continuing losses are projected through year five.

There are substantial differences between the Company's proposed rates and Staff's recommended rates. Staff has provided minimum charges on all meter sizes in case future construction requires the use of larger meters. Staff's recommended rates will result in a monthly residential bill of $57.43 based on average usage of 4,740 gallons per month. The Company's proposed rates would result in a monthly residential bill of $19.90 (Schedule JHJ-2).

Wastewater CC&N

FVRB

Consistent with Commission rules, the Company's filing included the required five-year projections for plant values, operating revenues, operating expenses, and number of customers. Projections and assumptions are necessary to establish a fair value rate of return and initial rates due to the lack of historical information. Staff reviewed the Company's projections and found them to be unreasonable as Company revenues in the fifth year are projected to be insufficient to cover operating expenses and provide a rate of return on OCLD. Rate Base for the Wastewater Division is calculated to be $1,499,224 for the Year Ending 2009 (Schedule JHJ-1).

Plant in Service

The Company plans to initially invest $105,000 for Land and $1,469,579 in backbone plant and on-site facilities for a total Year One investment of $1,574,579. The Company plans additional investments of: Year Two - $164,400, Year Three - $120,000, Year Four - $150,000 and $600,000 in Year Five for a projected Plant in Service total $2,608,979 by the end of Year Five.

Revenues/Expenses

Staff has utilized Schedule 1, Page 4 of 4 which was provided in response to Data Request JHJ 1.3. This document shows projected revenues for 2005 and four subsequent years. Staff's analysis, while taking into account all of the years presented, is concentrated on 2009, the fifth year of operation when breakeven or profitability is usually expected.

Staff's pro forma wastewater income statement reflects water revenues of $339,319 for year 2009 and operating expenses of $204,472. Staff made no adjustments to expenses. Staff's pro forma revenue requirements projects Operating Income of $134,847, an approximately nine percent rate of return on the projected Rate Base of $1,499,224.

The typical bill for the 676 residential customers projected for year 2009 is $40.64. There are two commercial customers whose typical bill is projected at provide $9,642 of the revenues for the projected year 2009.

Rate Design

The Company's projected revenue is derived from the residential and commercial customer classes. Staff has reviewed the estimates and found them unreasonable in that continuing losses are projected through year five. There are substantial differences between the Company's proposed monthly charge and the charge recommended by Staff. Staff's recommendations will result in a monthly residential charge of $40.64 while the Company proposes a monthly residential charge of $12.94 (Schedule JHJ-3).

The Company's hookup fees were removed by Staff. It is this Commission's normal procedure to allow hook-up fees only to companies already holding and operating under an established CC&N.

Finance

Purpose of Financing

Staff's review of the application filed on January 30, 2004, indicates that Utility is requesting authorization for a revolving line of credit in the amount of $575,000 with expenditures for plant totaling $4,854,479 in 2005. The application states on page 2, line 1-2 that the funds necessary to properly operate the Company total $575,000 and will be used for plant additions, maintenance, and operating expenses.

The Company also states it is to borrow $3,202,554 as part of the project but does not identify the source or ask for Commission financing authorization for that amount.

Notice

Utility stated on page 2, line 7 of its Application to issue Promissory Notes, that it would provide notice of the filing of the application in conformity with A.R.S. 40-302. Utility has not met its filing requirements to provide an affidavit of publication and notice published in newspaper(s) of general circulation in the area in which Utility seeks to provide water and wastewater services.

Description

The loan as described in the application is to be a $575,000 revolving line of credit priced at prime plus two percent per annum (computed on a 365 day year) with quarterly interest payments and a final maturity date of December 31, 2014. Prime rate is currently 4.5 percent per annum so the actual interest charge would be 6.5 percent per annum if funded today.

Principal repayment can be made at any time but no specific repayment schedule is contemplated.

Staff has not calculated the times interest earned ratio ("TIER") and debt service coverage ratios ("DSC") as earnings projections are negative and Staff is not recommending

authorization of any loans. TIER would be slightly above 1.0 using the Company projections and DSC would be less than 1.0 with a 10 year amortization on the proposed $575,000 loan indicating a lack of sufficient cash flows.

TIER represents the number of times earnings cover interest expense on long-term debt. A TIER greater than 1.0 means that operating income is greater than interest expense. A TIER less than 1.0 is not sustainable in the long term but does not mean that debt obligations cannot be met in the short term.

DSC represents the number of times internally generated cash will cover required principal and interest payment on long-term debt. A DSC greater than 1.0 indicates that operating cash flow is sufficient to cover debt obligations. A DSC less than 1.0 means that debt service obligations cannot be met by cash generated from operations and that another source of funds is needed to avoid default.

Staff concludes that financing for a fledgling company is inappropriate as cash flows for repayment are not established.

Financial Analysis

Utility is a fledgling utility with anticipated losses in the initial years. Future financial performance is unknown, therefore debt is inappropriate.

Financial Recommendations

Staff recommends rejecting the financing application. Staff recommends authorization of equity issuance of $6,100,000 for all plant expenditures.

Rate Base/Plant in Service

Staff determined the rate base for the water plant in service to be $2,768,846. Staff determined the rate base for the wastewater plant in service to be $1,499,224. Staff reviewed the Company's projections and found them generally reasonable. The water and wastewater plant in service were found to be reasonable (Schedule JHJ-1).

Revenue and Expenses

As justification for the initial rates, the Company has estimated its revenue and expenses. Staff has reviewed the revenue estimates and they appear unreasonable. Staff did not make any adjustments to expenses. Staff did not remove income tax as the amount presented by the Company approximates the Arizona income tax filing fee even if no tax is owed.

Staff Conclusions and Recommendations

Staff concludes:

That the Company's projected operating income and expenses are unreasonable, and Staff's proposed charges for water and wastewater should be adopted.

That any loan funds expended for operating or maintenance expenses are an inappropriate use of the funds.

Construction of plant assets with financing which is not due in full for 10 years violates the maturity matching principle of loans being repaid over a period similar to the expected life of the assets purchased. Maturity matching improves the balance of cash inflows with cash disbursements.

That future ratepayer's would be paying expenses related to current operations if the revolving line of credit structure was utilized for loans.

Financing authorization for Utility is inappropriate as cash flows are not developed as a source of repayment and are not expected to be for five years.

Company funding is more appropriately the function of equity infusion.

The proposed debt financing is not consistent with sound financial practices because maturity matching is not observed.

Staff recommends denial of the request for financing authorization.

Staff recommends approval of rates and charges for the Company as shown on Schedules JHJ-2 and JHJ-3. In addition to collection of its regular rates, the Company may collect from its customers a propionate share of any privilege, sales, or use tax.

Staff recommends that the Company be required to maintain its books and records in accordance with the NARUC Uniform System of Accounts for Water and Wastewater Utilities.

Schedule JHJ-1

UTILITY SOURCE PLANT ASSETS/RATE BASE

Water

3.41% Deprec.	Year 1	Year 2	Year 3	Year 4	Year 5
Land	$ 210,000	$ 210,000	$ 210,000	$ 210,000	$ 210,000
Plant	2,467,900	3,123,400	3,298,400	3,473,400	4,123,400
Acc.Deprec	91,296	186,628	296,119	411,579	541,104
Net Plant	$ 2,586,604	$ 3,146,772	$ 3,212,281	$3,271,821	$ 3,792,296
Beginning	$ -	$ 2,467,900	$ 3,123,400	$3,298,400	$ 3,473,400
Added	2,467,900	655,500	175,000	175,000	650,000
Ending	$ 2,467,900	$ 3,123,400	$ 3,298,400	$3,473,400	$ 4,123,400
Accumulated Depreciation					
Beginning		$ 91,296	$ 186,628	$ 296,119	$ 411,579
1/2 Yr conv		11,176	2,984	2,984	11,083
Full yr begin bal		84,155	106,508	112,475	118,443
Ending Bal	$ 91,296	$ 186,628	$ 296,119	$ 411,579	$ 541,104
Net Advances	267,950	473,450	648,450	823,450	1,023,450
RATE BASE	2,318,654	2,673,322	2,563,831	2,448,371	2,768,846

Wastewater

3.85% Deprec.	Year 1	Year 2	Year 3	Year 4	Year 5
Land	$ 105,000	$ 105,000	$ 105,000	$ 105,000	$ 105,000
Plant	1,469,579	1,633,979	1,753,979	1,903,979	2,503,979
Acc.Deprec	65,149	124,892	190,111	260,526	345,380
Net Plant	$ 1,509,430	$ 1,614,087	$ 1,668,868	$1,748,453	$ 2,263,599
Beginning	$ -	$ 1,469,579	$ 1,633,979	$1,753,979	$ 1,903,979
Added	1,469,579	164,400	120,000	150,000	600,000
Ending	$ 1,469,579	$ 1,633,979	$ 1,753,979	$1,903,979	$ 2,503,979
Depreciation					
Beginning		$ 65,149	$ 124,892	$ 190,111	$ 260,526
1/2 yr conv		3,165	2,310	2,888	11,550
Full yr begin bal		56,579	62,908	67,528	73,303
Ending bal	$ 65,149	$ 124,892	$ 190,111	$ 260,526	$ 345,380
Net Advances	179,975	344,375	464,375	614,375	764,375
RATE BASE	$ 1,329,455	$ 1,269,712	$ 1,204,493	$1,134,078	$ 1,499,224

Utility Source, L.L.C.
Docket Number WS- 04235A-04-0074
New CC&N

Schedule JHJ 2

RATE SCHEDULE - WATER

	-Proposed Rates-	
Monthly Minimum Charge	Company	Staff
5/8" x 3/4" Meter	N/A	$ 24.37
3/4" Meter	6.48	24.37
1" Meter	8.02	61.47
1½" Meter	9.62	121.87
2" Meter	14.00	194.99
3" Meter	n/a	365.61
4" Meter	58.00	609.35
6" Meter	89.80	1,218.70
All classes except irrigation		
Commodity Charge per 1,000 Gallons		
From 1 up to 6,000 gallons	$1.70	n/a
From 6,001 up to 15,000 gallons	1.70	n/a
In excess of 15,000 gallons	1.70	n/a
From 1 up to 4,000 gallons		$ 6.47
From 4001 up to 12,000 gallons		9.70
All gallons over 12,000 gallons		11.64
Irrigation Meters		
Charge per l000 gallons for usage	n/a	$ 11.64
Standpipe or bulk water per 1,000 gallons	6.00	11.64
Constructiopn Water	6.00	11.64
Hook-up fees		
Water:		
Meter Size		
5/8 x 3/4	n/a	0.00
3/4"	1,000	0.00
1	1,666	0.00
1 1/2"	3,333	0.00
2	5,330	0.00
3	n/a	0.00
4	16,660	0.00
6	33,320	0.00
Establishment of Service per Rule R14-2-403.D	$20.00	$20.00
Establishment of Service ater hours per rule R14-2-403.D.2	40.00	40.00
Re-establishment of Service per Rule 14-2-403.D		30.00
Reconnection of service per Rule R14-2-403.D.1	50.00	50.00
Charge for moving meter at customer request per Rule R14-2-405.B.5		
After hours service charge, per hour, R14-2-403.D	40.00	40.00
Minimum Deposit per Rule R14-2-403.B		
Meter Reread per Rule R14-2-408	10.00	10.00
Charge for NSF check per Rule R14-2-409.F.1	20.00	$ 20.00
Late payment charge for delinquent bills	1.50%	1.50%
as defined in Rule R14-2-409.C.1	per rule	per rule
Deferred Payment Finance Charge R14-2-409.G	1.50%	1.50%
Deposit Interest, per annum	3%	6%
Service Line and Meter Installation Charges		
5/8" x 3/4" Meter	$0.00	$ 520.00
3/4" Meter	575.00	575.00
1" Meter	660.00	660.00
1½" Meter	900.00	900.00
2" Meter Turbo	1,525.00	1,525.00
2" Meter Compound	0.00	2,320.00
3" Meter Turbo	0.00	2,275.00
3" Meter Compound	0.00	3,110.00
4" Meter Turbo	3,360.00	3,360.00
4" Meter Compound	0.00	4,175.00
6" Meter Turbo	6,035.00	6,035.00
6" Meter Compound	0.00	8,050.00

Main Extension and additional facilities agreements per Rule R14-2-406.B

Service Charges

All Revenue related taxes will be charged customers.

- * Per Commission Rules (R14-2-403.B)
- ** Months off system times the minimum (R14-2-403.D)

Utility Source L. L. C.
Docket No. WS-04235A-04-0074
New C C & N Application

Schedule JHJ-3

RATE SCHEDULE - WASTEWATER

Based on Water Usage		-Proposed Rates-	
Monthly Minimum Charge		Company	Staff
Residential - all sizes	$	12.94	$ 40.64
Commercial - all sizes			401.75
Commercial - rate per 1,000 water usage			
Car washes, Laundromats, Commercial, manufacturing	$	2.67	n/a
Hotels, Motels		3.58	n/a
Restaurants		4.42	n/a
Industrial Laundries		3.92	n/a
Waste Haulers		80.00	n/a
Restaurant Grease		70.00	n/a
Treatment Plant Sludge		80.00	n/a
Mud Sump Waste		250.00	n/a
Treated Effluent per Acre Foot			
Hook-up Fee			n/a

All Builders/Developers are required to pay a hook-up fee of $2,000.00 per lot, for connection to the system based on a water connection of 5/8x3/4 or 3/4 inch water meter. Payments are listed for each Water Meter Size below:

Service Lateral Size			
4 inch	$	1,800.00	n/a
6 inch		3,500.00	n/a

Service Line Connection Charge			
Establishment of Service	$	20.00	$ 20.00
Establishment of Service, after hours		40.00	40.00
(Collected only if customers is sewer only)			
Re-establishment of Service*		per rule	per rule
Reconnection of service**		50.00	per rule
After hours service charge, per hour		40.00	40.00
Minimum Deposit***		per rule	per rule
Charge for NSF Check		20.00	20.00
Late payment charge for delinquent bills****		per rule	per rule
Deposit Interest		3.00%	6.00%
Deferred Payment Finance Charge		1.50%	1.50%
Main Extension and additional facilities agreements.*****		Cost	Cost
Service Lateral Connection Charge - Residential		500.00	500.00
Service Lateral Connection Charge - Commercial		Cost	Cost

All revenue related taxes will be charged customers.

RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as a basis for its operating procedures. Ariaona Corporation Commission Rules will be controlling of Company procedures unless specific Commission Orders provide otherwise.

*R14-2-603D
**R14-2-603D
***R14-2-603B
****R14-2-608F
*****R14-2-606B

Utility Source L. L. C.
Docket No. WS-04235A-04-0074
New C C & N Application

Schedule JHJ-4A

Projected Statement of Income and Expenses
WATER, FIFTH YEAR

REVENUE	Company	Adjustments	Staff
Water	$ 175,821	$ 331,549	$ 507,370
		-	
EXPENSE		-	
Pumping	16,676	-	16,676
Repairs, Maintenance.	40,680	-	40,680
Insurance	3,000	-	3,000
Treatment/Testing	-	-	-
Management Costs	56,952	-	56,952
Depreciation	133,418	-	133,418
Office Supplies	-	-	-
Income Tax	32	-	32
Property Tax	7,416	-	7,416
TOTAL	$ 258,174	$ 331,549	$ 258,174
Income/Loss	$ (82,353)	$ 331,549	$ 249,196

Utility Source L. L. C.
Docket No. WS-04235A-04-0074
New C C & N Application

Schedule JHJ-4B

Projected Statement of Income and Expenses

WASTEWATER, FIFTH YEAR

	Company	Adjustments	Staff
REVENUE			
Wastewater	$ 114,612	$ 224,707	$ 339,319
EXPENSE			
Power Cost	2,000	-	2,000
Repairs, Maintenance.	40,680	-	40,680
Insurance	3,500	-	3,500
Treatment/Testing	-	-	-
Management Costs	56,952	-	56,952
Depreciation	96,486	-	96,486
Office Supplies	-	-	-
Legal & Accounting	-	-	-
Income Tax	18	-	18
Property Tax	4,836	-	4,836
TOTAL	$ 204,472	$ 224,707	$ 204,472
Income/Loss	$ (89,860)	$ 224,707	$ 134,847

Janet Napolitano
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.adeq.state.az.us

Stephen A. Owens
Director

RECEIVED

AUG 23 2004

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

August 19, 2004

Mr. Jerry Abbott
3726 S. Wild West Trail
Flagstaff, AZ 86001

Re: Flagstaff Meadows Town Homes and Unit 2 Approvals for Sanitary Facilities for Subdivisions

Mr. Abbott:

I am writing to notify you that the Arizona Department of Environmental Quality (ADEQ) is suspending the Approvals for Sanitary Facilities for Subdivisions for the Flagstaff Meadows Town Homes (Town Homes) and Flagstaff Meadows Unit 2 (Unit 2). ADEQ subdivision regulations require identification of the water system which will supply drinking water to a subdivision including an agreement from the water system to provide service to each individual lot in the subdivision. Currently it is unclear who the water supplier is for the above two listed subdivisions.

Applications for approval of sanitary facilities for the Town Homes and Unit 2 subdivisions listed differing water suppliers. Subsequent to these submittals to ADEQ, in documents submitted to the Department of Water Resources, Department of Real Estate, and the Arizona Corporation Commission, additional differing names for the water supply were listed. At this time identification of the water supplier for the Town Homes and Unit 2 remains unclear. Until these discrepancies and regulatory issues are corrected, ADEQ is suspending its approvals.

The Department has consulted with the Department of Real Estate (DRE) , Corporation Commission (ACC), and Department of Water Resources (DWR) and determined that the following actions must be completed in order to lift these suspensions and allow for any further approvals to be issued by ADEQ.

1. Obtain a Certificate of Convenience and Necessity (CC&N) from the ACC or receive adjudication that the Town Homes and Unit 2 are not Public Service Corporations.

2. If found to be a Public Service Corporation, obtain a Capacity Development Approval from ADEQ for the Town Homes and Unit 2 by providing the documentation required in Title 18, Chapter 4, Article 6 of the Arizona Administrative Code

including approvals from ACC and DWR. If found not to be a Public Service Corporation, obtain a Capacity Development Approval from ADEQ for the Town Homes and Unit 2 including demonstrating a minimum of 50 gallons of water per person per day for a period of 100 years to ADEQ.

3. Obtain the remaining Approvals of Construction for drinking water facilities and provisional verifications for wastewater facilities from ADEQ.

The ADEQ Capacity Development rule applies to community water systems that begin operation after October 1, 1999. Since the water supply for the Town Homes and Unit 2 will be a new community water system it will be necessary for this approval to be obtained. I have attached Title 18, Chapter 4, Article 6 which outlines the necessary documentation for a Capacity approval. Additionally you can contact Kathy Stevens of my staff at (602) 771-4653 for assistance in obtaining this approval.

You may also wish to contact the DRE, ACC, and DWR to ensure you complete the requirements of those respective Agencies. You can contact Alan Dulaney with DWR at (602) 417-2400, Roy Tanney with DRE at (602) 468-1414 extension 410, and Steve Olea with ACC at (602) 542-7270.

We are aware of the impact of any delays in construction projects. I assure you that upon receipt of the necessary documentation ADEQ will promptly lift the suspension on the approvals for Sanitary Facilities for the Town Homes and Unit 2 and will issue any remaining approvals.

Should you have any questions regarding this matter please feel free to contact me directly at (602) 771-4617 or toll free at 1-800-234-5677, extension 4617

Sincerely,

Jeffrey W. Stuck
Safe Drinking Water Section Manager

Enclosures: Title 18, Chapter 4, Article 6

Cc: Karen Smith, WQD
James Sedillo, NRO
Kurt Harris, NRO
Roy Tanney, DRE
Steve Olea, ACC
Alan Dulaney, DWR
Doug Dunham, DWR

repealed; new Section adopted effective June 3, 1998 (Supp. 98-3). Amended by final rulemaking at 7 A.A.R. 5067, effective October 16, 2001 (Supp. 01-4). Section R18-4-403 renumbered to R18-4-402 by final rulemaking at 8 A.A.R. 973, effective February 19, 2002 (Supp. 02-1). New Section made by final rulemaking at 8 A.A.R. 3046, effective May 1, 2002 (Supp. 02-3).

R18-4-404. Repealed

Historical Note
Adopted effective April 28, 1995 (Supp. 95-2). Amended effective December 8, 1998 (Supp. 98-4). Section repealed by final rulemaking at 8 A.A.R. 973, effective February 19, 2002 (Supp. 02-1).

R18-4-405. Repealed

Historical Note
Adopted effective April 28, 1995 (Supp. 95-2). Amended effective December 8, 1998 (Supp. 98-4). Section repealed by final rulemaking at 8 A.A.R. 973, effective February 19, 2002 (Supp. 02-1).

ARTICLE 5. RECODIFIED

Article 5 recodified to 18 A.A.C. 5, Article 5 at 10 A.A.R. 585, effective January 30, 2004 (Supp. 04-1).

R18-4-501. Recodified

Historical Note
Adopted effective April 28, 1995 (Supp. 95-2). Section recodified to R18-5-501 at 10 A.A.R. 585, effective January 30, 2004 (Supp. 04-1).

R18-4-502. Recodified

Historical Note
Adopted effective April 28, 1995 (Supp. 95-2). A.R.S. citation in subsection (D)(4) corrected (Supp. 04-1). Section recodified to R18-5-502 at 10 A.A.R. 585, effective January 30, 2004 (Supp. 04-1).

R18-4-503. Recodified

Historical Note
Adopted effective April 28, 1995 (Supp. 95-2). Amended by final rulemaking at 8 A.A.R. 973, effective February 19, 2002 (Supp. 02-1). Section recodified to R18-5-503 at 10 A.A.R. 585, effective January 30, 2004 (Supp. 04-1).

R18-4-504. Recodified

Historical Note
Adopted effective April 28, 1995 (Supp. 95-2). Amended effective June 3, 1998 (Supp. 98-3). Amended by final rulemaking at 8 A.A.R. 973, effective February 19, 2002 (Supp. 02-1). Section recodified to R18-5-504 at 10 A.A.R. 585, effective January 30, 2004 (Supp. 04-1).

R18-4-505. Recodified

Historical Note
Adopted effective April 28, 1995 (Supp. 95-2). Amended by final rulemaking at 8 A.A.R. 973, effective February 19, 2002 (Supp. 02-1). Subsection citation in subsection (B) corrected (Supp. 04-1). Section recodified to R18-5-505 at 10 A.A.R. 585, effective January 30, 2004 (Supp. 04-1).

R18-4-506. Recodified

Historical Note
Adopted effective April 28, 1995 (Supp. 95-2). Amended by final rulemaking at 8 A.A.R. 973, effective February 19, 2002 (Supp. 02-1). Section recodified to R18-5-506 at 10 A.A.R. 585, effective January 30, 2004 (Supp. 04-1).

R18-4-507. Recodified

Historical Note
Adopted effective April 28, 1995 (Supp. 95-2). Amended by final rulemaking at 8 A.A.R. 973, effective February 19, 2002 (Supp. 02-1). Section recodified to R18-5-507 at 10 A.A.R. 585, effective January 30, 2004 (Supp. 04-1).

R18-4-508. Recodified

Historical Note
Adopted effective April 28, 1995 (Supp. 95-2). Amended by final rulemaking at 8 A.A.R. 973, effective February 19, 2002 (Supp. 02-1). Section recodified to R18-5-508 at 10 A.A.R. 585, effective January 30, 2004 (Supp. 04-1).

R18-4-509. Recodified

Historical Note
Adopted effective April 28, 1995 (Supp. 95-2). Amended by final rulemaking at 8 A.A.R. 973, effective February 19, 2002 (Supp. 02-1). Section recodified to R18-5-509 at 10 A.A.R. 585, effective January 30, 2004 (Supp. 04-1).

Appendix A. Repealed

Historical Note
Adopted effective April 28, 1995 (Supp. 95-2). Correction of word "sued" to "used" in subsection (71) (Supp. 96-1). Appendix A amended effective June 3, 1998 (Supp. 98-3). Appendix A repealed by final rulemaking at 8 A.A.R. 973, effective February 19, 2002 (Supp. 02-1).

Appendix B. Repealed

Historical Note
Adopted effective April 28, 1995 (Supp. 95-2). Appendix B repealed; new Appendix B renumbered from Appendix C without change effective June 3, 1998 (Supp. 98-3). Appendix B repealed by final rulemaking at 8 A.A.R. 973, effective February 19, 2002 (Supp. 02-1).

Appendix C. Renumbered

Historical Note
Adopted effective April 28, 1995 (Supp. 95-2). Appendix C renumbered to Appendix B without change effective June 3, 1998 (Supp. 98-3).

ARTICLE 6. CAPACITY DEVELOPMENT REQUIREMENTS FOR A NEW PUBLIC DRINKING WATER SYSTEM

R18-4-601. Applicability
This Article applies to new CWSs and new NTNCWSs that begin operation on or after October 1, 1999. This Article does not apply to an existing public water system.

Historical Note
New Section adopted by final rulemaking effective September 23, 1999; the A.A.R. citation was not available at the time of publication and will appear in Supp. 99-4 (Supp. 99-3). Amended by final rulemaking at 5 A.A.R. 4456, effective September 23, 1999 (Supp. 99-4).

R18-4-602. Elementary Business Plan

A. To become a new public water system, an owner shall file an elementary business plan for review and approval by the Department, on a form provided by the Department. The elementary business plan shall meet the requirements of and con-

tain all information required in R18-4-603, R18-4-604, and R18-4-605.

B. An owner shall not commence operation of a public water system without Department approval under R18-4-606.

C. If the owner of a new public water system fails to submit a complete application, the Department shall suspend the review process and send a notice of incomplete elementary business plan to the owner. The owner shall submit the missing information to the Department within 60 days of the date of the notice of incomplete elementary business plan. If missing information is not received at the Department within the 60 day time period, the Department shall deny the elementary business plan and return the elementary business plan to the owner.

Historical Note

New Section adopted by final rulemaking effective September 23, 1999; the A.A.R. citation was not available at the time of publication and will appear in Supp. 99-4 (Supp. 99-3). Amended by final rulemaking at 5 A.A.R. 4456, effective September 23, 1999 (Supp. 99-4).

R18-4-603. Technical Capacity Requirements

An owner of a new public water system shall submit the following to the Department for a determination of technical capacity:

1. Documentation of a drinking water source adequacy minimum of 50 gallons of water per person per day for a period of 100 years, a 100 year water availability designation from the Arizona Department of Water Resources (ADWR), or a Certificate of Assured Water Supply from ADWR;
2. Documentation that the drinking water served to the public will meet the safe drinking water standards of this Chapter;
3. Documentation that infrastructure, treatment, and storage design meets the requirements of this Chapter, Articles 2, 3, and 5;
4. Documentation that the public water system is operated by a certified operator of the sufficient grade and type; and
5. Documentation that contains at least the following:
   a. Day 1 to final build-out technical and engineering needs projections;
   b. Proposed water system design specification and proposed uses including commercial and domestic use phases;
   c. Information describing the life of the plant;
   d. A demonstration that all site-specific components meet nationally recognized standards, such as those established by the American Water Works Association, National Sanitation Foundation, or Underwriter's Laboratory;
   e. Manufacturers' specifications on components used in the construction of the water system; and
   f. Corrective action plan to address site-specific component replacement or repair protocols based on manufacturer's recommendations or engineer's specification.

Historical Note

New Section adopted by final rulemaking effective September 23, 1999; the A.A.R. citation was not available at the time of publication and will appear in Supp. 99-4 (Supp. 99-3). Amended by final rulemaking at 5 A.A.R. 4456, effective September 23, 1999 (Supp. 99-4).

R18-4-604. Managerial Capacity Requirements

An owner of a new public water system shall submit the following information as part of the elementary business plan to the Department for a determination of managerial capacity:

1. A statement of how the public water system is owned, such as by major stockholders, board of directors, sole proprietor cooperative, governmental agency or district, corporation, limited partnership, or limited liability corporation;
2. Name, address, and phone number of owner;
3. Organizational chart of the new public water system;
4. Staff job descriptions and responsibilities;
5. Water system capital improvement plan up to the proposed full system build-out or for a five-year projection, whichever is greater;
6. Certified operator grade and type that will be required by the new public water system, based upon water system design specifications;
7. A statement of the intent to create a CWS or NTNCWS and any intent to transfer ownership of the public water system as part of the construction plan or project phase build-out;
8. Method to ensure provision of information listed in Appendix B, item 4 to subsequent owners; and
9. A disclosure statement signed by the owner setting forth the owner's responsibility to comply with the requirements of this Article and to disclose all information relevant to the operation of the public water system upon transfer of ownership as outlined in Appendix B.

Historical Note

New Section adopted by final rulemaking effective September 23, 1999; the A.A.R. citation was not available at the time of publication and will appear in Supp. 99-4 (Supp. 99-3). Amended by final rulemaking at 5 A.A.R. 4456, effective September 23, 1999 (Supp. 99-4).

R18-4-605. Financial Capacity Requirements

An owner of a new public water system shall submit information for a five-year financial capacity plan, or a financial capacity plan to the end of the build-out phase, whichever is longer, that demonstrates financial capacity and documents or contains all of the information listed in Appendices C and D.

Historical Note

New Section adopted by final rulemaking effective September 23, 1999; the A.A.R. citation was not available at the time of publication and will appear in Supp. 99-4 (Supp. 99-3). Amended by final rulemaking at 5 A.A.R. 4456, effective September 23, 1999 (Supp. 99-4).

R18-4-606. Review, Approval, Denial Process

A. The Department shall review and evaluate technical capacity, based upon the requirements in R18-4-603 and Appendix A.

B. The Department shall review and evaluate managerial capacity, based upon the requirements in R18-4-604 and Appendix A.

C. The Department shall accept a financial determination made by the Arizona Corporation Commission (ACC) as meeting the financial capacity requirements contained in this Article for a new CWS or new NTNCWS under the jurisdiction of the ACC. The applicant shall submit documentation to the Department that verifies ACC approval of the public water system's financial capacity.

D. The Department shall accept a financial determination as set forth in the certificate of assured water supply from the Arizona Department of Water Resources, Active Management Area Program (ADWR) as meeting the financial capacity

requirements contained in this Article for a new CWS or new NTNCWS. The owner shall submit documentation to the Department that verifies ADWR approval of its financial capacity.

E. If a new public water system does not fall under financial review jurisdiction of the ACC or ADWR, the new CWS or new NTNCWS shall submit to the Department for review a completed financial capacity portion of the elementary business plan. The Department shall review and evaluate financial capacity, based upon the requirements in R18-4-605 and Appendices A, C, and D.

F. The Department shall notify an owner of a new public water system in writing of a deficiency in the elementary business plan or approve or deny the elementary business plan within 90 days of a receipt of a complete elementary business plan. The owner shall have 60 days from the date of a notice of deficiency to submit to the Department the information necessary to correct the deficiency in the elementary business plan. If the owner of the new public water system fails to send the requested information so that it is received by the Department within 60 days of the date of the notice of deficiency, the Department shall deny the elementary business plan and return it to the owner with a written explanation for the denial and information on the appeal process.

G. If an owner modifies technical or managerial specifications at any time between the approval to construct and the approval of construction, the owner shall notify the Department of the need to modify the elementary business plan in the technical, managerial, and financial capacity documentation. The Department shall revoke approval of the elementary business plan if the owner fails to notify the Department within 30 days of a modification.

Historical Note

New Section adopted by final rulemaking effective September 23, 1999; the A.A.R. citation was not available at the time of publication and will appear in Supp. 99-4 (Supp. 99-3). Amended by final rulemaking at 5 A.A.R. 4456, effective September 23, 1999 (Supp. 99-4).

R18-4-607. Appeals

An owner may appeal denial of an elementary business plan under A.R.S. § 41-1092 et seq.

Historical Note

New Section adopted by final rulemaking effective September 23, 1999; the A.A.R. citation was not available at the time of publication and will appear in Supp. 99-4 (Supp. 99-3). Amended by final rulemaking at 5 A.A.R. 4456, effective September 23, 1999 (Supp. 99-4).

Appendix A

Elementary Business Plan Checklist

Technical Capacity	Yes	No	N/A
1. Source Adequacy - Does the documentation demonstrate 50 gallons of water per person per day for 100 years or does the system have an Arizona Department of Water Resources Certificate of assured water supply?	____	____	____
2. Source Adequacy - Does the source approval information demonstrate that the source meets drinking water quality standards or have applicable drinking water technologies been described?	____	____	____
3. Infrastructure - Do the design criteria meet the requirements of R18-4-502 through R18-4-509?	____	____	____
4. Treatment - Do the design criteria include treatment technologies approved by ADEQ in 18 A.A.C. 4, Articles 2, 3, and 5?	____	____	____
5. Does the system have a certified operator of the appropriate grade and type?	____	____	____
6. Does the documentation include an elementary business plan containing technical and engineering needs projections for a time period covering day 1 to final build-out or for a five-year time period, which ever is greater?	____	____	____
7. Does the documentation include the proposed water system design specifications and proposed uses including commercial and domestic use phases?	____	____	____
8. Does the documentation include an elementary business plan containing the information on the components used in the design and construction of the system along with the components life span based upon manufacturer's specifications?	____	____	____
9. Does the documentation include an Operations and Maintenance Plan that contains standards that are nationally recognized on all site-specific components, such as American Water Works Association, National Sanitation Foundation, or Underwriter's Laboratory?	____	____	____
10. Does the documentation include an operation and maintenance plan with the manufacturer's specifications on all components used in the construction of the water system?	____	____	____
11. Does the documentation include an operations and maintenance plan and emergency operation plan to address site-specific component replacement or repair protocols based on manufacturer's recommendations or engineer's specifications?	____	____	____
Managerial Capacity	**Yes**	**No**	**N/A**
12. Does the documentation include ownership type?	____	____	____
Select all that apply.			
Sole Proprietor	____	____	____
Major Stockholders	____	____	____
Board of Directors	____	____	____
Cooperative	____	____	____
Government Agency or District	____	____	____
Corporation	____	____	____
Limited Liability Corporation	____	____	____
Partnership	____	____	____
Other_____	____	____	____
13. Does the documentation include name, address, and telephone number of owner?	____	____	____
14. Does the documentation include an organizational chart of owners, management, and staff with their position or job titles?	____	____	____
15. Does the documentation include staff job descriptions and responsibilities?	____	____	____
16. Does the documentation include a capital improvement plan up to the proposed full system build-out or for a five-year projection, whichever is greater?	____	____	____
17. Does the documentation identify the grade and type of certified operator that will be needed to operate the system according to site-specific components?	____	____	____
18. Does the documentation identify the intent to create a CWS or NTNCWS?	____	____	____
19. Does the documentation transfer the ownership of the water system as part of the build-out phase of the project?	____	____	____
20. Does the documentation identify the policies or mechanisms to ensure that all system-specific technical, managerial, and financial information of the water system is transferred to a new owner?	____	____	____
21. Does the documentation include the owner's signed disclosure statement agreeing to comply with the requirements of these Articles and a general disclosure statement agreeing to disclose all information relevant to the operation of the water system to any transferee of ownership? (See Appendix B).	____	____	____

Financial Capacity	Yes	No	N/A
22. Is the system regulated by the Arizona Corporation Commission (ACC) or ADWR? If Yes go to Question 23. If No go to Question 25.	____	____	____
23. Has the system received an approval from the ACC on its fee structure, or ADWR on its financial capacity?	____	____	____
24. Systems regulated by the Arizona Corporation Commission or Department of Water Resources shall provide information required in 22 and 23 for the financial capacity determination review by ADEQ.	____	____	____
25. For New CWSs and NTNCWS NOT regulated by ACC, is all information listed in Appendices C and D included?	____	____	____

Historical Note

Appendix A adopted by final rulemaking effective September 23, 1999; the A.A.R. citation was not available at the time of publication and will appear in Supp. 99-4 (Supp. 99-3). Amended by final rulemaking at 5 A.A.R. 4456, effective September 23, 1999 (Supp. 99-4).

Appendix B

Drinking Water Capacity Development Statement of Responsibility

Applicant Information:

Name:

Mailing Address

Phone Number: **Fax Number:** **E-mail:**

Statement Information:

1) Name of Water System:_____**PWS ID#**_____

2) Ownership Type (Please check all that apply):

____Sole Proprietor ____Major Stockholders ____Board of Directors
____Cooperative ____Government Agency ____District
____Public Entity ____Corporation ____Limited Liability Corporation
____Other (please explain) _____

3) Name of Owner(s): (Check one) See below Attach a separate sheet if more space is needed

Owner 1:

Owner 2:

Owner 3:

4) Agencies with rules applicable to the Water System: (Please check all that apply)

____Arizona Department of Environmental Quality ____Arizona Corporation Commission
____Arizona Department of Water Resources ____Arizona Department of Real Estate
____Arizona Department of Commerce ____Arizona Department of Agriculture
____Arizona Department of Corrections ____Office of the Fire Marshal
____Arizona Land Department ____Arizona Department of Revenue
____Arizona Department of Transportation ____Maricopa County Environmental Services
____Pima County Department of Environmental Quality ____Environmental Protection Agency Region IX
____Other(s) please specify_____

page 1 of 2

5) Statement of Intent (Select one):

____It IS the intent of the owner or developer of this NEW CWS or NEW NTNCWS to transfer ownership of the water system. As part of the ownership transfer, it is understood that the owner or developer has a responsibility to disclose and transfer ALL information relevant to the construction and operation of the water system to the new owner.

____It is NOT the intent of the owner to transfer ownership of the NEW CWS or NTNCWS within one year of the completion of construction of the water system.

6) Date owner expects to begin operation:

Month_____ Day _____ Year_____

7) Drinking Water Sources used: (Select all that apply)

____Ground Water
____Purchased Ground Water
____Surface Water
____Purchased Surface Water

8) Table of Contents of Systems Elementary Business Plan (Please check one):

____The Table of Contents of the Elementary Business Plan is attached.
____The Table of Contents of the Elementary Business Plan is summarized below.
Summary_____
_____
_____

9) Signature of each current owner: Check if additional signature page is attached.____

I agree to comply with the requirements of 18 A.A.C. 4, Article 6.

Print Name:_____Signature:_____Date:_____

Print Name:_____Signature:_____Date:_____

Print Name:_____Signature:_____Date:_____

page 2 of 2

Historical Note

Appendix B adopted by final rulemaking effective September 23, 1999; the A.A.R. citation was not available at the time of publication and will appear in Supp. 99-4 (Supp. 99-3). Amended by final rulemaking at 5 A.A.R. 4456, effective September 23, 1999 (Supp. 99-4).

Appendix C

Financial Capacity for New CWSs and NTNCWSs

Worksheet 1

Owner:_____

Completed by:_____ Date:_____

5-Year Financial Projection	**Year 1 Projection**	**Year 2 Projection**	**Year 3 Projection**	**Year 4 Projection**	**Year 5 Projection**
Enter Year:					
1. Beginning Cash on Hand					
a. Unmetered Water Revenue					
b. Metered Water Revenue					
c. Other Water Revenue					
d. Total Water Revenues (1a thru 1c)					
e. Connection Fees					
f. Interest and Dividend Income					
g. Other Income					
h. **Total Cash Revenues** (1d thru 1g)					
i. Additional Revenue Needed					
j. Loans, Grants or other Cash Injection (please specify)					
2. Total Cash Balance (1h to 1j)					
3. Total Cash Available (1+2)					
4. Operating Expenses					
a. Salaries and wages					
b. Employee Pensions and Benefits					
c. Utilities					
d. Chemicals					
e. Materials and Supplies					
f. Laboratory					
g. Contractual Services					

h. Insurance					
i. Miscellaneous					
j. Total Operations and Maintenance Expenses (4a thru 4i)					
k. Replacement Expenditures					
l. Total Operations and Maintenance expenditures plus Replacement expenditures (4j+4k)					
m. Loan Principal/Capital Lease Payments					
n. Loan Interest Payments					
o. Capital Purchases (specify):					
5. Total Cash Paid Out (4m thru 4o)					
6. Ending Cash Position (3 - 5)					
7. Number of Customer Accounts					
8. Average Annual User Charge per account (1d/7)					
9. Coverage Ratio (1h-4l)/(4m+4n)					
10. Operating Ratio (1d/4l)					
11. End of Year Operating Cash (6 - 12)					
12. End of Year Reserves					
a. Operating Reserves					
b. Debt Service Reserve					
c. Capital Improvement Reserve					
d. Replacement Reserve					
e. Other					
Total Reserves (12a thru 12e)					

Appendix C (continued)

Arizona Financial Capacity For New

CWSs and NTNCWSs

Definitions for Worksheet 1

5-Year Financial Projection	Year 1 Projection	Year 2 Projection	Year 3 Projection	Year 4 Projection	Year 5 Projection
1. Beginning Cash on Hand	For the current year budget, use the actual cash balance. For all other years, cash on hand should equal item #12 from the previous period.				
a) Unmetered Water Revenue	All cash received or estimated for water supplied to residential, commercial, industrial and public customers where the customer charge is not based on quantity, but is based on other criteria such as diameter of service pipe, room, or foot of frontage.				
b) Metered Water Revenue	All cash received or estimated for water supplied to residential, commercial, industrial, and public customers where the charge is based on quantity of water delivered.				
c) Other water revenues	Other cash received or estimated from sales of water, sales for irrigation, sales for resale, inter-municipal sales, or ad valorem taxes.				
d) Total Water Revenues	Total 1(a) thru 1(c)				
e) Connection Fee	All cash received or estimated for connection of customer service during the year.				
f) Interest and Dividend Income	All cash received or estimated on interest income from securities, loans, notes, and similar instruments, whether the securities are carried as investments or included in sinking or reserve accounts.				
g) Other income	Other revenues collected or estimated during the period (such as disconnection or change in service fees, profit on materials billed to customers, servicing of customer lines, late payment fees, rents, sales of assets, or ad valorem taxes (infrastructure portion).				
h) Total Cash Revenues	**Add 1(d) thru 1(g)**				
i) Additional Revenues Needed	Additional cash needed to cover cash needs.				
j) Loans, Grants or other Cash Injections	Includes loans or grants from financial institutions, inter-municipal loans, state or federal sources.				
2. Total Cash Balance	**Add items 1(h) thru 1(j)**				
3. Total Cash Available	**Add items 1 and 2**				
4. Operating Expenses	Use actual amounts paid when completing the prior year. Estimate the amounts for projected years based on prior year amounts, trends, and other known variables.				
a) Salaries and wages	Cash expenditures made or estimated for salaries, bonuses, and other considerations for work related to the operation and maintenance of the facility, including administration and compensation for officers and directors.				
b) Employee Pensions and Benefits	Paid vacations, paid sick leave, health insurance, unemployment insurance, pension plan, and other similar liabilities.				
c) Utilities	Amounts paid or estimated for all fuel or electrical power.				
d) Chemicals	Amounts paid or estimated for chemicals used in treatment and distribution.				
e) Materials and Supplies	Amounts paid or estimated for materials and supplies used for operation and maintenance of the new public water system other than those under contractual services.				

f) Laboratory	Amounts paid or estimated for laboratory and associated services.
g) Contractual Services	Amounts paid or estimated for outside engineering, accounting, legal, managerial, and other services.
h) Insurance	Amounts paid or estimated for vehicle, liability, worker's compensation, and other insurance associated with the public water system.
i) Miscellaneous	Amounts paid or estimated for all expenses not included elsewhere (such as permit fees, training, and certification fees).
j) Total operation and maintenance expenditures	**Add amounts in lines 4(a) thru 4(i).**
k) Replacement expenditures	Amounts paid or estimated for replacement of equipment to maintain system integrity (capital improvement plan).
l) Total Operations and Maintenance expenditures plus Replacement expenditures	**Add amounts in 4(j) and 4(k)**
m) Loan Principal, Capital Lease or Loan payment	Include cash payments made or estimated for principal and interest on all loans, including vehicle loans and equipment on time payments, and capital lease payments.
n) Loan Interest payments	Include cash payments made or estimated for interest on all loans, including vehicle loans, and equipment on time payments, and capital lease payments.
o) Capital Purchases	Amount of cash outlays or estimates for items such as equipment, building, or vehicle purchases and leasehold improvements that were not a part of the initial design of the water system.
5) Total Cash Paid Out	**Add amounts in 4(m) thru 4(o)**
6) Total Cash Available Minus Expenditures Calculation	**Take Amount in 1 and subtract Amount in 5.** If this amount is positive, there is operating cash left over after all calculated expenditure obligations have been met. If the number is negative, there are more expenses than there are funds available to pay for the expenses to operate the water system.
7) Number of Customer Accounts	Use most recent system data or expected increases.
8) Average User Charge per Customer	**Take amount listed in 1(d) and divide it by amount listed in 7.**
9) Coverage Ratio	**Take amount in 1(h) and subtract the amount in 4(l). Then divide that amount with the sum of 4(m) + 4(n).** The equation looks like this: **[1(h) - 4(l)]) [4(m) + 4(n)]** and measures the sufficiency of net operating profit to cover the debt service requirements of the system. A bond covenant might require the debt service to meet or exceed certain limits.
10) Operating Ratio	**Take amount in 1(d) and divide it by the amount in 4(l). The equation looks like this: 1(d)) 4(l).** This figure measures whether operating revenues are sufficient to cover operation, maintenance, replacement expenses. An operating ratio of 1:0 is the minimum for a self-supporting facility. If there are debt service requirements, the operating ratio would have to be higher.
11) End of Year Operating Cash	All non-reserved cash. **Add amounts from 6 thru 12.**
12) End of Year Reserves	Do not include depreciation as a reserve unless there is actually a designated depreciation reserve containing cash set aside for future expansion.

a) Operating Cash Reserve	Funds set aside to meet cash flow, operating, and seasonal fluctuations.
b) Debt Service Reserve	Funds specifically set aside to retire debt as it is scheduled.
c) Capital Improvement Reserve	Funds specifically set aside to meet long-term objectives for a major facility expansion, improvement, or the construction of a new facility.
d) Replacement Reserves	Funds specifically set aside for the future replacement of equipment needed to maintain the integrity of the facility over the useful life of the equipment.
e) Total End of Year Reserves	**Add amounts 12 (a) thru 12 (d).**

Historical Note

Appendix C adopted by final rulemaking effective September 23, 1999; the A.A.R. citation was not available at the time of publication and will appear in Supp. 99-4 (Supp. 99-3). Amended by final rulemaking at 5 A.A.R. 4456, effective September 23, 1999 (Supp. 99-4).

Appendix D
Water System Financial Viability Tests

Test 1: Will the proposed water system collect sufficient revenues to meet all of its projected expenses?

Measurements:

a. Total Revenues - Total Expenses = Net Income > 0

b. Total Revenues - One-Time Revenues - Interest Income - Other Income = Operating Revenues

c. Total Expenses - One-Time Expenditures - Debt Service - Capital Outlays = Operating Expenditures

d. Operating Revenues - Operating Expenses = Net Revenues > 0

e. Operating Ratio = Operating Expenses ≤ 1 Operating Revenues

Test 2: Will the proposed water system generate reserves?

The following measurements shall be > 0 at the time submitted:

a. Operating Cash Reserve = $_____

b. Replacement Reserve = $_____

c. Working Capital = Current Assets - Current Liabilities

Test 3: Are the proposed rates reasonable compared to the median household income of the area to be served?

The following measurement shall be:

Average Annual Rates < Median Household Income* x 2.5%.

*The sources of median household income data include the most recent United States Census Bureau (USCB) data collected by the Department or generated by an impartial third party experienced in collecting income data and supplied to the Department by the applicant seeking viability determinations. Acceptable sources of income data, other than USCB data include feasibility studies, engineering reports, market studies, income surveys, or another source or collection methodology approved by the Department.

Historical Note
Appendix D adopted by final rulemaking effective September 23, 1999; the A.A.R. citation was not available at the time of publication and will appear in Supp. 99-4 (Supp. 99-3). Amended by final rulemaking at 5 A.A.R. 4456, effective September 23, 1999; Test 1(e) amended to correct a manifest clerical error (Supp. 99-4).

ARTICLE 7. CONSUMER CONFIDENCE REPORTS

R18-4-701. Applicability
This Article applies to CWSs and establishes the minimum requirements for the content of the annual consumer confidence report (CCR) that a CWS shall deliver to its customers. The CWS shall provide accurate and understandable information in the CCR on the quality of the water delivered by the CWS and characterize the risks, if any, from exposure to contaminants detected in the drinking water.

Historical Note
New Section adopted by final rulemaking at 6 A.A.R. 2019, effective May 10, 2000 (Supp. 00-2).

R18-4-702. General Requirements
A. A CWS shall deliver a CCR to each customer annually by July 1.
B. The CCR shall contain water quality data from the previous calendar year.
C. A new CWS shall deliver its first CCR by July 1 of the year after its first full calendar year in operation.
D. A CWS that sells water to another CWS shall deliver the applicable information required in this Article to the purchaser CWS annually by April 1, or on a date mutually agreed upon by the seller and the purchaser, and specifically included in a contract between the parties.

Historical Note
New Section adopted by final rulemaking at 6 A.A.R. 2019, effective May 10, 2000 (Supp. 00-2).

R18-4-703. Content of Consumer Confidence Reports
A. A CWS shall provide to its customers an annual CCR that contains the following information on the source of the water delivered:
1. The type of the water (for example, surface water, ground water); and
2. The name, if any, and location of the body of water.

ADEQ
Arizona Department of Environmental Quality

Memorandum

RECEIVED

AUG 23 2004

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

Date: August 19, 2004
To: Steve Olea, ACC
Jim Fisher, ACC
Roy Tanney, DRE
Alan Dulaney, DWR
Doug Dunham, DWR
From: Jeffrey W. Stuck, Safe Drinking Water Section Manager
Subject: Flagstaff Meadows Subdivision

There are numerous discrepancies among various State agencies in submittals provided by the owners of the Flagstaff Meadow's subdivision, a project located in Coconino County. The Agencies which have an approval role in this subdivision are the Arizona Corporation Commission, Department of Water Resources, Department of Real estate, and Department of Environmental Quality. This meeting was held to gain a better understanding of the Flagstaff Meadows project and to ensure approvals from each Agency related to this subdivision were in compliance with applicable Statute, rules, and Agency procedures.

The Department of Environmental Quality (ADEQ) has approval responsibilities for drinking water infrastructure, wastewater infrastructure, and garbage disposal for subdivisions in Arizona (R18-5-402.A). Several applications have been submitted by the listed project engineer, Greg Allen of Allen Consulting Engineers, for approvals associated with the Flagstaff Meadows subdivision. These consist of applications for approval of sanitary facilities, approvals to construct drinking water facilities, and approvals of construction for drinking water facilities. These applications list differing public water systems as the drinking water supply for the proposed subdivisions.

APPLICATION TO ADEQ	DATE	WATER SYSTEM LISTED
Application for approval to construct sanitary facilities	6-3-2003	Belemont Travel Plaza PWS ID # 03-300
Application for approval to construct sanitary facilities	5-16-2001	Bellemont water system PWS ID # 03-394
Application for approval to construct sanitary facilities	6-3-2003	Bellemont PWS ID # 03-300

ADEQ has subsequently issued several approvals for facilities associated with Flagstaff Meadows subdivision including Approvals of Sanitary Facilities for Subdivisions, Approvals to Construct (ATC) drinking water facilities and Approvals of Construction (AOC) for drinking water

facilities. These approvals contain the same discrepancies for the water system that were provided on the applications by the applicant. At this time ADEQ is suspending the Approvals for Sanitary Facilities for Subdivisions for Flagstaff Meadows Town Homes and Flagstaff Meadows Unit 2.

It appears the actual water system for the Flagstaff Meadows subdivision is the Bellemont Travel Center PWS ID# 03-300, a transient non-community water system not currently under Arizona Corporation Commission (ACC) regulation. This system will need to be reclassified from the current transient non-community water system to a community water system by ADEQ in order to expand its service to the Flagstaff Meadows subdivision. In addition to this reclassification the water system will need to provide the necessary water quality data required of a community water system. Furthermore, ADEQ regulations require any new community water system beginning operation after October 1, 1999 to obtain a Capacity Development approval. The earliest dated applications for the Flagstaff Meadows subdivisions were submitted in 2001. Based on this date the Flagstaff Meadows subdivision water system would be a new community water system beginning operation after October 1, 1999 and is subject to the ADEQ Capacity Development rule (R18-4-600). This ADEQ rule requires water systems subject to DWR and ACC regulation to provide the relevant approvals from those Agencies as part of their submittal to ADEQ. Documentation from ACC and DWR has not been provided to ADEQ for these required demonstrations of capacity. Nevertheless ADEQ issued several approvals for sanitary facilities including drinking water facilities for the Flagstaff Meadows subdivision. ADEQ will cease issuing further approvals until the applicant has provided the required capacity demonstrations.

In two applications to the Department of Water Resources (DWR) for a water adequacy determination the applicant has indicated different water suppliers than those listed on the ADEQ applications. DWR shows the listed water supplier for Flagstaff Meadows Townhomes as the Townhomes of Flagstaff Meadows. For Flagstaff Meadows I & II the water supplier is listed as the Flagstaff Meadows Homeowners Association. In both adequacy reports, DWR has found these water supplies to be inadequate. Additionally, the applicant has submitted Physical Availability Demonstration (PAD) application to DWR. This application requires additional information for DWR to complete its evaluation and the applicant is being notified of the need for additional information.

The ACC has indicated that an application is before the Commission to change the name of the Bellemont Travel Center water system to Utility Source LLC. This application also includes application for establishment of a Certificate of Convenience and Necessity (CC&N) area covering the Flagstaff Meadows subdivision. Currently there are several homes within the Flagstaff Meadows subdivision which are being served by the water supply. The ACC has indicated that the water supplier has been notified that they cannot legally serve any additional

customers until adjudication has been completed that either grants the CC&N or determines that the water supplier is not a Public Service Corporation. A decision in this matter has not been made at the time of this memorandum.

Flagstaff Meadows Unit 1 has a public report from DRE naming Utility Services and the Flagstaff Meadows Property Owners Association as water provider. Flagstaff Meadows Unit 2 has a public report naming Utility Source as water provider. The Unit 2 public report is invalid. An application to amend the Unit 2 public report was initially filed to disclose a change in the CC&Rs for the subdivision and now the water issues are included with the amendment. The DRE has not issued the amended public report for Unit 2 in light of the confusion surrounding the water supplier and the requirements for the relevant approvals from DWR, ADEQ, and ACC. Regarding the Unit 1 public report, it may be invalid and also require amendment based on these same issues.

There are several regulatory requirements/demonstrations the Flagstaff Meadows subdivision (Utility Resources LLC) will need to complete prior to commencing with additional sales. I have listed these below in consecutive order.

1. Obtain a CC&N approval or receive adjudication that the Flagstaff Meadows Homeowners Association (Utility Resources LLC) is not a Public Service Corporation.

2. If found to be a Public Service Corporation, Utility Source LLC must supply documentation to the ACC from DWR stating that Utility Source LLC has a 100 year supply of water available for its CC&N.

3. Obtain Capacity Development Approval from ADEQ for the Flagstaff Meadows Homeowners Association (Utility Resource LLC). If ACC has determined that Flagstaff Meadows Homeowners Association is not a Public Service Corporation it will be necessary for Flagstaff Meadows to demonstrate a minimum of 50 gallons per person per day for a period of 100 years to ADEQ.

4. Obtain the remaining AOC approvals from ADEQ for drinking water facilities.

5. Submit the above information to ADEQ in order to have the suspension to the Approvals for Sanitary Facilities for Subdivisions lifted for Flagstaff Meadows Town Homes and Flagstaff Meadows Unit 2

6. Obtain public reports and required amendments for the Flagstaff Meadows subdivisions from DRE.

Upon completing these regulatory requirements/demonstrations Flagstaff Meadows subdivision will be in compliance with all regulatory requirements.

Please feel free to contact me with any questions at (602) 771-4617.

Cc: Karen Smith, WQD
Jim Sedillo, NRO
Mike Howeth, NRO
Kurt Harris, NRO

Richard L. Sallquist (002677)
SALLQUIST & DRUMMOND, P.C.
2525 E. Arizona Biltmore Circle, Suite 117
Phoenix, Arizona 85016
Telephone: (602) 224-9222
Fax: (602) 224-9366
Attorneys for Applicant

EXHIBIT A-1 admitted

A-1

RECEIVED
2004 JAN 30 P 4: 12
AZ CORP COMMISSION
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF UTILITY SOURCE, L.L.C. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER AND WASTEWATER SERVICE IN COCONINO COUNTY, ARIZONA.	)	DOCKET NO. WS-_____-04-_____ **APPLICATION**

Applicant, **Utility Source, L.L.C.** hereby submits the following in support of its Application. This Application is substantially in the form required by the Commission.

A. The name, address and telephone number of the Applicant is:

Utility Source, L.L.C.
721 E. San Pedro
Gilbert, Arizona 85234
(866) 768-3500

B. If doing business (dba) under a name other than the Applicant name specify:

N/A

C. List name, address and telephone number of management contact:

Pat Carpenter
A Quality Water
2879 S. Andrews
Williams, Arizona 86046
(928) 606-0498

D. List the name, address and telephone number of the attorney for the Applicant:

Richard L. Sallquist
Sallquist & Drummond, P.C.
2525 East Arizona Biltmore Circle, Suite A117
Phoenix, Arizona 85016
(602) 224-9222

E. List the name, address and telephone number of the operator certified by the Arizona Department of Environmental Quality:

Pat Carpenter
A Quality Water
2879 S. Andrews
Williams, Arizona 86046
(928) 606-0498

F. List the name, address and telephone number of the on-site manager of the utility:

Pat Carpenter
A Quality Water
2879 S. Andrews
Williams, Arizona 86046
(928) 606-0498

G. The Applicant is a:

__ Corporation:

1. __ "C", __ "S", _____ Non-profit

2. _____ Arizona, _____ Foreign

____ Partnership:

1. _____ Limited, _____ General

2. _____ Arizona, _____ Foreign

_X_ Limited Liability Company (LLC):

____ Sole Proprietorship

____ Other (specify) _____

H. If Applicant is a corporation:

1. List names of Officers and Directors: **N/A**

Officers Directors

2. Attach a copy of the corporation's "Certificate of Good Standing" issued by the Corporations Division of the Arizona Corporation Commission.

N/A

3. Attach a copy of the Articles of Incorporation.

N/A

4. Attach a copy of the corporation's By-Laws.

N/A

5. If a for-profit corporation, indicate the number of shares of stock authorized for issue: **N/A**

6. If stock has been issued, indicate the number of shares issued and date of issue: **N/A**

I. If the Applicant is a partnership: **N/A**

1. List the names of the general partners: **N/A**

2. List the name, address and telephone number of the managing partners: **N/A**

3. Attach a copy of the Partnership's Articles of Partnership. **N/A**

If the Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" filed with the Arizona Secretary of State. **N/A**

J. If the Applicant is a sole proprietor, list the name, address and telephone number of the proprietor: **N/A**

K. If the Applicant is a Limited Liability Company:

1. List the names of managers: **Lonnie McCleve**

L. List the names and addresses of any other public utility interest which the applicant may have: **None**

M. Attach a legal description of the area requested by either CADASTRAL (quarter section description) or Metes and Bounds survey. References to parcels and dockets will not be accepted. **Please see Attachment 1.**

N. Attach a detailed map using the form provided as Attachment "B". Shade and outline, the area requested. Also indicate any other utility within the general area using different colors of shading and outline. **Please see Attachment 2. Please see letter from Bellemont Water Company, Attachment 3.**

O. Attach financial information in a format similar to Attachment "C". **Please see Attachment 4.**

P. Explain the method of financing utility facilities. Refer to the instructions, item no. 7. (Use additional sheets if necessary)

Please see Companion Financing Application.

Q. Estimated starting and completion dates of construction of utility facilities.
Started: **First Quarter, 2002**
Completed: **Phase I Fourth Quarter, 2003**
Phase II Third Quarter, 2004

R. Attach proposed Tariffs using either the water or sewer format of Attachment "D", unless another form is approved by the Utilities Division prior to the filing of this application. **Please see Attachment 5.**

S. Attach the following permits:

1. The franchise from either the City or County for the area requested. **To be late filed as Attachment 6.**

2. The Arizona Department of Environmental Quality (or its designee's) approval to construct facilities. **Please see Attachment 7.**

3. The Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed). **N/A**

4. Any U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed). **N/A**

5. A copy of the "Certified Statement of Property Taxes" issued by the Arizona Department of Revenue. **N/A**

6. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of either the utility's Designation of an Assured Water Supply or the developer's Certificate of 100 Year Assured Water Supply issued by the Arizona Department of Water Resources. **N/A**

   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. **N/A**

   If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detail to prove that adequate water exists to provide water to the area requested. **N/A**

T. Provide the following information: **Please see Attachment 4 and Requests for Service in Attachment 8 hereto.**

1. Indicate estimated number of customers, by class, to be served in each of the first five years of operation?

   Residential:

   First Year _____ Second Year _____ Third Year _____

   Fourth Year _____ Fifth Year _____

   Commercial:

   First Year _____ Second Year _____ Third Year _____

   Fourth Year _____ Fifth Year _____

   Industrial:

   First Year _____ Second Year _____ Third Year _____

   Fourth Year _____ Fifth Year _____

Irrigation:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Other: (specify)

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

2. Indicate the projected annual water consumption, in gallons, for each of the customer classes for each of the first five years of operation:

Residential:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Commercial:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Industrial:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Irrigation:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Other: (specify)

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

3. Indicate the total estimated annual operating revenue for each of the first five years of operation:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

4. Indicate total estimated annual operating expenses for each of the first five years of operation:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

5. Attach an itemized list of the major components of the water sewer system (see attachment C-3).
Please see Attachment 4, Schedule 8 and 9.

6. Indicate the total estimated cost to construct utility facilities:

U. **The form of notice mailed to property owners within the requested area is attached as Attachment 9. The certificate of mailing will be late filed upon completion.**

DATED this 30th day of January, 2004.

SALLQUIST & DRUMMOND, P.C.

By _____
Richard L. Sallquist
2525 E. Arizona Biltmore Circle, Suite A117
Phoenix, Arizona 85016-2129
Attorneys for Utility Source, L.L.C.

Original and fifteen copies of the foregoing filed this 30th day of January, 2004, with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

_____

25004-00000.7

ATTACHMENTS

1. LEGAL DESCRIPTION
2. MAP OF REQUESTED AREA
3. BELLEMONT WATER COMPANY LETTER
4. PROFORMA FINANCIAL STATEMENTS
5. PROPOSED TARIFF
6. COUNTY FRANCHISE (LATE FILED)
7. ADEQ APPROVALS
8. REQUEST FOR SERVICE
9. NOTICE TO CUSTOMERS

1

LEGAL DESCRIPTION
COMMERCIAL PROPERTY 1

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 21 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 1,
THENCE SOUTH 00°33'42" EAST, ALONG THE EAST LINE OF SAID SECTION 1, A DISTANCE OF 2649.29 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 1,
THENCE NORTH 89°58'18" WEST, ALONG THE EAST-WEST MIDSECTION LINE, A DISTANCE OF 436.63 FEET,
THENCE NORTH 60°03'20" WEST, 1054.40 FEET TO THE POINT OF BEGINNING:

THENCE NORTH 60°03'20" WEST, 1524.14 FEET,
THENCE NORTH 00°10'07" WEST, 1293.62 FEET TO THE BEGINNING OF A 621.87 FOOT RADIUS NON-TANGENT CURVE, CONCAVE TO THE SOUTHWEST, A RADIAL TO SAID BEGINNING BEARS NORTH 11°35'25" EAST,
THENCE SOUTHEASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 32°15'52" AN ARC DISTANCE OF 350.19 FEET,
THENCE NON-TANGENT TO SAID CURVE, SOUTH 46°08'35" EAST, 2064.53 FEET,
THENCE SOUTH 13°20'56" WEST, 308.95 FEET,
THENCE NORTH 60°13'33" WEST, 277.14 FEET,
THENCE SOUTH 27°47'14" WEST, 339.37 FEET TO THE POINT OF BEGINNING.

GREGORY L. ALLEN
No. 16097
ARIZONA, U.S.A.

#5

ATTACHMENT 1

LEGAL DESCRIPTION
COMMERCIAL PROPERTY 2

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 21 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 1,
THENCE SOUTH 00°33'42" EAST, ALONG THE EAST LINE OF SAID SECTION 1, A DISTANCE OF 2649.29 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 1 AND POINT OF BEGINNING;

THENCE NORTH 89°58'18" WEST, ALONG THE EAST-WEST MIDSECTION LINE, A DISTANCE OF 436.63 FEET,
THENCE NORTH 60°03'20" WEST, 626.11 FEET,
THENCE NORTH 13°20'56" EAST, 616.21 FEET,
THENCE SOUTH 46°08'35" EAST, 1149.04 FEET,
THENCE SOUTH 00°33'42" EAST, 145.38 FEET TO THE POINT OF BEGINNING.

GREGORY L. ALLEN
No. 16097
Date Signed 3-5-01
ARIZONA, U.S.A.

LEGAL DESCRIPTION
TRACT A - SEWER TREATMENT PLANT

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 21 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 1,
THENCE SOUTH 00°33'42" EAST, ALONG THE EAST LINE OF SAID SECTION 1, A DISTANCE OF 2649.29 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 1,
THENCE NORTH 89°58'18" WEST, ALONG THE EAST-WEST MIDSECTION LINE, A DISTANCE OF 436.63 FEET,
THENCE NORTH 60°03'20" WEST, 688.72 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 60°03'20" WEST, 365.68 FEET,
THENCE NORTH 27°47'14" EAST, 339.37 FEET,
THENCE SOUTH 60°13'33" EAST, 277.14 FEET,
THENCE SOUTH 13°20'56" WEST, 354.73 FEET TO THE POINT OF BEGINNING.

GREGORY L. ALLEN
No. 16097
Date Signed 3-5-01
ARIZONA, U.S.A.

LEGAL DESCRIPTION
60' DRAINAGE & SEWER EASEMENT

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 21 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 1,
THENCE SOUTH 00°33'42" EAST, ALONG THE EAST LINE OF SAID SECTION 1, A DISTANCE OF 2649.29 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 1,
THENCE NORTH 89°58'18" WEST, ALONG THE EAST-WEST MIDSECTION LINE, A DISTANCE OF 436.63 FEET,
THENCE NORTH 60°03'20" WEST, 626.11 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 60°03'20" WEST, 62.61 FEET,
THENCE NORTH 13°20'56" EAST, 663.68 FEET,
THENCE SOUTH 46°08'35" EAST, 69.64 FEET,
THENCE SOUTH 13°20'56" WEST, 646.21 FEET TO THE POINT OF BEGINNING.

GREGORY L. ALLEN
No. 16097
3-5-01
ARIZONA, U.S.A.

LEGAL DESCRIPTION

A PORTION OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 21 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE & MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARY DESCRIBED AS FOLLOWS:

[illegible] AT THE NORTHEAST CORNER OF SAID SECTION 1;

[illegible] H 89°58'34" WEST ALONG THE NORTH LINE OF SAID [illegible] STANCE OF 1054.69 FEET TO THE POINT OF

[illegible] H 00°00'26" WEST, 175.29 FEET;
[illegible] H 89°59'34" WEST, 4.29 FEET TO A POINT ON A [illegible] ADIUS NON-TANGENT CURVE CONCAVE TO THE NORTH, [illegible] SAID BEGINNING BEARS NORTH 66°04'46" WEST;
THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 94°04'48" AN ARC DISTANCE 82.10 FEET;
THENCE SOUTH 00°01'16" WEST, 59.21 FEET;
THENCE SOUTH 05°02'40" EAST, 62.81 FEET;
THENCE SOUTH 04°34'33" EAST, 41.61 FEET;
THENCE SOUTH 06°20'34" EAST, 50.65 FEET;
THENCE SOUTH 02°07'19" EAST, 12.81 FEET;
THENCE SOUTH 06°54'50" WEST, 35.04 FEET;
THENCE SOUTH 05°21'29" WEST, 55.18 FEET;
THENCE SOUTH 04°24'02" WEST, 75.75 FEET;
THENCE SOUTH 01°38'14" EAST, 78.84 FEET;
THENCE SOUTH 06°54'50" EAST, 58.23 FEET;
THENCE SOUTH 04°45'56" EAST, 59.38 FEET;
THENCE SOUTH 00°00'00" WEST, 22.50 FEET;
[illegible] SOUTH 06°10'22" WEST, 43.49 FEET;
[illegible] TH 43°51'25" WEST, 55.43 FEET;
[illegible] TH 46°08'35" EAST, 498.20 FEET;
[illegible] TH 03°11'18" WEST, 192.67 FEET;
[illegible] TH 43°51'25" WEST, 133.87 FEET;
[illegible] TH 46°08'35" WEST, 1921.95 FEET TO A POINT ON A [illegible] RADIUS TANGENT CURVE CONCAVE TO THE [illegible]

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 28°21'22" AN ARC DISTANCE OF 347.36;

THENCE NORTH 89°58'34" EAST ALONG THE NORTH LINE OF SAID SECTION 1, 1531.47 FEET TO THE POINT OF BEGINNING.

A PORTION OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 21 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE & MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 1;

THENCE SOUTH 00°33'42" EAST ALONG THE EAST LINE OF SAID SECTION A DISTANCE OF 2503.91 FEET;

THENCE NORTH 46°08'35" WEST A DISTANCE OF 1149.04 FEET;
THENCE SOUTH 13°20'56" WEST A DISTANCE OF 646.21 FEET;
THENCE NORTH 60°03'20" WEST A DISTANCE OF 428.29 FEET;
THENCE NORTH 27°47'14" EAST A DISTANCE OF 339.37 FEET;
THENCE SOUTH 60°13'33" EAST A DISTANCE OF 277.14 FEET;
THENCE NORTH 00°12'57" EAST A DISTANCE OF 367.81 FEET;
THENCE NORTH 46°08'35" WEST A DISTANCE OF 1967.51 FEET TO THE BEGINNING OF A 621.87 FOOT RADIUS TANGENT CURVE CONCAVE TO THE SOUTHWEST, A RADIAL TO SAID BEGINNING BEARS SOUTH 43°51'25" WEST;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 32°16'00", AN ARC DISTANCE OF 350.21 FEET;

THENCE NON-TANGENT TO SAID CURVE NORTH 00°13'44" WEST A DISTANCE OF 67.12 FEET;
THENCE NORTH 89°58'34" EAST A DISTANCE OF 62.91 FEET TO THE BEGINNING OF A 701.87 FOOT RADIUS NON-TANGENT CURVE CONCAVE TO THE SOUTHWEST, A RADIAL TO SAID BEGINNING BEARS SOUTH 15°30'04" WEST;

THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 28°21'21", AN ARC DISTANCE OF 347.36 FEET;

THENCE TANGENT TO SAID CURVE SOUTH 46°08'35" EAST A DISTANCE OF 1921.95 FEET;
THENCE NORTH 43°51'25" EAST A DISTANCE OF 133.87 FEET;
THENCE NORTH 03°11'18" EAST A DISTANCE OF 192.67 FEET;
THENCE NORTH 46°08'35" WEST A DISTANCE OF 498.20 FEET;
THENCE NORTH 43°51'25" EAST A DISTANCE OF 55.43 FEET;
THENCE NORTH 06°10'22" EAST A DISTANCE OF 43.49 FEET;
THENCE NORTH 00°00'00" EAST A DISTANCE OF 22.50 FEET;
THENCE NORTH 04°45'56" WEST A DISTANCE OF 59.38 FEET;
THENCE NORTH 06°54'50" WEST A DISTANCE OF 58.23 FEET;
THENCE NORTH 01°38'14" WEST A DISTANCE OF 78.84 FEET;
THENCE NORTH 04°24'02" EAST A DISTANCE OF 75.75 FEET;
THENCE NORTH 05°21'29" EAST A DISTANCE OF 55.18 FEET;
THENCE NORTH 06°54'50" EAST A DISTANCE OF 35.04 FEET;
THENCE NORTH 02°07'19" WEST A DISTANCE OF 12.81 FEET;
THENCE NORTH 06°20'34" WEST A DISTANCE OF 50.65 FEET;
THENCE NORTH 04°34'33" WEST A DISTANCE OF 41.61 FEET;
THENCE NORTH 05°02'40" WEST A DISTANCE OF 62.81 FEET;
THENCE NORTH 00°01'16" EAST A DISTANCE OF 59.21 FEET;
THENCE SOUTH 89°59'34" EAST A DISTANCE OF 73.46 FEET;
THENCE NORTH 00°00'26" EAST A DISTANCE OF 175.29 FEET;
THENCE NORTH 89°58'34" EAST ALONG THE NORTH LINE OF SECTION 1 A DISTANCE OF 1054.69 FEET TO THE POINT OF BEGINNING.

EXHIBIT "A"

NO. 104071

Parcel 1:

The South half of the Southwest quarter of the Southwest quarter of Section 36, Township 22 North, Range 5 East of the Gila and Salt River Base and Meridian, Coconino County, Arizona.

EXCEPTING that part thereof lying within the following described property:

BEGINNING at the Southwest corner of Section 36;
thence North 1°04′ 20" West along the West line of said Section 36, a distance of 226.39 feet to a point on the Northerly right-of-way line of Interstate Route 40; thence South 67° 26′ 30" East, continuing along said right-of-way line a distance of 155.49 feet to a point; thence along a curve concave to the North with a radius of 743.51 feet, a distance of 386.20 feet to a point; thence South 89°48′ 50" East, a distance of 113.98 feet; thence South 0°11′ 10" West, a distance of 42.00 feet; thence South 89°48′ 50" East, a distance of 445.97 feet to a point on the South line of Section 36; thence South 88°43′ 50" West along the South line of Section 36, a distance of 1,068.17 feet to the point of beginning;

TOGETHER WITH all access rights and rights of ingress and egress appurtenant and incident to the adjacent lands as set forth in Final Order of Condemnation recorded in Docket 218, Page 88.

#5

Parcel 2:

A parcel of land located in the Southwest quarter of Section 36, Township 22 North, Range 5 East, Coconino County, Arizona, described as follows:

COMMENCING for reference at the Southwest corner of said Section 36; thence North 01 degrees 04 minutes 20 seconds West, 226.39 feet to a found Arizona Highway Department (AHD) brass cap marked "3+97.25" on the northerly right-of-way line of U.S. Interstate Highway 40, as shown on Sheet 27, Project No. I-40-3(14)175 of the Right-of-Way Plans of the Ashfork-Flagstaff Highway; thence North 01 degrees 04 minutes 20 seconds West, 436.71 feet along the west line of said Section 36 to a found U.S.D.A. Forest Service brass cap marked "S-S 1/64 S35/S36 RLS 9431 1989"; thence South 89 degrees 48 minutes 40 seconds East, 666.46 feet to a found 5/8 inch rebar and the POINT OF BEGINNING; thence continuing South 89 degrees 48 minutes 40 seconds East, 668.01 feet to a set 1/2 inch rebar with plastic cap marked "RLS 18215"; thence South 00 degrees 21 minutes 26 seconds East, 659.00 feet to a set 1/2 inch rebar with plastic cap marked "RLS 18215" on the southerly line of said Section 36; thence North 89 degrees 58 minutes 08 seconds West, 184.23 feet along said southerly line of said Section 36 to a found 1-1/2 inch aluminum cap with illegible markings; thence North 02 degrees 26 minutes 22 seconds West, 24.09 feet to a found AHD brass cap marked "116+19.34" on said northerly right-of-way line of U.S. Interstate Highway 40; thence North 89 degrees 48 minutes 28 seconds West, 74.44 feet along said right-of-way line to a set 1/2 inch rebar with plastic cap marked "RLS 18215"; thence South 89 degrees 59 minutes 29 seconds West, 408.35 feet along said right-of-way line to a found AHD brass cap marked "POT"; thence North 00 degrees 21 minutes 59 seconds West, 636.85 feet to the POINT OF BEGINNING.

PARCEL NO. 3:

A parcel of land located in the Southwest quarter of Section 36, Township 22 South, Range 5 East, Coconino County, Arizona, described as follows:

COMMENCING for reference at the Southwest corner of said Section 36; thence North 01 degrees 04 minutes 20 seconds West, 226.39 feet, to a found Arizona Highway Department (AHD) brass cap marked "3+97.25" on the northerly right-of-way line of U.S. Interstate Highway 40, as shown on Sheet 27, Project No. I-40-3(14)175 of the Right-of-Way Plans of the Ashfork-Flagstaff Highway; thence North 01 degrees 04 minutes 20 seconds West, 436.71 feet along the West line of said Section 36 to a found U.S.D.A. Forest Service brass cap marked "S-S 1/64 S35/S36 RLS 9431 1989"; thence South 89 degrees 48 minutes 40 seconds East, 1334.47 feet to a set 1/2 inch rebar with plastic cap marked "RLS 18215"; thence South 00 degrees 21 minutes 26 seconds East, 433.66 feet; thence South 89 degrees 32 minutes 08 seconds West, 190.28 feet to the POINT OF BEGINNING; thence continuing South 89 degrees 32 minutes 08 seconds West, 46.10 feet; thence South 00 degrees 27 minutes 52 seconds East, 53.31 feet; thence South 60 degrees 20 minutes 24 seconds East, 121.93 feet; thence North 29 degrees 39 minutes 36 seconds East, 42.00 feet; thence North 60 degrees 20 minutes 24 seconds West, 93.00 feet; thence North 00 degrees 27 minutes 52 seconds West, 31.50 feet to the POINT OF BEGINNING.

PARCEL 4:

The West 400 feet of the South 660 feet of the East half of the Southwest quarter of Section 36, Township 22 North, Range 5 East of the Gila and Salt River Base and Meridian, Coconino County, Arizona.

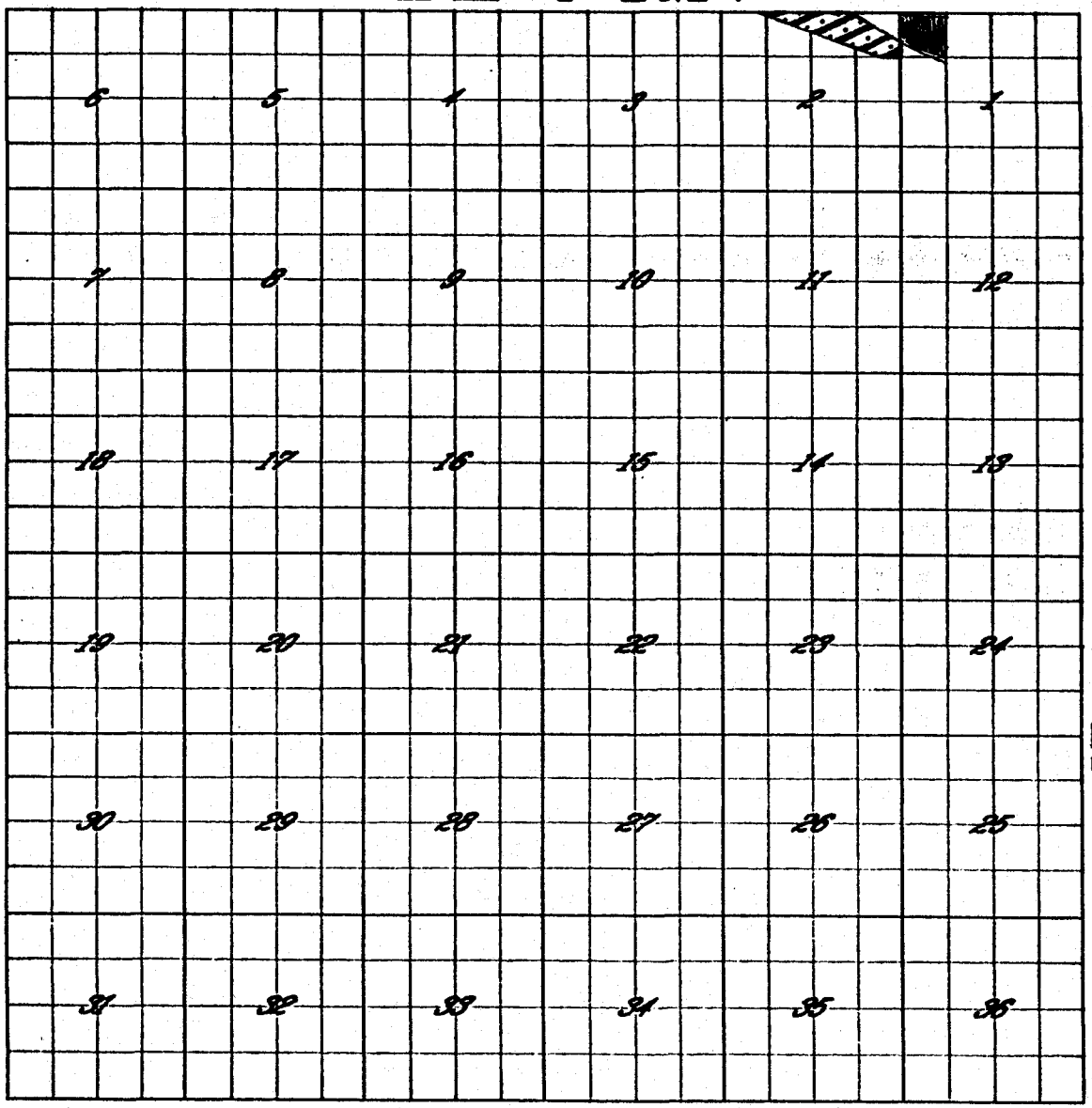
2

Map No. 19

COUNTY: Coconino

RANGE 5 East

TOWNSHIP 21 North



U-2526 (2)
Bellemont Water Company

Utility Source, LLC
(Water and Sewer)

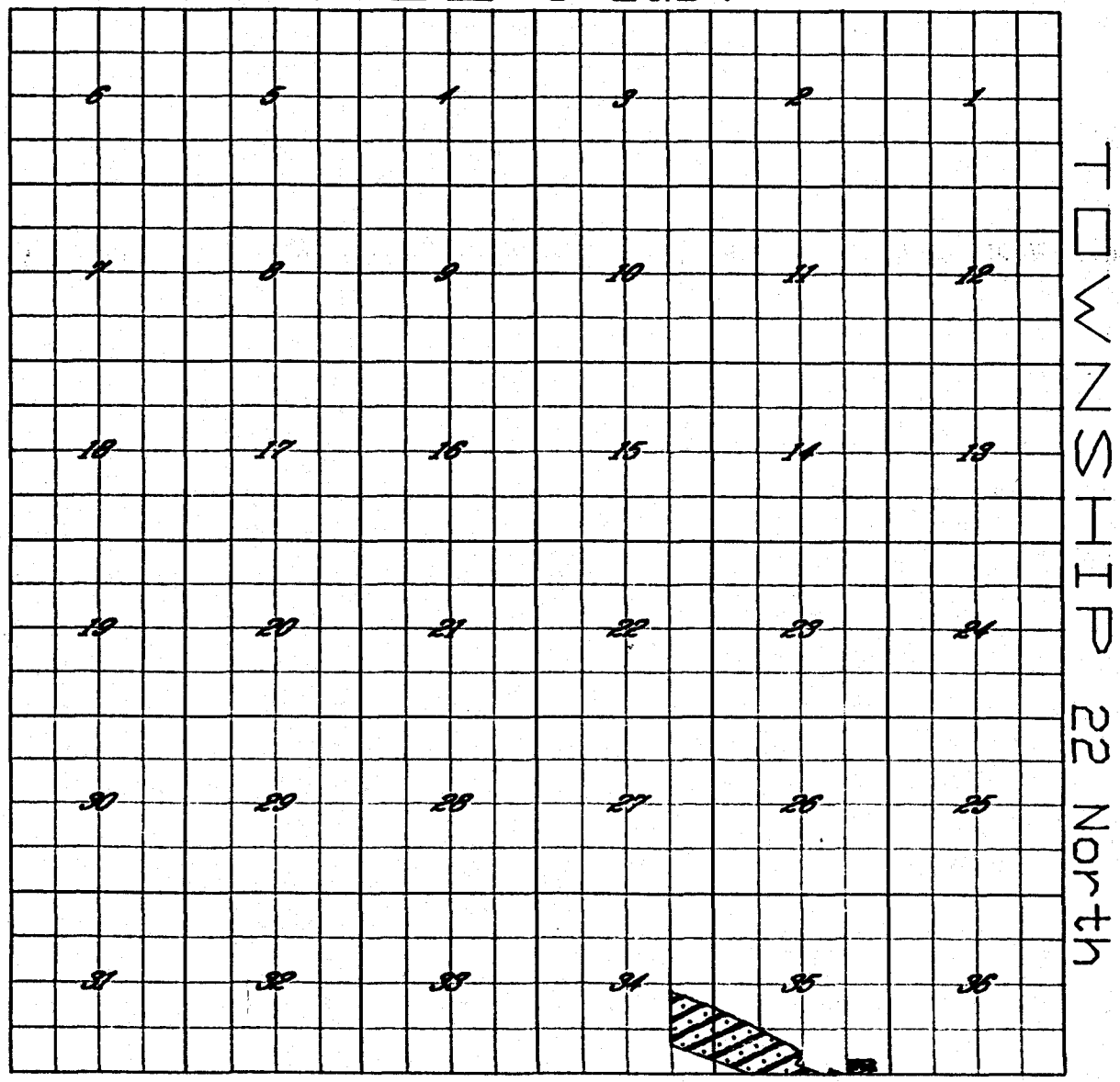
TR21N5E 27 JAN 1992

ATTACHMENT 2

Map No. 26

COUNTY: Coconino

RANGE 5 East



U-2526 (2)
Bellemont Water Company

Utility Source, LLC
(Water and Sewer)

TR22N5E 27 JAN 1992

3

Bellemont Water Company

Lonnie McCleve
Utility Source, L.L.C.
721 E. San Pedro
Gilbert, Arizona 85233

Re: Utility Source near Bellemont

Dear Lonnie:

Consistent with our recent conversation, Bellemont Water Company does not provide any wastewater service, nor do we have capacity to serve water to your development of Flagstaff Meadows and adjacent properties on the north side of I-40. We have no objection to your seeking a Certificate of Convenience and Necessity for those services.

Sincerely,

Nona McClain

Nona McClain

01-26-04

ATTACHMENT 3

4

UTILITY SOURSE, L.L.C.

PROFORMA FINANCIAL STATEMENTS
AND
SUPPORTING SCHEDULES

UTILITY SOURSE, L.L.C.

INDEX

SCHEDULE 1	Proforma Income Statements
SCHEDULE 2	Proforma Cash Flow
SCHEDULE 3	Depreciation Expenses
SCHEDULE 4	Estimated Property Taxes
SCHEDULE 5	Estimated Income Taxes
SCHEDULE 6	Proforma Balance Sheet
SCHEDULE 7	Capital Structure
SCHEDULE 8	Water Construction Budget
SCHEDULE 9	Wastewater Construction Budget
SCHEDULE 10	Preliminary System Plan

UTILITY SOURSE, L.L.C.

PROFORMA CONSOLIDATED INCOME STATEMENT

	2004	Year Two	Year Three	Year Four	Year Five
REVENUES					
Water Revenues	$57,758	$99,778	$128,071	$151,946	$175,821
Wastewater Revenues	$37,825	$65,155	$83,556	$99,084	$114,612
Total Revenues	$95,583	$164,933	$211,626	$251,030	$290,433
EXPENSES					
Water Operating Expenses	$101,518	$140,604	$167,278	$191,516	$231,825
Wastewater Operating Expenses	$111,462	$84,516	$105,856	$124,898	$154,683
Total Operating Expenses	$212,980	$225,120	$273,134	$316,413	$386,509
Operating Income (Loss)	($117,396)	($60,187)	($61,507)	($65,384)	($96,075)
Water Interest Expense	$0	$0	$0	$0	$0
Wastewater Interest Expense	$0	$0	$0	$0	$0
Total Interest Expense	$0	$0	$0	$0	$0
Net Income (Loss)	($117,396)	($60,187)	($61,507)	($65,384)	($96,075)

UTILITY SOURSE, L.L.C.

PROFORMA WATER INCOME STATEMENT

		2004	Year Two	Year Three	Year Four	Year Five
REVENUES						
Minimum Charges/Month		$6.48	$6.48	$6.48	$6.48	$6.48
Gallons Included		0	0	0	0	0
Excess Gallonage Charge/1000						
for Residential/Commercial						
First 5,000 Gallons		$2.83	$2.83	$2.83	$2.83	$2.83
Next 10,000 Gallons		$3.32	$3.32	$3.32	$3.32	$3.32
Over 15,000 Gallons		$4.71	$4.71	$4.71	$4.71	$4.71
Existing Customers		74				
New Customers		215	137	100	100	100
Year End Customers		289	426	526	626	726
Number of Residentials Customers (Avg.)		182	358	476	576	676
Sales Revenues (1)		$43,333	$85,354	$113,646	$137,521	$161,396
Number of Commercial Customers (Avg.)		2	2	2	2	2
Microtel		$4,460	$4,460	$4,460	$4,460	$4,460
Travel Center		$9,964	$9,964	$9,964	$9,964	$9,964
Sales Revenues (2)		$14,425	$14,425	$14,425	$14,425	$14,425
Total Revenues		$57,758	$99,778	$128,071	$151,946	$175,821
EXPENSES						
Pumping costs		$5,425	$9,429	$12,126	$14,401	$16,676
Cost/1000	$0.40					
Operations and Maintaince						
Cost/Unit/Month	$5.00	$11,010	$21,570	$28,680	$34,680	$40,680
Management						
Cost/Unit/Month	$7.00	$15,414	$30,198	$40,152	$48,552	$56,952
Insurance:						
Liability/Month	$75.00	$900	$900	$900	$900	$900
Property/Month	$75.00	$900	$900	$900	$900	$900
Automotive/Year	$0.00	$0	$0	$0	$0	$0
Vehicle/Month	$100.00	$2,400	$2,400	$1,200	$1,200	$1,200
Depreciation						
Depreciable Plant		$1,451,750	$2,107,250	$2,282,250	$2,457,250	$3,107,250
Composite Rate	3.45%					
Total Depreciation		$64,495	$72,610	$78,640	$84,670	$107,067
Property Taxes (Schedule 4)		$940	$2,563	$4,647	$6,179	$7,416
Income Taxes (Schedule 5) (3)		$34	$34	$34	$34	$34
Total Operating Expenses		$101,518	$140,604	$167,278	$191,516	$231,825
Operating Income(Loss)		($43,760)	($40,826)	($39,208)	($39,570)	($56,005)
Interest Expense						
Outstanding Debt		$0	$0	$0	$0	$0
Interest Rate	0.00%					
Long Term Interest Expense Total		$0	$0	$0	$0	$0
Working Capital Interest at:	0.00%	$0	$0	$0	$0	$0
Total Interest Expense		$0	$0	$0	$0	$0
Net Income (Loss)		($43,760)	($40,826)	($39,208)	($39,570)	($56,005)
Original Cost Rate Base		$1,539,305	$1,957,795	$1,934,155	$1,874,485	$2,267,418
Return on OCLD of:		-2.84%	-2.09%	-2.03%	-2.11%	-2.47%

Water Income

SCHEDULE 1

FOOTNOTES

			In Gallons,except Unit #				
(1) Average Residential Sales/Month			4,740	4,740	4,740	4,740	4,740
Res Sales/Year in Gallons			10,323,720	20,334,600	27,074,880	32,762,880	38,450,880
(2) Average Commercial Sales	Consumption /Mo	Bill / Month					
Microtel Inn	90,942	$371.68	1,091,304	1,091,304	1,091,304	1,091,304	1,091,304
Bellemont Travel Center	178,985	$830.36	2,147,820	2,147,820	2,147,820	2,147,820	2,147,820
Total Non-irrigation Sales/Year			13,562,844	23,573,724	30,314,004	36,002,004	41,690,004
(3) Ratioed on Rate Base							
Average Residential Bill			$19.90	$19.90	$19.90	$19.90	$19.90

UTILITY SOURSE, L.L.C.

NEW CUSTOMERS

	2004	2005	2006	2007	2008
Existing Customers	74				
Flagstaff Meadows-Townhomes	105				
Flagstaff Meadows	60				
Flagstaff Meadows II	50	37			
Flagstaff Meadows-Townhomes II		50			
Flagstaff Meadows III		50			
Townhomes			50	50	50
Single Family			50	50	50
Total Residential	289	137	100	100	100
Microtel Inn	1	1	1	1	1
Bellemont Travel Center	1	1	1	1	1
Total Commercial	2	2	2	2	2
Grand Total	291	139	102	102	102

	Water Consumption	Monthly Water Bill	Monthly Sewer Bill
Average Monthly Residential Consumption	4,740	$19.90	$12.94
Average Monthly Conmsumption Microtel Inn	90,942	$371.68	$325.57
Average MonthlyCconsumption Bellemont Travel Center	178,985	$830.36	$477.89

UTILITY SOURSE, L.L.C.

PROFORMA WASTEWATER INCOME STATEMENT

			2004	Year Two	Year Three	Year Four	Year Five
REVENUES							
		Monthly					
Minimum Charges/Month		$12.94	$12.94	$12.94	$12.94	$12.94	$12.94
Number of Residential Customers (Avg.)			182	358	476	576	676
Residential Revenues			$28,184	$55,513	$73,914	$89,443	$104,971
Number of Commercial Customers (Avg.)			2	2	2	2	2
Microtel		$325.57	$3,907	$3,907	$3,907	$3,907	$3,907
Travel Center		$477.89	$5,735	$5,735	$5,735	$5,735	$5,735
Commercial Revenues			$9,642	$9,642	$9,642	$9,642	$9,642
Total Revenues			$37,825	$65,155	$83,556	$99,084	$114,612
Total Revenues			$37,825	$65,155	$83,556	$99,084	$114,612
EXPENSES							
Power Costs			$2,000	$2,000	$2,000	$2,000	$2,000
Operations and Maintaince							
Cost/Unit/Month	$5.00		$11,010	$21,570	$28,680	$34,680	$40,680
Service Installation	$0		$0	$0	$0	$0	$0
Management							
Cost/Unit/Month	$7.00		$15,414	$30,198	$40,152	$48,552	$56,952
Insurance:							
Liability/Month	$75.00		$900	$900	$900	$900	$900
Property/Month	$75.00		$900	$900	$900	$900	$900
Automotive/Year	$500.00		$500	$500	$500	$500	$500
Vehicle/Month	$100.00		$1,200	$1,200	$1,200	$1,200	$1,200
Depreciation							
Depreciable Plant			$887,225	$1,051,625	$1,171,625	$1,321,625	$1,921,625
Composite Rate	2.43%						
Total Depreciation			$78,906	$25,556	$28,473	$32,118	$46,699
Property Taxes (Schedule 4)			$615	$1,675	$3,035	$4,032	$4,836
Income Taxes (Schedule 5) (1)			$16	$16	$16	$16	$16
Total Operating Expenses			$111,462	$84,516	$105,856	$124,898	$154,683
Operating Income(Loss)			($73,636)	($19,361)	($22,300)	($25,813)	($40,071)
Interest Expense							
Outstanding Debt			$0	$0	$0	$0	$0
Interest Rate	0.00%						
Long Term Interest Expense Total			$0	$0	$0	$0	$0
Working Capital Interest at:	0.00%		$0	$0	$0	$0	$0
Total Interest Expense			$0	$0	$0	$0	$0
Net Income (Loss)			($73,636)	($19,361)	($22,300)	($25,813)	($40,071)
Original Cost Rate Base			$733,344	$707,788	$679,315	$647,197	$1,050,499
Return on OCLD of:			-10.04%	-2.74%	-3.28%	-3.99%	-3.81%

Sewer Income

SCHEDULE 1

UTILITY SOURSE, L.L.C.

PROFORMA CASH FLOW

	2005	Year Two	Year Three	Year Four	Year Five
SOURSES OF CASH					
Beginning Cash Balance	$0	($995)	$36,984	$32,589	$33,994
Net Income	($117,396)	($60,187)	($61,507)	($65,384)	($96,075)
Add: Depreciation Expense	$143,401	$98,166	$107,112	$116,788	$153,766
Total Cash from Operations	$26,005	$37,979	$45,605	$51,404	$57,691
Financing Proceeds	$1,814,050	$0	$0	$0	$0
Water Line Extension Agreements	$267,950	$205,500	$175,000	$175,000	$200,000
Wastewater Line Extension Agreements	$179,975	$164,400	$120,000	$150,000	$150,000
Water Hook-Up Fees	$215,000	$137,000	$100,000	$100,000	$100,000
Wastewater Hook-Up Fees	$387,000	$246,600	$180,000	$180,000	$180,000
Hook-Up Reserve Account Drawdowns	$0	$450,000	$0	$0	$900,000
Working Capital Loan	$575,000	$0	$0	$0	$0
Total Cash Sourses	$3,464,980	$1,240,484	$657,589	$688,994	$1,621,684
USES OF CASH					
Plant Additions	$2,863,975	$819,900	$295,000	$325,000	$1,250,000
Plant Replacement	$0	$0	$0	$0	$0
Debt Repayment	$0	$0	$0	$0	$0
Line Extension Agreement Refunds	$0	$0	$0	$0	$0
Working Capital Repayment	$0	$0	$50,000	$50,000	$75,000
Hook-Up Fee Reserve Account Deposits	$602,000	$383,600	$280,000	$280,000	$280,000
Ending Cash Balance (Including HUF Account Balance)	($995)	$36,984	$32,589	$33,994	$16,684
Total Cash Uses	$3,465,975	$1,203,500	$625,000	$655,000	$1,605,000
Net Change in Cash	($995)	$37,979	($4,395)	$1,404	($17,309)

UTILITY SOURSE, L.L.C.

WATER DEPRECIATION EXPENSE

Account Number	Description	Plant in Service	Staff Recommended Rates	Annual Depreciation Expense
301	Organization	$0		
302	Franchise Cost	$0		
303	Land and Land Rights	$210,000		$0
304	Structures and Improvements	$23,000	2.50%	$575
307	Wells and Springs	$937,250	3.33%	$31,239
310	Power Generation Equipment	$0	5.00%	$0
311	Electric Pumping Equipment	$161,000	12.50%	$20,125
320	Water Treatment Equipment	$0	3.33%	$0
330	Dist. Reservoir and Standpipe	$272,550	2.22%	$6,051
331	Transmission and Distribution Mains	$147,200	2.00%	$2,944
333	Services	$86,250	3.33%	$2,872
334	Meters	$0	8.33%	$0
335	Hydrants	$34,500	2.00%	$690
336	Backflow Prevention Devises	$0	6.67%	$0
339	Miscellaneous Equipment	$0	6.67%	$0
340	Office Furniture and Fixtures	$0	6.67%	$0
341	Transportation Equipment	$0	20.00%	$0
343	Tools and Work Equipment	$0	5.00%	$0
344	Laboratory Equipment	$0	10.00%	$0
345	Power Operated Equipment	$0	5.00%	$0
346	Communications Equipment	$0	10.00%	$0
347	Miscellaneous Equipment	$0	10.00%	$0
348	Other Tangible Plant	$0	2.50%	$0
	Totals	**$1,871,750**	**3.45%**	**$64,495**

UTILITY SOURSE, L.L.C.

WASTEWATER DEPRECIATION EXPENSE

Account Number	Description	Plant in Service	Staff Recommended Rates	Annual Depreciation Expense
301	Organization			
302	Franchise Cost			
303	Land and Land Rights	$105,000		$0
354	Structures and Improvements	$56,350	3.33%	$1,876
355	Power Generation Equipment	$0	5.00%	$0
361	Collection Sewers	$2,395,000	2.00%	$47,900
363	Services to Customers	$179,975	2.00%	$3,600
367	Reuse Meters & Meter Installations	$0	8.33%	$0
370	Receiving Wells	$0	3.33%	$0
380	Treatment & Disposal Equipment	$510,600	5.00%	$25,530
381	Plant Sewers	$0	5.00%	$0
394	Laboratory Equipment	$0	10.00%	$0
397	Miscellaneous Equipment	$0	10.00%	$0
	Totals	**$3,246,925**	**2.43%**	**$78,906**

UTILITY SOURSE, L.L.C.

PROFORMA PROPERTY TAX COMPUTATION

At Proposed Water Rates

	2002	2003	2004	2005	2006	2007	2008
Total Revenues	$0.00	$0.00	$ 57,758	$ 99,778	$128,071	$151,946	$175,821
3-Year Average			$ 19,253	$ 52,512	$ 95,202	$126,598	$151,946
Income Approach (Two times Revenue)			$38,505	$105,024	$190,405	$253,196	$303,891
CWIP @ 10%			$0.00	$0.00	$0.00	$0.00	$0.00
Full Cash Value			$38,505	$105,024	$190,405	$253,196	$303,891
Assessment Ratio			25%	25%	25%	25%	25%
Assessed Value			$9,626	$26,256	$47,601	$63,299	$75,973
Tax Rate per $100 Valuation			$9.76	$9.76	$9.76	$9.76	$9.76
Adjusted Property Tax			$940	$2,563	$4,647	$6,179	$7,416

UTILITY SOURSE, L.L.C.

PROFORMA PROPERTY TAX COMPUTATION

At Proposed Wastewater Rates

	2002	2003	2004	2005	2006	2007	2008
Total Revenues	$0.00	$0.00	$ 37,825	$ 65,155	$83,556	$99,084	$114,612
3-Year Average			$ 12,608	$ 34,327	$ 62,179	$82,598	$99,084
Income Approach (Two times Revenue)			$25,217	$68,654	$124,358	$165,197	$198,168
CWIP @ 10%			$0.00	$0.00	$0.00	$0.00	$0.00
Full Cash Value			$25,217	$68,654	$124,358	$165,197	$198,168
Assessment Ratio			25%	25%	25%	25%	25%
Assessed Value			$6,304	$17,163	$31,089	$41,299	$49,542
Tax Rate per $100 Valuation			$9.76	$9.76	$9.76	$9.76	$9.76
Adjusted Property Tax			$615	$1,675	$3,035	$4,032	$4,836

UTILITY SOURSE, L.L.C.

INCOME TAX COMPUTATION

		2004	Year Two	Year Three	Year Four	Year Five
NET TAXABLE INCOME		($117,346)	($60,137)	($61,457)	($65,334)	($96,025)
State Income Tax Computation						
Taxable Income		($117,346)	($60,137)	($61,457)	($65,334)	($96,025)
LESS:State Tax		$0	$50	$50	$50	$50
Net Operating Loss		$0	($117,346)	($177,533)	($239,041)	($304,424)
Adjusted Income		($117,346)	($177,533)	($239,041)	($304,424)	($400,499)
State Tax Rate at :	9.00%	$50	$50	$50	$50	$50
TOTAL ARIZONA TAXES		$50	$50	$50	$50	$50
Federal Income Tax Computation						
Taxable Income		($117,346)	($60,137)	($61,457)	($65,334)	($96,025)
LESS:State Tax		$50	$50	$50	$50	$50
Net Operating Loss		$0	($117,396)	($177,583)	($239,091)	($304,474)
Adjusted Income		($117,396)	($177,583)	($239,091)	($304,474)	($400,549)
TAX CALCULATION						
$0-50,000 15%		$0	$0	$0	$0	$0
$50-75,000 25%		$0	$0	$0	$0	$0
$75-100,000 34%		$0	$0	$0	$0	$0
$100-335,000 39%		$0	$0	$0	$0	$0
$335-OVER 34%		$0	$0	$0	$0	$0
TOTAL FEDERAL TAXES		$0	$0	$0	$0	$0
Effective Federal Tax Rate		0.0%	0.0%	0.0%	0.0%	0.0%
Total Federal and State Taxes		$50	$50	$50	$50	$50
Allocation : Water	67.73%	$34	$34	$34	$34	$34
Wastewater	32.27%	$16	$16	$16	$16	$16
(Based on Rate Base)						
Effective State & Federal Tax Rate		-0.04%	-0.08%	-0.08%	-0.08%	-0.05%

Income Tax

SCHEDULE 5

UTILITY SOURSE, L.L.C.

PROFORMA BALANCE SHEET

	End 2004	Year Two	Year Three	Year Four	Year Five
ASSETS					
Cash	($995)	$36,984	$32,589	$33,994	$16,684
Water Land	$210,000	$210,000	$210,000	$210,000	$210,000
Production & Storage Plant in Service	$1,661,750	$2,317,250	$2,492,250	$2,667,250	$3,317,250
Less: Accumulated Depreciation	($64,495)	($137,105)	($215,745)	($300,415)	($407,482)
Wastewater Land	$105,000	$105,000	$105,000	$105,000	$105,000
Wastewater Plant/ Collection Plant in Service	$887,225	$1,051,625	$1,171,625	$1,321,625	$1,921,625
Less: Accumulated Depreciation	($78,906)	($104,462)	($132,935)	($165,053)	($211,751)
Net Plant in Service	$2,720,574	$3,442,307	$3,630,195	$3,838,407	$4,934,641
Hook-Up Fee Reserves					
Total Reserve Balance	$602,000	$535,600	$815,600	$1,095,600	$475,600
TOTAL ASSETS	$3,321,579	$4,014,892	$4,478,384	$4,968,001	$5,426,926
LIABILITIES					
Current Liabilities:					
Current Liabilities	$0	$0	$0	$0	$0
Deferred Credits:					
Water Advances	$267,950	$473,450	$648,450	$823,450	$1,023,450
Less: Cumulative Refunds	$0	$0	$0	$0	$0
Net Water Advances	$267,950	$473,450	$648,450	$823,450	$1,023,450
Wastewater Advances	$179,975	$344,375	$464,375	$614,375	$764,375
Less: Cumulative Refunds	$0	$0	$0	$0	$0
Net Wastewater Advances	$179,975	$344,375	$464,375	$614,375	$764,375
Contributions:					
Water HUF's	$215,000	$352,000	$452,000	$552,000	$652,000
Wastewater HUF's	$387,000	$633,600	$813,600	$993,600	$1,173,600
Total Deferred Credits	$1,049,925	$1,803,425	$2,378,425	$2,983,425	$3,613,425
CAPITAL					
Common Stock Issued	$1,814,050	$1,814,050	$1,814,050	$1,814,050	$1,814,050
Long Term Debt		$0	$0	$0	$0
Less: Repayment		$0	$0	$0	$0
Balance	$0	$0	$0	$0	$0
Retained Earnings	($117,396)	($177,583)	($239,091)	($304,474)	($400,549)
Working Capital Loan	$575,000	$575,000	$525,000	$475,000	$400,000
Total Capital	$2,271,654	$2,211,467	$2,099,959	$1,984,576	$1,813,501
TOTAL LIABILITIES & CAPITAL	$3,321,579	$4,014,892	$4,478,384	$4,968,001	$5,426,926

Balance Sheet

SCHEDULE 6

UTILITY SOURSE, L.L.C.

CONSOLIDATED CAPITAL STRUCTURE

	First Year Capitalization									
	Founder Capital		Total							
	Type	Investor	Capital		2005	Year Two	Year Three	Year Four	Year Five	Total
				Per Investor	Total					
DEBT	0%									
		100%		$0		$0	$0	$0	$0	$0
				$0						
		100%	0.0%		$0	$0	$0	$0	$0	$0
EQUITY	100%									
(Member Interests)										
Lonnie McCleve		100%		$1,814,050		$0			$0	
		100%	80.2%		$1,814,050	$0	$0	$0	$0	$1,814,050
TOTAL CAPITAL ISSUANCE	100%				$1,814,050	$0	$0	$0	$0	$1,814,050
LINE EXTENSION AGREEMENTS										
	Water				$267,950	$205,500	$175,000	$175,000	$200,000	$1,023,450
	Wastewater				$179,975	$164,400	$120,000	$150,000	$150,000	$764,375
	Total		19.8%		$447,925	$369,900	$295,000	$325,000	$350,000	$1,787,825
CONTRIBUTIONS										
	Water									$0
	Wastewater									
			0.0%							$0
TOTAL CAPITAL ADDITIONS			100%		$2,261,975	$369,900	$295,000	$325,000	$350,000	$3,601,875
HOOK-UP FEE COLLECTIONS										
	Water				$215,000	$137,000	$100,000	$100,000	$100,000	$652,000
	Wastewater				$387,000	$246,600	$180,000	$180,000	$180,000	$1,173,600
	Total				$602,000	$383,600	$280,000	$280,000	$280,000	$1,825,600

UTILITY SOURSE, L.L.C.

WATER FACILITIES CONSTRUCTION BUBGET

Item	Committed Units	Cost per Unit	Cost Est. Nov-03	Company Funded	Developer Funded
WATER PLANT					
YEAR ONE					
COMMON FACILITIES			$1,603,800	$1,603,800	
ON-SITE FACILITIES	215	$1,246	$267,950		$267,950
YEAR ONE TOTAL			$1,871,750	$1,603,800	$267,950
YEAR TWO					
COMMON FACILITIES			$450,000	$450,000	
ON-SITE FACILITIES	137	$1,500	$205,500		$205,500
YEAR TWO TOTAL			$655,500	$450,000	$205,500
YEAR THREE					
COMMON FACILITIES			$0	$0	
ON-SITE FACILITIES	100	$1,750	$175,000		$175,000
YEAR THREE TOTAL			$175,000	$0	$175,000
YEAR FOUR					
COMMON FACILITIES					
ON-SITE FACILITIES	100	$1,750	$175,000		$175,000
YEAR FOUR TOTAL			$175,000	$0	$175,000
YEAR FIVE					
COMMON FACILITIES			$450,000	$450,000	
ON-SITE FACILITIES	100	$2,000	$200,000		$200,000
YEAR FIVE TOTAL			$650,000	$450,000	$200,000
TOTAL WATER FACILITIES	652		$3,527,250	$2,503,800	$1,023,450

Equivilent Units Served	652
Cost per Equilivent Unit	$3,840
Development Fee per Equivalent Unit	$1,000
Percent of Common Facilities Total Cost	26.04%

UTILITY SOURSE, L.L.C.

ESTIMATED COST (WATER)

NARUC Account No.	Item Description	Quantity	Unit	Unit Price	Sub-Total	Engineering @10%	Contingencies @ 5%	Total
	BACKBONE FACILITIES							
301	Organization	1	ls	$0	$0		$0	$0
302	Franchise Cost	1	ls	$0	$0		$0	$0
303	Land and Land Rights	1	ls	$200,000	$200,000		$10,000	$210,000
304	Power Panel and Interconnect	1	ls	$0	$0	$0	$0	$0
304	Well Enclosure	1	ls	$20,000	$20,000	$2,000	$1,000	$23,000
304	Fencing	1	ls	$0	$0	$0	$0	$0
307	Shallow Wells No 1, 2, & 3	1	ls	$120,000	$120,000	$12,000	$6,000	$138,000
307	Deep Well No. 4	1	ls	$185,000	$185,000	$18,500	$9,250	$212,750
307	Deep Well No. 5	1	ls	$210,000	$210,000	$21,000	$10,500	$241,500
307	Deep Well No. 6	1	ls	$300,000	$300,000	$30,000	$15,000	$345,000
310	Power Generation Equipment	1	ls	$0	$0	$0	$0	$0
311	Well Pump, Pipes and Controls	1	ls	$140,000	$140,000	$14,000	$7,000	$161,000
320	Water Treatment Equipment	1	ls	$0	$0	$0	$0	$0
330	Site Grading	1	ls	$0	$0	$0	$0	$0
330	258,000 Gallon Water Storage Tank	1	ls	$95,000	$95,000	$9,500	$4,750	$109,250
330	422,000 Gallon Water Storage Tank	1	ls	$142,000	$142,000	$14,200	$7,100	$163,300
330	Reservoir Piping and Appurtenances	1	ls	$0	$0	$0	$0	$0
339	Miscellaneous Plant Equipment	1	ls	$0	$0	$0	$0	$0
340	Office Furniture and Fixtures		ls	$0	$0	$0	$0	$0
344	Laboratory Equipment	1	ls	$0	$0	$0	$0	$0
	Total Backbone Facilities				$1,412,000	$121,200	$70,600	$1,603,800
	ON-SITE FACILITIES							
331	Transmission Main	3,638	l.f.	$35.18	$128,000	$12,800	$6,400	$147,200
333	Service Lines	150	ea.	$500.00	$75,000	$7,500	$3,750	$86,250
335	Hydrants	15	ea.	$2,000.00	$30,000	$3,000	$1,500	$34,500
336	Backflow Prevention Devises	0	ea.	$0	$0	$0	$0	$0
	Total On-Site Facilities				$233,000	$23,300	$11,650	$267,950
	WATER SYSTEM TOTAL				**$1,645,000**	**$144,500**	**$82,250**	**$1,871,750**

Water Eng Cost

SCHEDULE 8

UTILITY SOURSE, L.L.C.

WASTEWATER FACILITIES CONSTRUCTION BUBGET

Item	Committed Units	Cost per Unit	Cost Est. Nov-03	Company Funded	Developer Funded
WASTEWATER PLANT					
YEAR ONE					
COMMON FACILITIES			$812,250	$812,250	
ON-SITE FACILITIES	215	$837	$179,975		$179,975
YEAR ONE TOTAL			$992,225	$812,250	$179,975
YEAR TWO					
COMMON FACILITIES					
ON-SITE FACILITIES	137	$1,200	$164,400		$164,400
YEAR TWO TOTAL			$164,400	$0	$164,400
YEAR THREE					
COMMON FACILITIES				$0	
ON-SITE FACILITIES	100	$1,200	$120,000		$120,000
YEAR THREE TOTAL			$120,000	$0	$120,000
YEAR FOUR					
COMMON FACILITIES					
ON-SITE FACILITIES	100	$1,500	$150,000		$150,000
YEAR FOUR TOTAL			$150,000	$0	$150,000
YEAR FIVE					
COMMON FACILITIES			$450,000	$450,000	
ON-SITE FACILITIES	100	$1,500	$150,000		$150,000
YEAR FIVE TOTAL			$600,000	$450,000	$150,000
TOTAL WASTEWATER FACILITIES	652		$2,026,625	$1,262,250	$764,375

Equivilent Units Served	652
Cost per Equilivent Unit	$1,936
Development Fee per Equivalent Unit	$1,800
Percent of Common Facilities Total Cost	92.98%

UTILITY SOURSE, L.L.C.

ESTIMATED COST(WASTEWATER)

NARUC Account No.	Item Description	Quantity	Unit	Unit Price	Sub-Total	Engineering @10%	Contingencies @ 5%	Total
	BACKBONE FACILITIES							
301	Organization	1	ls	$0	$0		$0	$0
302	Franchise Cost	1	ls	$0	$0		$0	$0
303	Land and Land Rights	1	ls	$100,000	$100,000		$5,000	$105,000
354	Treatment Plant Building	1	ls	$28,000	$28,000	$2,800	$1,400	$32,200
354	Perimeter Fencing	1	ls	$21,000	$21,000	$2,100	$1,050	$24,150
355	Emergency Generator	1	ls	$0	$0	$0	$0	$0
361	Lift Stations	2	ea	$32,000	$64,000	$6,400	$3,200	$73,600
361	4" Force Main	1		$58,000	$58,000	$5,800	$2,900	$66,700
367	Flow Measuring Devise	1	ls	$0	$0	$0	$0	$0
370	Reinforced Concrete Pads	1	ls	$0	$0	$0	$0	$0
370	Dist Box/Headworks/Barscreen/Washdown/Misc	1	ls	$0	$0	$0	$0	$0
380	Treatment Plant	37,500	GPD	$7.73	$290,000	$29,000	$14,500	$333,500
380	Site Grading	1	ls	$0	$0	$0	$0	$0
380	Evaporative Lagoons	1	ls	$140,000	$140,000	$14,000	$7,000	$161,000
380	Power to Site	1	ls	$14,000	$14,000	$1,400	$700	$16,100
380	Chemical Feeder	1	ls	$0	$0	$0	$0	$0
381	Plant Piping and Valves	1	ls	$0	$0	$0	$0	$0
394	Laboratory Equipment	1	ls	$0	$0	$0	$0	$0
397	Other Plant and Miscellaneous Equipment	1	ls	$0	$0	$0	$0	$0
	Total Backbone Facilities				$715,000	$61,500	$35,750	$812,250
								$812,250
	ON-SITE FACILITIES							
361	8" Sewer Line	1	ls	$88,000	$88,000	$8,800	$4,400	$101,200
361	Manholes	8	ea	$2,000	$16,000	$1,600	$800	$18,400
363	Sewer to Lots	150	ea.	$350	$52,500	$5,250	$2,625	$60,375
	Total On-site Facilities				$156,500	$15,650	$7,825	$179,975
	WASTEWATER SYSTEM TOTAL				**$871,500**	**$77,150**	**$43,575**	**$992,225**

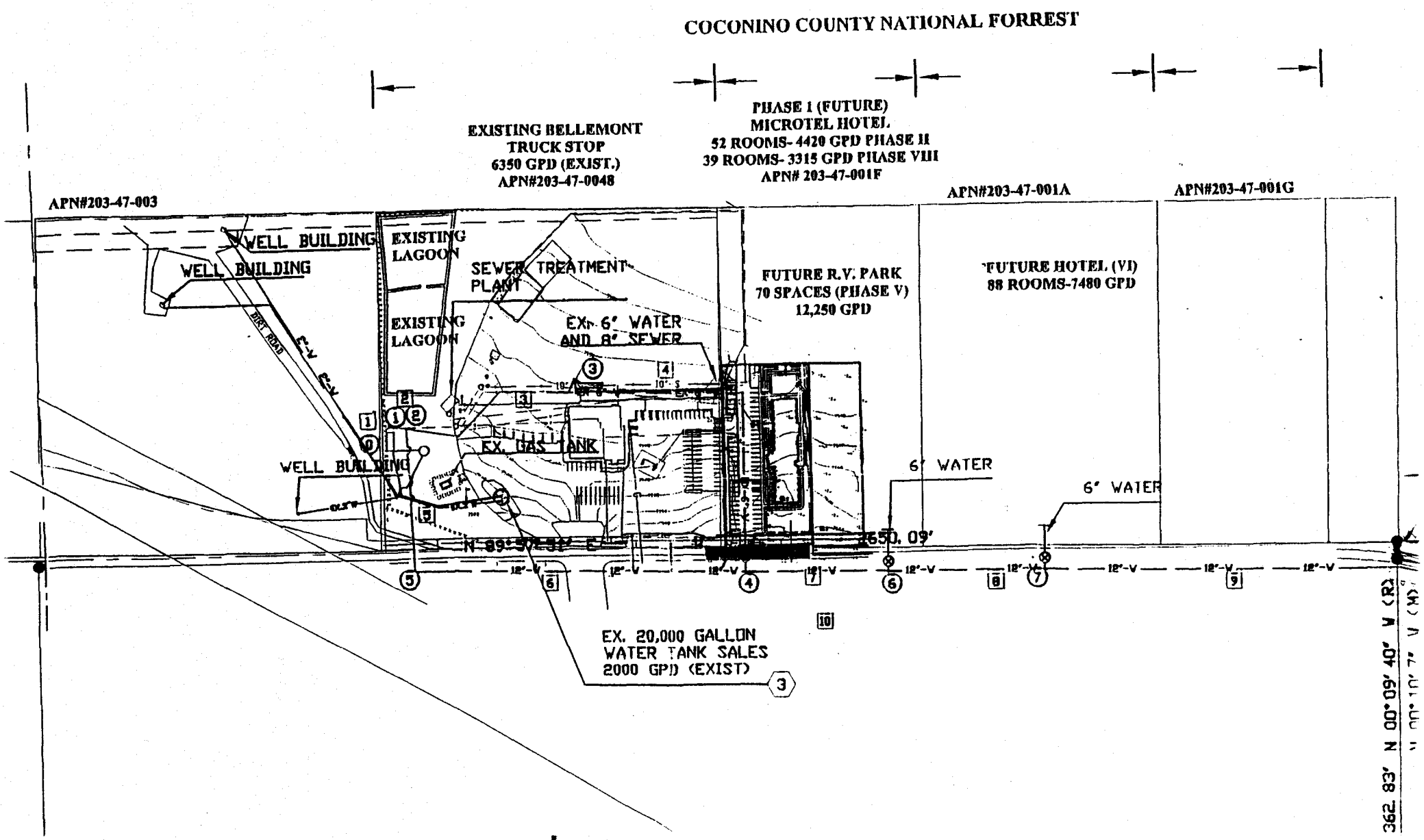
WW ENG COST

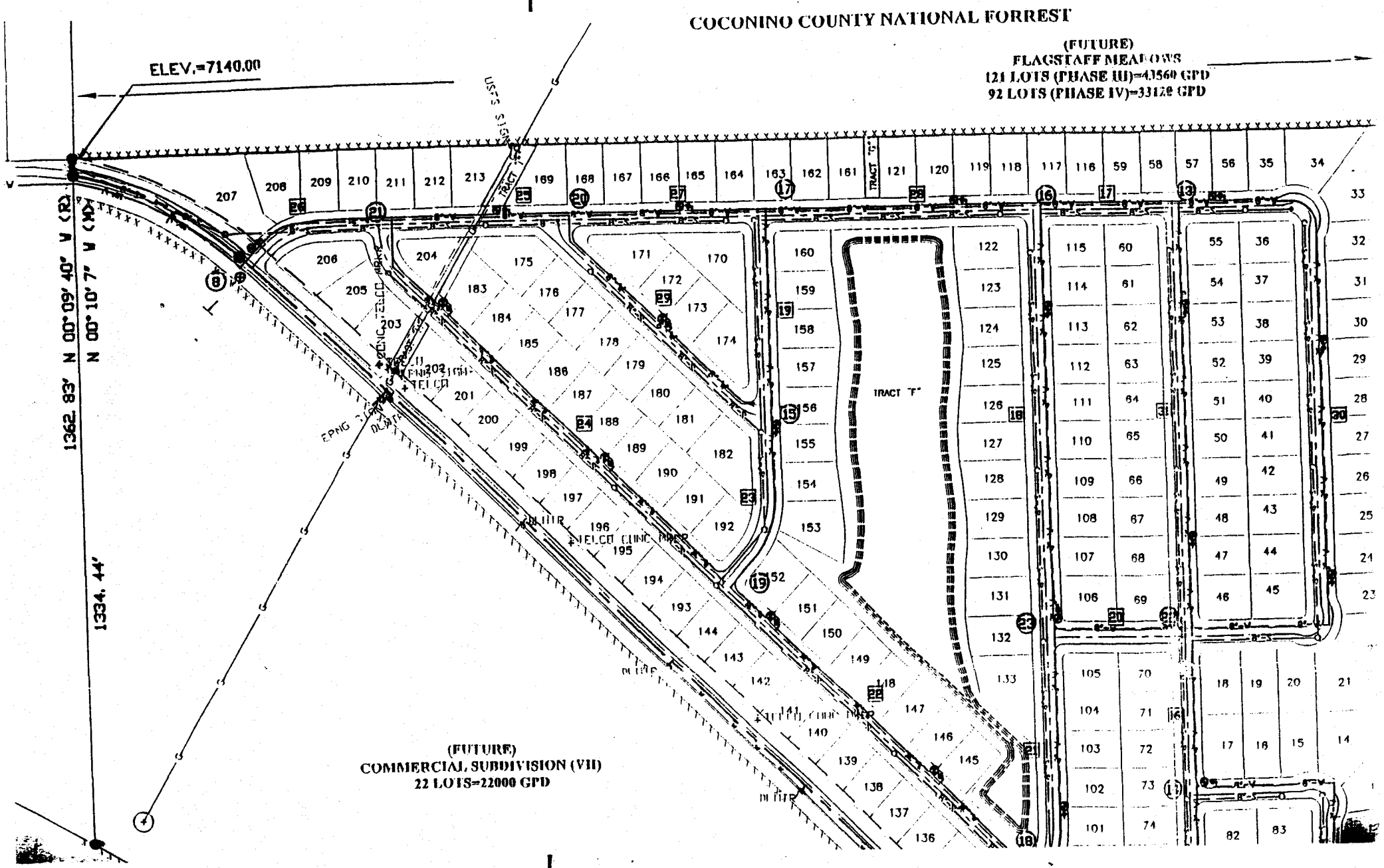
SCHEDULE 9

UTILITY SOURSE, L.L.C.

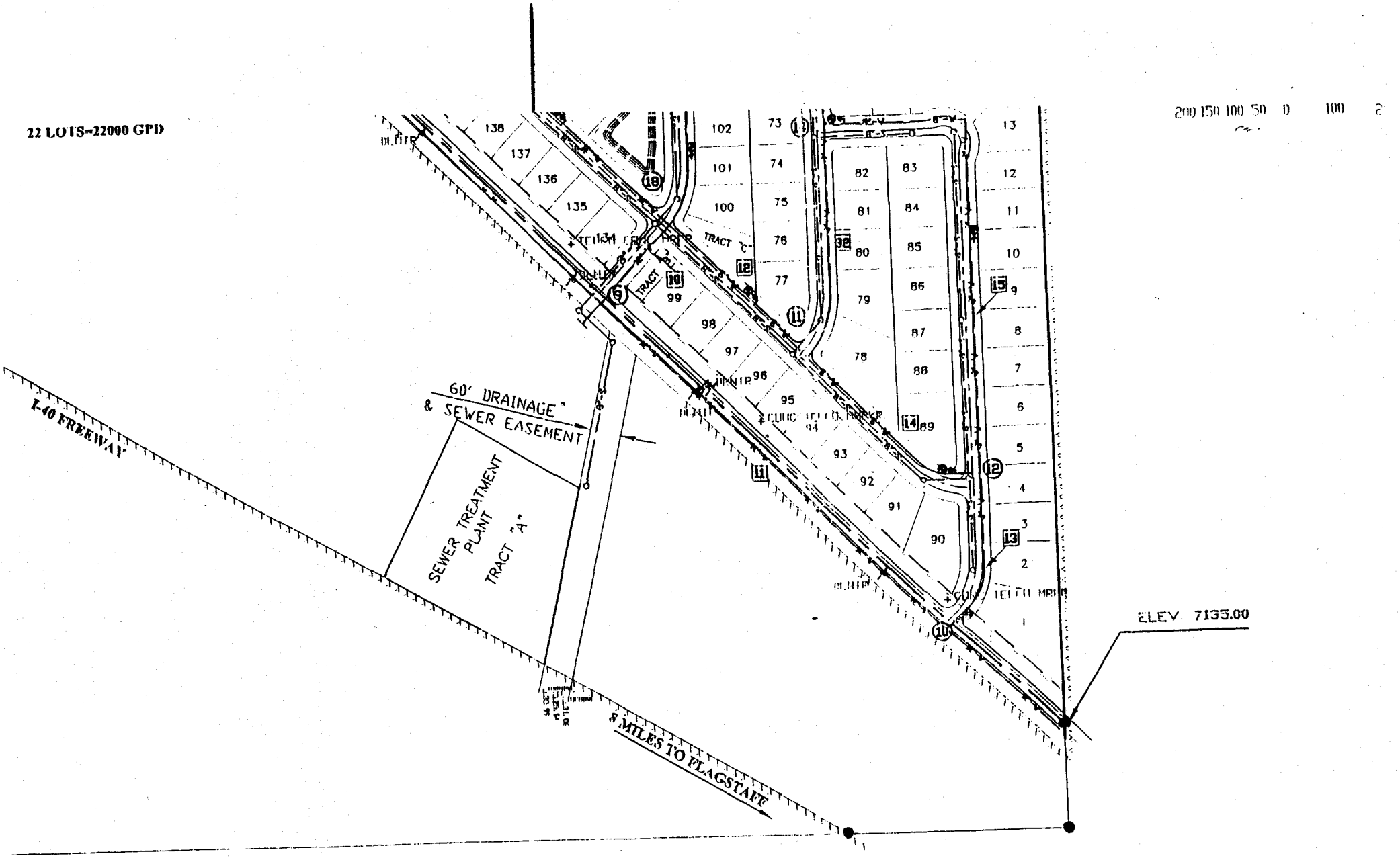
Preliminary System Plan

Please see attached


COCONINO COUNTY NATIONAL FORREST
EXISTING BELLEMONT
TRUCK STOP
6350 GPD (EXIST.)
APN#203-47-0048
PHASE 1 (FUTURE)
MICROTEL HOTEL
52 ROOMS- 4420 GPD PHASE II
39 ROOMS- 3315 GPD PHASE VIII
APN# 203-47-001F
APN#203-47-003
APN#203-47-001A
APN#203-47-001G
WELL BUILDING
WELL BUILDING
EXISTING
LAGOON
EXISTING
LAGOON
SEWER TREATMENT
PLANT
EX. 6" WATER
AND 8" SEWER
FUTURE R.V. PARK
70 SPACES (PHASE V)
12,250 GPD
FUTURE HOTEL (VI)
88 ROOMS-7480 GPD
FIRE ROAD
EX. GAS TANK
WELL BUILDING
6" WATER
6" WATER
N 89°57'31" E
650.09'
EX. 20,000 GALLON
WATER TANK SALES
2000 GPD (EXIST)
362.83' N 00°09'40" W (R)


COCONINO COUNTY NATIONAL FORREST
(FUTURE)
FLAGSTAFF MEADOWS
121 LOTS (PHASE III)=43560 GPD
92 LOTS (PHASE IV)=33120 GPD
ELEV.=7140.00
1362.83' N 00°09'40" W (R)
N 00°10'7" W (M)
1334.44'
TRACT "F"
TRACT "G"
(FUTURE)
COMMERCIAL SUBDIVISION (VII)
22 LOTS=22000 GPD

22 LOTS=22000 GPD



ALLEN CONSULTING

127 W. JUANITA
MESA, ARIZONA 8
PHONE (480) 84

5

UTILITY SOURCE, L.L.C.

DOCKET WS-_____

TARIFF

Issued _____ Effective _____

ISSUED BY:

Lonnie McCleve, General Manager
Utility Source, L.L.C.
521 E. San Pedro
Gilbert, AZ 85233

36100.00000.54

ATTACHMENT 5

UTILITY SOURCE, L.L.C.

DOCKET WS-_____

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Issued _____ Effective _____

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Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

I. RATES

In Opinion and Order No. _____, dated _____, 2004, the Commission approved the following rates and charges to become effective _____, 2004.

Meter Size Inches	Usage Included in Minimum Charge Gallons	Minimum Charge Per Month
A. General Residential, Commercial, Industrial, and Irrigation Service		
3/4" Meter	-0-	6.48
1" Meter	-0-	8.02
1 1/2" Meter	-0-	9.62
2" Meter	-0-	14.00
4" Meter	-0-	58.00
6" Meter	-0-	89.80

Issued _____ Effective _____

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Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

B. Commodity Charges

The rate for use in addition to the minimum stated above shall be the same for all sizes of meters. Additional usage shall be at the following rate per 1,000 gallons:

Consumption	Rate
Residential	
0-5,000	$2.83
5,000-15,000	$3.32
15,001 and over	$4.71
Multi-Family, Mobile Home, Commercial	
All	$2.97
Standpipe	
All	$6.00

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

C. Construction Water[1]

	Usage Included in Minimum Charge	Minimum Charge
	Gallons	Per Month
2" Hydrant Meter[2]	-0-	$100.00

The rate for use in addition to the minimum stated above shall be at the rate of $6.00 per 1,000 gallons.

HYDRANT RELOCATION:

When a Construction Meter is relocated to another hydrant or agreed upon location at the request of the Customer, there shall be a $50 charge.

[1] Construction water service shall be provided as an "as available" basis and is subject to interruption if such service would adversely impact on the water systems operation.
[2] Hydrant meters shall have a non-interest bearing deposit of $1,500.00, refundable upon return of meter in good condition and payment of final bill.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-409(D)(5).

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

III. ADDITIONAL CHARGES[3]

A.	Establishment of Service Per Rule R14-2-403D (new customer charge, in addition to E, L and M below)	$ 20.00
	1. If after hours	$ 40.00
B.	Re-establishment of Service Per Rule R14-2-403D (same customer, same location within 12 months)	Note[4]
C.	Reconnection of Service Per Rule R14-2-403D	$ 50.00
	1. If after hours	$ 65.00
D.	Charge for Moving Meter at Customer Request Per Rule R14-2-405B	Cost[5]

[3] Additional charges authorized in Paragraph III A, B, C, H, I and J shall not be duplicated for dual service customers.
[4] Number of months off system times the monthly minimum.
[5] See Sheet No. 12.

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Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

E.	Minimum Deposit Requirement Per Rule R14-2-403B	
	1. Residential customer	(2 times estimated average monthly bill)
	2. Non residential customer	(2-1/2 times estimated maximum monthly bill)
	3. Deposit Interest (per annum)	3.0%
F.	Meter test per Rule, If correct Per Rule R14-2-408F	$25.00 plus cost of test
G.	Meter Reread Per Rule R14-2-408C	$ 10.00
H.	Charge for NSF Check Per Rule R14-2-409F	$ 20.00
I.	Deferred Payment Finance Charge Per month	1.5%

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Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

J.	Late Payment Charge Per Month	See Notes[6 7 8]
K.	Service Calls, per hour After hours only	$40.00[9]

[6] Greater of $5.00 or 1.5% of unpaid balance.
[7] Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company's rate tariff. All Late Payment Charges shall be billed on the customer's next regularly scheduled billing. If the customer fails to pay the Late Payment Charge by the due date on the next billing, the customer will receive a ten (10) day termination notice. If the customer does not pay the Late Payment Charges by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation of other Tariff or Rule provisions. All customers whose service is terminated for failure to pay the Late Payment Charges are subject to the Company's reconnection charges set forth in the Company's tariff.
[8] This charge shall not apply if the customer has arranged for a Deferred Payment Plan.
[9] For service problem found to be on Customer's side of meter. Company will not repair problem.

Issued _____ Effective _____

ISSUED BY:

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Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

L. Meter Advance Policy [10]

	Advance [11]
3/4" Meter	$575.00
1" Meter	$660.00
1 1/2" Meter	$900.00
2" Meter	$1,525.00
4" Meter	$3,360.00
6" Meter	$6,035.00

M. Main Extension Tariff — Cost[12]
Per Rule R14-2-406B

N. Off-Site Facilities Hook-Up Fee – Water

1. Applicable to: In addition to the Meter Installation Charge and requirements for on-site facilities to be installed pursuant to approved main extension agreements, the following Off-site Facilities Hook-up Fee is applicable to all new service connections requiring a main extension agreement.

2. Purpose: To equitably apportion the costs of off-site water facility development among all new service connections.

[10] The customer shall be the owner of and be responsible for the design, installation, maintenance and operation of the Service Line on the customer's side of the water meter.
[11] Plus county permit charges. Permit charges are non-refundable.
[12] Per Sheet No. 12.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
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3. Definitions:

"Applicant" means any party entering into an agreement with Company for the installation of water facilities to serve new service connections.

"Company" means Utility Source, L.L.C.

"Main extension agreement" means any agreement whereby an applicant agrees to advance the costs of the installation of water facilities to Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such water facilities to Company, which agreement shall require the approval of the Arizona Corporation Commission. Same as "line extension agreement".

"Off-site facilities" means wells, storage tanks and related appurtenance necessary for proper operation, including engineering and design costs. Offsite facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of applicant.

"Service Connection" means and includes all service connections for single-family residential or other uses, regardless of meter size.

Applies to all **WATER** service areas

PART ONE

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4. Off-site Facilities Hook-up Fee: Each new service connection shall pay the total Off-site Facilities Hook-up Fee derived from the following table:

Size	NARUC Meter Factor	Fee
3/4" Meter	1.2	1,000.00
1" Meter	2.0	1,666.00
1-1/2" Meter	4.0	3,333.00
2" Meter	6.4	5,330.00
4" Meter	20.0	16,660.00
6" or greater	40.0	33,320.00

5. Terms and Conditions:

A. Time of payment: In addition to the amounts to be advanced pursuant to an Arizona Corporation Commission approved main extension agreement, the applicant for new water services shall pay the Company the Off-site Facilities Hook-up Fee as determined by meter size and number of connections to be installed pursuant to the main extension agreement. Payment of the Off-site Facilities Hook-up Fee shall normally be made at the time of payment of the main extension agreement or prior to commencement of construction of the water facilities to be installed by applicant pursuant to the main extension agreement. However, in the event a Developer requests the Company commit to service to units within a master planned development for which main extension agreements have not been executed as of the date of such commitment, then and in that event, the Company and Developer shall enter an agreement scheduling payment of hook-up fees to insure that the Company

Applies to all **WATER** service areas

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is able to complete construction of the required facilities prior to necessity for service to the Development.

B. Off-site Facilities Hook-up Fee Non-refundable: The base fee amounts collected by the Company pursuant to the Off-site Facilities Hook-up Fees shall be non-refundable advances in aid of construction.

C. Trust Account: All funds collected by the Company as Off-site Facilities Hook-up Fees shall be deposited into a separate interest bearing trust account and used solely for the purpose of paying for the costs of off-site facilities, including repayment of loans obtained for the installation of off-site facilities.

D. Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the Off-site Facilities Hook-up Fee or the Off-site Facilities Hook-up Fee has been terminated by order of Arizona Corporation Commission, any funds remaining in the trust account shall be refunded. The manner of the refund shall be determined by the Commission at the time of refund becomes necessary.

Applies to all **WATER** service areas

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IV. PERMITTED COSTS

A. Costs shall be verified by invoice.

B. For services that are provided by the Company at costs, cost shall include labor, materials, other charges incurred, and overhead not to exceed 10%. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.

C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.

D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the provision of the service or after the Company's receipt of invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
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E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.

F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for water facilities under which the Customer advances or contributes funds or facilities to the Company.

Applies to all **WATER** service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

I. CROSS-CONNECTION CONTROL

A. Purpose.

To protect the public water supply in the Company's water supply in the Company's water system from the possibility of contamination caused by backflow through unprotected cross-connections by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code, Title 14, Chapter 2, Section 405.B.6 as adopted by the Arizona Corporation Commission, and Title 18, Chapter 4, Section 115, as adopted by the Arizona Department of Environmental Quality, or Maricopa County Environmental Services Division, as those regulations may be revised from time to time.

B. Inspections.

The customers shall cooperate fully with the Company in its efforts to investigate and determine the degree of potential health hazard to the public water supply which may result from conditions existing on the customer's premises.

C. Requirements.

In compliance with the Rules and Regulations of the Arizona Corporation Commission and the Arizona Department of Environmental Quality, specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-115 relating to backflow prevention:

Applies to all **WATER** service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
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1. The Company may require a customer to pay for and have installed, maintain, test and repair a backflow-prevention assembly if A.A.C. R18-4-115.B or C applies.

2. A backflow-prevention assembly required to be installed by the customer under this tariff shall comply with the requirements set forth in A.A.C. R18-4-115.D and E.

3. The Company shall give any customer who is required to install and/or test a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is not applicable, the customer shall be given thirty (30) days in which to comply with this notice. If the customer can show good cause as to why he cannot install the device within thirty (30) days, the Company or the Arizona Corporation Commission Staff may grant additional time for this requirement.

4. Testing shall be in conformance with the requirements of A.A.C. R18-4-115.F. and Maricopa County Environmental Services Division. The Company shall not require an unreasonable number of tests.

5. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:

Applies to all **WATER** service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

a. assembly identification number and description;
b. location;
c. date(s) of test(s);
d. description of repairs made by tester; and
e. tester's name and certificate number.

D. Discontinuance of Service.

In accordance with A.A.C. R14-2-407 and 410 and provisions of this tariff, the Company may terminate service or deny service to a customer who fails to install and/or test a backflow-prevention assembly as required by this tariff.

1. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is applicable, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be installed and repaired by the customer and retested before service is restored.

2. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is not applicable, the backflow-prevention assembly shall be installed and/or repaired by the customer and tested within fourteen (14) days of written notice by the Company. Failure to install or to remedy the deficiency or dysfunction of the assembly, or failure to retest shall be grounds for termination of water utility service in accordance with A.A.C. R14-2-410.

Applies to all **WATER** service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

II. INTERRUPTIBLE SERVICE; COMPANY'S LIABILITY LIMITATIONS

A. The Company will supply only such water at such pressures as may be available from time to time as a result of the normal operation of its water system. The Company will maintain a minimum water pressure of 20 p.s.i. and will not guarantee a specific gallons per minute flow rate at any public fire hydrants or fire sprinkler service. In the event service is interrupted, irregular or defective, or fails from causes beyond the Company's control or through ordinary negligence of its employees or agents, the Company will not be liable for any injuries or damages arising therefrom.

III. CURTAILMENT PLAN FOR UTILITY SOURCE, L.L.C.

ADEQ Public Water System Number: PWS I.D. #03-394

Utility Source, L.L.C. ("Company") is authorized to curtail water service to all customers, residential and commercial, within its certificated area under the following terms and conditions:

Stage 1 Exists When:

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

Applies to all **WATER** service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

Restrictions: Under Stage 1, Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

Stage 2 Exists When:

a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and

b. Company has identified issues such as steadily declining water table, an increased draw-down threatening pump operations, or poor water production creating a reasonable belief the Company will be unable to meet anticipated water demands in the system.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

Applies to all **WATER** service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

Stage 3 Exists When:

a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and

b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, Company shall request the customer to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.

Applies to all **WATER** service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

2. Beginning with Stage 3, Company shall post at least two (2) signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.

3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than stage three until a permanent solution has been implemented.

Stage 4 Exists When:

a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and

b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, Company shall inform the customers of a **mandatory** restriction to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

Applies to all **WATER** service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

- Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
- Washing of any vehicle is prohibited
- The use of water for dust control or any outdoor cleaning uses is prohibited
- The use of drip or misting systems of any kind is prohibited
- The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- Restaurant patrons shall be served water only upon request
- Any other water intensive activity is prohibited

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

2. Company shall post at least two (2) signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.

Applies to all **WATER** service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering stage 4.

Customers who fail to comply with cessation of outdoor use provisions will be given a written notice to end all outdoor use. Failure to comply with in two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply in an attempt to maintain the supply until a permanent solution has been implemented.

Note: If the Company looses all production and has no storage facilities, the Company must rely on emergency hauling or must otherwise provide emergency drinking water for its customers.

IV. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company procedures, unless specific Commission Order(s) provide otherwise.

Applies to all **WASTEWATER** service areas

PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

I. RATES

In Opinion and Order No. _____, dated _____, 2004, the Commission approved the following rates and charges to become effective with _____, 2004:

	Water Service Size	Minimum Charge	Rate per 1,000 Water Usage
A.	General Residential Service		
	All Sizes	-0-	$2.73
B.	Commercial and Industrial Service		
	Car washes, Laundromats, Commercial, manufacturing	-0-	$2.67
	Hotels, Motels	-0-	$3.58
	Restaurants	-0-	$4.42
	Industrial Laundries	-0-	$3.92
	Waste Haulers	-0-	$80.00
	Restaurant Grease	-0-	$70.00
	Treatment Plant Sludge	-0-	$80.00
	Mud Sump Waste	-0-	$250.00

ISSUED BY:

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Gilbert, AZ 85233

Applies to all **WASTEWATER** service areas

PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-608(D)(5).

III. ADDITIONAL CHARGES[13]

A.	Establishment of Service per Rule R14-2-603D (new customer charge, in addition to D, I and J below)	$20.00[14]
	1. If after hours	40.00
B.	Re-establishment of Service per Rule R14-2-603D (same customer, same location within 12 months)	Note[15]
C.	Reconnection of Service Per Rule R14-2-603D	50.00

[13] Additional charges authorized in Paragraph III A, B, C, E, F and G shall not be duplicated for dual service customers.
[14] Initial monthly billing under PART THREE I to new wastewater service for homes under construction shall commence no sooner than 30, and no more than 60 days after the water meter is installed. Wastewater billing to new service at existing locations shall be pro-rated from the start of service.
[15] Number of months off system times the sum of the monthly minimum.

ISSUED BY:

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Utility Source, L.L.C.
521 E. San Pedro
Gilbert, AZ 85233

Applies to all **WASTEWATER** service areas

PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

	1. If after hours	65.00
D.	Deposit Requirement[16] per Rule R140-2-603B	
	1. Residential customer	(2 times estimated average monthly bill)
	2. Non-residential customer	(2-1/2 times estimated maximum monthly bill)
	3. Deposit Interest	3.0%
E.	Charge for NSF Check per Rule R14-2-608E[17]	$20.00
F.	Deferred Payment Finance Charge, per month[18]	1.5%

[16] The Company does not normally require a deposit prior to the provision of service. However, if the service is not in the property owner's name, this deposit is required. Also in the event service is disconnected due to nonpayment, this deposit may be required.
[17] This charge shall not apply if wastewater service is paid with the same NSF check used to pay for water service for which a NSF fee is charged.
[18] Deferred payments for wastewater service are only available if established in connection with deferred payments for water service under PART ONE, III(I) of this tariff.

Applies to all **WASTEWATER** service areas

PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

G.	Late Payment, Per Month, per Rule R14-2-608F	See Notes[19 20 21]
H.	Service Calls, per hour After hours only	$40.00[22]
I.	Service Lateral Connection Charge[23]	
	Residential	$500.00
	Commercial	Cost[24]
J.	Main Extension Tariff, per Rule R14-2-606B	Cost[25]

[19] Greater of $5.00 or 1.5% of the unpaid balances.
[20] This charge shall not apply if the customer has arranged for a Deferred Payment Plan.
[21] Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company's rate tariff. All Late Payment Charges shall be billed on the customer's next regularly scheduled billing. If the customer fails to pay the Late Payment Charge by the due date on the next billing, the customer will receive a ten (10) day termination notice. If the customer does not pay the Late Payment Charges by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation of other Tariff or Rule provisions. All customers whose service is terminated for failure to pay the Late Payment Charges are subject to the Company's reconnection charges set forth in the Company's tariff.
[22] For service problem found to be on Customer's side of lot line. Company will not repair problem.
[23] The Company shall own the Service Lateral up to the Customer's property line. The Customer shall own the Service Lateral beyond that point. The Company shall maintain and operate the Service Lateral only from the connection to the main line in the street or right-of-way up to its interconnection with the Customer's Service Lateral at the edge of the right-of-way, beyond which maintenance is the Customer's responsibility
[24] Per Sheet No. 30.
[25] All Main Extensions shall be completed at cost per Sheet No. 30 and shall be non-refundable Contributions-in-Aid-of-Construction.

ISSUED BY:

Lonnie McCleve, General Manager
Utility Source, L.L.C.
521 E. San Pedro
Gilbert, AZ 85233

Applies to all **WASTEWATER** service areas

PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

K. Off-Site Facilities Hook-up Fee-Wastewater

1. Applicable to: In addition to any other Arizona Corporation Commission approved charges and requirements for on-site facilities to be installed pursuant to main extension agreements, the following Off-site Facilities Hook-up Fee is applicable to all new service connections requiring a main extension agreement.

2. Purpose: To equitably apportion the costs of off-site wastewater facility development among all new service connections.

3. Definitions:

"Applicant" means any party entering into an agreement with Company for the installation of wastewater facilities to serve new service connections.

"Company" means Utility Source, L.L.C.

"Main extension agreement" means any agreement whereby an applicant agrees to advance the costs of the installation of wastewater facilities to Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such wastewater facilities to Company.

"Off-site facilities" means treatment plant, sludge disposal facilities, effluent disposal facilities and related appurtenance necessary for proper operation, including engineering and design costs. Offsite facilities may also include lifts stations,

Applies to all **WASTEWATER** service areas

PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

force mains, trunk collection mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of applicant.

"Service Connection" means and includes all service connections for single-family residential or other uses, regardless of service lateral size.

4. Off-site Facilities Hook-up Fee: Each new service connection shall pay the total Off-site Facilities Hook-up Fee derived from the following table:

Service Lateral Size	Total Fee
4"	$ 1,800.00
6" or greater	3,500.00

5. Terms and Conditions:

A. Time of payment: In addition to the amounts to be advanced pursuant to a main extension agreement, the applicant for new wastewater services shall pay the Company the Off-site Facilities Hook-up Fee as determined by service lateral size and number of connections to be installed pursuant to the main extension agreement. Payment of the Off-site Facilities Hook-up Fee shall normally be made at the time of payment of the main extension agreement or prior to commencement of construction of the wastewater facilities to be installed by applicant pursuant to the main extension agreement. However, in the event a Developer requests the Company commit to service to units within a master planned development for which main extension agreements

Applies to all **WASTEWATER** service areas

PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

have not been executed as of the date of such commitment, then and in that event, the Company and Developer shall enter an agreement scheduling payment of hook-up fees to insure that the Company is able to complete construction of the required facilities prior to necessity for service to the Development.

B. Off-site Facilities Hook-up Fee Non-refundable: The base fee amounts collected by the Company pursuant to the Off-site Facilities Hook-up Fees shall be non-refundable advances in aid of construction.

C. Trust Account: All funds collected by the Company as Off-site Facilities Hook-up Fees shall be deposited into a separate interest bearing trust account and used solely for the purpose of paying for the costs of off-site facilities, including repayment of loans obtained for the installation of off-site facilities.

Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the Off-site Facilities Hook-up Fee or the Off-site Facilities Hook-up Fee has been terminated by order of Arizona Corporation Commission, any funds remaining in the trust account shall be refunded. The manner of the refund shall be determined by the Commission at the time of refund becomes necessary.

Applies to all **WASTEWATER** service areas

PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

IV. PERMITTED COSTS

A. Costs shall be verified by invoice.

B. For services that are provided by the Company at cost, cost shall include labor, materials, other charges incurred, and overhead. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.

C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.

D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date.

E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.

F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for wastewater facilities under which the Customer advances or contributes funds or facilities to the Company.

Applies to all **WASTEWATER** service areas

PART FOUR

STATEMENT OF TERMS AND CONDITIONS
WASTEWATER SERVICE

I. CUSTOMER DISCHARGE TO SYSTEM

A. Service Subject to Regulation

The Company provides wastewater service using treatment and collection facilities that are regulated by numerous county, state and federal Statutes and Regulations. Those Regulations include limitations as to domestic strength wastewater and the type of wastewater that may be discharged into the system by any person directly or indirectly connected to the plant.

B. Waste Limitations

The Company has established the permissible limits of concentration as domestic strength wastewater and will limit concentration for various specific substances, materials, waters, or wastes that can be accepted in the sewer system, and to specify those substances, materials, waters, or wastes that are prohibited from entering the sewer system. Each permissible limit so established shall be placed on file in the business office of the Company, with a copy filed with the Commission. No person shall discharge, or cause to be discharged, any new sources of inflow including, but not limited to, storm water, surface water, groundwater, roof runoffs, subsurface drainage, cooling water, or polluted industrial process waters into the sanitary sewer. The Company will require an affidavit from all commercial and industrial customers, and their professional engineer, stating that the wastewater discharged to the system does not exceed domestic strength.

Applies to all **WASTEWATER** service areas

PART FOUR

STATEMENT OF TERMS AND CONDITIONS
WASTEWATER SERVICE

C. Inspection and Right of Entry

Every facility that is involved directly or indirectly with the discharge of wastewater to the Treatment Plant may be inspected by the Company as it deems necessary. These facilities shall include but not be limited to sewers; sewage pumping plants; all processes; devices and connection sewers; and all similar sewerage facilities. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of these rules. Inspections may include the collection of samples. Authorized personnel of the Company shall be provided immediate access to all of the above facilities or to other facilities directly or indirectly connected to the Treatment Plant at all reasonable times including those occasioned by emergency conditions. Any permanent or temporary obstruction to easy access to the user's facility to be inspected shall promptly be removed by the facility user or owner at the written or verbal request of the Company and shall not be replaced. No person shall interfere with, delay, resist or refuse entrance to an authorized Company representative attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the Treatment Plant. Adequate identification shall be provided by the Company for all inspectors and other authorized personnel and these persons shall identify themselves when entering any property for inspection purposes or when inspecting the work of any contractor.

All transient motor homes, travel trailers and other units containing holding tanks must arrive at the Company's service area in an empty condition. Inspection will

Applies to all **WASTEWATER** service areas

PART FOUR

STATEMENT OF TERMS AND CONDITIONS
WASTEWATER SERVICE

be required of said units prior to their being allowed to hookup to the wastewater system.

D. Termination of Water Service for Violation of Wastewater Rules and Regulations

The Company is authorized to discontinue water service to any person connected to both its water and sewer systems who violates the Company's wastewater terms and conditions as set forth in this PART FOUR or in any way creates a public health hazard or the likelihood of such a public health hazard. This termination authority does not apply to non-payment for water or wastewater services.

II. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-601 through A.A.C. R14-2-609 will be controlling of Company procedures, unless specifically approved tariffs or Commission Order(s) provide otherwise.

Richard L. Sallquist
Sallquist & Drummond, P.C.
2525 E. Arizona Biltmore Circle
Suite A-117
Phoenix, Arizona 85016
Phone: (602)224-9222
Fax: (602)224-9366
Attorneys for Applicant

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF UTILITY SOURCE, L.L.C. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER AND WASTEWATER SERVICE IN COCONINO COUNTY, ARIZONA.	)	DOCKET NO. WS-____-__-____ **AFFIDAVIT OF MAILING**

STATE OF ARIZONA)
)ss
County of Maricopa)

1. I am Lonnie McCleve, Manager of Utility Source, L.L.C. My business address is 721 E. San Pedro, Gilbert, Arizona 85234.
2. On February __, 2004, I caused the Notice in the form attached hereto as Exhibit 1 and incorporated herein by reference for all purposes, to be mailed by first class mail, postage prepaid, to all property owners within the Requested Expansion Area.
3. Further affiant sayeth naught.

DATED this ____ day of February, 2004.

UTILITY SOURCE, L.L.C.

By:_____
Lonnie McCleve

36100-00000.60

The foregoing instrument was acknowledged before me this ____ day of February, 2004, by Lonnie McCleve.

_____
Notary Public

My Commission Expires:

_____

Original and fifteen copies of the foregoing filed this ___ day of February, 2004:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

A copy of the foregoing filed this ____ day of February, 2004, to:

Judge Jane Rodda
Arizona Corporation Commission
400 W. Congress
Tucson, Arizona 85701

Ernest Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Christopher Kempley, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

_____

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ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF APPROVAL TO CONSTRUCT
WATER FACILITIES

ADEQ File No: 20000489	
System Name: Bellemont Travel Plaza	**System Number:** 03300
Project Owner: Fuelco, Inc.	
Address: 731 E. San Pedro Ave., Gilbert, AZ 85234	
Project Location: Bellemont	**County :** Coconino
Description: IMPROVEMENTS OF WATER STORAGE FACILITIES FOR BELLEMONT WATER SYSTEM. INSTALL 258,000 GAL. WELDED STEEL WATER STORAGE TANK, BOOSTER SYSTEM AND RELATED APPURTENANCES.	

Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 4 continued on page 2 through 2

1. Notice shall be given to the Northern Regional Office located in Flagstaff when construction of the project begins to allow for inspection during construction per A.R.S. §49-104.B.10.
2. The project owner shall retain a professional engineer as soon as possible to provide detailed construction inspections of this project. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion (attached), and forward it to the Regional Office. If all requirements have been completed the Regional Office will issue a Certifcate of Approval of Construction.
3. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department.

The State law, A.R.S. §49-104.B.10, requires that construction of the project must be in accordance with rules and regulations of the Arizona Department of Environmental Quality. This certificate will be void if construction has not started within one year of the approval date. Upon request a written time extension may be granted by the Department.

Reviewed by KNS

By: [signature] 6/11/01
For Wm. H. Shafer, Jr., P.E., Manager Date
Technical Engineering Unit
Water Quality Division

cc: File No : 20000489
Regional Office: Northern
Owner: Fuelco, Inc.
County Health Department: Coconino
Engineer: Allen Consulting Eng
Planning and Zoning/Az Corp. Commission
Engineering Review Database - Etr021

CERTIFICATE OF APPROVAL TO CONSTRUCT WATER FACILITIES
ADEQ FILE NO. 20000489
PAGE 2 OF 2: PROVISIONS

4. The facilities shall be adequately protected from 100-year flood.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Provisional Verification of General Permit Conformance for Sewage Collection System General Permit 4.01

Applicant Information:
Name Greenfield Land Development Lonnie McCleve
Address 721 E. San Pedro, Gilbert, AZ 85234

File Number: 20010254

Project Name: Flagstaff Meadows Subdivision

System Location/Description: X Gravity X Lift Station ☐ Force ☐Other
Water and sewer system to serve Flagstaff Meadows subdivision a 133 lot development design flow for system is 492,540 GPD. Located at T21N R5E Section 1, SW 1/4 SE1/4 NE 1/4 Lat 35°14'12.9" N by 111°48'57.8" System will serve 466 people with 133 service conections, 9,548 feet of gravity sewer line, 22 manholes and 2 liftstations

Treatment Facility: Flagstaff Meadows – Belmont Sewer System
Sewage Treatment System Number: 101080
System Capacity Affirmation Form, Date: 6/28/2001

Permitted Design Flow: 492,540 gallons per day

Design Documents Approved for Construction:

☐ Notice of Intent to Discharge, dated 7/3/01
☐ Site plan, date 7/5/01
☐ Design plan, dated 7/10/01
☐ Operation/Maintenance Plan, dated 5/4/01
☐ Other document(s) _____

Site Information: County Coconino

Location of downstream end of system proposed herein:
T 21N R 5E Section 1, SW ¼ SE ¼ NE ¼

Latitude: 35° 14' 12.9" N
Longitude: 111° 48' 57.8" W

Legal description of area served by sewer collection
T 21N R 5E Section 1, SW ¼ SE ¼ NE ¼

ProvisionalVerification of General Permit Conformance: This Provisional Verification of General Permit Conformance is issued in accordance with Arizona Administrative Code Title 18, Chapter 9, Article 3, Part A, Section A301. The applicant is authorized to construct the facility at the location specified herein under terms and conditions of the requested general permit and applicable requirements of Arizona Revised Statutes Title 45, Chapter 2, and Arizona Administrative Code Title 18, Chapter 9. The applicant has two years from the approval date of this document to complete construction and submit the applicable verification documents specified in A.A.C. R18-9-E301(E). Construction shall conform with the approved design documents.

Michael J. Hazmi PE | Engineer Design Reviewer | 7/16/01
Name | Title | Date

CC: Gregory Allen , P.E
127 W. Juanita #212
Mesa, AZ 85210
Reading File
File

Green Field Land Development
721 San Pedro
Gilbert AZ 85234

JUL 19 2001

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ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF APPROVAL TO CONSTRUCT DRINKING WATER FACILITIES

ADEQ FILE NO.: 20010254
SUPPLYING SYSTEM NAME: Flagstaff Meadows – Belmont Water System. **PUBLIC WATER SYSTEM NO.:** 03-394
PROJECT NAME: Flagstaff Meadows Subdivision
PROJECT OWNER: Greenfield Land Development LLC
ADDRESS: 721 San Pedro , Gilbert AZ 85234
LOCATION: Belmont AZ **COUNTY:** Coconino
PROJECT DESCRIPTION: to include 5238 LF of 12" on Transmission Road, Flag 280 LF of 8" on Campbell Way, 568 LF of 8" on McCleve Way, 849 LF of 8" on Alpine Drive, 1525 LF of 8" on Bellemont Springs, 885 LF of 8" on Victoria Lane, and 1592 LF of 8" on Deer Springs Drive. All lines to be constructed of PVC C – 900 waterline.

Approval to Construct the above-described facility as represented in approved plan documents on file with the Arizona Department of Environmental Quality is hereby given:

1. Notice shall be given to the NRO Regional Office - Flagstaff when construction of the project begins to allow for inspection during construction per A.R.S. Section 49-1-4.B.10.

Provisions 2 through 5 are continued on Page 2 of 2 total pages

The State Law, A.R.S. Section 49-104.B.10, requires that construction of the project must be in accordance with rules and regulations of the Arizona Department of Environmental Quality. This certificate will be void if construction has not started within one year of the approval date. Upon request a written time extension may be granted by the department.

KJH:kjh

Jacqueline E. Schafer, Director
Arizona Department of Environmental Quality
By: Kurtis J. Harris P.E. 7-16-01
Kurtis J. Harris, P.E., Date Approved
Civil Engineer
Northern Regional Office (NRO) Design Reviewer

cc: File No: 20010296
Coconino County Health and Planning & Zoning Departments
ADEQ-NRO Regional Office, Reading and Construction files, Engineering Review Database
Allen Consulting Engineers, Inc. 127 W. Juanita Ave. #212 Mesa, AZ 85210

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2. The professional engineer will provide detailed construction inspections of this project. Upon completion of construction, the engineer shall fill out the Engineers Certificate of Completion, and forward it to the NRO Regional Office, Flagstaff. If all requirements have been completed, NRO will issue a Certificate of Approval of Construction.

3. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department.

4. 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.

5. Do to the future service to a wastewater treatment plant, Backflow Prevention Program, the supplying water system may require individual connections to that system to install an appropriate backflow prevention apparatus at or near the point of connection.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

CERTIFICATE OF APPROVAL OF SANITARY FACILITIES FOR SUBDIVISIONS

SUBDIVIDER NAME Mailing Address 1 Mailing Address 2 City/State/Zip	Jerry Abbott 3726 S Wild West Trail Flagstaff, AZ 86001	LOTS	ADEQ CF#	20030345
		1-105	Place ID	19421
			USAS#	505274-00
NEAREST TOWN	Williams		LTF#	30265
SUBDIVISION NAME	Flagstaff Meadows Town Homes		COUNTY	Coconino
LOCATION	Bellemont			
WATER SUPPLY	Bellmont water system ID 03300			
SEWAGE DISPOSAL	Flagstaff Meadows 104083			
REFUSE HAULER	Waste Management			
REFUSE DISPOSAL SITE	Painted Desert Landfill			

The sanitary facilities of water supply, sewage disposal, and garbage disposal as represented by the approved plan documents on file with the Arizona Department of Environmental Quality (ADEQ) are hereby approved subject to the following provisions:

1. The water supply for this development has been determined to be inadequate by the Arizona Department of Water Resources per A.A.C. R12-15-703(B)(c)

This Certificate of Approval of Sanitary Facilities does **NOT** constitute an Individual or General Aquifer Protection Permit for the sewage collection system incorporated in this subdivision (see separate Provisional Verification of General Permit Conformance). This Certificate of Approval of Sanitary Facilities does **NOT** constitute an Approval to Construct Permit (ATC) for the water distribution system incorporated in this subdivision (see separate ATC).

KH1:TH2

CERTIFICATE DISTRIBUTION
Original Certificate and Plat:
ADEQ/NRO Construction File
Certificate Copy and Plat:
Applicant

Certificate Copy Only:
ADEQ/NRO Reading File
ADRE
Governing COG
County Environmental Services
County Development Services

Stephens A. Owens, Director
Arizona Department of Environmental Quality

By: Kurt J. Harris 11-4-03

Kurt J. Harris, P.E., Manager
Water Quality Design Review Unit
Northern Regional Office

Date Approved

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ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Provisional Verification of General Permit Conformance
for Sewage Collection System General Permit 4.01

Applicant Information:	**PLACE ID**	19421	**ADEQ CF#**	20030345	**LTF No.**	30264
Name **Mail Address 1** **Mail Address 2** **City/State/Zip**	Jerry Abbott 3726 S Wild West Trail Flagstaff, AZ 86001		**Project Name**	Flagstaff Meadows Townhomes		
			County	Coconino		

Project Type(s)				**GENERAL PROJECT DESCRIPTION**
x	**Gravity Main**		**Force Main**	2500' 8" PVC, 14 manholes and 105 residential service connections
	Lift Station		**Other**	

Tratment Facility Address 1 **Street Address 2** **City/State/Zip**	Flagstaff Meadows WWTP	**Treatment Facility Permitted Flow**	0.025 MGD
Wastewater System Number:	APP # 104083		
System Capacity Affirmation (Agent, Date)	Lonnie McCleve 6/17/03		

Design Documents Approved	**Date**	**Nearest Town**	**Bellemont**
Application	6/3/03	**Location of Distribution System**	
Site Plan	6/4/03	**Township** 21N	**Range** 5E
Design Plan	5/21/03	**Section** 1	**Quarter Section** NE
Operations & Maintenance Plan		Latitude	35° 11' 02"
Response Letter		Longitude	111° 37' 11"
Other			

SPECIAL PROVISIONS:

Provisional Verification of General Permit Conformance: This Provisional Verification of General Permit Conformance is issued in accordance with Arizona Administrative Code Title 18, Chapter 9, Article 3, Part A, Section A301. The applicant is authorized to construct the facility at the location specified herein under terms and conditions of the requested general permit and applicable requirements of Arizona Revised Statutes Title 49, Chapter 2, and Arizona Administrative Code Title 18, Chapter 9. The applicant has two years from the approval date of this document to complete construction and submit the applicable verification documents specified in A.A.C. R18-9-E301(E). Construction shall conform with the approved design documents.

An Applicant may not discharge (start operating) until receiving a written VERIFICATION OF GENERAL PERMIT CONFORMANCE from ADEQ per A.A.C. R18-9-A301 (A) (4)

Kurt J. Harris	Manager, NRO Water Quality Design Review Unit	11/4/03
Kurt J. Harris, P.E.	**Title**	**Date Approved**

KH1/TH2

cc: ADEQ/NRO Reading File ADEQ/NRO Construction File County P&Z

ADEQ/NRO, 1515 E. Cedar Ave., Suite F, Flagstaff, AZ 86004 (928) 779-0313 1(877) 602-3675 x2719

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ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

ENGINEER'S CERTIFICATE OF COMPLETION (ECOC)

To Verify a Sewage Collection System Constructed Under General Aquifer Protection Permits 4.01

Applicant Information		**ADEQ Construction File Number**
Jerry Abbott 3726 S Wild West Trail Flagstaff, AZ 86001		20030345
		Project Name
		Flagstaff Meadows Townhomes
Responsible Engineer's Information		**Affix seal per AAC R4-30-304(B)**
Greg Allen 2550 N Thunderbird Cir #132 Mesa, AZ 85215		
Fax Number		
Phone Number		
Project Description		

I, _____ *(print name)*, a Professional Engineer registered in the State of Arizona, provide the following as evidence that the construction of the above described project was completed, to the best of my knowledge, in compliance with the Provisional Verification of General Permit Conformance or with allowed changes as reflected in as-built plans.

**Note: A change made during construction in location, configuration, dimension, depth, material, or installation procedure is allowed under A.A.C. R18-9-A301(D)(1)(e) only if the change continues to conform with the specific standard in rule used as the basis of design. Any such changes must be recorded on the site plan.*

For Agency Use Only

Date Rec'd		**Constructed Within 2 Years?**	**Yes**		**No**		**LTF No.**	

Items 1 through 5 below must be completed by Engineer of Record who's seal appears above.

1. CONSTRUCTION WORK PERFORMED		
☐ The work on this project was completed on _____ *(date)* by the following:		
Contractor Name		License Type
Worked Performed		
Contractor Name		License Type
Worked Performed		
Contractor Name		License Type
Worked Performed		
☐ List of additional contractors is attached.		

2. TEST RESULTS						
☐ Preoperational acceptance tests (*deflection, leakage, uniform slope, pressure, manhole, etc.*) were conducted by the following and satisfactorily meet regulatory requirements.						
Contractor/Agency Name	License Type	Tests Performed	Satisfactory Results			
			Yes		No	
			Yes		No	
			Yes		No	
			Yes		No	
☐ List of additional testing entities is attached.						

3. CONSTRUCTION PLANS (Either 3a or 3b must be checked and information provided as applicable)
☐ a. The original construction plans submitted with the Notice of Intent to Discharge accurately reflect final location, configuration, and construction of components.
☐ b. As-built plans were completed by _____ registered as a professional _____ Arizona Certificate Number _____ and are attached. (Changes to the as-built plans should be identified by "highlighting" or other conspicuous method).

4. OPERATION & MAINTENANCE (O&M) PLAN (Either 4a, 4b, or 4c must be checked and information provided as applicable)
☐ a. An O&M plan is not required (the design flow of this project is not more than 10,000 gallons per day).
☐ b. The original operation and maintenance plan submitted with the Notice of Intent to Discharge is correct and should be considered the final plan per A.A.C. R18-9-E301(E)(3).
☐ c. A final operation and maintenance plan is attached.

5. OTHER INFORMATION REQUIRED BY THE DEPARTMENT UNDER A.A.C. R18-9-E301(E)(2)(Either 5a or 5b must be checked and information provided as applicable)
☐ a. No other information was required.
☐ b. Other required information is attached

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Certificate of Approval to Construct a Water Distribution System

Applicant Information:	Place ID	19421	ADEQ CF #	20030345	LTF #	30263

Name **Mail Address 1** **Mail Address 2** **City/State/Zip**	Jerry Abbott 3726 S Wild West Trail Flagstaff, AZ 86001	**Project Name**	Flagstaff Meadows Townhomes
		County	Coconino

Project Type(s)				Project Description
x	**Pressure Main**		**Storage Tank**	2350' 8" PVC, 6 hydrants and 105 residential service connections
	Hydro Tank		**Other**	

Facility Name Street Address 1 Street Address 2 City/State/Zip	Bellemont Truck Center	

System Capacity Affirmation (Agent, Date)		Lonnie McCleve	
PWS ID #	3300	**Site Information**	
Design Documents Approved	**Date**	**Nearest Town**	**Bellemont**
Application	6/3/03	**Location of Distribution System**	
Site Plan	6/4/03	**Township** 21N	**Range** 5E
Design Plan	5/21/03	**Section** 1	**Quarter Section** NE
Operations & Maintenance Plan		Latitude	35° 11' 02"
Response Letter		Longitude	111° 37' 11"
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
Greg Allen
2550 N Thunderbird Cir #132
Mesa, AZ 85215

Stephen A. Owens, Director
Arizona Department of Environmental Quality

By: [signature] 11-4-03

Kurt J. Harris, P.E., Manager — Date Approved
Water Quality Design Review Unit
Northern Regional Office

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. Steve Camp x2712 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 it 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 icludes 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

11-4-03
Kurt J. Harris, P.E.

ENGINEER'S CERTIFICATE OF COMPLETION AND FINAL INSPECTION "ECC"

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY (ADEQ) - WATER QUALITY DIVISION J:\shared\WEDR\APPLICATIONS-DrinkingWater\ECC-DrinkWtr 5/01

ADEQ FILE NO.: 20030345	COUNTY: Coconino OWNER: Jerry Abbott

Project Name: Flagstaff Meadows Town homes

Project Description:

(as shown on Approval to Construct, unless completed project differed, in which case describe in detail)

I,_____*(print name)*, a Professional Engineer registered in the State of Arizona, have inspected the construction of the above described project, and certify that *(check all applicable boxes, complete applicable blanks)*:

ITEMS 1) THRU 4) MUST BE COMPLETED

☐ 1) The work on this project was completed on _____*(date)*.

☐ 2) On _____ (date) a final construction inspection was conducted by ☐ MYSELF [-check one-] ☐ under MY DIRECT SUPERVISION by _____*(print name)*.

☐ 3) The materials utilized and the installation and construction of those materials and equipment are in conformance with the approved plans and specifications

☐ 4) All provisions listed in the ADEQ Approval to Construct for this project, a copy of which I have attached to this certificate, have been fully satisfied or exceptions are listed on the reverse side of this certificate.

☐ 5) All construction and preoperational tests (infiltration, exfiltration, pressure, deflection, chlorination, bacti, etc.) *[circle types performed]* were properly conducted, met ADEQ requirements, and are presented in attachments to this Certificate. The total number of pages of test results attached is _____.

EITHER 6A) or 6B) MUST BE CHECKED

☐ 6A) Any deviation from the approved plans and the ADEQ Certificate of Approval to Construct have been noted on the attached "As-Built" plans (as stipulated in the Approval to Construct provisions) prepared and sealed pursuant to A.R.S.§ 32-125 on _____*(date)*. Of the total _____ sheets of "As-Built" plans attached, deviations from the approved plans are shown on sheets numbered _____. All deviations from the approved plans comply with the ADEQ minimum design and construction standards contained in statute, rule, bulletin or referenced codes, and with the key elements of the approved plans.

☐ 6B) The completed project did not deviate from the plans which received the Approval to Construct.

EITHER 7A) or 7B) MUST BE CHECKED

☐ 7A) This project did not require the preparation of an Operation and Maintenance Manual *(the only projects which do NOT require an O&M manual are gravity-only sewage collection systems, single-family residence septic systems, and drinking water distribution projects that include no source, storage, or pressurization facilities).*

☐ 7B) A FINAL Operation and Maintenance Manual has been prepared for this project and a copy is attached. This manual meets all ADEQ minimum design and construction standards contained in statute, rule, bulletin, referenced codes, the key elements of the approved plans, and, if applicable, with Attachment B of the September 10, 1994 Engineering Advisory for Individual Alternate Systems.

EITHER 8A) or 8B) MUST BE CHECKED

☐ 8A) Review of this project for Approval of Construction issuance does not require a fee because this project involves only drinking water, not wastewater.

☐ 8B) In accordance with A.A.C. R18-14-103 Schedule B, a check in the amount of $_____ is attached as initial fee for review of the submitted and other information for issuance of an Approval of Construction.

ADDITIONAL INFORMATION

9) Other, see additional Information on reverse side.

ENGINEER'S SEAL per AAC R4-30-304.B

Engineer Address_____

Phone_____

AZ DEPARTMENT OF ENVIRONMENTAL QUALITY ACCEPTANCE

EMPLOYEE SIGNATURE (PRINTED NAME) DATE

Janet Napolitano
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.adeq.state.az.us

Stephen A. Owens
Director

November 04, 2003

Jerry Abbott
3726 S Wild West Trail
Flagstaff, AZ 86001

Re: *Flagstaff Meadows Townhomes CF# 20030345*

Dear Mr. Abbott:

The Arizona Department of Environmental Quality (ADEQ), Wastewater Design Review Unit has completed the preconstruction review for the above sewage collection system. Enclosed is the Provisional Verification of General Permit Conformance for Sewage Collection System General Permit 4.01, formerly known as an Approval to Construct.

According to R18-9-A301(D)(1)(f), after completing construction of the sewage collection system and prior to discharging to the system, the permittee is required to submit to the Department applicable verification that the construction meets the requirements of General Permit 4.01. After completion of construction, please submit the enclosed Engineer's Certificate of Completion (ECC), one set of as-built plans, and all required test results to:

Arizona Department of Environmental Quality
ATTN: Engineering Review Desk
1515 E Cedar Ave Suite F
Flagstaff, AZ 86004

Once ADEQ determines that the construction meets the requirements of R18-9-E301, then a Verification of General Permit Conformance for Sewage Collection System General Permit 4.01 will be issued, and the permittee may begin discharging wastewater to the system.

If the Department does not receive verification within two years of the date of the Provisional Verification, the applicant is prohibited from continuing construction, and the applicant is required to submit a new Notice of Intent to Discharge and any applicable review fees to begin or continue construction.

Sincerely,

Terry Hubbard
Reviewer
Water Quality Plan Review Unit

Enclosures: Provisional Verification
Engineer Certificate of Completion

cc: Greg Allen 2550 N Thunderbird Cir #132 Mesa, AZ 85215
County Health Dept.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Certificate of Approval to Construct a Water Distribution System

Applicant Information:	Place ID	19323	ADEQ CF #	20030322	LTF #	30172

Name **Mail Address 1** **Mail Address 2** **City/State/Zip**	Jerry Abbott 3726 S Wild West Trail Flagstaff, AZ 86001	**Project Name**	Flagstaff Meadows Unit 2
		County	Coconino

Project Type(s)				Project Description
x	**Pressure Main**		**Storage Tank**	4300' 8" PVC, 8 hydrants and 88 residential service connections
	Hydro Tank		**Other**	

Facility Name Street Address 1 Street Address 2 City/State/Zip	Bellemont Truck Center

System Capacity Affirmation (Agent , Date)	Lonnie McCleve
PWS ID #	3300

Design Documents Approved	Date	Site Information	
		Nearest Town	**Bellemont**
Application	6/3/03	**Location of Distribution System**	
Site Plan	6/4/03	**Township** 21N	**Range** 5E
Design Plan	5/21/03	**Section** 1	**Quarter Section** NE
Operations & Maintenance Plan		Latitude	35° 11' 02"
Response Letter		Longitude	111° 37' 11"
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
Greg Allen
2550 N Thunderbird Cir #132
Mesa, AZ 85215

Stephen A. Owens, Director
Arizona Department of Environmental Quality

By: 11-4-03

Kurt J. Harris, P.E., Manager — Date Approved
Water Quality Design Review Unit
Northern Regional Office

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. Steve Camp x2712 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 it 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 icludes 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

11-4-03
Kurt J. Harris, P.E.

ENGINEER'S CERTIFICATE OF COMPLETION AND FINAL INSPECTION "ECC"

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY (ADEQ) - WATER QUALITY DIVISION J:\shared\WEDR\APPLICATIONS-DrinkingWater\ECC-DrinkWtr 5/01

ADEQ FILE NO.: 20030322	COUNTY: Coconino OWNER: Jerry Abbott

Project Name: Flagstaff Meadows Unit 2

Project Description:

(as shown on Approval to Construct, unless completed project differed, in which case describe in detail)

I,_____*(print name)*, a Professional Engineer registered in the State of Arizona, have inspected the construction of the above described project, and certify that *(check all applicable boxes, complete applicable blanks)*:

ITEMS 1) THRU 4) MUST BE COMPLETED

☐ 1) The work on this project was completed on _____*(date)*.

☐ 2) On _____ (date) a final construction inspection was conducted by ☐ MYSELF [←check one→] ☐ under MY DIRECT SUPERVISION by _____*(print name)*.

☐ 3) The materials utilized and the installation and construction of those materials and equipment are in conformance with the approved plans and specifications

☐ 4) All provisions listed in the ADEQ Approval to Construct for this project, a copy of which I have attached to this certificate, have been fully satisfied or exceptions are listed on the reverse side of this certificate.

☐ 5) All construction and preoperational tests (infiltration, exfiltration, pressure, deflection, chlorination, bacti, etc.) *[circle types performed]* were properly conducted, met ADEQ requirements, and are presented in attachments to this Certificate. The total number of pages of test results attached is _____.

EITHER 6A) or 6B) MUST BE CHECKED

☐ 6A) Any deviation from the approved plans and the ADEQ Certificate of Approval to Construct have been noted on the attached "As-Built" plans (as stipulated in the Approval to Construct provisions) prepared and sealed pursuant to A.R.S.§ 32-125 on _____*(date)*. Of the total _____ sheets of "As-Built" plans attached, deviations from the approved plans are shown on sheets numbered _____. All deviations from the approved plans comply with the ADEQ minimum design and construction standards contained in statute, rule, bulletin or referenced codes, and with the key elements of the approved plans.

☐ 6B) The completed project did not deviate from the plans which received the Approval to Construct.

EITHER 7A) or 7B) MUST BE CHECKED

☐ 7A) This project did not require the preparation of an Operation and Maintenance Manual *(the only projects which do NOT require an O&M manual are gravity-only sewage collection systems, single-family residence septic systems, and drinking water distribution projects that include no source, storage, or pressurization facilities).*

☐ 7B) A FINAL Operation and Maintenance Manual has been prepared for this project and a copy is attached. This manual meets all ADEQ minimum design and construction standards contained in statute, rule, bulletin, referenced codes, the key elements of the approved plans, and, if applicable, with Attachment B of the September 10, 1994 Engineering Advisory for Individual Alternate Systems.

EITHER 8A) or 8B) MUST BE CHECKED

☐ 8A) Review of this project for Approval of Construction issuance does not require a fee because this project involves only drinking water, not wastewater.

☐ 8B) In accordance with A.A.C. R18-14-103 Schedule B, a check in the amount of $_____ is attached as initial fee for review of the submitted and other information for issuance of an Approval of Construction.

ADDITIONAL INFORMATION

9) Other, see additional Information on reverse side.

↓ENGINEER'S SEAL per AAC R4-30-304.B↓

Engineer Address_____

_____ Phone_____

AZ DEPARTMENT OF ENVIRONMENTAL QUALITY ACCEPTANCE

EMPLOYEE SIGNATURE (PRINTED NAME) DATE

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Provisional Verification of General Permit Conformance for Sewage Collection System General Permit 4.01

Applicant Information:	PLACE ID	19323	ADEQ CF#	20030322	LTF No.	30170
Name Mail Address 1 Mail Address 2 City/State/Zip	Jerry Abbott 3726 S Wild West Trail Flagstaff, AZ 86001		Project Name	Flagstaff Meadows Unit 2		
			County	Coconino		

Project Type(s)				GENERAL PROJECT DESCRIPTION
x	Gravity Main		Force Main	4300' 8" PVC , 17 manholes, and 88 residential service connections
	Lift Station		Other	

Tratment Facility Address 1 Street Address 2 City/State/Zip	Flagstaff Meadows WWTP	Treatment Facility Permitted Flow	0.025 MGD
Wastewater System Number:	APP # 104083		
System Capacity Affirmation (Agent, Date)	Lonnie McCleve 6/17/03		

Design Documents Approved	Date	Nearest Town	Bellemont
Application	6/3/03	Location of Distribution System	
Site Plan	6/4/03	Township 21N	Range 5E
Design Plan	5/21/03	Section 1	Quarter Section NE
Operations & Maintenance Plan		Latitude	35° 11' 02"
Response Letter		Longitude	111° 37' 11"
Other			

SPECIAL PROVISIONS:

Provisional Verification of General Permit Conformance: This Provisional Verification of General Permit Conformance is issued in accordance with Arizona Administrative Code Title 18, Chapter 9, Article 3, Part A, Section A301. The applicant is authorized to construct the facility at the location specified herein under terms and conditions of the requested general permit and applicable requirements of Arizona Revised Statutes Title 49, Chapter 2, and Arizona Administrative Code Title 18, Chapter 9. The applicant has two years from the approval date of this document to complete construction and submit the applicable verification documents specified in A.A.C. R18-9-E301(E). Construction shall conform with the approved design documents.

An Applicant may not discharge (start operating) until receiving a written VERIFICATION OF GENERAL PERMIT CONFORMANCE from ADEQ per A.A.C. R18-9-A301 (A) (4)

	Manager, NRO Water Quality Design Review Unit	11/4/03
Kurt J. Harris, P.E.	Title	Date Approved

KH1/TH2

cc: ADEQ/NRO Reading File ADEQ/NRO Construction File County P&Z

ADEQ/NRO, 1515 E. Cedar Ave., Suite F, Flagstaff, AZ 86004 (928) 779-0313 1(877) 602-3675 x2719

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ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

ENGINEER'S CERTIFICATE OF COMPLETION (ECOC)

To Verify a Sewage Collection System Constructed Under General Aquifer Protection Permits 4.01

Applicant Information		**ADEQ Construction File Number**
Jerry Abbott 3726 S Wild West Trail Flagstaff, AZ 86001		20030322
		Project Name
		Flagstaff Meadows Unit 2
Responsible Engineer's Information		**Affix seal per AAC R4-30-304(B)**
Greg Allen 2550 N Thunderbird Cir #132 Mesa, AZ 85215		
Fax Number		
Phone Number		

Project Description

I, _____ *(print name)*, a Professional Engineer registered in the State of Arizona, provide the following as evidence that the construction of the above described project was completed, to the best of my knowledge, in compliance with the Provisional Verification of General Permit Conformance or with allowed changes as reflected in as-built plans.

**Note: A change made during construction in location, configuration, dimension, depth, material, or installation procedure is allowed under A.A.C. R18-9-A301(D)(1)(e) only if the change continues to conform with the specific standard in rule used as the basis of design. Any such changes must be recorded on the site plan.*

For Agency Use Only

Date Rec'd		**Constructed Within 2 Years?**	**Yes**		**No**		**LTF No.**	

Items 1 through 5 below must be completed by Engineer of Record who's seal appears above.

1. CONSTRUCTION WORK PERFORMED

☐ The work on this project was completed on _____ *(date)* by the following:

Contractor Name		License Type
Worked Performed		
Contractor Name		License Type
Worked Performed		
Contractor Name		License Type
Worked Performed		

☐ List of additional contractors is attached.

2. TEST RESULTS

☐ Preoperational acceptance tests (*deflection, leakage, uniform slope, pressure, manhole, etc.*) were conducted by the following and satisfactorily meet regulatory requirements.

Contractor/Agency Name	License Type	Tests Performed	Satisfactory Results			
			Yes		No	
			Yes		No	
			Yes		No	
			Yes		No	

☐ List of additional testing entities is attached.

3. CONSTRUCTION PLANS (Either 3a or 3b must be checked and information provided as applicable)

☐ a. The original construction plans submitted with the Notice of Intent to Discharge accurately reflect final location, configuration, and construction of components.

☐ b. As-built plans were completed by _____

registered as a professional _____ Arizona Certificate Number _____

and are attached. (Changes to the as-built plans should be identified by "highlighting" or other conspicuous method).

4. OPERATION & MAINTENANCE (O&M) PLAN (Either 4a, 4b, or 4c must be checked and information provided as applicable)

☐ a. An O&M plan is not required (the design flow of this project is not more than 10,000 gallons per day).

☐ b. The original operation and maintenance plan submitted with the Notice of Intent to Discharge is correct and should be considered the final plan per A.A.C. R18-9-E301(E)(3).

☐ c. A final operation and maintenance plan is attached.

5. OTHER INFORMATION REQUIRED BY THE DEPARTMENT UNDER A.A.C. R18-9-E301(E)(2)(Either 5a or 5b must be checked and information provided as applicable)

☐ a. No other information was required.

☐ b. Other required information is attached

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

CERTIFICATE OF APPROVAL OF SANITARY FACILITIES FOR SUBDIVISIONS

SUBDIVIDER NAME Mailing Address 1 Mailing Address 2 City/State/Zip	Jerry Abbott 3726 S Wild West Trail Flagstaff, AZ 86001	LOTS	ADEQ CF#	20030322
		134-221 88 lots	Place ID	19323
			USAS#	505253-00
NEAREST TOWN	Williams		LTF#	30171
SUBDIVISION NAME	Flagstaff Meadows Unit 2		COUNTY	Coconino
LOCATION	bellemont			
WATER SUPPLY	Bellmont water system ID 03300			
SEWAGE DISPOSAL	Flagstaff Meadows 104083			
REFUSE HAULER	Waste Management			
REFUSE DISPOSAL SITE	Painted Desert Landfill			

The sanitary facilities of water supply, sewage disposal, and garbage disposal as represented by the approved plan documents on file with the Arizona Department of Environmental Quality (ADEQ) are hereby approved subject to the following provisions:

1. The water supply for this development has been determined to be inadequate by the Arizona Department of Water Resources per A.A.C. R12-15-703(B)(c)

This Certificate of Approval of Sanitary Facilities does **NOT** constitute an Individual or General Aquifer Protection Permit for the sewage collection system incorporated in this subdivision (see separate Provisional Verification of General Permit Conformance). This Certificate of Approval of Sanitary Facilities does **NOT** constitute an Approval to Construct Permit (ATC) for the water distribution system incorporated in this subdivision (see separate ATC).

KH1:TH2

CERTIFICATE DISTRIBUTION
Original Certificate and Plat:
ADEQ/NRO Construction File
Certificate Copy and Plat:
Applicant

Certificate Copy Only:
ADEQ/NRO Reading File
ADRE
Governing COG
County Environmental Services
County Development Services

Stephens A. Owens, Director
Arizona Department of Environmental Quality

By: 11-4-03

Kurt J. Harris, P.E., Manager
Water Quality Design Review Unit
Northern Regional Office

Date Approved

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8

UTILITY SOURCE, LLC
721 E. San Pedro
Gilbert, Arizona 85234
Work: 480-892-8756
Fax: 480-892-3387

December 23, 2003

Haven Homes
Bellemont, Arizona 86015

Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

Dear Mr. Justin Jobe:

As you know, the Home Owners Association has been providing water and wastewater service to the area for some time. The Arizona Corporation Commission Staff has recommended that we, as owner of the system, submit to the Commission's regulation of these services, and we have agreed to do so. Thereafter, water and wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Commission which apply to the Company.

To obtain that approval we must apply to the Commission for a Certificate of Convenience and Necessity ("CC&N"), to Coconino County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide the subject services. The Commission requires us to request your consent as part of their Application. **We request that you sign the acknowledgment below and return this letter to us in the enclosed, stamped and self addressed envelope.**

Your cooperation is appreciated. If we can provide further assistance, please do not hesitate to call my office at (480) 892-8756.

Sincerely,

Lonnie McCleve

ACKNOWLEDGEMENT:

We hereby request that our property be included in the Company's CC&N

Signature

Haven Homes
Name (Print)

Justin Jobe
Street Address

Lots 23, 34, 36, 37 & 38, Flagstaff Meadows, Bellemont, Arizona 86015
Lot Number, Tax Parcel #, or Legal Description

36100.00000.50

ATTACHMENT 8

UTILITY SOURCE, LLC
721 E. San Pedro
Gilbert, Arizona 85234
Work: 480-892-8756
Fax: 480-892-3387

December 23, 2003

Microtel Inn
Bellemont, Arizona 86015

Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

Dear Mr. Mason Lundell:

As you know, the Home Owners Association has been providing water and wastewater service to the area for some time. The Arizona Corporation Commission Staff has recommended that we, as owner of the system, submit to the Commission's regulation of these services, and we have agreed to do so. Thereafter, water and wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Commission which apply to the Company.

To obtain that approval we must apply to the Commission for a Certificate of Convenience and Necessity ("CC&N"), to Coconino County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide the subject services. The Commission requires us to request your consent as part of their Application. **We request that you sign the acknowledgment below and return this letter to us in the enclosed, stamped and self addressed envelope.**

Your cooperation is appreciated. If we can provide further assistance, please do not hesitate to call my office at (480) 892-8756.

Sincerely,

Lonnie McCleve

ACKNOWLEDGEMENT:

We hereby request that our property be included in the Company's CC&N

Signature

Mason Lundell
Name (Print)

P.O. Box 16122, Bellemont, Az
Street Address

I-40, Exit 185
Lot Number, Tax Parcel #, or Legal Description

36100.00000.50

UTILITY SOURCE, LLC
721 E. San Pedro
Gilbert, Arizona 85234
Work: 480-892-8756
Fax: 480-892-3387

December 23, 2003

TGC Development

Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

Dear Mr. Campbell:

As you know, the Home Owners Association has been providing water and wastewater service to the area for some time. The Arizona Corporation Commission Staff has recommended that we, as owner of the system, submit to the Commission's regulation of these services, and we have agreed to do so. Thereafter, water and wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Commission which apply to the Company.

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Your cooperation is appreciated. If we can provide further assistance, please do not hesitate to call my office at (480) 892-8756.

Sincerely,

Lonnie McCleve

ACKNOWLEDGEMENT:

We hereby request that our property be included in the Company's CC&N

Signature

MASON LUNDELL
Name (Print)

4491 N. Bellemont Springs, Bellemont, Az. 86015
Street Address

Lots 1, 2, 6, 11, 14, 21, 26, 27, 56, 57, 58, 59, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, Flagstaff Meadows
Lot Number, Tax Parcel #, or Legal Description

36100.00000.50

UTILITY SOURCE, LLC
721 E. San Pedro
Gilbert, Arizona 85234
Work: 480-892-8756
Fax: 480-892-3387

December 23, 2003
Mason and Carrie Lundell
Attn:
Fax:
Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

Dear Mr. And Mrs. Lundell,

As you know, the Home Owners Association has been providing water and wastewater service to the area for some time. The Arizona Corporation Commission Staff has recommended that we, as owner of the system, submit to the Commission's regulation of these services, and we have agreed to do so. Thereafter, water and wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Commission which apply to the Company.

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Your cooperation is appreciated. If we can provide further assistance, please do not hesitate to call my office at (480) 892-8756.

Sincerely,

Lonnie McCleve

ACKNOWLEDGEMENT:

We hereby request that our property be included in the Company's CC&N

Mason Lundell
Signature

MASON LUNDELL
Name (Print)

4340 N. Deer Springs
Street Address

Lot 79
Lot Number, Flagstaff Meadows, Bellemont, Arizona 86015

36100.00000.50

UTILITY SOURCE, LLC
721 E. San Pedro
Gilbert, Arizona 85234
Work: 480-892-8756
Fax: 480-892-3387

December 23, 2003
Tim and Audra Campbell
Attn:
Fax:
Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

Dear Mr. And Mrs. Campbell,

As you know, the Home Owners Association has been providing water and wastewater service to the area for some time. The Arizona Corporation Commission Staff has recommended that we, as owner of the system, submit to the Commission's regulation of these services, and we have agreed to do so. Thereafter, water and wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Commission which apply to the Company.

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Sincerely,

Lonnie McCleve

ACKNOWLEDGEMENT:

We hereby request that our property be included in the Company's CC&N

Tim Campbell
Signature

Tim Campbell
Name (Print)

4510 N. Apple Dr
Street Address

7
Lot Number, Flagstaff Meadows, Bellemont, Arizona 86015

36100.00000.50

UTILITY SOURCE, LLC
721 E. San Pedro
Gilbert, Arizona 85234
Work: 480-892-8756
Fax: 480-892-3387

December 23, 2003

Empire Residential
Attn: Jerry Abbott
Fax: #928-214-9682
Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

Dear Mr. Abbott:

As you know, the Home Owners Association has been providing water and wastewater service to the area for some time. The Arizona Corporation Commission Staff has recommended that we, as owner of the system, submit to the Commission's regulation of these services, and we have agreed to do so. Thereafter, water and wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Commission which apply to the Company.

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Sincerely,

Lonnie McCleve

ACKNOWLEDGEMENT:

We hereby request that our property be included in the Company's CC&N

Signature

Jerry Abbott
Name (Print)

Street Address

Lot Numbers, Flagstaff Meadows, Bellemont, Arizona 86015

UTILITY SOURCE, LLC
721 E. San Pedro
Gilbert, Arizona 85234
Work: 480-892-8756
Fax: 480-892-3387

December 23, 2003
Empire Residential
Attn: Jerry Abbott
Fax: 928-214-9682
Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

Dear Mr.

As you know, the Home Owners Association has been providing water and wastewater service to the area for some time. The Arizona Corporation Commission Staff has recommended that we, as owner of the system, submit to the Commission's regulation of these services, and we have agreed to do so. Thereafter, water and wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Commission which apply to the Company.

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Sincerely,

Lonnie McCleve

ACKNOWLEDGEMENT:

We hereby request that our property be included in the Company's CC&N

Signature

Jerry Abbott
Name (Print)

Street Address

Lot Numbers, Flagstaff Meadows Townhomes, Bellemont, Arizona 86015

36100.00000.50

UTILITY SOURCE, LLC
721 E. San Pedro
Gilbert, Arizona 85234
Work: 480-892-8756
Fax: 480-892-3387

December 23, 2003
Empire Residential
Attn: Jerry Abbott
Fax: 928-214-9682
Re: Water and Wastewater Service at Flagstaff Meadows and Vicinity

Dear Mr.

As you know, the Home Owners Association has been providing water and wastewater service to the area for some time. The Arizona Corporation Commission Staff has recommended that we, as owner of the system, submit to the Commission's regulation of these services, and we have agreed to do so. Thereafter, water and wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Commission which apply to the Company.

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Your cooperation is appreciated. If we can provide further assistance, please do not hesitate to call my office at (480) 892-8756.

Sincerely,

Lonnie McCleve

ACKNOWLEDGEMENT:

We hereby request that our property be included in the Company's CC&N

Signature

Jerry Abbott
Name (Print)

Street Address

Lot Numbers, Flagstaff Meadows II, Bellemont, Arizona 86015

36100.00000.50

9

Richard L. Sallquist
Sallquist & Drummond, P.C.
2525 E. Arizona Biltmore Circle
Suite A-117
Phoenix, Arizona 85016
Phone: (602)224-9222
Fax: (602)224-9366
Attorneys for Applicant

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF UTILITY SOURCE, L.L.C. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER AND WASTEWATER SERVICE IN COCONINO COUNTY, ARIZONA.	)	DOCKET NO. WS-_____-__-____
IN THE MATTER OF THE APPLICATION OF UTILITY SOURCE, L.L.C. FOR AUTHORITY TO ISSUE PROMISSORY NOTE(S) AND OTHER EVIDENCES OF INDEBTEDNESS PAYABLE AT PERIODS OF MORE THAN TWELVE MONTHS AFTER THE DATE OF ISSUANCE.	)	DOCKET NO. WS-_____-__-___

AFFIDAVIT OF MAILING

STATE OF ARIZONA)
)ss
County of Maricopa)

1. I am Lonnie McCleve, Manager of Utility Source, L.L.C. My business address is 721 E. San Pedro, Gilbert, Arizona 85234.

2. On February __, 2004, I caused the Notice in the form attached hereto as Exhibit 1 and incorporated herein by reference for all purposes, to be mailed by first class mail, postage prepaid, to all property owners within the Requested Expansion Area.

3. Further affiant sayeth naught.

DATED this ____ day of February, 2004.

UTILITY SOURCE, L.L.C.

By:_____
Lonnie McCleve

The foregoing instrument was acknowledged before me this ____ day of February, 2004, by Lonnie McCleve.

_____
Notary Public

My Commission Expires:

_____

Original and fifteen copies of the foregoing filed this ___ day of February, 2004:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

A copy of the foregoing filed this ____ day of February, 2004, to:

Hearing Division
Arizona Corporation Commission
400 W. Congress
Tucson, Arizona 85701

Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

PUBLIC NOTICE OF AN APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY AND AN ORDER AUTHORIZING THE ISSUANCE OF PROMISSORY NOTE(S) AND OTHER EVIDENCE OF INDEBTEDNESS BY UTILITY SOURCE, L.L.C.

Utility Source, L.L.C. has filed with the Arizona Corporation Commission ("Commission") an application for authority to provide water service to an area in which records indicate that you are a property owner. If the application is granted, Utility Source, L.L.C. would be the exclusive provider of those services to the proposed area. Utility Source, L.L.C. 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 or in Tucson at 400 West Congress, North Building, Room 218, and at Utility Source, L.L.C., 721 E. San Pedro, Gilbert, Arizona 85234.

The Commission will hold a hearing on this matter. As a property owner you may have the right 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.

Additionally, the Company has filed an Application for an order authorizing Applicant to issue up to $575,000 in promissory notes and other evidences of indebtedness.

Intervention in the Commission's proceedings on the Application shall be permitted to any person entitled by law to intervene and having a direct substantial interest in this matter. Persons desiring to intervene must file a Motion to Intervene with the Commission which must be served upon the Applicant and which, at a minimum, shall contain the following information:

1. The name, address and telephone of the proposed intervenor and of any person upon whom service of documents is to be made if different than the intervenor.

2. A short statement of the proposed intervenor's interest in the proceedings.

3. Whether the proposed intervenor desires a formal evidentiary hearing on the Application and the reasons for such a hearing.

4. A statement certifying that a copy of the Motion to Intervene has been mailed to Applicant.

The granting of Motions to Intervene shall be governed by A.A.C. R14-3-105, except that all Motions to Intervene must be filed on, or before, the 15th day after this notice.

If you have any questions or concerns about these applications, 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 or 400 West Congress, North Building, Room 218, Tucson, Arizona 85701 or call 1-800-535-0148.

36100.00000.64

EXHIBIT 1 TO ATTACHMENT 9

Richard L. Sallquist, Esq. (002774)
SALLQUIST & DRUMMOND, P.C.
2525 E Arizona Biltmore Circle, Suite 117
Phoenix, Arizona 85016
Telephone: (602) 224-9222
Fax: (602) 224-9366
Attorneys for Utility Source, L.L.C.

EXHIBIT
A2

RECEIVED
2004 JAN 30 P 4: 14
ARIZONA CORPORATION COMMISSION
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF UTILITY SOURCE, L.L.C. FOR AUTHORITY TO ISSUE PROMISSORY NOTE(S) AND OTHER EVIDENCES OF INDEBTEDNESS PAYABLE AT PERIODS OF MORE THAN TWELVE MONTHS AFTER THE DATE OF ISSUANCE.	DOCKET NO. WS-_____-04-___ **APPLICATION**

Utility Source, L.L.C. ("Utility Source" or the "Applicant"), by and through undersigned counsel, respectfully states the following in support of this Application:

1. Utility Source is a limited liability company duly organized and existing under the laws of the State of Arizona. Its principal place of business is 721 E. San Pedro, Gilbert, Arizona 85234.

2. Utility Source has filed a Certificate of Convenience and Necessity ("CC&N") Application in a separate docket of even date herewith.

3. Utility Source seeks herein Commission approval for the issuance of promissory note(s) and other evidences of indebtedness in the original amount of up to $575,000.

4. Utility Source proposes to use the proceeds of the financing as a revolving line of credit for working capital purposes in the start-up phase of the utilities operation. The details of the proposed cash requirements are set forth in the pro-forma Income Statements, Balance Sheet, and Cash Flow which are attached hereto as **Attachment A** and are incorporated herein by this reference for all purposes.

36100.00000.57

5. The funds necessary to properly operate the Company are set forth in **Attachment A** total $575,000. The Company's principal will loan those funds to the Company. It is anticipated that the Company can obtain loans with an annual interest rate of prime plus 2.0%, and a 10 year term. The interest will be accrued, with principal and interest payable as funds are available from operations. The form of the Promissory Note is attached as **Attachment B** hereto.

6. The Company will file a Motion to Consolidate and CC&N with this Application in a separate filing.

7. Utility Source will provide notice of the filing of this Application in conformity with A.R.S. § 40-302 in the form attached as **Attachment C** and incorporated herein by this reference, which exhibit contains the form of the Notice of Publication to be filed with the Commission, or in such other form as ordered by the Commission.

8. In the Company's opinion the purpose to which proceeds of the issuance of the Promissory Note(s) and evidences of indebtedness will be applied as set forth above are lawful, and within its powers and are compatible with the public interest, with sound financial practices, and with the proper performance of the Company of service as a public service corporation and will not impair its ability to perform that service. The Company is further of the opinion that the issuance of the Promissory Note(s) and evidences of indebtedness as herein contemplated are reasonably necessary or appropriate for the aforementioned purposes. To the extent that such purposes may be considered reasonably chargeable to operating expenses or to income, the Company requests that they be permitted by the Commission in the order sought hereby.

WHEREFORE, Utility Source requests that the Commission make such inquiry or investigation that the Commission may deem necessary and appropriate; make the findings required by A.R.S. § 40-301 and § 40-302 relative to the purposes of issuing the Promissory

Note(s) and evidences of indebtedness as herein stated; and thereafter make an immediately effective order (i) authorizing the Company to issue the Promissory Note(s) and entry into the proposed evidences of indebtedness, in the same manner and for the purposes herein contemplated, (ii) stating that the issuance of the Promissory Note(s) and evidences of indebtedness are reasonably necessary or appropriate for the purposes set forth above, (iii) stating that such purposes are within those permitted by A.R.S. § 40-301, and (iv) approving such purposes to the extent that they may be considered reasonably chargeable to operating expenses or income.

Respectfully submitted this 30th day of January, 2004.

SALLQUIST & DRUMMOND, P.C.

By_____

Richard L. Sallquist
2525 E. Arizona Biltmore Circle, Suite 117
Phoenix, Arizona 85016
Attorneys for Utility Source, L.L.C.

Original and fifteen copies of the foregoing filed this 30th day of January, 2004, with

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

_____

36100.00000.57

LIST OF EXHIBITS

ATTACHMENT	DESCRIPTION
A	PRO FORMA FINANCIAL STATEMENTS
B	PROMISSORY NOTE
C	NOTICE OF PUBLICATION

UTILITY SOURSE, L.L.C.

PROFORMA CONSOLIDATED INCOME STATEMENT

	2004	Year Two	Year Three	Year Four	Year Five
REVENUES					
Water Revenues	$57,758	$99,778	$128,071	$151,946	$175,821
Wastewater Revenues	$37,825	$65,155	$83,556	$99,084	$114,612
Total Revenues	$95,583	$164,933	$211,626	$251,030	$290,433
EXPENSES					
Water Operating Expenses	$101,518	$140,604	$167,278	$191,516	$231,825
Wastewater Operating Expenses	$111,462	$84,516	$105,856	$124,898	$154,683
Total Operating Expenses	$212,980	$225,120	$273,134	$316,413	$386,509
Operating Income (Loss)	($117,396)	($60,187)	($61,507)	($65,384)	($96,075)
Water Interest Expense	$0	$0	$0	$0	$0
Wastewater Interest Expense	$0	$0	$0	$0	$0
Total Interest Expense	$0	$0	$0	$0	$0
Net Income (Loss)	($117,396)	($60,187)	($61,507)	($65,384)	($96,075)

UTILITY SOURSE, L.L.C.

PROFORMA WATER INCOME STATEMENT

		2004	Year Two	Year Three	Year Four	Year Five
REVENUES						
Minimum Charges/Month		$6.48	$6.48	$6.48	$6.48	$6.48
Gallons Included		0	0	0	0	0
Excess Gallonage Charge/1000						
for Residential/Commercial						
First 5,000 Gallons		$2.83	$2.83	$2.83	$2.83	$2.83
Next 10,000 Gallons		$3.32	$3.32	$3.32	$3.32	$3.32
Over 15,000 Gallons		$4.71	$4.71	$4.71	$4.71	$4.71
Existing Customers		74				
New Customers		215	137	100	100	100
Year End Customers		289	426	526	626	726
Number of Residentials Customers (Avg.)		182	358	476	576	676
Sales Revenues (1)		$43,333	$85,354	$113,646	$137,521	$161,396
Number of Commercial Customers (Avg.)		2	2	2	2	2
Microtel		$4,460	$4,460	$4,460	$4,460	$4,460
Travel Center		$9,964	$9,964	$9,964	$9,964	$9,964
Sales Revenues (2)		$14,425	$14,425	$14,425	$14,425	$14,425
Total Revenues		$57,758	$99,778	$128,071	$151,946	$175,821
EXPENSES						
Pumping costs		$5,425	$9,429	$12,126	$14,401	$16,676
Cost/1000	$0.40					
Operations and Maintaince						
Cost/Unit/Month	$5.00	$11,010	$21,570	$28,680	$34,680	$40,680
Management						
Cost/Unit/Month	$7.00	$15,414	$30,198	$40,152	$48,552	$56,952
Insurance:						
Liability/Month	$75.00	$900	$900	$900	$900	$900
Property/Month	$75.00	$900	$900	$900	$900	$900
Automotive/Year	$0.00	$0	$0	$0	$0	$0
Vehicle/Month	$100.00	$2,400	$2,400	$1,200	$1,200	$1,200
Depreciation						
Depreciable Plant		$1,451,750	$2,107,250	$2,282,250	$2,457,250	$3,107,250
Composite Rate	3.45%					
Total Depreciation		$64,495	$72,610	$78,640	$84,670	$107,067
Property Taxes (Schedule 4)		$940	$2,563	$4,647	$6,179	$7,416
Income Taxes (Schedule 5) (3)		$34	$34	$34	$34	$34
Total Operating Expenses		$101,518	$140,604	$167,278	$191,516	$231,825
Operating Income(Loss)		($43,760)	($40,826)	($39,208)	($39,570)	($56,005)
Interest Expense						
Outstanding Debt		$0	$0	$0	$0	$0
Interest Rate	0.00%					
Long Term Interest Expense Total		$0	$0	$0	$0	$0
Working Capital Interest at:	0.00%	$0	$0	$0	$0	$0
Total Interest Expense		$0	$0	$0	$0	$0
Net Income (Loss)		($43,760)	($40,826)	($39,208)	($39,570)	($56,005)
Original Cost Rate Base		$1,539,305	$1,957,795	$1,934,155	$1,874,485	$2,267,418
Return on OCLD of:		-2.84%	-2.09%	-2.03%	-2.11%	-2.47%

Water Income

ATTACHMENT A

FOOTNOTES

			In Gallons,except Unit #				
(1) Average Residential Sales/Month			4,740	4,740	4,740	4,740	4,740
Res Sales/Year in Gallons			10,323,720	20,334,600	27,074,880	32,762,880	38,450,880
(2) Average Commercial Sales	Consumption /Mo	Bill / Month					
Microtel Inn	90,942	$371.68	1,091,304	1,091,304	1,091,304	1,091,304	1,091,304
Bellemont Travel Center	178,985	$830.36	2,147,820	2,147,820	2,147,820	2,147,820	2,147,820
Total Non-irrigation Sales/Year			13,562,844	23,573,724	30,314,004	36,002,004	41,690,004
(3) Ratioed on Rate Base							
Average Residential Bill			$19.90	$19.90	$19.90	$19.90	$19.90

UTILITY SOURSE, L.L.C.

PROFORMA WASTEWATER INCOME STATEMENT

			2004	Year Two	Year Three	Year Four	Year Five
REVENUES							
		Monthly					
Minimum Charges/Month		$12.94	$12.94	$12.94	$12.94	$12.94	$12.94
Number of Residential Customers (Avg.)			182	358	476	576	676
Residential Revenues			$28,184	$55,513	$73,914	$89,443	$104,971
Number of Commercial Customers (Avg.)			2	2	2	2	2
Microtel		$325.57	$3,907	$3,907	$3,907	$3,907	$3,907
Travel Center		$477.89	$5,735	$5,735	$5,735	$5,735	$5,735
Commercial Revenues			$9,642	$9,642	$9,642	$9,642	$9,642
Total Revenues			$37,825	$65,155	$83,556	$99,084	$114,612
Total Revenues			$37,825	$65,155	$83,556	$99,084	$114,612
EXPENSES							
Power Costs			$2,000	$2,000	$2,000	$2,000	$2,000
Operations and Maintaince							
Cost/Unit/Month	$5.00		$11,010	$21,570	$28,680	$34,680	$40,680
Service Installation	$0		$0	$0	$0	$0	$0
Management-							
Cost/Unit/Month	$7.00		$15,414	$30,198	$40,152	$48,552	$56,952
Insurance:							
Liability/Month	$75.00		$900	$900	$900	$900	$900
Property/Month	$75.00		$900	$900	$900	$900	$900
Automotive/Year	$500.00		$500	$500	$500	$500	$500
Vehicle/Month	$100.00		$1,200	$1,200	$1,200	$1,200	$1,200
Depreciation							
Depreciable Plant			$887,225	$1,051,625	$1,171,625	$1,321,625	$1,921,625
Composite Rate	2.43%						
Total Depreciation			$78,906	$25,556	$28,473	$32,118	$46,699
Property Taxes (Schedule 4)			$615	$1,675	$3,035	$4,032	$4,836
Income Taxes (Schedule 5) (1)			$16	$16	$16	$16	$16
Total Operating Expenses			$111,462	$84,516	$105,856	$124,898	$154,683
Operating Income(Loss)			($73,636)	($19,361)	($22,300)	($25,813)	($40,071)
Interest Expense							
Outstanding Debt			$0	$0	$0	$0	$0
Interest Rate	0.00%						
Long Term Interest Expense Total			$0	$0	$0	$0	$0
Working Capital Interest at:	0.00%		$0	$0	$0	$0	$0
Total Interest Expense			$0	$0	$0	$0	$0
Net Income (Loss)			($73,636)	($19,361)	($22,300)	($25,813)	($40,071)
Original Cost Rate Base			$733,344	$707,788	$679,315	$647,197	$1,050,499
Return on OCLD of:			-10.04%	-2.74%	-3.28%	-3.99%	-3.81%

Sewer Income

ATTACHMENT A

UTILITY SOURSE, L.L.C.

PROFORMA CASH FLOW

	2005	Year Two	Year Three	Year Four	Year Five
SOURSES OF CASH					
Beginning Cash Balance	$0	($995)	$36,984	$32,589	$33,994
Net Income	($117,396)	($60,187)	($61,507)	($65,384)	($96,075)
Add: Depreciation Expense	$143,401	$98,166	$107,112	$116,788	$153,766
Total Cash from Operations	$26,005	$37,979	$45,605	$51,404	$57,691
Financing Proceeds	$1,814,050	$0	$0	$0	$0
Water Line Extension Agreements	$267,950	$205,500	$175,000	$175,000	$200,000
Wastewater Line Extension Agreements	$179,975	$164,400	$120,000	$150,000	$150,000
Water Hook-Up Fees	$215,000	$137,000	$100,000	$100,000	$100,000
Wastewater Hook-Up Fees	$387,000	$246,600	$180,000	$180,000	$180,000
Hook-Up Reserve Account Drawdowns	$0	$450,000	$0	$0	$900,000
Working Capital Loan	$575,000	$0	$0	$0	$0
Total Cash Sourses	$3,464,980	$1,240,484	$657,589	$688,994	$1,621,684
USES OF CASH					
Plant Additions	$2,863,975	$819,900	$295,000	$325,000	$1,250,000
Plant Replacement	$0	$0	$0	$0	$0
Debt Repayment	$0	$0	$0	$0	$0
Line Extension Agreement Refunds	$0	$0	$0	$0	$0
Working Capital Repayment	$0	$0	$50,000	$50,000	$75,000
Hook-Up Fee Reserve Account Deposits	$602,000	$383,600	$280,000	$280,000	$280,000
Ending Cash Balance (Including HUF Account Balance)	($995)	$36,984	$32,589	$33,994	$16,684
Total Cash Uses	$3,465,975	$1,203,500	$625,000	$655,000	$1,605,000
Net Change in Cash	($995)	$37,979	($4,395)	$1,404	($17,309)

UTILITY SOURSE, L.L.C.

PROFORMA BALANCE SHEET

	End 2004	Year Two	Year Three	Year Four	Year Five
ASSETS					
Cash	($995)	$36,984	$32,589	$33,994	$16,684
Water Land	$210,000	$210,000	$210,000	$210,000	$210,000
Production & Storage Plant in Service	$1,661,750	$2,317,250	$2,492,250	$2,667,250	$3,317,250
Less: Accumulated Depreciation	($64,495)	($137,105)	($215,745)	($300,415)	($407,482)
Wastewater Land	$105,000	$105,000	$105,000	$105,000	$105,000
Wastewater Plant/ Collection Plant in Service	$887,225	$1,051,625	$1,171,625	$1,321,625	$1,921,625
Less: Accumulated Depreciation	($78,906)	($104,462)	($132,935)	($165,053)	($211,751)
Net Plant in Service	$2,720,574	$3,442,307	$3,630,195	$3,838,407	$4,934,641
Hook-Up Fee Reserves					
Total Reserve Balance	$602,000	$535,600	$815,600	$1,095,600	$475,600
TOTAL ASSETS	$3,321,579	$4,014,892	$4,478,384	$4,968,001	$5,426,926
LIABILITIES					
Current Liabilities:					
Current Liabilities	$0	$0	$0	$0	$0
Deferred Credits:					
Water Advances	$267,950	$473,450	$648,450	$823,450	$1,023,450
Less: Cumulative Refunds	$0	$0	$0	$0	$0
Net Water Advances	$267,950	$473,450	$648,450	$823,450	$1,023,450
Wastewater Advances	$179,975	$344,375	$464,375	$614,375	$764,375
Less: Cumulative Refunds	$0	$0	$0	$0	$0
Net Wastewater Advances	$179,975	$344,375	$464,375	$614,375	$764,375
Contributions:					
Water HUF's	$215,000	$352,000	$452,000	$552,000	$652,000
Wastewater HUF's	$387,000	$633,600	$813,600	$993,600	$1,173,600
Total Deferred Credits	$1,049,925	$1,803,425	$2,378,425	$2,983,425	$3,613,425
CAPITAL					
Common Stock Issued	$1,814,050	$1,814,050	$1,814,050	$1,814,050	$1,814,050
Long Term Debt		$0	$0	$0	$0
Less: Repayment		$0	$0	$0	$0
Balance	$0	$0	$0	$0	$0
Retained Earnings	($117,396)	($177,583)	($239,091)	($304,474)	($400,549)
Working Capital Loan	$575,000	$575,000	$525,000	$475,000	$400,000
Total Capital	$2,271,654	$2,211,467	$2,099,959	$1,984,576	$1,813,501
TOTAL LIABILITIES & CAPITAL	$3,321,579	$4,014,892	$4,478,384	$4,968,001	$5,426,926

Balance Sheet

ATTACHMENT A

PROMISSORY NOTE

$575,000.00

Bellemont, Arizona
_____, 2004

FOR VALUE RECEIVED, the undersigned promises to pay to the order of Lonnie McCleve, or to such other persons or places as may be designated from time to time by notice to the undersigned, the sum of Five Hundred Seventy-Five Thousand and 00/100 Dollars ($575,000.00), together with interest on the unpaid principal balance of said indebtedness at the rate of prime plus two percent (2%) per annum (computed on a 365 day year) from the date hereof, payable in lawful money of the United States of America, as follows:

(a) Quarterly payments of interest only commencing on _____ and each quarter thereafter for a ten (10) year period or until the principal is fully paid;

(b) Lender may use this Note as a revolving line of credit provided the maximum balance does not exceed $575,000 and subject to paragraph (c) below;

(c) The full principal amount, plus any accrued interest thereon, on December 31, 2014, if not paid in full before such date.

The undersigned shall have the right from time to time to prepay the whole or any part of the principal sum hereof together with accrued interest to the date of prepayment.

The whole of the principal sum and interest shall become immediately due and payable at the option of the holder, without notice to the undersigned, upon default in the payment of any principal hereof or interest hereon. The undersigned shall pay all costs and reasonable attorneys' fees incurred by the holder hereof in collecting or enforcing payment hereof. The whole of the principal sum and accrued interest, together with costs and attorneys' fees shall bear interest at the rate of eighteen percent (18%) per annum, from and after maturity, whether or not resulting from acceleration. The payment and acceptance of any sums at any time, or the failure to exercise any rights herein given the holder, shall not constitute a waiver of holder's rights in the event of any subsequent default.

Should any installment of principal or interest become ten (10) days late, a late charge of 5% of such installment shall be paid to the holder by the maker.

As to this note and any deed of trust or any other instruments securing the indebtedness, the undersigned, any endorsers and any guarantors severally waive all applicable exemption rights, whether under the state constitution, homestead laws or otherwise, and also severally waive valuation and appraisement, presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this note, and expressly agree that the maturity of this note, or any payment hereunder, may be

extended from time to time without in any way affecting the liability of the undersigned or said endorsers and guarantors.

Should this note be signed by more than one maker, the singular shall include the plural and all the obligations herein contained shall be the joint and several obligations of each signer hereof.

This note is to be construed according to the laws of the State of Arizona.

No provision of this note or any instrument securing this note shall be deemed to require the payment or permit the collection of interest in excess of the maximum permitted by law over the term of this note. If any excess of interest in such respect is herein provided for, or shall be adjudicated to be so provided for herein, for whatever reason, the interest required to be paid hereunder shall be automatically reduced to the maximum legally enforceable and any excess paid over such maximum enforceable amount shall be automatically credited against any other indebtedness of the undersigned to the holder hereof, and thereafter, any remaining amount refunded to the undersigned in cash.

UTILITY SOURCE, L.L.C.

By_____
Lonnie McCleve, Manager

36100-00000.62

Richard L. Sallquist
Sallquist & Drummond, P.C.
2525 E. Arizona Biltmore Circle
Suite A-117
Phoenix, Arizona 85016
Phone: (602)224-9222
Fax: (602)224-9366
Attorneys for Applicant

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF UTILITY SOURCE, L.L.C. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER AND WASTEWATER SERVICE IN COCONINO COUNTY, ARIZONA.	)	DOCKET NO. WS-_____-__-____
IN THE MATTER OF THE APPLICATION OF UTILITY SOURCE, L.L.C. FOR AUTHORITY TO ISSUE PROMISSORY NOTE(S) AND OTHER EVIDENCES OF INDEBTEDNESS PAYABLE AT PERIODS OF MORE THAN TWELVE MONTHS AFTER THE DATE OF ISSUANCE.	)	DOCKET NO. WS-_____-__-___

AFFIDAVIT OF MAILING

STATE OF ARIZONA)
)ss
County of Maricopa)

1. I am Lonnie McCleve, Manager of Utility Source, L.L.C. My business address is 721 E. San Pedro, Gilbert, Arizona 85234.

2. On February __, 2004, I caused the Notice in the form attached hereto as Exhibit 1 and incorporated herein by reference for all purposes, to be mailed by first class mail, postage prepaid, to all property owners within the Requested Expansion Area.

3. Further affiant sayeth naught.

ATTACHMENT C

DATED this ____ day of February, 2004.

UTILITY SOURCE, L.L.C.

By:_____
Lonnie McCleve

The foregoing instrument was acknowledged before me this ____ day of February, 2004, by Lonnie McCleve.

_____
Notary Public

My Commission Expires:

_____

Original and fifteen copies of the foregoing filed this ___ day of February, 2004:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

A copy of the foregoing filed this ____ day of February, 2004, to:

Hearing Division
Arizona Corporation Commission
400 W. Congress
Tucson, Arizona 85701

Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

PUBLIC NOTICE OF AN APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY AND AN ORDER AUTHORIZING THE ISSUANCE OF PROMISSORY NOTE(S) AND OTHER EVIDENCE OF INDEBTEDNESS BY UTILITY SOURCE, L.L.C.

Utility Source, L.L.C. has filed with the Arizona Corporation Commission ("Commission") an application for authority to provide water service to an area in which records indicate that you are a property owner. If the application is granted, Utility Source, L.L.C. would be the exclusive provider of those services to the proposed area. Utility Source, L.L.C. 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 or in Tucson at 400 West Congress, North Building, Room 218, and at Utility Source, L.L.C., 721 E. San Pedro, Gilbert, Arizona 85234.

The Commission will hold a hearing on this matter. As a property owner you may have the right 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.

Additionally, the Company has filed an Application for an order authorizing Applicant to issue up to $575,000 in promissory notes and other evidences of indebtedness.

Intervention in the Commission's proceedings on the Application shall be permitted to any person entitled by law to intervene and having a direct substantial interest in this matter. Persons desiring to intervene must file a Motion to Intervene with the Commission which must be served upon the Applicant and which, at a minimum, shall contain the following information:

1. The name, address and telephone of the proposed intervenor and of any person upon whom service of documents is to be made if different than the intervenor.

2. A short statement of the proposed intervenor's interest in the proceedings.

3. Whether the proposed intervenor desires a formal evidentiary hearing on the Application and the reasons for such a hearing.

4. A statement certifying that a copy of the Motion to Intervene has been mailed to Applicant.

The granting of Motions to Intervene shall be governed by A.A.C. R14-3-105, except that all Motions to Intervene must be filed on, or before, the 15th day after this notice.

If you have any questions or concerns about these applications, 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 or 400 West Congress, North Building, Room 218, Tucson, Arizona 85701 or call 1-800-535-0148.

36100.00000.61

EXHIBIT 1 TO ATTACHMENT C

EXHIBIT
A-3
admitted

SALLQUIST & DRUMMOND, P.C.
TEMPE OFFICE
ATTORNEYS AT LAW
4500 S. LAKESHORE DRIVE
SUITE 339
TEMPE, ARIZONA 85282

RICHARD L. SALLQUIST

PHONE (602) 224-9222
FACSIMILE (480) 345-0412
E-MAIL dick@sd-law.com

August 10, 2004

HAND DELIVERED

Tim Sabo
Arizona Corporation Commission
Legal Division
1200 W. Washington
Phoenix, Arizona 85007

Re: Utility Source, L.L.C.; Docket No. WS-04235A-04-0074; First Data Request Responses.

Dear Mr. Sabo:

Enclosed please find the Company's responses to your First Set of Data Requests dated July 30, 2004.

In the event you have further questions regarding these matters, please do not hesitate to call.

Sincerely,

Richard L. Sallquist

Enclosures

cc: James Johnson
Lonnie McCleve

36100.00000.81

ARIZONA CORPORATION COMMISSION
STAFF'S FIRST SET OF DATA REQUESTS TO
UTILITY SOURSE, L.L.C.
APPLICATION FOR FINANCING AUTHORITY
Docket No. WS-04235A-04-0074
July 30, 2004

JHJ 1.1 A form of notice was appended as Attachment C to the subject application. On July 30, 2004 the Applicant filed a Motion to Consolidate this matter with the pending Certificate of Convenience and Necessity Application in Docket No. WS-04238A-04-0073. In that Motion, the Company requested that the Administrative Law Judge issue a Procedural Order setting forth the requirements for Notice of this matter, that will presumably be heard at the same time as the Certificate Application.

JHJ 1.2 The requested loan is designed to be a "Revolving Line of Credit" used to fund the Company's operations during its first few years of existence. The level of the loan was determined by utilizing the Proforma Cash Flow originally attached to both the Certificate and Financing Applications, a revised version of which has been attached in Data Response JHJ 1.3. That Cash Flow indicates the working capital requirements in 2005, even with the revisions set forth in Data Response JHJ 1.3 that are necessary to fund a combination of capital additions and operating losses, would be the requested $575,000. These funds could theoretically be obtained from a number of sources including, additional equity, higher rates, or higher Hook-Up Fees. The Company is of the opinion that as the Company grows the proposed rates and Hook-Up Fees will support the plant growth, operations and maintenance. Therefore, the Company is requested the loan be a more flexible revolving line as proposed.

JHJ 1.3 Attached please find the following revised pro forma statements for the Company, all dated August 9, 2004:

Consolidated Income Statement, Schedule 1, 1 of 4
Water Income Statement, Schedule 1, 2 of 4
Wastewater Income Statement, Schedule 1, 4 of 4
Cash Flow, Schedule 2
Water Depreciation Expense, Schedule 3, 1 of 2
Wastewater Depreciation Expense, Schedule 3, 2 of 2
Balance Sheet, Schedule 6
Consolidated Capital Structure, Schedule 7
Estimated Cost (Water), Schedule 8, 2 of 2
Estimated Cost (Wastewater), Schedule 9, 2 of 2

These Schedules are identified as they were when attached to the Certificate of Convenience and Necessity Application. We have used this reference because additional Attachments were included in the Certificate application which were not required for the Financing Application, although those that were included were identical. We will also

file these corrected Schedules in the Certificate Application Docket. The Schedules not revised in this Response had insignificant changes from the original Schedules. I have highlighted the changes to those Schedules as revised from the January 30, 2004 versions that were attached to the original applications. As indicated in your Data Request, the major revisions have to do with the additional capital costs associated with the new well. Additionally, a new wastewater treatment plant has been added. While those additional capital items are substantial and increase the amount of Member Equity required and increase the Depreciation Expense associated with those items, counsel for the company made an offsetting error in the January filing. That is reflected in Schedule 3, Page 2. That Schedule overstates the Depreciable Plant balance in Account 361. The net result is an actual reduction in Depreciation Expense during the first-year operation of approximately $3,600, although in subsequent years that additional plant does increase the Operating Loss. The Company is of the opinion the income differential is such that the proposed rates and charges of the Company need not be modified from the original request. However, as indicated on Schedule 7, the Member Equity would increase from $1,814,050 to $3,202,554.

JHJ 1.4 Attached as Data Response JHJ 1.4 is an Amortization Schedule as requested. The indicated annual principal and interest payments are substantial and would only further complicate the cash flows of the Company. Therefore, the Company believes its original proposal is in the best interest of the Company and its customers. The proposed interest rate of 5.0 percent is believed to be a reasonable rate for the amount and flexibility provided by the Revolving Line of Credit.

JHJ 1.5 As you are aware, ARS 40-302 requires that any funds utilized for operating purposes need to be specifically authorized by the Commission. As explained in Data Response JHJ 1.2, it is difficult, if not impossible, to ascertain the precise use of these funds prior to the need for that cash. Therefore, in an abundance of caution, the Company has requested that the Commission acknowledge that reality and authorize the use of the Revolving Line of Credit for the mixed use of capital, operating, and maintenance.

JHJ 1.6 Due to the significant capital costs for this Company, at the proposed rates it is anticipated that the Company will become profitable at a time later than typical for new companies. However, with the anticipated growth in the Certificate Area, the owners of the Company are confident that the Company will become profitable and able to repay that Revolving Line from operations shortly after the five-year projected time period. You will note on the Cash Flow and Balance Sheet, the Company starts reducing that balance in 2008.

JHJ 1.7 The Company has pending before the Arizona Department of Water Resources an Application for Physical Availability Determination. That Application is supported by a very strong hydrologic study (a copy of which has been provided to the Staff) supporting the 100-year water supply for the entire Certificate Area. It is difficult to estimate the Department's time for processing that Application, however, the Company is confident that it will be able to file with the Commission a Letter of

Adequacy from the Department within the time traditionally allowed by the Commission in new Certificate applications, that is, 365 days from the issuance of the Opinion and Order.

UTILITY SOURSE, L.L.C.

PROFORMA CONSOLIDATED INCOME STATEMENT

	2005	Year Two	Year Three	Year Four	Year Five
REVENUES					
Water Revenues	$57,758	$99,778	$128,071	$151,946	$175,821
Wastewater Revenues	$37,825	$65,155	$83,556	$99,084	$114,612
Total Revenues	$95,583	$164,933	$211,626	$251,030	$290,433
EXPENSES					
Water Operating Expenses	$128,317	$167,318	$193,928	$218,101	$258,174
Wastewater Operating Expenses	$97,707	$121,924	$144,972	$166,148	$204,473
Total Operating Expenses	$226,024	$289,242	$338,899	$384,250	$462,647
Operating Income (Loss)	($130,440)	($124,308)	($127,273)	($133,220)	($172,213)
Water Interest Expense	$0	$0	$0	$0	$0
Wastewater Interest Expense	$0	$0	$0	$0	$0
Total Interest Expense	$0	$0	$0	$0	$0
Net Income (Loss)	($130,440)	($124,308)	($127,273)	($133,220)	($172,213)

UTILITY SOURSE, L.L.C.

PROFORMA WATER INCOME STATEMENT

		2005	Year Two	Year Three	Year Four	Year Five
REVENUES						
Minimum Charges/Month		$6.48	$6.48	$6.48	$6.48	$6.48
Gallons Included		0	0	0	0	0
Excess Gallonage Charge/1000						
for Residential/Commercial						
First 5,000 Gallons		$2.83	$2.83	$2.83	$2.83	$2.83
Next 10,000 Gallons		$3.32	$3.32	$3.32	$3.32	$3.32
Over 15,000 Gallons		$4.71	$4.71	$4.71	$4.71	$4.71
Existing Customers		74				
New Customers		215	137	100	100	100
Year End Customers		289	426	526	626	726
Number of Residentials Customers (Avg.)		182	358	476	576	676
Sales Revenues (1)		$43,333	$85,354	$113,646	$137,521	$161,396
Number of Commercial Customers (Avg.)		2	2	2	2	2
Microtel		$4,460	$4,460	$4,460	$4,460	$4,460
Travel Center		$9,964	$9,964	$9,964	$9,964	$9,964
Sales Revenues (2)		$14,425	$14,425	$14,425	$14,425	$14,425
Total Revenues		$57,758	$99,778	$128,071	$151,946	$175,821
EXPENSES						
Pumping costs		$5,425	$9,429	$12,126	$14,401	$16,676
Cost/1000	$0.40					
Operations and Maintaince						
Cost/Unit/Month	$5.00	$11,010	$21,570	$28,680	$34,680	$40,680
Management						
Cost/Unit/Month	$7.00	$15,414	$30,198	$40,152	$48,552	$56,952
Insurance:						
Liability/Month	$75.00	$900	$900	$900	$900	$900
Property/Month	$75.00	$900	$900	$900	$900	$900
Automotive/Year	$0.00	$0	$0	$0	$0	$0
Vehicle/Month	$100.00	$2,400	$2,400	$1,200	$1,200	$1,200
Depreciation						
Depreciable Plant		$2,257,900	$2,913,400	$3,088,400	$3,263,400	$3,913,400
Composite Rate	3.41%					
Total Depreciation		$91,296	$99,325	$105,291	$111,258	$133,418
Property Taxes (Schedule 4)		$940	$2,563	$4,647	$6,179	$7,416
Income Taxes (Schedule 5) (3)		$32	$32	$32	$32	$32
Total Operating Expenses		$128,317	$167,318	$193,928	$218,101	$258,174
Operating Income(Loss)		($70,559)	($67,539)	($65,857)	($66,156)	($82,353)
Interest Expense						
Outstanding Debt		$0	$0	$0	$0	$0
Interest Rate	0.00%					
Long Term Interest Expense Total		$0	$0	$0	$0	$0
Working Capital Interest at:	0.00%	$0	$0	$0	$0	$0
Total Interest Expense		$0	$0	$0	$0	$0
Net Income (Loss)		($70,559)	($67,539)	($65,857)	($66,156)	($82,353)
Original Cost Rate Base		$2,318,654	$2,710,428	$2,660,137	$2,573,880	$2,940,462
Return on OCLD of:		-3.04%	-2.49%	-2.48%	-2.57%	-2.80%

Water Income

SCHEDULE 1

FOOTNOTES

			In Gallons,except Unit #				
(1) Average Residential Sales/Month			4,740	4,740	4,740	4,740	4,740
Res Sales/Year in Gallons			10,323,720	20,334,600	27,074,880	32,762,880	38,450,880
(2) Average Commercial Sales	Consumption /Mo	Bill / Month					
Microtel Inn	90,942	$371.68	1,091,304	1,091,304	1,091,304	1,091,304	1,091,304
Bellemont Travel Center	178,985	$830.36	2,147,820	2,147,820	2,147,820	2,147,820	2,147,820
Total Non-irrigation Sales/Year			13,562,844	23,573,724	30,314,004	36,002,004	41,690,004
(3) Ratioed on Rate Base							
Average Residential Bill			$19.90	$19.90	$19.90	$19.90	$19.90

UTILITY SOURSE, L.L.C.

PROFORMA WASTEWATER INCOME STATEMENT

			2005	Year Two	Year Three	Year Four	Year Five
REVENUES							
		Monthly					
Minimum Charges/Month		$12.94	$12.94	$12.94	$12.94	$12.94	$12.94
Number of Residential Customers (Avg.)			182	358	476	576	676
Residential Revenues			$28,184	$55,513	$73,914	$89,443	$104,971
Number of Commercial Customers (Avg.)			2	2	2	2	2
Microtel		$325.57	$3,907	$3,907	$3,907	$3,907	$3,907
Travel Center		$477.89	$5,735	$5,735	$5,735	$5,735	$5,735
Commercial Revenues			$9,642	$9,642	$9,642	$9,642	$9,642
Total Revenues			$37,825	$65,155	$83,556	$99,084	$114,612
Total Revenues			$37,825	$65,155	$83,556	$99,084	$114,612
EXPENSES							
Power Costs			$2,000	$2,000	$2,000	$2,000	$2,000
Operations and Maintaince							
Cost/Unit/Month	$5.00		$11,010	$21,570	$28,680	$34,680	$40,680
Service Installation	$0		$0	$0	$0	$0	$0
Management							
Cost/Unit/Month	$7.00		$15,414	$30,198	$40,152	$48,552	$56,952
Insurance:							
Liability/Month	$75.00		$900	$900	$900	$900	$900
Property/Month	$75.00		$900	$900	$900	$900	$900
Automotive/Year	$500.00		$500	$500	$500	$500	$500
Vehicle/Month	$100.00		$1,200	$1,200	$1,200	$1,200	$1,200
Depreciation							
Depreciable Plant			$1,469,579	$1,633,979	$1,753,979	$1,903,979	$2,503,979
Composite Rate	3.85%						
Total Depreciation			$65,149	$62,962	$67,586	$73,366	$96,486
Property Taxes (Schedule 4)			$615	$1,675	$3,035	$4,032	$4,836
Income Taxes (Schedule 5) (1)			$18	$18	$18	$18	$18
Total Operating Expenses			$97,707	$121,924	$144,972	$166,148	$204,473
Operating Income(Loss)			($59,882)	($56,769)	($61,416)	($67,064)	($89,860)
Interest Expense							
Outstanding Debt			$0	$0	$0	$0	$0
Interest Rate	0.00%						
Long Term Interest Expense Total			$0	$0	$0	$0	$0
Working Capital Interest at:	0.00%		$0	$0	$0	$0	$0
Total Interest Expense			$0	$0	$0	$0	$0
Net Income (Loss)			($59,882)	($56,769)	($61,416)	($67,064)	($89,860)
Original Cost Rate Base			$1,329,455	$1,266,493	$1,198,906	$1,125,540	$1,479,054
Return on OCLD of:			-4.50%	-4.48%	-5.12%	-5.96%	-6.08%

Sewer Income

SCHEDULE 1

UTILITY SOURSE, L.L.C.

PROFORMA CASH FLOW

	2005	Year Two	Year Three	Year Four	Year Five
SOURSES OF CASH					
Beginning Cash Balance	$0	($995)	$36,984	$32,589	$33,994
Net Income	($130,440)	($124,308)	($127,273)	($133,220)	($172,213)
Add: Depreciation Expense	$156,446	$162,288	$172,878	$184,624	$229,904
Total Cash from Operations	$26,005	$37,979	$45,605	$51,404	$57,691
Financing Proceeds	$3,202,554	$0	$0	$0	$0
Water Line Extension Agreements	$267,950	$205,500	$175,000	$175,000	$200,000
Wastewater Line Extension Agreements	$179,975	$164,400	$120,000	$150,000	$150,000
Water Hook-Up Fees	$215,000	$137,000	$100,000	$100,000	$100,000
Wastewater Hook-Up Fees	$387,000	$246,600	$180,000	$180,000	$180,000
Hook-Up Reserve Account Drawdowns	$0	$450,000	$0	$0	$900,000
Working Capital Loan	$575,000	$0	$0	$0	$0
Total Cash Sourses	$4,853,484	$1,240,484	$657,589	$688,994	$1,621,684
USES OF CASH					
Plant Additions	$4,252,479	$819,900	$295,000	$325,000	$1,250,000
Plant Replacement	$0	$0	$0	$0	$0
Debt Repayment	$0	$0	$0	$0	$0
Line Extension Agreement Refunds	$0	$0	$0	$0	$0
Working Capital Repayment	$0	$0	$50,000	$50,000	$75,000
Hook-Up Fee Reserve Account Deposits	$602,000	$383,600	$280,000	$280,000	$280,000
Ending Cash Balance (Including HUF Account Balance)	($995)	$36,984	$32,589	$33,994	$16,684
Total Cash Uses	$4,854,479	$1,203,500	$625,000	$655,000	$1,605,000
Net Change in Cash	($995)	$37,979	($4,395)	$1,404	($17,309)

UTILITY SOURSE, L.L.C.

WATER DEPRECIATION EXPENSE

Account Number	Description	Plant in Service	Staff Recommended Rates	Annual Depreciation Expense
301	Organization	$0		
302	Franchise Cost	$0		
303	Land and Land Rights	$210,000		$0
304	Structures and Improvements	$109,250	2.50%	$2,731
307	Wells and Springs	$1,497,300	3.33%	$49,905
310	Power Generation Equipment	$87,400	5.00%	$4,370
311	Electric Pumping Equipment	$161,000	12.50%	$20,125
320	Water Treatment Equipment	$0	3.33%	$0
330	Dist. Reservoir and Standpipe	$345,000	2.22%	$7,659
331	Transmission and Distribution Mains	$147,200	2.00%	$2,944
333	Services	$86,250	3.33%	$2,872
334	Meters	$0	8.33%	$0
335	Hydrants	$34,500	2.00%	$690
336	Backflow Prevention Devises	$0	6.67%	$0
339	Miscellaneous Equipment	$0	6.67%	$0
340	Office Furniture and Fixtures	$0	6.67%	$0
341	Transportation Equipment	$0	20.00%	$0
343	Tools and Work Equipment	$0	5.00%	$0
344	Laboratory Equipment	$0	10.00%	$0
345	Power Operated Equipment	$0	5.00%	$0
346	Communications Equipment	$0	10.00%	$0
347	Miscellaneous Equipment	$0	10.00%	$0
348	Other Tangible Plant	$0	2.50%	$0
	Totals	**$2,677,900**	**3.41%**	**$91,296**

UTILITY SOURSE, L.L.C.

WASTEWATER DEPRECIATION EXPENSE

Account Number	Description	Plant in Service	Staff Recommended Rates	Annual Depreciation Expense
301	Organization			
302	Franchise Cost			
303	Land and Land Rights	$105,000		$0
354	Structures and Improvements	$56,350	3.33%	$1,876
355	Power Generation Equipment	$32,200	5.00%	$1,610
361	Collection Sewers	$259,900	2.00%	$5,198
363	Services to Customers	$179,975	2.00%	$3,600
367	Reuse Meters & Meter Installations	$0	8.33%	$0
370	Receiving Wells	$0	3.33%	$0
380	Treatment & Disposal Equipment	$1,057,304	5.00%	$52,865
381	Plant Sewers	$0	5.00%	$0
394	Laboratory Equipment	$0	10.00%	$0
397	Miscellaneous Equipment	$0	10.00%	$0
	Totals	**$1,690,729**	**3.85%**	**$65,149**

UTILITY SOURSE, L.L.C.
PROFORMA BALANCE SHEET

	End 2005	Year Two	Year Three	Year Four	Year Five
ASSETS					
Cash	($995)	$36,984	$32,589	$33,994	$16,684
Water Land	$210,000	$210,000	$210,000	$210,000	$210,000
Production & Storage Plant in Service	$2,467,900	$3,123,400	$3,298,400	$3,473,400	$4,123,400
Less: Accumulated Depreciation	($91,296)	($190,622)	($295,913)	($407,170)	($540,588)
Wastewater Land	$105,000	$105,000	$105,000	$105,000	$105,000
Wastewater Plant/ Collection Plant in Service	$1,469,579	$1,633,979	$1,753,979	$1,903,979	$2,503,979
Less: Accumulated Depreciation	($65,149)	($128,112)	($195,698)	($269,064)	($365,551)
Net Plant in Service	$4,096,034	$4,753,646	$4,875,768	$5,016,144	$6,036,240
Hook-Up Fee Reserves					
Total Reserve Balance	$602,000	$535,600	$815,600	$1,095,600	$475,600
TOTAL ASSETS	$4,697,039	$5,326,230	$5,723,958	$6,145,738	$6,528,525
LIABILITIES					
Current Liabilities:					
Current Liabilities	$0	$0	$0	$0	$0
Deferred Credits:					
Water Advances	$267,950	$473,450	$648,450	$823,450	$1,023,450
Less: Cumulative Refunds	$0	$0	$0	$0	$0
Net Water Advances	$267,950	$473,450	$648,450	$823,450	$1,023,450
Wastewater Advances	$179,975	$344,375	$464,375	$614,375	$764,375
Less: Cumulative Refunds	$0	$0	$0	$0	$0
Net Wastewater Advances	$179,975	$344,375	$464,375	$614,375	$764,375
Contributions:					
Water HUF's	$215,000	$352,000	$452,000	$552,000	$652,000
Wastewater HUF's	$387,000	$633,600	$813,600	$993,600	$1,173,600
Total Deferred Credits	$1,049,925	$1,803,425	$2,378,425	$2,983,425	$3,613,425
CAPITAL					
Common Stock Issued	$3,202,554	$3,202,554	$3,202,554	$3,202,554	$3,202,554
Long Term Debt		$0	$0	$0	$0
Less: Repayment		$0	$0	$0	$0
Balance	$0	$0	$0	$0	$0
Retained Earnings	($130,440)	($254,749)	($382,021)	($515,241)	($687,454)
Working Capital Loan	$575,000	$575,000	$525,000	$475,000	$400,000
Total Capital	$3,647,114	$3,522,805	$3,345,533	$3,162,313	$2,915,100
TOTAL LIABILITIES & CAPITAL	$4,697,039	$5,326,230	$5,723,958	$6,145,738	$6,528,525

Balance Sheet

SCHEDULE 6

UTILITY SOURSE, L.L.C.

CONSOLIDATED CAPITAL STRUCTURE

	First Year Capitalization									
	Founder Capital		Total							
	Type	Investor	Capital	Per Investor	2005 Total	Year Two	Year Three	Year Four	Year Five	Total
DEBT	0%									
		100%		$0		$0	$0	$0	$0	$0
				$0						
		100%	0.0%		$0	$0	$0	$0	$0	$0
EQUITY	100%									
(Member Interests)										
Lonnie McCleve		100%		$3,202,554		$0			$0	
		100%	87.7%		$3,202,554	$0	$0	$0	$0	$3,202,554
TOTAL CAPITAL ISSUANCE	100%				$3,202,554	$0	$0	$0	$0	$3,202,554
LINE EXTENSION AGREEMENTS										
	Water				$267,950	$205,500	$175,000	$175,000	$200,000	$1,023,450
	Wastewater				$179,975	$164,400	$120,000	$150,000	$150,000	$764,375
	Total		12.3%		$447,925	$369,900	$295,000	$325,000	$350,000	$1,787,825
CONTRIBUTIONS										
	Water									$0
	Wastewater									
			0.0%							$0
TOTAL CAPITAL ADDITIONS			100%		$3,650,479	$369,900	$295,000	$325,000	$350,000	$4,990,379
HOOK-UP FEE COLLECTIONS										
	Water				$215,000	$137,000	$100,000	$100,000	$100,000	$652,000
	Wastewater				$387,000	$246,600	$180,000	$180,000	$180,000	$1,173,600
	Total				$602,000	$383,600	$280,000	$280,000	$280,000	$1,825,600

UTILITY SOURSE, L.L.C.

ESTIMATED COST (WATER)

NARUC Account No.	Item Description	Quantity	Unit	Unit Price	Sub-Total	Engineering @10%	Contingencies @ 5%	Total
	BACKBONE FACILITIES							
301	Organization	1	ls	$0	$0		$0	$0
302	Franchise Cost	1	ls	$0	$0		$0	$0
303	Land and Land Rights	1	ls	$200,000	$200,000		$10,000	$210,000
304	Power Panel and Interconnect	1	ls	$23,000	$23,000	$2,300	$1,150	$26,450
304	Well Enclosure	1	ls	$20,000	$20,000	$2,000	$1,000	$23,000
304	Fencing	1	ls	$52,000	$52,000	$5,200	$2,600	$59,800
307	Shallow Wells No 1, 2, & 3	1	ls	$120,000	$120,000	$12,000	$6,000	$138,000
307	Deep Well No. 1	1	ls	$185,000	$185,000	$18,500	$9,250	$212,750
307	Deep Well No. 2	1	ls	$210,000	$210,000	$21,000	$10,500	$241,500
307	Deep Well No. 3	1	ls	$787,000	$787,000	$78,700	$39,350	$905,050
310	Power Generation Equipment	1	ls	$76,000	$76,000	$7,600	$3,800	$87,400
311	Well Pump, Pipes and Controls	1	ls	$140,000	$140,000	$14,000	$7,000	$161,000
320	Water Treatment Equipment	1	ls	$0	$0	$0	$0	$0
330	Site Grading	1	ls	$0	$0	$0	$0	$0
330	258,000 Gallon Water Storage Tank	1	ls	$95,000	$95,000	$9,500	$4,750	$109,250
330	422,000 Gallon Water Storage Tank	1	ls	$142,000	$142,000	$14,200	$7,100	$163,300
330	Reservoir Piping and Appurtenances	1	ls	$63,000	$63,000	$6,300	$3,150	$72,450
339	Miscellaneous Plant Equipment	1	ls	$0	$0	$0	$0	$0
340	Office Furniture and Fixtures		ls	$0	$0	$0	$0	$0
344	Laboratory Equipment	1	ls	$0	$0	$0	$0	$0
	Total Backbone Facilities				$2,113,000	$191,300	$105,650	$2,409,950
	ON-SITE FACILITIES							
331	Transmission Main	3,638	l.f.	$35.18	$128,000	$12,800	$6,400	$147,200
333	Service Lines	150	ea.	$500.00	$75,000	$7,500	$3,750	$86,250
335	Hydrants	15	ea.	$2,000.00	$30,000	$3,000	$1,500	$34,500
336	Backflow Prevention Devises	0	ea.	$0	$0	$0	$0	$0
	Total On-Site Facilities				$233,000	$23,300	$11,650	$267,950
	WATER SYSTEM TOTAL				**$2,346,000**	**$214,600**	**$117,300**	**$2,677,900**

UTILITY SOURSE, L.L.C.

ESTIMATED COST(WASTEWATER)

NARUC Account No.	Item Description	Quantity	Unit	Unit Price	Sub-Total	Engineering @10%	Contingencies @ 5%	Total
	BACKBONE FACILITIES							
301	Organization	1	ls	$0	$0		$0	$0
302	Franchise Cost	1	ls	$0	$0		$0	$0
303	Land and Land Rights	1	ls	$100,000	$100,000		$5,000	$105,000
354	Treatment Plant Building	1	ls	$28,000	$28,000	$2,800	$1,400	$32,200
354	Perimeter Fencing	1	ls	$21,000	$21,000	$2,100	$1,050	$24,150
355	Emergency Generator	1	ls	$28,000	$28,000	$2,800	$1,400	$32,200
361	Lift Stations	2	ea	$32,000	$64,000	$6,400	$3,200	$73,600
361	4" Force Main	1		$58,000	$58,000	$5,800	$2,900	$66,700
367	Flow Measuring Devise	1	ls	$3,000	$3,000	$300	$150	$3,450
370	Reinforced Concrete Pads	1	ls	$0	$0	$0	$0	$0
370	Dist Box/Headworks/Barscreen/Washdown/Misc	1	ls	$0	$0	$0	$0	$0
380	Treatment Plant No.1	37,500	GPD	$7.73	$290,000	$29,000	$14,500	$333,500
380	Treatment Plant No.2	100,000	GPD	$4.75	$475,395	$47,540	$23,770	$546,704
380	Site Grading	1	ls	$0	$0	$0	$0	$0
380	Evaporative Lagoons	1	ls	$140,000	$140,000	$14,000	$7,000	$161,000
380	Power to Site	1	ls	$14,000	$14,000	$1,400	$700	$16,100
380	Chemical Feeder	1	ls	$0	$0	$0	$0	$0
381	Plant Piping and Valves	1	ls	$0	$0	$0	$0	$0
394	Laboratory Equipment	1	ls	$0	$0	$0	$0	$0
397	Other Plant and Miscellaneous Equipment	1	ls	$0	$0	$0	$0	$0
	Total Backbone Facilities				$1,221,395	$112,140	$61,070	$1,394,604
	ON-SITE FACILITIES							
361	8" Sewer Line	1	ls	$88,000	$88,000	$8,800	$4,400	$101,200
361	Manholes	8	ea	$2,000	$16,000	$1,600	$800	$18,400
363	Sewer to Lots	150	ea.	$350	$52,500	$5,250	$2,625	$60,375
	Total On-site Facilities				$156,500	$15,650	$7,825	$179,975
	WASTEWATER SYSTEM TOTAL				**$1,377,895**	**$127,790**	**$68,895**	**$1,574,579**

WW ENG COST

SCHEDULE 9

UTILITY SOURSE, L.L.C.

McCleve Payment Schedule

Principal Amount	$575,000.00
Interest Rate	5.00%
Term	10
Payments per Year	12
First Payment	1/1/01
Principal and Interest Payment	$6,098.77
Due Date	8/1/06

Payment Number	Payment Date	Interest	Principal Reduction	Total Payment	Balance	Annual Interest	Annual Principal
1	1/1/05	$2,395.83	$3,702.93	$6,098.77	$571,297.07		
2	2/1/05	$2,380.40	$3,718.36	$6,098.77	$567,578.70		
3	3/1/05	$2,364.91	$3,733.86	$6,098.77	$563,844.85		
4	4/1/05	$2,349.35	$3,749.41	$6,098.77	$560,095.43		
5	5/1/05	$2,333.73	$3,765.04	$6,098.77	$556,330.40		
6	6/1/05	$2,318.04	$3,780.72	$6,098.77	$552,549.67		
7	7/1/05	$2,302.29	$3,796.48	$6,098.77	$548,753.20		
8	8/1/05	$2,286.47	$3,812.30	$6,098.77	$544,940.90		
9	9/1/05	$2,270.59	$3,828.18	$6,098.77	$541,112.72		
10	10/1/05	$2,254.64	$3,844.13	$6,098.77	$537,268.59		
11	11/1/05	$2,238.62	$3,860.15	$6,098.77	$533,408.44		
12	12/1/05	$2,222.54	$3,876.23	$6,098.77	$529,532.21	$27,717.42	$45,467.79
13	1/1/06	$2,206.38	$3,892.38	$6,098.77	$525,639.83		
14	2/1/06	$2,190.17	$3,908.60	$6,098.77	$521,731.23		
15	3/1/06	$2,173.88	$3,924.89	$6,098.77	$517,806.34		
16	4/1/06	$2,157.53	$3,941.24	$6,098.77	$513,865.10		
17	5/1/06	$2,141.10	$3,957.66	$6,098.77	$509,907.44		
18	6/1/06	$2,124.61	$3,974.15	$6,098.77	$505,933.28		
19	7/1/06	$2,108.06	$3,990.71	$6,098.77	$501,942.57		
20	8/1/06	$2,091.43	$4,007.34	$6,098.77	$497,935.23		
21	9/1/06	$2,074.73	$4,024.04	$6,098.77	$493,911.20		
22	10/1/06	$2,057.96	$4,040.80	$6,098.77	$489,870.39		
23	11/1/06	$2,041.13	$4,057.64	$6,098.77	$485,812.75		
24	12/1/06	$2,024.22	$4,074.55	$6,098.77	$481,738.20	$25,391.20	$47,794.01
25	1/1/07	$2,007.24	$4,091.52	$6,098.77	$477,646.68		
26	2/1/07	$1,990.19	$4,108.57	$6,098.77	$473,538.11		
27	3/1/07	$1,973.08	$4,125.69	$6,098.77	$469,412.41		
28	4/1/07	$1,955.89	$4,142.88	$6,098.77	$465,269.53		
29	5/1/07	$1,938.62	$4,160.14	$6,098.77	$461,109.39		
30	6/1/07	$1,921.29	$4,177.48	$6,098.77	$456,931.91		
31	7/1/07	$1,903.88	$4,194.88	$6,098.77	$452,737.03		
32	8/1/07	$1,886.40	$4,212.36	$6,098.77	$448,524.66		
33	9/1/07	$1,868.85	$4,229.91	$6,098.77	$444,294.75		
34	10/1/07	$1,851.23	$4,247.54	$6,098.77	$440,047.21		
35	11/1/07	$1,833.53	$4,265.24	$6,098.77	$435,781.97		
36	12/1/07	$1,815.76	$4,283.01	$6,098.77	$431,498.96	$22,945.97	$50,239.24

Amortization

37	1/1/08	$1,797.91	$4,300.85	$6,098.77	$427,198.11		
38	2/1/08	$1,779.99	$4,318.78	$6,098.77	$422,879.33		
39	3/1/08	$1,762.00	$4,336.77	$6,098.77	$418,542.56		
40	4/1/08	$1,743.93	$4,354.84	$6,098.77	$414,187.72		
41	5/1/08	$1,725.78	$4,372.98	$6,098.77	$409,814.74		
42	6/1/08	$1,707.56	$4,391.21	$6,098.77	$405,423.53		
43	7/1/08	$1,689.26	$4,409.50	$6,098.77	$401,014.03		
44	8/1/08	$1,670.89	$4,427.88	$6,098.77	$396,586.16		
45	9/1/08	$1,652.44	$4,446.32	$6,098.77	$392,139.83		
46	10/1/08	$1,633.92	$4,464.85	$6,098.77	$387,674.98		
47	11/1/08	$1,615.31	$4,483.45	$6,098.77	$383,191.53		
48	12/1/08	$1,596.63	$4,502.14	$6,098.77	$378,689.39	$20,375.63	$52,809.57
49	1/1/09	$1,577.87	$4,520.89	$6,098.77	$374,168.50		
50	2/1/09	$1,559.04	$4,539.73	$6,098.77	$369,628.76		
51	3/1/09	$1,540.12	$4,558.65	$6,098.77	$365,070.12		
52	4/1/09	$1,521.13	$4,577.64	$6,098.77	$360,492.47		
53	5/1/09	$1,502.05	$4,596.72	$6,098.77	$355,895.76		
54	6/1/09	$1,482.90	$4,615.87	$6,098.77	$351,279.89		
55	7/1/09	$1,463.67	$4,635.10	$6,098.77	$346,644.79		
56	8/1/09	$1,444.35	$4,654.41	$6,098.77	$341,990.38		
57	9/1/09	$1,424.96	$4,673.81	$6,098.77	$337,316.57		
58	10/1/09	$1,405.49	$4,693.28	$6,098.77	$332,623.29		
59	11/1/09	$1,385.93	$4,712.84	$6,098.77	$327,910.45		
60	12/1/09	$1,366.29	$4,732.47	$6,098.77	$323,177.98	$17,673.79	$55,511.41
61	1/1/10	$1,346.57	$4,752.19	$6,098.77	$318,425.79		
62	2/1/10	$1,326.77	$4,771.99	$6,098.77	$313,653.79		
63	3/1/10	$1,306.89	$4,791.88	$6,098.77	$308,861.92		
64	4/1/10	$1,286.92	$4,811.84	$6,098.77	$304,050.07		
65	5/1/10	$1,266.88	$4,831.89	$6,098.77	$299,218.18		
66	6/1/10	$1,246.74	$4,852.02	$6,098.77	$294,366.16		
67	7/1/10	$1,226.53	$4,872.24	$6,098.77	$289,493.92		
68	8/1/10	$1,206.22	$4,892.54	$6,098.77	$284,601.37		
69	9/1/10	$1,185.84	$4,912.93	$6,098.77	$279,688.45		
70	10/1/10	$1,165.37	$4,933.40	$6,098.77	$274,755.05		
71	11/1/10	$1,144.81	$4,953.95	$6,098.77	$269,801.09		
72	12/1/10	$1,124.17	$4,974.60	$6,098.77	$264,826.50	$14,833.72	$58,351.48
73	1/1/11	$1,103.44	$4,995.32	$6,098.77	$259,831.17		
74	2/1/11	$1,082.63	$5,016.14	$6,098.77	$254,815.04		
75	3/1/11	$1,061.73	$5,037.04	$6,098.77	$249,778.00		
76	4/1/11	$1,040.74	$5,058.03	$6,098.77	$244,719.97		
77	5/1/11	$1,019.67	$5,079.10	$6,098.77	$239,640.87		
78	6/1/11	$998.50	$5,100.26	$6,098.77	$234,540.61		
79	7/1/11	$977.25	$5,121.51	$6,098.77	$229,419.09		
80	8/1/11	$955.91	$5,142.85	$6,098.77	$224,276.24		
81	9/1/11	$934.48	$5,164.28	$6,098.77	$219,111.96		
82	10/1/11	$912.97	$5,185.80	$6,098.77	$213,926.16		
83	11/1/11	$891.36	$5,207.41	$6,098.77	$208,718.75		
84	12/1/11	$869.66	$5,229.11	$6,098.77	$203,489.64	$11,848.35	$61,336.85
85	1/1/12	$847.87	$5,250.89	$6,098.77	$198,238.75		
86	2/1/12	$825.99	$5,272.77	$6,098.77	$192,965.98		
87	3/1/12	$804.02	$5,294.74	$6,098.77	$187,671.23		

88	4/1/12	$781.96	$5,316.80	$6,098.77	$182,354.43		
89	5/1/12	$759.81	$5,338.96	$6,098.77	$177,015.47		
90	6/1/12	$737.56	$5,361.20	$6,098.77	$171,654.27		
91	7/1/12	$715.23	$5,383.54	$6,098.77	$166,270.73		
92	8/1/12	$692.79	$5,405.97	$6,098.77	$160,864.76		
93	9/1/12	$670.27	$5,428.50	$6,098.77	$155,436.26		
94	10/1/12	$647.65	$5,451.12	$6,098.77	$149,985.14		
95	11/1/12	$624.94	$5,473.83	$6,098.77	$144,511.31		
96	12/1/12	$602.13	$5,496.64	$6,098.77	$139,014.68	$8,710.24	$64,474.96
97	1/1/13	$579.23	$5,519.54	$6,098.77	$133,495.14		
98	2/1/13	$556.23	$5,542.54	$6,098.77	$127,952.60		
99	3/1/13	$533.14	$5,565.63	$6,098.77	$122,386.97		
100	4/1/13	$509.95	$5,588.82	$6,098.77	$116,798.15		
101	5/1/13	$486.66	$5,612.11	$6,098.77	$111,186.04		
102	6/1/13	$463.28	$5,635.49	$6,098.77	$105,550.55		
103	7/1/13	$439.79	$5,658.97	$6,098.77	$99,891.58		
104	8/1/13	$416.21	$5,682.55	$6,098.77	$94,209.02		
105	9/1/13	$392.54	$5,706.23	$6,098.77	$88,502.79		
106	10/1/13	$368.76	$5,730.01	$6,098.77	$82,772.79		
107	11/1/13	$344.89	$5,753.88	$6,098.77	$77,018.91		
108	12/1/13	$320.91	$5,777.86	$6,098.77	$71,241.05	$5,411.58	$67,773.63
109	1/1/14	$296.84	$5,801.93	$6,098.77	$65,439.12		
110	2/1/14	$272.66	$5,826.10	$6,098.77	$59,613.02		
111	3/1/14	$248.39	$5,850.38	$6,098.77	$53,762.64		
112	4/1/14	$224.01	$5,874.76	$6,098.77	$47,887.88		
113	5/1/14	$199.53	$5,899.23	$6,098.77	$41,988.65		
114	6/1/14	$174.95	$5,923.81	$6,098.77	$36,064.83		
115	7/1/14	$150.27	$5,948.50	$6,098.77	$30,116.34		
116	8/1/14	$125.48	$5,973.28	$6,098.77	$24,143.06		
117	9/1/14	$100.60	$5,998.17	$6,098.77	$18,144.88		
118	10/1/14	$75.60	$6,023.16	$6,098.77	$12,121.72		
119	11/1/14	$50.51	$6,048.26	$6,098.77	$6,073.46		
120	12/1/14	$25.31	$6,073.46	$6,098.77	$0.00	$1,944.15	$71,241.05

SALLQUIST & DRUMMOND, P.C.
TEMPE OFFICE
ATTORNEYS AT LAW
4500 S. LAKESHORE DRIVE
SUITE 339
TEMPE, ARIZONA 85282

RICHARD L. SALLQUIST

PHONE (602) 224-9222
FACSIMILE (480) 345-0412
E-MAIL dick@sd-law.com

August 10, 2004

HAND DELIVERED

Colleen Ryan
Arizona Corporation Commission
Docket Control
1200 W. Washington
Phoenix, Arizona 85007

Re: Utility Source, L.L.C.; Docket No. WS-04235A-04-0073: CC&N Application; Revised Schedules.

Dear Ms. Ryan:

Enclosed please find certain revised Financial Schedules for Exhibits to Attachment 4 to the subject Application. The Company has made substantial additional investment since the original filing, which these revised Schedules reflect. No other Schedules had significant changes. Please substitute these Schedules for the originals dated January 29, 2004.

Thank you for your assistance in this matter. In the event you have further questions regarding these matters, please do not hesitate to call.

Sincerely,

Richard L. Sallquist

Enclosures

cc: Tim Sabo
James Johnson
Lonnie McCleve

36100.00000.81

COMMISSIONERS
MARC SPITZER - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

BRIAN C. MCNEIL
Executive Secretary

ARIZONA CORPORATION COMMISSION

July 30, 2004

Richard L. Sallquist
Sallquist & Drummond, P.C.
2525 East Arizona Biltmore Circle
Phoenix, Arizona 85008

Via fax (602) 224-9366
and regular mail

RE: Staff's **First** Set of Data Requests
Utility Source, L.L.C.
Docket No. WS-04235A-04-0074

Dear Mr. Sallquist:

Please treat this as Staff's **first** set of data requests to Utility Source, L.L.C. in the above matter.

For purposes of this data request set, the words "Utility Source," "you," and "your" refer to Utility Source, L.L.C., and any representative, including every person and/or entity acting with, under the control of, or on behalf of Utility Source, L.L.C. For each answer, please identify by name, title, and address each person providing information that forms the basis for the response provided.

These data requests are continuing, and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses.

Please respond within **ten (10) business** days of your receipt of this letter. **Please direct an original and one copy *of the requested data directly to:***

Timothy J. Sabo, Legal Division, Arizona Corporation Commission, 1200 West Washington, Phoenix, Arizona 85007.

***Please provide one copy of the requested data directly to the following addressee*:**

James H. Johnson, Utilities Division, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007.

Thank you for your anticipated cooperation. If you have any questions, please feel free to contact me at 602.542.6024.

Very truly yours,

Timothy J. Sabo
Attorney, Legal Division

TJS:vk
Enclosure
cc: James H. Johnson

Arizona Corporation Commission Staff's
First Data Request to Utility Source, L.L.C.
Application for Financing Authorization
Docket No. WS-04235A-04-0074
July 30, 2004

JHJ 1.1 Please provide Notice of Financing Application published in a newspaper of general circulation in the area in which services are contemplated along with a copy of the Affidavit of Publication from the newspaper.

JHJ 1.2 Please explain why Staff should not ask for authorization of the $575,000 requested financing as paid in capital.

JHJ 1.3 As the well has been drilled and the size of the development may be expanded, all financial projections need to be reworked to reflect the new numbers. Please provide new pro forma balance sheets, income statements, and consolidated income statements and any other appropriate information needed for analysis of the request..

JHJ 1.4 Applicant Utility Source, L.L.C. is requesting a $575,000 revolving note for a period of ten years with no repayment indicated early in the life of the note and no interest payment indicated in the first five years. Staff would like a recalculation on a 10 year fully amortizing basis with a fixed rate feature that will protect ratepayers from interest rate increases. Please provide such recalculation and incorporate it into the new pro forma statements indicated in **JHJ 1.3**. Further, identify the rate used and justification for its use.

JHJ 1.5 On lines 6-8 of your application you ask for authorization to use loan funds for operating expenses. Please provide a detailed schedule of such contemplated uses to include use, amount, date of expenditure and reason the Commission should approve them.

JHJ 1.6 Staff is unable to identify sources of repayment for the proposed loan principal or interest from the material provided. Please provide information as to how the applicant is proposing to amortize the debt and from what sources.

JHJ 1.7 Please provide a copy of the required approval from the Department of Water Resources.

EXHIBIT
A-4
admitted

SALLQUIST & DRUMMOND, P.C.
ATTORNEYS AT LAW
TEMPE OFFICE
4500 S. LAKESHORE DRIVE
SUITE 339
TEMPE, ARIZONA 85282

RICHARD L. SALLQUIST

PHONE (602) 224-9222
FACSIMILE (480) 345-0412
E-MAIL dick@sd-law.com

September 24, 2004

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

Re: Utility Source, LLC; Docket No. WS-04235A-04-0073; CC&N Application; Affidavits of Publication and Mailing

Dear Ms. Ryan:

The Procedural Order dated August 23, 2004 provided, among other things, the required form of Notice to customers and property owners, and the publication requirements for that Notice. Attached hereto are 15 copies each of the Affidavit of Publication and the Affidavit of Mailing of that Notice in accordance with the Procedural Order.

In the event there are any questions regarding this matter, please do not hesitate to contact the undersigned.

Sincerely,

Richard L. Sallquist

Enclosures

cc: Judge Amanda Pope
Tim Sabo
James Fisher
Lonnie McCleve

36100.00000.87

AFFIDAVIT/PROOF OF PUBLICATION

STATE OF ARIZONA

} ss.

County of Coconino

Bobbie Crosby being duly sworn, deposes and says:

That she is the legal clerk of the Arizona Daily Sun

a newspaper published at Flagstaff, Coconino County, Arizona; that the legal 60074

a copy of which is hereunto attached, was first published in said newspaper in its issue dated the 5 day of September, 2004 and was published in each one issue of said newspaper for one consecutive day the last publication being in the issue dated the 5 day of September 2004.

"OFFICIAL SEAL"
Joeyanne Jaimes
Notary Public-Arizona
Coconino County
My Commission Expires

Subscribed and sworn to before me this 7th day of Sept, 2004

Notary Public

My Commission expires 9/21/2006

PUBLIC NOTICE OF HEARING ON THE CONSOLIDATED APPLICATIONS BY UTILITY SOURCE, L.L.C FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER AND WASTEWATER SERVICE IN COCONINO COUNTY, ARIZONA AND FOR FINANCING DOCKET NOS WS-04235A-04-0073 AND WS-04235A-04-0074

On January 30, 2004, Utility Source, L.L.C. ("Utility Source") filed an application with the Arizona Corporation Commission ("Commission") for a Certificate of Convenience and Necessity ("Certificate") to provide water and wastewater service to certain areas within Coconino County, Arizona.. On January 30, 2004, Utility Source filed an application for financing in the amount of $575,000 The applications are being consolidated.

The applications are available for inspection during regular business hours at the offices of the Commission in Phoenix Arizona at 1200 West Washington Street, Phoenix, Arizona and at the Company's offices, 721 E. San Pedro, Gilbert, AZ 85234

The Commission will hold a hearing on this matter on October 12, 2004 at 1:30 p.m., or as soon thereafter as is practical at the Commission's offices, 1200 West Washington, Phoenix, Arizona. As a property owner or customer you may have the right 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. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written notice to intervene with the Commission, which notice should be sent to the Applicants or their counsel and to all parties of record, and which, at the minimum, shall contain the following:

the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenors interest in the proceeding (e.g. a customer of the Applicants, a shareholder or member of the Applicants, etc.)
3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before September 22, 2004. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. Failure to intervene will not preclude any person with interest in this proceeding from appearing at the hearing and making a statement on such person's own behalf. You will not, however, 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 write the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000 or appear at the hearing and make comment.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Yvonne McFarlin, ADA Coordinator, voice phone number 602-542-3931, E-mail, ymcfarlin@cc.state.az.us. Requests should be made as early as possible to allow time to arrange the accommodation. PUB: Sep 5, 2004 6074

Richard L. Sallquist
Sallquist & Drummond, P.C.
4500 S. Lakeshore Drive
Suite 339
Tempe, Arizona 85282
Phone: (480) 839-5202
Fax: (480) 345-0412
Attorneys for Applicant

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF UTILITY SOURCE, L.L.C. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER AND WASTEWATER SERVICE IN COCONINO COUNTY, ARIZONA.	DOCKET NO. WS-04325A-04-0073
IN THE MATTER OF THE APPLICATION OF UTILITY SOURCE, L.L.C. FOR AUTHORITY TO ISSUE PROMISSORY NOTE(S) AND OTHER EVIDENCES OF INDEBTEDNESS PAYABLE AT PERIODS OF MORE THAN TWELVE MONTHS AFTER THE DATE OF ISSUANCE.	DOCKET NO. WS-04325A-04-0074 **AFFIDAVIT OF MAILING**

STATE OF ARIZONA)
)ss
County of Maricopa)

1. I am Mary Ann Parry, Office Manager of Utility Source, L.L.C. My business address is 721 E. San Pedro, Gilbert, Arizona 85234.

2. On September 7, 2004, I caused the Notice in the form attached hereto as Exhibit 1 and incorporated herein by reference for all purposes, to be mailed by first class mail, postage prepaid, to all property owners within the Requested Expansion Area.

3. Further affiant sayeth naught.

DATED this 7 day of September 2004.

UTILITY SOURCE, L.L.C.

By: Mary Ann Parry
Mary Ann Parry

The foregoing instrument was acknowledged before me this 7th day of September 2004, by Mary Ann Parry.

OFFICIAL SEAL
ESTHER TRAYLOR
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Jan. 2, 2008

Esther Traylor
Notary Public

My Commission Expires:
January 2, 2008

36100-00000.85

Original and fifteen copies of the foregoing filed this 24 day of September, 2004 with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

A copy of the foregoing filed this 24 day of September 2004 to:

Hearing Division
Arizona Corporation Commission
400 W. Congress
Tucson, Arizona 85701

Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

PUBLIC NOTICE OF HEARING ON THE CONSOLIDATED APPLICATIONS BY UTILITY SOURCE, L.L.C. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER AND WASTEWATER SERVICE IN COCONINO COUNTY, ARIZONA AND FOR FINANCING DOCKET NOS. WS-04235A-04-0073 AND WS-04235A-04-0074

On January 30, 2004, Utility Source, L.L.C. ("Utility Source") filed an application with the Arizona Corporation Commission ("Commission") for a Certificate of Convenience and Necessity ("Certificate") to provide water and wastewater service to certain areas within Coconino County, Arizona. On January 30, 2004, Utility Source filed an application for financing in the amount of $575,000. The applications are being consolidated.

The applications are available for inspection during regular business hours at the offices of the Commission in Phoenix. at 1200 West Washington Street, Phoenix, Arizona and at the Company's offices, 721 E. San Pedro, Gilbert, AZ 85234.

The Commission will hold a hearing on this matter on **October 12, 2004 at 1:30 p.m.**, or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington, Phoenix, Arizona. As a property owner or customer you may have the right 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. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written notice to intervene with the Commission, which motion should be sent to the Applicants or their counsel and to all parties of record, and which, at the minimum, shall contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different than the intervenor.

2. A short statement of the proposed intervenors interest in the proceeding (e.g., a customer of the Applicants, a shareholder or member of the Applicants, etc.)

3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before September 22, 2004. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. Failure to intervene will not preclude any person with interest in this proceeding from appearing at the hearing and making a statement on such person's own behalf. You will not, however, 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 write the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000 or appear at the hearing and make comment.

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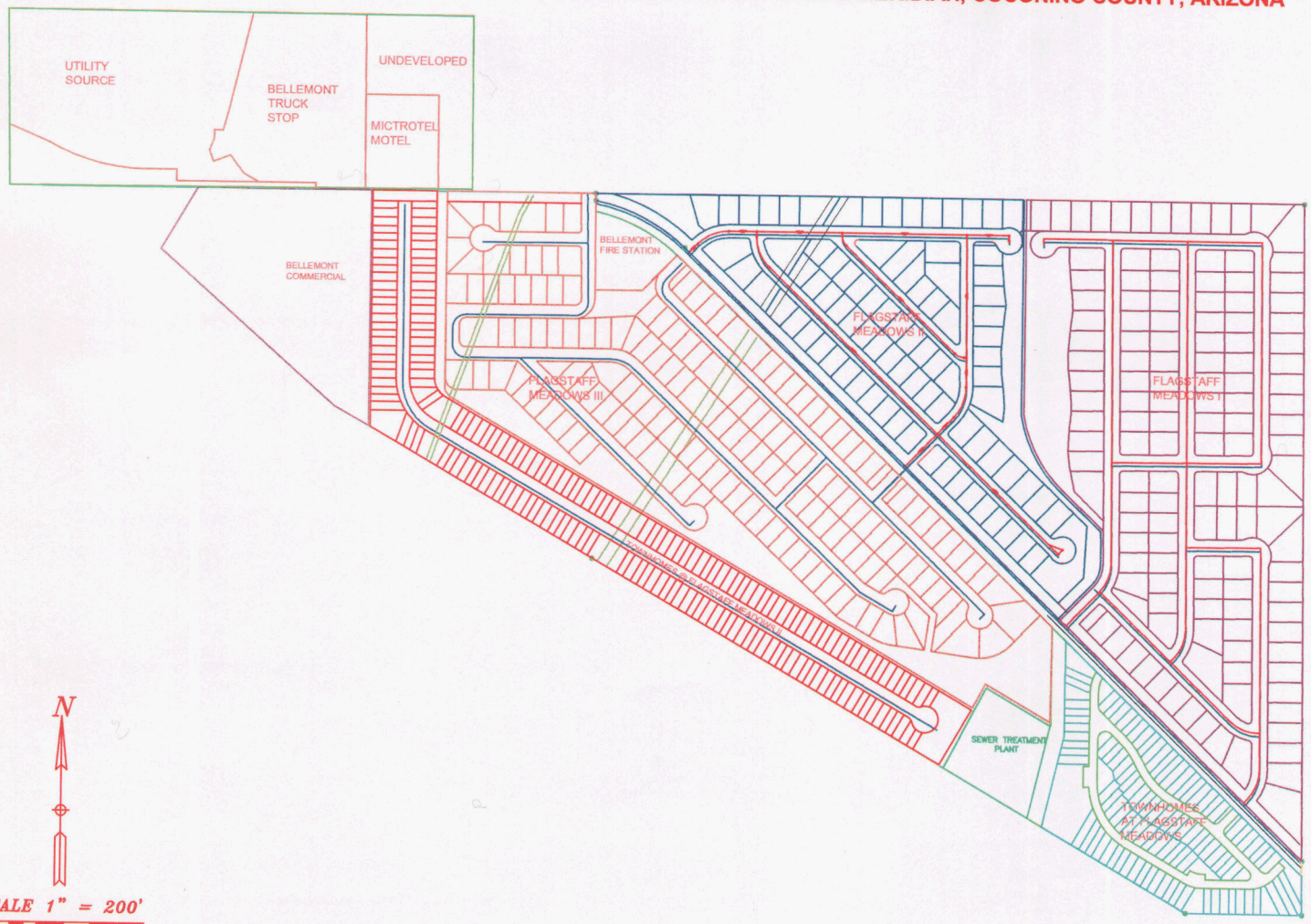
A-5

EXHIBIT
A-5
admitted

UTILITY SOURCE, LLC
WATER AND SEWER FRANCHISE AREA

A PORTION OF SECTION 1, TOWNSHIP 21 NORTH, RANGE 5 EAST AND A PORTION OF SECTION 36, TOWNSHIP 22 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE & MERIDIAN, COCONINO COUNTY, ARIZONA

VICINITY MAP
N.T.S.



DATE
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2
3
4

ALLEN CONSULTING ENGINEERS, INC.
2550 N. THUNDERBIRD CIRCLE #132
MESA, ARIZONA 85215
PHONE (480) 844-1666
FAX (480) 830-5453
E-MAIL: ace@allenconsultengr.com

UTILITY SOURCE LLC.
WATER & SEWER FRANCHISE AREA
BELLEMONT, ARIZONA

JOB NUMBER	92569	SHEET	1 OF 1
DRAWING	FRANCHISE MAP		
DRAFTSMAN		CHECKED BY	DATE 10-11-04

EXHIBIT
A-6
admitted

LEGAL DESCRIPTION
UTILITY SOURCE, TRUCK STOP, MOTEL AND UNDEVELOPED

A PORTION OF THE SOUTHWEST QUARTER OF SECTION 36, TOWNSHIP 22 NORTH, RANGE 5 EAST OF THE GILA RIVER BASE AND MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 36, SAID POINT BEING A FOUND ½' REBAR,
THENCE NORTH 01°03'21" WEST ALONG THE WEST LINE OF THE SAID SOUTHWEST QUARTER OF SECTION 36, A DISTANCE OF 226.39 FEET TO A FOUND BRASS CAP AND THE POINT OF BEGINNING;
THENCE CONTINUING NORTH 01°03'21" WEST ALONG SAID WEST LINE, 436.64 FEET TO THE NORTHWEST CORNER OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 36;

THENCE SOUTH 89°54'02" EAST ALONG THE NORTH LINE OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 36 1734.58 FEET;
THENCE SOUTH 00°19'45" EAST 661.71 FEET TO A POINT ON THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 36;
THENCE NORTH 89°56'29" WEST ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 36, 584.22 FEET, SAID POINT LYING SOUTH 89°56'29" EAST 1141.95 FEET AWAY FROM THE SOUTHWEST CORNER OF SAID SECTION 36;
THENCE NORTH 02°24'39" WEST 24.44 FEET;
THENCE NORTH 89°57'22" WEST 482.79 FEET;
THENCE NORTH 87°13'35" WEST 36.57 FEET;
THENCE NORTH 00°13'15" EAST 41.59 FEET;
THENCE NORTH 89°44'08" WEST 113.88 FEET TO THE BEGINNING OF A 743.51 FOOT RADIUS NON-TANGENT CURVE, CONCAVE TO THE NORTH, A RADIAL TO SAID BEGINNING BEARS SOUTH 00°12'16" WEST;
THENCE WESTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 29°44'56" AN ARC DISTANCE OF 386.04 FEET;
THENCE NON-TANGENT TO SAID CURVE, NORTH 67°27'22" WEST A DISTANCE OF 155.35 FEET TO THE POINT OF BEGINNING.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
GREGORY L.
ALLEN
No. 16097
Date Signed 10-1-0
ARIZONA U.S.A.

LEGAL DESCRIPTION
FLAGSTAFF MEADOWS I & II, TOWNHOMES I, SEWER TREATMENT PLANT, AND FIRESTATION

A PORTION OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 21 NORTH, RANGE 5 EAST OF THE GILA RIVER BASE AND MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 1, SAID POINT BEING A FOUND ALUMINUM CAP STAMPED LS #14671, THENCE NORTH 89°58'34" EAST ALONG THE NORTH LINE OF SAID SECTION 1, A DISTANCE OF 2649.06 FEET;
THENCE SOUTH 00°33'42" EAST ALONG THE EAST LINE OF SAID NORTHEAST QUARTER OF SECTION 1, 2649.29 FEET TO A FOUND GLO BRASS CAP;
THENCE NORTH 89°58'18" WEST ALONG THE EAST-WEST MID-SECTION LINE, 436.63 FEET;
THENCE NORTH 60°03'20" WEST 1054.40 FEET;
THENCE NORTH 27°47'14" EAST 339.37 FEET;
THENCE SOUTH 60°13'33" EAST 277.14 FEET;
THENCE NORTH 00°12'57" EAST 367.81 FEET;
THENCE NORTH 46°08'35" WEST 1967.51 FEET;
THENCE SOUTH 43°51'27" WEST 226.12 FEET;
THENCE SOUTH 89°49'53" WEST 176.16 FEET;
THENCE NORTH 00°10'15" WEST 362.63 FEET TO THE POINT OF BEGINNING.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
GREGORY L.
ALLEN
No. 16097
Date Signed 10-11-04
ARIZONA U.S.A.

LEGAL DESCRIPTION
FLAGSTAFF MEADOWS I, II & III, TOWNHOMES I & II, SEWER TREATMENT PLANT, BELLEMONT COMMERCIAL, AND FIRE STATION

A PORTION OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 21 NORTH, RANGE 5 EAST OF THE GILA RIVER BASE AND MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 1, SAID POINT BEING A FOUND ALUMINUM CAP STAMPED LS #14671, THENCE NORTH 89°58'34" EAST ALONG THE NORTH LINE OF SAID SECTION 1, A DISTANCE OF 2649.06 FEET;
THENCE SOUTH 00°33'42" EAST ALONG THE EAST LINE OF SAID NORTHEAST QUARTER OF SECTION 1, 2649.29 FEET TO A FOUND GLO BRASS CAP;
THENCE NORTH 89°58'18" WEST ALONG THE EAST-WEST MID-SECTION LINE, 436.63 FEET;
THENCE NORTH 60°03'20" WEST 2578.54 FEET;
THENCE NORTH 60°01'53" WEST 1116.02 FEET;
THENCE NORTH 48°27'42" WEST 871.53 FEET;
THENCE NORTH 30°32'49" EAST 263.41 FEET TO A POINT ON THE NORTH LINE OF SAID NORTHWEST QUARTER OF SECTION 1 LYING SOUTH 89°56'29" EAST 1167.90 FEET FROM THE NORTHWEST CORNER THEREOF;
THENCE SOUTH 89°56'29" EAST ALONG THE NORTH LINE OF SAID NORTHWEST QUARTER OF SECTION 1, 1481.21 FEET TO THE POINT OF BEGINNING.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
GREGORY L.
ALLEN
No. 16097
Date Signed 10-11-04
ARIZONA U.S.A.

EXHIBIT
A-7
admitted

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

CERTIFICATE OF APPROVAL OF SANITARY FACILITIES FOR SUBDIVISION INCORPORATING SEWAGE COLLECTION SYSTEMS

SUBDIVISION: Flagstaff Meadows Unit 2 Lots 134 through 220 Total 87 lots	**ADEQ SITE CODE**: 505253-00 **ENGINEERING REVIEW FILE NO.**: 20030322
LOCATION: Bellemont	
TOWN: Williams	**COUNTY:** Coconino
SECTION 1 TOWNSHIP 21N	RANGE 5E
SUBDIVIDER: Jerry Abott	
Water Supply By: Bellemont Water System (PWS No. 03-300)	
Sewage Disposal By: Flagstaff Meadows WWTP	
Garbage Disposal By: Waste Management	

The sanitary facilities of water supply, sewage disposal and garbage disposal as represented by the approved plan documents on file with the Arizona Department of Environmental Quality are hereby approved subject to the following Provisions:

1. No "discharge" to the "waters of the United States" pursuant to Sections 301, 309, 402, 404, and 502 of the federal Clean Water Act (CWA) are authorized by this approval. If this project results in discharge to these waters, CWA permits are necessary before commencing the discharge, pursuant to the Code of Federal Regulations Titles 33 and/or 40. Any construction in a watercourse shall comply with all terms and conditions of the Section 404 Permit program which is administered by the U.S. Army Corps of Engineers.

This Certificate of Approval does **NOT** constitute an Individual or General Aquifer Protection Permit for the sewa collection system incorporated in this subdivision (see separate Provisional Verification of General Permit Conformance).

Stephen A. Owens, Director
Arizona Department of Environmental Quality

By: Michele Robertson 10-8-04
Michele Robertson, Manager Date Approved
Water Permits Section
Water Quality Division

CERTIFICATE DISTRIBUTION
Original Certificate and Plat:
Engineering Review File No: 20030322
Certificate Copy:
Subdivider: Jerry Abbott; 3726 S. Wild West Trail; Flagstaff, AZ 86001
Engineer: Greg Allen, PE; Allen Consulting Engineers; 2550 N. Thunderbird Circle #132; Mesa, AZ 85215

J:\WEDR\FINAL DOCS by Project\20030322-Ss3JIS-4AT

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

CERTIFICATE OFAPPROVAL OF SANITARY FACILITIES FOR SUBDIVISION
INCORPORATING SEWAGE COLLECTION SYSTEMS

SUBDIVISION: Flagstaff Meadows TownHomes Lots 1 through 105 Total 105 lots	**ADEQ SITE CODE:** 505274-00 **ENGINEERING REVIEW FILE NO.:** 20030345
LOCATION: Bellemont	
TOWN: Williams	**COUNTY:** Coconino
SECTION 1 TOWNSHIP 21N	RANGE 5E
SUBDIVIDER: Jerry Abott	
Water Supply By: Bellemont Water System (PWS No. 03-300)	
Sewage Disposal By: Flagstaff Meadows WWTP	
Garbage Disposal By: Waste Management	

The sanitary facilities of water supply, sewage disposal and garbage disposal as represented by the approved plan documents on file with the Arizona Department of Environmental Quality are hereby approved subject to the following Provisions:

1. No "discharge" to the "waters of the United States" pursuant to Sections 301, 309, 402, 404, and 502 of the federal Clean Water Act (CWA) are authorized by this approval. If this project results in discharge to these waters, CWA permits are necessary before commencing the discharge, pursuant to the Code of Federal Regulations Titles 33 and/or 40. Any construction in a watercourse shall comply with all terms and conditions of the Section 404 Permit program which is administered by the U.S. Army Corps of Engineers.

This Certificate of Approval does **NOT** constitute an Individual or General Aquifer Protection Permit for the sewa collection system incorporated in this subdivision (see separate Provisional Verification of General Permit Conformance).

Stephen A. Owens, Director
Arizona Department of Environmental Quality

By: Michele Robertson 10-8-04
Michele Robertson, Manager Date Approved
Water Permits Section
Water Quality Division

CERTIFICATE DISTRIBUTION
Original Certificate and Plat:
Engineering Review File No: 20030345
Certificate Copy:
Subdivider: Jerry Abbott; 3726 S. Wild West Trail; Flagstaff, AZ 86001
Engineer: Greg Allen, PE; Allen Consulting Engineers; 2550 N. Thunderbird Circle #132; Mesa, AZ 85215
J:\WEDR\FINAL DOCS by Project\20030345-Ss3JIS-4AT

EXHIBIT
A-8
admitted

SALLQUIST & DRUMMOND, P.C.
ATTORNEYS AT LAW
TEMPE OFFICE
4500 S. LAKESHORE DRIVE
SUITE 339
TEMPE, ARIZONA 85282

RICHARD L. SALLQUIST

PHONE (602) 224-9222
FACSIMILE (480) 345-0412
E-MAIL dick@sd-law.com

July 19, 2004

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DOCUMENT CONTROL

HAND DELIVERED

Steve Olea
Arizona Corporation Commission
Utilities Division
1200 W. Washington
Phoenix, Arizona 85007

Re: Utility Source LLC: Docket No WS-04235A-04-0073

Dear Mr. Olea:

Staff has previously indicated a concern in this Docket because the Arizona Department of Water Resources had issued a Letter of Inadequacy regarding water service to the area. We have corresponded with you and various Staff members subsequent to the filing of this Application indicating that the Company was drilling a new well that it believes will provide adequate water and which will permit ADWR to issue a Letter of Adequacy.

To keep the Staff advised of our progress in that regard, I am enclosing a copy of the Application for Physical Availability Demonstration Analysis that includes the results of the new 2,800-foot depth well. It is the Consultant's belief that ADWR will process this Application within 60 to 90 days and thereafter issue a new Letter of Adequacy.

We are hopeful that the Commission Staff can continue processing the remaining portions of the CC&N Application pending ADWR's review of the adequacy issue. We thank you for your assistance in processing this Application, and if we can provide any additional information, please do not hesitate to call.

Sincerely,

Richard L. Sallquist

Enclosures

Copies: Docket Control (fifteen copies without enclosure)
Jim Fisher (without enclosure)
Lonnie McCleve (without enclosure)

Physical Availability Demonstration Analysis

for

Flagstaff Meadows

in

Coconino County, Arizona

Prepared for:

Greenfield Land Development
721 E. San Pedro
Gilbert, Arizona 85234

Prepared by:

HydroSystems, Inc.
1220 South Park Lane, Suite 5
Tempe, Arizona 85281
Tel: 480-517-9050 Fax: 480-517-9049
e-mail: info@hydrosystems-inc.com

July 2004

HydroSystems Inc.
1220 S. Park Lane, Suite 5 Tempe, AZ 85281
Telephone: 480-517-9050 Fax: 480-517-9049

Principals
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Roxanne Small

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Peggy Olsen

Team HSI
Sheila Ehlers
Katherine Geiger
Tomas Goode
Denise Grimes
Isaac McCowan
Miles McGinnis
Marla Mikaelian
Phil Paski

July 9, 2004

Doug Dunham
Arizona Department of Water Resources
500 N. 3rd Street
Phoenix, AZ 85044

Re: Physical Availability Demonstration for Flagstaff Meadows

Dear Doug,

HydroSystems Inc. (HSI) has been contracted by Greenfield Land Development to provide professional hydrogeologic support services in developing a new water supply for the present and future developments at Flagstaff Meadows and for submitting the appropriate applications to the Arizona Department of Water Resources (ADWR) for obtaining a determination of adequate water supply for the Flagstaff Meadows development near Bellemont, Arizona. Our submittal today includes the application for a Physical Availability Demonstration (PAD), which will be used to support a subsequent application for a Water Adequacy Report.

The field portion of our work on the project started in January of 2004 with a surface geophysical survey to help locate a concealed fault on the property. A drill site was found and a contract was let to drill and test a deep production well. Drilling of the new well started on May 1, 2004. In addition to the construction and completion of the new well, the aquifer testing and water quality sampling is complete, and most of the infrastructure is in place. We are waiting for the chemical results for the New Source Approval, which we expect in a few weeks. Once that is in, an application for a Water Adequacy Report will be filed with ADWR.

This PAD summarizes that supplies from the regional Coconino aquifer exist to serve the existing and future phases of the Flagstaff Meadows property. This PAD supports a total annual supply of 346 acre-feet per year (or 34,600 acre-feet for 100-years). The demand for the current and committed demand through Phase III of the project (totaling 675 lots) is estimated at 188 acre-feet per year (or 18,769 acre-feet for 100-years). The projected demand figures were based upon meter readings from existing demand. However, to be conservative in our analysis, these demand estimates were assumed to be higher than the actual meter readings.

We appreciate the Department's expedited review of this application, so that our process to obtain a Certificate of Convenience and Necessity (CCN) can proceed with the

Arizona Corporation Commission. Please contact me with any questions you have regarding our application at 480-517-9050.

Sincerely,

Sheila Ehlers

Sheila Ehlers
Water Resources Analyst

Cc: Lonnie McCleve, Greenfield Land Development
Karen Modesto, Arizona Department of Water Resources
Alan Dulaney, Arizona Department of Water Resources
Tricia Morgan, Arizona Corporation Commission
John Aber, Coconino County Community Development
Kurt Harris, Arizona Department of Environmental Quality
Steve Camp, Arizona Department of Environmental Quality
Roy Tanney, Arizona Department of Real Estate
Richard L. Sallquist, Sallquist & Drummond

ARIZONA DEPARTMENT OF WATER RESOURCES

OFFICE OF ASSURED AND ADEQUATE WATER SUPPLY
500 NORTH THIRD STREET
PHOENIX, ARIZONA 85004-3921
(602) 417-2465

APPLICATION FOR A PHYSICAL AVAILABILITY DEMONSTRATION

(Refer to application guidelines for assistance in completing this form)

PART A - GENERAL INFORMATION

1. Applicant Name: Greenfield Land Development LLC
   Phone: 480-892-8756 Facsimile: 480-540-5656 E-mail: lonniemccleve@cox.net
   Address: 721 E. San Pedro, Gilbert, AZ 85234
   Applicant is: X Land Owner ___ Other: Well owner
2. Name of Study Area: Flagstaff Meadows Uni I, II, III; Flagstaff Meadows Townhomes Units I & II
3. Location: T21N, R5E, Section 1;T22N,R5E;Section 36
   Township Range Section(s) County Coconino CAMA (if applicable)
4. Consultant Name: HydroSystems, Inc
   Phone: 480-517-9050 Facsimile: 480-517-9049 E-mail: sheila@hydrosystems-inc.com
   Address: 1220 S. Park Lane, Suite 5, Tempe, AZ 85281
5. Application is for: _New study X Update, study previously reviewed by the Department
6. Attach a map of the study area (or include in hydrologic study) See Attached Hydrologic Study
7. Size of study area: 5,120 acres

PART B - WATER DEMAND INFORMATION

1. Expected year of build-out: 2007
2. Total demand projected for study area at build-out: 188 AF/Year
   Residential demand: 114 AF/Year
   Non-residential demand: 74 AF/Year
   Type of non-residential uses: truck stop, hotel, parks, and lakes
3. Assumptions used in calculating water demand in Item 2: actual meter readings

PART C - WATER SUPPLY INFORMATION

1. Please indicate source(s) of water to be used: X Groundwater __Surface Water X Effluent
   (If the sources includes non-groundwater supplies, please complete "Supplement C.")
2. a. Proposed method of water distribution: __Dry lot (individual wells) X Central distribution system
   b. Water provider name: Utility Source LLC ___ Existing X Proposed

3. Generally describe any storage or treatment facilities (for surface water or effluent) which will serve this development. Indicate whether the facilities are planned or existing. If planned, indicate the anticipated completion date(s):____

258,000 gallon storage tank(in use). 422,000 gallon tank under construction. Existing storage tank for excess effluent. A NPDES permit has been secured if storage facilities are not sufficient.

4. Provide a detailed hydrologic study, consistent with Department guidelines, and submit with this application.

PART D - FEES

The application fee for a Demonstration of Physical Availability $1,000.00. The payment may be made by cash, check, or in some cases, by entry in an existing Department fee credit account. Checks should be made payable to the Department of Water Resources. **Failure to enclose the required fees will cause the application to be returned.**

I DO HEREBY certify that the information contained in this application and all information accompanying it is true and correct to the best of my knowledge and belief.

Lonnie McCleve

Owner Name and Title (Please type or print)

Signature 7-9-04

Date

ARIZONA DEPARTMENT OF WATER RESOURCES
OFFICE OF ASSURED WATER SUPPLY
500 NORTH THIRD PLACE
PHOENIX, ARIZONA 85004
(602) 417-2465

APPLICATION FOR ASSURED WATER SUPPLY OR WATER ADEQUACY
SUPPLEMENT 'C'

Source of Supply	**100 Year Volume (acre feet)**	**Required Supporting Information** (reference any attached documents)
Surface Water Directly Delivered (except CAP or Colorado River Water) *(also include water stored and recovered in the same year, but not long-term storage credits)*	N/A	Hydrologic study demonstrating physical availability of water to be diverted (attachment): _____ Surface water right number(s) and type(s) or water district name: _____ Will a demonstration of backup supplies or a drought response plan be submitted? _Yes _No If yes, reference attachment: _____
CAP or Colorado River Water Directly Delivered *(also include water stored and recovered in the same year, but not long-term storage credits)*	N/A	Will a demonstration of backup supplies or a drought response plan be submitted? _Yes _No If yes, reference attachment: _____
Effluent Directly Delivered *(also include water stored and recovered in the same year, but not long-term storage credits)*	10,233	Name of entity providing effluent: Greenfield Land Dev. — All sources will be deeded to Utility Source LLC Any related contracts or agreements (attachment): _____
Groundwater *(Do not include storage project credits)*	17,259	Indicate any grandfathered groundwater right or permit number(s) and type(s): _____ Hydrologic study demonstrating physical availability and quality of water to be withdrawn (attachment): Attached
Existing Long-Term Storage Credits *(From all sources)*	N/A	Long-Term Storage Credit account number 70-_____ Hydrologic study demonstrating physical availability of water to be recovered from outside of the area of hydrologic impact (attachment): _____
Anticipated Long-Term Storage Credits *(From all sources)*	N/A	Water storage permit number: 73-_____ Existing facility? _Yes _ No Water storage permit number: 73-_____ Existing facility? _Yes _ No Hydrologic study demonstrating physical availability of water to be recovered from outside of the area of hydrologic impact (attachment): _____ Evidence of physical, legal and continuous availability of the water to be stored (attachment): _____

Physical Availability Demonstration Analysis

for

Flagstaff Meadows

in

Coconino County, Arizona

Prepared for:

Greenfield Land Development
721 E. San Pedro
Gilbert, Arizona 85234

Prepared by:

HydroSystems, Inc.
1220 South Park Lane, Suite 5
Tempe, Arizona 85281
Tel: 480-517-9050 Fax: 480-517-9049
e-mail: info@hydrosystems-inc.com

July, 2004

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Attachment

Attachment 1. Property Well Site Evaluation and Surface Geophysical Survey, HydroSystems, Inc. April 8, 2004

1.0 INTRODUCTION

Greenfield Land Development LLC (GLD) is applying to the Arizona Department of Water Resources (ADWR) to demonstrate the physical availability of groundwater for the Flagstaff Meadows properties, in the community of Bellemont, located near Flagstaff, Arizona as described herein. This Physical Availability Demonstration (PAD) demonstrates that groundwater supplies from the deep regional aquifer are physically available to serve the existing, committed, and projected demand of the subject properties. This PAD will be used to support an application for water adequacy and the Arizona Corporation Commission's decision to issue a Certificate of Convenience and Necessity (CCN) for Utility Source LLC. Utility Source LLC will be the water provider for Flagstaff Meadows and will own (through a deed transfer) the necessary land, wells, and improvements to serve the property. It is expected that this CCN will be conditional upon ADWR's determination that a 100-year adequate water supply exists for the entire subdivision. An application for a water adequacy report will be submitted to ADWR once a PAD is issued from the ADWR.

The Flagstaff Meadows properties, including Units I, II, and III and the Townhomes Units I and II, are located approximately 10 miles west of Flagstaff in the community of Bellemont, Arizona located in the northeast corner of Township 21 North, Range 5 East of Section 1 as shown in *Figure 1*. These properties are within Coconino County. The Flagstaff Meadows property boundary, shown in *Figure 1*, coincides with the proposed boundary of the CCN for Utility Source LLC.

Groundwater from the regional deep aquifer is the proposed source for the Flagstaff Meadows properties. Three wells drilled to depths between 2,100 feet and 2,800 feet with depths to water in excess of 1,540 feet below land surface are proposed for use under this PAD. Pursuant to Arizona Administrative Code R12-15-717B.1.e., a waiver of the Department's depth-to-static water level criteria is being sought for the physical availability to serve the subject properties, since the static water level currently exceeds the 1,200-foot depth to water criteria. Groundwater will be used for new and existing residential development within Flagstaff Meadows. The deep wells are owned by Lonnie McCleve and Fuelco, of which Lonnie McCleve is a part owner. These wells will be deeded to Utility Source LLC to serve the Flagstaff Meadows Property when the CCN is issued by the ACC. Available water quality data,

described in *Section 3.7*, indicates that the regional groundwater meets all drinking water standards.

In order to demonstrate the physical availability of water for the Flagstaff Meadows properties, this report includes three parts: (1) a description of the water demand, (2) the source of supply, and (3) the projected 100-year impact of groundwater withdrawals.

2.0 ELEMENTS OF DEMAND

The 100-year demand projection for the Flagstaff Meadows water supply is presented in the attached *Table 1*. The projected demand for water, 188 acre-feet per year, includes both residential and non-residential water use for the Flagstaff Meadows Units I, II and III; Flagstaff Meadows Townhomes Units I and II for 100 years. As described more fully in *Section 3.0*, the supplies to meet this demand include groundwater from the deep regional aquifer, the shallow aquifer, and treated effluent generated from the development.

As shown in *Table 1*, the development includes non-residential demands that are currently being served with groundwater from the shallow aquifer and treated effluent. Specifically, the truck stop and hotel have been served solely from the shallow wells to date and that is likely to continue. *Appendix A* includes the water use data for the truck stop and hotel. Greenfield Land Development is dedicating the future use of the shallow wells to the non-residential demand. Treated effluent is used for other non-residential demand such as the lakes and parks.

The treated effluent is stored in an on-site 25,800-gallon steel storage tank. Currently the average number of gallons of treated effluent used ranges from 20,000 to 24,000 gallons per day (gpd). In future phases of this development, an additional storage tank is planned for the increased effluent production. Greenfield Land Development holds a 150,000 gpd APP (#104083) for the treatment facility. A NPDES permit has been obtained in the event that additional effluent is available in excess of the demand and capacity of the storage tank. This allows effluent to be discharged to a nearby wash, if necessary. The NPDES permit will be renewed as necessary.

The projected water use demand for Flagstaff Meadows Units I, II, and III was determined through the use of actual billing records for Flagstaff Meadows Unit I from the last year. These data are attached as *Appendix A* and summarized in *Table 2*. The projected demand for the Townhomes is based upon actual meter readings from the Highland Townhomes in the City of Flagstaff. This data shows an average demand of 76 gallons per day, per lot. The projected demand at Flagstaff Meadows Townhomes has been elevated to a more conservative estimate of 100 gallons per day per lot. Highland Townhomes was built by the same builder as planned for Flagstaff Meadows Townhomes and are estimated to have similar demands.

Therefore, these water use rates are appropriate for the water use projections for the Flagstaff Meadows Townhomes. These data are summarized in *Table 3.*

Population densities from the U.S. Census may be extrapolated for the Flagstaff Meadows Development. Year 2000 Data from the U.S. Census Bureau for Coconino County indicated a total population of 116,320 (*Appendix B*). The data identified 53,443 housing units and 40,448 occupied housing units for Coconino County. This equates to 2.18 persons per housing unit or 2.88 persons per occupied housing units.

3.0 ELEMENTS OF SUPPLY

This section describes the available water resources for the Flagstaff Meadows properties. The following sections describe the water sources, physiography, geology, hydrogeology, and water quality.

3.1 Deep Wells

Groundwater is withdrawn from the deep regional aquifer using three deep wells, Bell-1 (55-593267, A(22-5)36cdc), Bell-2 (55-598834, A(22-5)36ccc), and Bell-3, (55-203241, A(22-5)36ccc). Bell-3 is located approximately 310 feet to the west of Bell-2 and has just recently been constructed and tested in June and July of 2004. Data from aquifer testing of Bell-3 is included in this report and supports the 100-year physical availability of supplies for the development. Recent testing and data from Bell-2, combined with existing data from Bell-1, is also included in this report to support the physical availability of supplies for Flagstaff Meadows.

3.2 Shallow Wells

Groundwater pumped from shallow wells has served the demands in this area for at least 20 years. Five wells are utilized to serve the demands of the non-residential uses in the area. The groundwater from the shallow aquifer is not included in this analysis for a determination of a physical availability of supplies. However, the shallow aquifer could be utilized as a backup supply, or to serve additional non-residential supplies. Water supplied from the shallow aquifer is presented herein to show how the various water demands will be met within Flagstaff Meadows.

3.3 Effluent

Treated effluent from the Flagstaff Meadows Wastewater Treatment Plant (WWTP) is used to serve the non-residential demands of the development, including the lakes and park areas. The current volume of effluent permitted under the APP is 150,000 gpd. The current volume of treated effluent produced at the WWTP averages 23,000 gpd.

3.4 Physiographic Setting

Three distinct geographic landforms are recognized in Arizona from north to south including: the Colorado Plateau, Transition Zone, and Basin and Range physiographic provinces. The Colorado Plateau has been subcategorized as the Coconino Plateau south of the Colorado River. The Coconino Plateau covers an area of approximately 5,000 square miles consisting of a thick sequence of Paleozoic and younger consolidated sedimentary rocks (Bills and Flynn, 2002). Humphreys Peak of the San Francisco Mountain represents the highest point in the area, attaining an elevation of 12,633 feet above Mean Sea Level (msl). Flagstaff is the largest city in this part of northern Arizona. The Flagstaff Meadows property is approximately 10 miles west of Flagstaff in the community of Bellemont, Arizona located in the northeast corner of Township 21 North, Range 5 East, of Section 1 (*Figure 1*). Access to the property is from Exit 185, north of Interstate 40 (I-40).

No major surface water features are present in Bellemont, Arizona. Surface water is received primarily from localized storm systems and is conveyed from the area by ephemeral streams and washes. Precipitation data from the Flagstaff Airport indicates approximately 23 inches per year. Vegetation near the Bellemont property consists of a Ponderosa pine forest with a mix of juniper and aspen trees, and low profile grasses.

3.5 Geology

The Flagstaff Meadows property is located in the southern portion of the Coconino Plateau within an area identified as the San Francisco Volcanic field that extends roughly from Bill Williams Mountain in the west to San Francisco Mountain in the east (Bills and Flynn, 2002). Several cinder cones are easily recognized in the Bellemont area. A thick sequence of predominantly Paleozoic sedimentary rocks underlays this area with a relatively thin cover of Cenozoic volcanic rocks and alluvium on the ground surface (Thorstenson and Beard, 1997). The stratigraphic units, from top to bottom, include: alluvium, volcanic rock, Kaibab Formation, Toroweap Formation, Coconino Sandstone, Schnebly Hill Formation, Supai Group, Redwall Limestone, Temple Butte Formation, followed by crystalline bedrock consisting of granite and schist. *Figure 2* is a generalized stratigraphic section of rock units found in the area as prepared from regional hydrogeologic information by the U.S. Geological Survey (Bills, et al., 2000).

According to surface mapping performed by Thorstenson and Beard (1997) and Ulrich, et al. (1984), faults have been located and mapped in the area. These faults are significant structural features for developing groundwater from fractured areas of the underlying sedimentary units.

In a study conducted by Maini and Hocking (as discussed in Marsily, 1986), characteristics of the flow from a single fracture is related to flow through a much larger equivalent unit of porous material. The Maini and Hocking study indicated that flow from a single fracture with an aperture less than ¼-inch could yield significant volumes of water and relate to large hydraulic conductivities and transmissivity values.

On a local basis, surface geologic mapping in close proximity to the Flagstaff Meadows property indicates that tertiary basalt is exposed on the ground surface. A regional scale (1:250,000) map prepared by Ulrich, (1984) identified a fault that crosses I-40 west of the interchange trending in a northeasterly direction. Subsequent surface mapping prepared at a larger scale (1:50,000) by Thorstenson and Beard (1997) identified the same structure as the Ulrich (1984) map, where the position of the fault is shown in greater detail. According to this mapping, the fault is exposed at the surface south of I-40. The fault is concealed under the Flagstaff Meadows property, but extends in a northeasterly direction towards Wing Mountain where it is exposed at the ground surface in some places. In a thesis prepared by Wilkenson (2000), this fault is identified as the Bellemont fault. This fault is a significant structure as related to the potential for developing groundwater resources from fractured rock. A recently completed surface geophysical survey has identified the location of the Bellemont fault beneath the Flagstaff Meadows property. This geophysical survey is entitled "Property Well Site Evaluation and Surface Geophysical Survey" (HSI, 2004) and is provided as *Attachment 1*.

3.6 Hydrogeology

The ADWR maintains the most comprehensive database of well information in Arizona. For this study, HSI accessed information contained in the groundwater site inventory (GWSI) and well registry 55-files. Copies of the well data surrounding the Flagstaff Meadows property are supplied in *Appendix C*. Additional sources of information included publications and communication with the Flagstaff office of the USGS, Northern Arizona University (NAU), and local well drillers.

In this part of the Coconino Plateau, groundwater is found in isolated shallow aquifers of limited aerial extent and/or deep regional aquifers. The deep regional aquifer is the focus of this PAD since it represents a more dependable groundwater resource for continued and future development. A brief discussion is provided for the shallow aquifer, followed by a more lengthy description of the deep regional aquifer.

3.6.1. Wild Bill Hill Aquifer

The shallow aquifer in the Flagstaff Meadows area is known as the Wild Bill Hill aquifer (Wilkinson, 2000). Groundwater in this aquifer is found predominantly in the alluvial unconsolidated sediments and volcanic units. This shallow aquifer has been the primary source of groundwater for most municipal and domestic water needs in the Bellemont area. Five wells drilled on the Flagstaff Meadows property receive groundwater from the Wild Bill Hill aquifer. Information regarding these wells is summarized in *Table 4* and included in *Appendix D.* The source of groundwater for these wells is localized recharge to the Wild Bill Hill basalt. The Wild Bill Hill aquifer is a perched system of limited aerial extent. Groundwater is estimated to recharge this system from Bellemont Flat (north of the property) and to the west from the Eastern Plateau. Well logs indicate that this aquifer is bowl-shaped and the Camp Navajo clay acts as the lower confining layer.

3.6.2. Deep Regional Aquifer

Groundwater resources for Flagstaff Meadows will be developed from the deep regional aquifer. The deep regional aquifer includes stratigraphic units identified on *Figure 2.* Within the Flagstaff Meadows area, groundwater in the deep regional aquifer is found in the lower portion of the Coconino Sandstone, Schnebly Hill Formation, and penetrated portions of the Supai Group. The USGS reports that the deep regional aquifer is characteristically heterogeneous and anisotropic with a complex groundwater flow system. Reportedly, the most productive water-bearing sediments are the fine- to medium-grained sandstones. A major factor controlling groundwater flow is related to geologic structure (Bills, et al, 2000). The City of Flagstaff, Arizona has several water production wells that pump groundwater from the deep regional aquifer. Water production from these wells ranges from a low of 4 gpm to over 1,700 gpm. The average well yield has been determined at 175 gpm. According to the USGS, the range in well yield is a related to several factors including: formation lithology, degree of fracturing, degree of

secondary mineralization of the aquifer, penetrated saturated thickness, well efficiency, pump design, and pumping lift. The greatest effect, however, is related to the type and degree of fracturing. It has been noted that wells typically completed in, or in close proximity to, fractures yield more than 100 gpm (Bills, et al., 2000).

Two deep wells have been drilled on the subject property to access groundwater from the deep regional aquifer. The well labeled as Bell-1 was completed on April 25, 2003. The driller's log records a total depth of 2,440 feet and a static water level of 1,550 feet below land surface. The USGS log of the well shows that groundwater is found in the Coconino Sandstone (Bills, 2003). The log also indicates that this well penetrated the upper portion of the Supai Formation at a depth of 1,995 feet. Bell-1 is reported to produce approximately 11 gpm. Well Bell-2 (55-598834) was completed on September 22, 2003 having a total depth of 2,100 feet. The static water level in Bell-2 is reported on the well log as 1,542 feet below land surface. After installation of the pumping equipment, the static water level was measured at 1,490 feet in Bell-2. The drillers log shows penetration of the upper portion of the Supai Formation near 1,990 feet. Water production from Bell-2 was originally estimated at 14 gpm. More recent data, however, indicates production at 23 gpm (*Section 4.3.5)*. The drillers' logs are included in *Appendix D*, following the well logs for the shallow wells.

In April 2003, Bob Beeman Drilling Company (Beeman) successfully completed a deep well for Camp Navajo that is located approximately one mile south of the Flagstaff Meadows property. On *Table 4* this well is named as "New" and its registration number is 55-594719. The well was drilled to 2,084 feet with a static water level measured at 1,583 feet. Information from the Arizona Army National Guard reported that pump testing of the Camp Navajo well produced 125 gpm continuously for 72-hours. The permanent pump installed in the well was designed to pump 175 gpm and currently discharges 115 gpm (Annis, 2004). The Camp Navajo well was also drilled in the Bellemont fault in the deep regional aquifer.

Deep regional groundwater information in the Bellemont area is extremely limited. The most recent water levels have been recorded for one well at Camp Navajo and three wells on the Flagstaff Meadows property. When viewing this limited data, the groundwater flow direction appears to be moving south. This does not agree with water level data recorded in the well logs from one well north of the Flagstaff Meadows property (no registration number) and one well

south of the recently completed Camp Navajo well (named "Old", 55-805692). Water level data from these outlaying wells were recorded several years ago with no subsequent measurements or verification. Regional studies by the ADWR and USGS indicate that the groundwater flow direction is from south to north (Bills, et al., 2000 and McGavock, et al., 1986). The available groundwater data from the six deep wells in the area is shown on *Figure 3* and summarized in *Table 4*.

3.7 Water Quality

Water quality testing performed on the Flagstaff Meadows deep wells, Bell-1 and Bell-2, in late 2003 indicates groundwater of high quality according to drinking water standards. No primary or secondary maximum contaminant level (MCL) violations were indicated for a full range of tests, including volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), metals, inorganics, and others. The total dissolved solids (TDS) concentration for Bell-2 was only 131 mg/L, which is well below the secondary standard of 500 mg/L. Laboratory reports are provided in *Appendix E*. Water quality sampling results from Bell-3 are still pending analysis by the lab.

4.0 WELL CONSTRUCTION AND AQUIFER TESTING

This section of the PAD provides information relative to the drilling, construction, and aquifer test of well Bell-3. The components of this section are of significance, because they provide the necessary background information leading to the successful completion and testing of Bell-3 which accesses groundwater from the Bellemont Fault.

4.1 Well Drilling and Construction

As mentioned previously, the location of Bell-3 was carefully selected from the results of a surface CSAMT geophysical survey (described in *Attachment 1).* This survey provided identification of a buried structure that crosses the subject property, known as the Bellemont Fault. The CSAMT survey indicated low resistive material extending in a near vertical direction to a depth in excess of 2,700 feet. On April 29, 2004 HSI assisted Beeman in positioning the drilling rig over station point 350, which the CSAMT survey showed as the center of the fault. The technical specifications developed for the drilling, construction, and testing of Bell-3 held the drilling contractor to no more than ¾° of borehole deviation. As a measure to maintain this strict deviation guideline, Beeman drilled a major portion of the borehole with 12-inch drill collars. Subsequent TOTCO and magnetic deviation surveys conducted during the process of drilling Bell-3 showed that the deviation requirements of the technical specifications had been met.

On May 2, 2004 Beeman began drilling the borehole for Bell-3. Because of the difficult drilling conditions, the borehole had to be drilled in stages, where the borehole and steel casing were reduced in size and set as the depth of the borehole reached a total depth of 2,825 feet. The well is equipped with 10-inch casing from the land surface, down to 2,310 feet. The well has 8-inch perforated casing telescoped inside the 10-inch casing from 2,275 to 2,801 feet. Other details for well construction are supplied on the driller's well log included as Bell-3, which can be found in *Appendix D.*

The driller collected cutting samples at 10-foot intervals from the land surface to 200 feet. After 200 feet, the driller collected samples at 5-foot intervals. Difficult drilling conditions limited the number and type of geophysical tools that could be used in the borehole. Southwest Exploration Services, LLC and Jet West Geophysical Services, LLC collected gamma and

neutron logs from the land surface to 2,630 feet in both cased and uncased sections of the borehole. The resistivity log could only be collected from 2,308 to 2,630 feet in the saturated and uncased portion of the borehole. Because of debris bridging the open borehole, the logging tools could not safely be lowered beyond 2,630 feet. The cutting samples and geophysical logs indicated the following stratigraphic sequence, from top to bottom, as: Alluvium (0 to 55 feet); Volcanics (55 to 330 feet); Kaibab Formation (330 to 810 feet); Toroweap Formation (810 to 920 feet); Coconino Sandstone (920 to 1,315 feet); Schnebly Hill Formation (1,315 to 1,870 feet); Upper Supai Formation (1,870 to 2,330 feet); and Middle Supai Formation (2,330 to 2,825 feet). *Photo 1* shows drill cuttings collected from 2,825 feet, which is believed to be from the Middle Supai Formation. Notes from the driller and geolograph data indicated that groundwater was possibly first encountered at approximately 2,392 feet, and again at 2,490 feet. As the borehole advanced, additional groundwater was encountered and noted at 2,625 and 2,760 feet. Groundwater rose in the borehole to 1,590 feet below the land surface indicating an artesian head of over 800 feet.

4.2 Well Development

Well development at Bell-3 occurred as separate airlifting and pumping activities. These development processes allowed loose sediment to be removed from the well after installation of the steel casing. The hydraulic energy created during development helps to remove sediment from the well opening the formation for groundwater movement into the well. Observations from the well development process also helped to guide the plan for subsequent aquifer testing.

4.2.1 Airlift Development

After final placement of the steel casing, the driller performed airlift development for 24-hours beginning on June 7, 2004. The drill rig and attendant air compressors are used for airlifting, where the drill pipe is lowered into the well and compressed air is forced out the bottom of the pipe. Due to the deep static water level measured at 1,590 feet below the land surface, it was necessary to use liquid foam, introduced with the compressed air and forced out the drill pipe to "lift" the groundwater from the well. As groundwater is airlifted from the well, it is discharged at the surface through a discharge pipe and directed to the mud pits used for construction of the well. The discharge from airlifting is observed in powerful pulses because of

the mixing of compressed air, water, and foam. *Photo 2* is an example of groundwater airlifted from Bell-3. The color of the discharged water changed from orange-red to slightly cloudy, and eventually cleared.

4.2.2 Pumping Development

The driller installed an electric submersible pump in Bell-3 with the pump intake located at approximately 2,239 feet below the land surface. Other details regarding the pumping equipment are discussed in *Section 4.3.1.* Pump development began on June 24, and lasted until June 25, 2004 for a total of 22-hours. The variable speed drive permitted the opportunity to pump the well at varying pumping rates. Flow from the well was checked from an in-line flow meter and verified by a timed flow to a 50-gallon drum. Pump development started at the low rate of 50 gpm. The pump was allowed to discharge until the water became clear. Cycling of the pump varied from a few hours of operation at a constant low rate to 15 and 30 minutes for elevated rates. A majority of pump development occurred at 62 gpm. Closer to the end of the test, the well pumped over 90 gpm. Higher pumping levels were not attempted because the limited length of cable on the sounder could only measure the water level to 2,000 feet. Between pump development cycles, the water had a slight red transparent color, which eventually became clear.

4.3 Aquifer Testing

Aquifer testing for Bell-3 occurred as one 48-hour continuous pumping event from 12:00 P.M. June 28 to 12:00 P.M. June 30, 2004. Over the course of the test, information from the 2-inch flow meter totalizer indicated that a total of 207,900 gallons had been pumped at an average rate of 72 gpm. Data collected during the test is shown in *Appendix F.* The site plan for the aquifer test is shown on *Figure 4.* HSI provided oversight of the aquifer test including collecting data related to discharge, water level measurements, and sampling for water chemistry laboratory testing.

After the 48-hour test, HSI allowed Bell-3 to continue to discharge for an additional 12-hour period to observe possible interference from operation of well Bell-2. This also allowed flow estimates for Bell-2, which are discussed in *Section 4.3.5.* At the end of this 12-hour period both Bell-2 and Bell-3 were shut down. It should be noted that prior to conducting the 48-hour

test, well Bell-1 continued to pump and was never shut down. This well is approximately 990 feet east of Bell-3. Bell-1 pumped groundwater during the test at approximately 9 gpm.

4.3.1 Pumping Equipment

Beeman installed a permanent application submersible pump in Bell-3 under guidance from a representative of Baker Huges. The pumping equipment selected for Bell-3 included a submersible Centrilift 200 horsepower pump with a variable speed drive. The advantage of this type of equipment allows operation of the submersible pump under a range of variable pumping rates. After testing of the well, the optimum pumping rate can be selected by adjusting the hertz on the variable speed controller. Hertz is a measure of electrical frequency that allows the pump motor to increase or decrease its operating speed with a commensurate change in the pump discharge. *Photo 3* shows the variable speed drive controller. The pump motor is set at 2,256 feet with the intake at 2,239 feet within the 10-inch steel casing. The pump is attached to a 3 ½ -inch column pipe with appropriate discharge valving at the surface.

4.3.2 Discharge Location

A combination of a 3-inch pipeline reduced to a 2-inch discharge line conveyed groundwater away from Bell-3. *Photo 4* shows the position of the discharge line. The discharged water was directed to a holding pond as indicated on *Figure 4*.

4.3.3 Flow Measurement Equipment

Two flow meters provided discharge volume and flow rate measurement during testing. *Photo 4* shows the position of the flow meters on the discharge piping. *Photo 5* is an enlargement of the 2-inch flow meter. The totalizer at the top of the meter records the total amount of water discharged in hundreds of gallons. The dial meter indicates water flow in gallons per minute (gpm). Prior to testing, the meter closest to the well (labeled as back-up flow meter on *Photo 4*) was used to measure the pumping rate during pump development. The operational range of this meter was too high to accurately measure flow that is less than 200 gpm. Because of this, a 2-inch flow meter was placed several feet downstream from the back-up meter. HSI checked the accuracy of the 2-inch meter several times during the test with a 50-gallon drum. The time to fill the drum was compared with the gallons produced by the well in one-minute intervals. The flow meter checks are supplied on the data sheet in *Appendix F*.

4.3.4 Water Level Measurement

In order to adequately estimate the flow potential and associated impacts of pumping groundwater, water level measurements were continuously monitored during the aquifer test at Bell-3. *Photo 6* shows the placement of the sounder and transducer in Bell-3. Water level measurement equipment included an electric sounder and pressure transducer. Unless otherwise noted, all measurements for the test were referenced to the top of the well casing. HSI monitored water levels in shallow well A (*Figure 4*), where no response was indicated from pumping at Bell-3. The distance between well A and Bell-3 is approximately 170 feet.

4.3.4.1 Electric Sounders

Two different electric sounders were used to collect instantaneous groundwater level measurements during aquifer testing. Bell-3 had a Powers 2,500 foot sounder placed in one of the 1 ½ -inch sounding tubes and a Solonist sounder placed in shallow well A to collect water level data (*Figure 4*). Immediately before testing, Bell-3 had a static measurement of 1,597.12 feet and well A indicated a static measurement of 115.30 feet. Throughout the test, water level measurements were recorded at Bell-3 every 30 minutes with the electric sounder. The sounder data from Bell-3 is shown in *Appendix F*.

4.3.4.2 Pressure Transducer and Data Logger

As a back-up to the electric sounding measurements, a Mini Troll Standard P 300 psi transducer collected water level data in the other 1 ½-inch sounding tube installed in Bell-3. This transducer was lowered into the well and suspended by a small diameter stainless steel cable. Since this transducer is programmed at the surface, once it is placed in the well, data cannot be viewed or collected until the unit is removed from the well. A Mini Troll Baratroll, installed at the land surface, collected barometric pressure data that is later used to compensate measurements collected by the transducer set in the well. Approximately four hours before testing, HSI recorded the static water level in Bell-3 at 1,597.51 and programmed this value into the transducer before lowering it in the well. The transducer was set in Bell-3 at 2,215 feet below the surface. Before beginning the aquifer test, the transducer was set in the Bell-3 and allowed to collect data for 30-minutes and then removed from the well and checked for operation. With the operational check complete, the transducer was reset in Bell-3. The

transducer collected water level data at one-minute intervals from June 28 until it was removed on July 6, 2004. This data compared favorably with data collected with the electric sounder.

4.3.5 Aquifer Testing Results

The 48-hour aquifer test at Bell-3 sustained a pumping rate of 72 gpm with 536.48 feet of drawdown as indicated from water level measurements collected with the sounder. The specific capacity for Bell-3, which is an indicator of well and aquifer performance, is obtained by dividing the pumping rate (gpm) by the drawdown (feet). At the end of the 48-hour testing period, the specific capacity was estimated at 0.135 gallons per minute per foot of drawdown (*Appendix F*). The USGS has indicated that the specific capacity on the Coconino Plateau ranges from 0.014 to 13.0 gallons per minute per foot of drawdown (Bills, 2000). The low specific capacity value at well Bell-3 is most likely due to the relief of artesian pressure from the groundwater system as the well is pumped.

The data collected from the Mini Troll transducer showed 541.76 feet of drawdown. The difference between sounder and transducer measurements is most likely due to stretching of the sounder wire with measurements collected at 30-minute intervals and the relative deep water levels. At the close of the 48-hour aquifer test, pumping of Bell-3 was extended for an additional 12 hours with operation of well Bell-2, which is located approximately 310 feet from Bell-3. The extended pumping period continued from 12:00 P.M. June 30 until 12:00 A.M. July 1, 2004. The reason for extending the test was to observe pumping interference between the two wells and to verify the actual pumping rate of Bell-2. During this test, however, the electric sounder became inoperable due to an internal break in the wire. For this reason data from the Mini Troll was used to plot the data on *Figures 5 and 6*.

Figure 5 is a semi-log plot of the data collected at Bell-3. From this data, drawdown is rapid during the initial 100 minutes of the test. After this time the drawdown is gradual to 200 minutes, and then appears to level off for the remainder of the test at 48 and 60 hours. The linear data plot on *Figure 6* shows drawdown and recovery for Bell-3. From this plot, recovery after testing in Bell-3 is rapid, eventually reaching the static water level prior to testing. This rapid recovery is indicative of groundwater from fracture-controlled systems.

According to data collected at well A, pumping of Bell-3 did not impact this shallow well. Water level measurements at well A indicated slight fluctuations ranging from the initial static level of 115.3 to 114.7 feet.

4.3.6 Bell-2 Flow Rate Measurements

As indicated on *Figure 4*, Bell-2 is located approximately 310 feet east of Bell-3. This is a reasonable distance for use as a monitor well during the pumping of Bell-3. Access to the top of the pitless adaptor on Bell-2 allowed for the opportunity to make direct water level measurements. Prior to the start of the aquifer test at Bell-3, however, two attempts were made to measure the static water level in Bell-2. The first attempt utilized the existing ¼ -inch poly airline secured along side of the discharge pipe during the installation of the pump. The airline was fitted with a pressure gauge and air valve and then pressurized several times without success. The airline was presumed plugged or damaged. Personal communication with the pump contractor and notes from pump installation indicated an airline static water level of 1,490 feet when the new pump was installed in September 2003.

A second attempt to measure the static water level was made by using a Powers 2,000 foot electric sounder. The sounder was slowly lowered down through an opening in the pitless adaptor spool into the well casing. This is the same space where the drop pipe, pump cable, and airline are housed. The sounder moved downward freely to a depth of approximately 1,350 feet where it stopped with no indication of groundwater. The sounder was then raised to approximately 1,100 feet where it became entangled and could not be raised or lowered beyond that point. Considerable time was spent trying to free the sounder to no avail and finally the sounder cable broke. No static water level was measured during these attempts.

At the completion of the 48-hour continuous discharge test at Bell-3, a supplemental pumping test was conducted for 12 continuous hours where both Bell-2 and Bell-3 operated simultaneously. This test was to determine if any pumping impact occurred between the two wells. Hourly flow meter readings were collected at Bell-2 (*Table 5*) and are plotted on *Figure 7*. Note that the flow rate started at 47 gpm after the first hour and then leveled off to 23 gpm toward the end of the test. Based on the above testing, 23 gpm appears to be the flow capacity of Bell-2.

Since direct water level measurements could not be collected in Bell-2 as stated above, some indirect water levels have been determined. These indirect water level readings were calculated by using the direct measurements of the pumping rate (flow meter), using an estimate of system pressure (50 psi) and working backwards using the manufacturer's pump curve as shown in *Figure 8*. The pump curve for the pump installed in Bell-2 is indicated as 85S500-39, which is shown as the top curve (highlighted in yellow). All the pump curves are based on open discharges so they must be adjusted using the system pressure (more head). An adjusted pump curve (blue) was developed for a 50 psi system pressure. A graphical determination of total head (ft) can be obtained by finding the point where the pump capacity (gpm) intersects the adjusted pump curve and reading the value on the left-hand side of the figure. For example, a pumping rate of 47 gpm on the 50 psi curve would indicate a total head of 1,865 feet.

Based on the data displayed in *Figure 6*, no pumping impact was observed in Bell-3 from pumping of Bell-2 for 12 continuous hours.

4.3.7 Drilling and Testing Summary

Information gained from the drilling and testing of well Bell-3 has shown that groundwater is accessed from the deep regional aquifer from the Middle Supai Formation. The well is situated on the Bellemont Fault, on the down-dropped part of this structure (*Attachment 1*). Bell-3 is completed to a depth of 2,801 feet having a static water level of 1597.12 feet as measured prior to aquifer testing on July 28, 2004. Aquifer testing included pumping of Bell-3 at 72 gpm for a total of 60 continuous hours with 541.76 feet of drawdown. The contractor set the pump at 2,256 feet inside of the 10-inch well casing. Beyond this depth the well is cased with perforated casing to 2,801 feet. This well design offers the flexibility to lower the pump into the 8-inch casing with an increase in water production from the well.

Based on aquifer testing, Bell-3 receives groundwater from a fractured system within the deep regional aquifer. Reasons for this conclusion include:

- An elevated artesian head of over 800 feet experienced during drilling where it is estimated that groundwater was encountered at approximately 2,392 feet and rose to 1590 feet before placement of the pumping equipment.

- During aquifer testing drawdown occurred rapidly and leveled off after 200 minutes of pumping at a continuous pumping rate.
- At the completion of testing, the water level recovered rapidly.

5.0 DRAWDOWN ANALYSIS

The long-term impacts of pumping the three deep wells was determined analytically using the computer program THWells, a ground water model developed by the Colorado School of Mines International Ground Water Modeling Center (van der Heijde, P.K.M., 1992). This software helped to evaluate the maximum drawdown at each of the wells pumping simultaneously over a 100-year timeframe to determine the potential impacts in water levels.

5.1 Model Description

The THWells program calculates the rise or drawdown of pieziometric (potentiometric) head due to the effects of pumping wells in a confined, leaky-confined, or unconfined aquifer. The calculations are based on the Theis equation for non-steady state flow in an isotropic, homogeneous, confined aquifer of infinite extent.

5.2 Aquifer Parameters

Aquifer transmissivity refers to the rate at which water is transmitted through a unit width of the aquifer under a unit hydraulic gradient, averaged over the entire saturated thickness of the aquifer. The transmissivity value indicates the ability of an aquifer to transmit water. The higher the value the more water can flow through a given area. In very general terms, the regional aquifer found in this part of the Coconino Plateau has transmissivity values reported to range from 100 to over 35,000 gallons per day per foot (gpd/ft) (Bills, 2000). The transmissivity value used in the model for the Flagstaff Meadows area is 400 gpd/ft and is based upon the aquifer test data obtained from Bell-3.

As a comparison, the transmissivity value calculated for a well accessing groundwater from a bedrock fracture controlled system in the Idaho Batholith was estimated at 474 gpd/ft. This Idaho well was tested at pumping rates between 30 and 200 gpm. The authors of this report indicated that the 474 gpd/ft transmissivity value is typical for fracture flow aquifers. It was also noted by the authors that it is difficult to apply the ideal groundwater flow equations to such conditions because the flow velocities in fractures can exceed the laminar flow conditions assumed by the flow equations (Gates, et al., 1994).

As noticed on the drawdown plot for Bell-3 (*Figure 5*), after 200 minutes, drawdown approaches a near horizontal arrangement which could result in calculation of significantly elevated transmissivity values. For this reason, a conservative value of 400 gpd/ft was utilized for the impact analysis.

The storage coefficient represents the volume of water that the aquifer will absorb or expel from storage per unit area per unit change in head. Specific yield is the amount of water that is taken in or expelled by the aquifer as the water level rises or falls due to the addition or draining of water from the pore spaces under a change in head. For modeling purposes, an average storage coefficient for the regional aquifer was 0.077 (Bills, 2000).

5.3 Drawdown and Impact Analysis

This drawdown analysis simulated the groundwater withdrawal of 15,840 gallons per day from Bell-1, 20,160 gallons per day from Bell-2, and 108,000 gallons per day from Bell-3, located in Section 36 of Township 22 North, Range 5 East, Section 36 as shown in *Figure 9*. The THWells analysis assumes continuous pumping for 100 years. The aquifer was assumed to be 700 feet thick having an average transmissivity of 400 gpd/ft and a specific yield of 0.077 (Bills, 2000). It is estimated that at the end of the 100-year modeled period, the maximum drawdown at the wellhead for the wells pumping simultaneously is 248 feet. The 1-foot drawdown impact area extended approximately 15,000 feet (2.84 mile radius) from the well.

6.0 SUMMARY AND CONCLUSIONS

This PAD provides evidence that adequate water supplies from the regional aquifer are available to meet the 100-year demand of the Flagstaff Meadows properties. This PAD is intended to support a 100-year water adequacy report to be filed with ADWR after analysis of the water quality sampling from Bell-3 is complete. Pursuant to Arizona Administrative Code R12-15-717B.1.e., a waiver of the Department's depth-to-static water level criteria is being sought for the physical availability to serve the subject properties, since the static water level currently exceeds the 1,200-foot depth to water criteria.

As indicated in the Elements of Supply (*Section 3.0*), and reported by the USGS (Bills, et. al 2000), structural features, that extend into the regional aquifer, were shown to have a significant effect on the occurrence and flow of groundwater in the regional aquifer. The three wells at the Flagstaff Meadows properties drilled in the regional aquifer have sufficient capacities, totaling 107 gpm, to serve the current and committed demand for the next 100 years. Data from drilling the third well, Bell-3, into the Bellemont Fault deep within the regional aquifer, plus the data from wells Bell-1 and Bell-2, supports the 100-year supply for the Flagstaff Meadows properties. Pumping data from Bell-3 and the Camp Navajo well indicate that the Bellemont fault allows significant groundwater to be accessed the deep regional aquifer.

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FIGURES

R5E | R6E

Subject Property

T22N
T21N

0 ¼ ½ 1 Mile

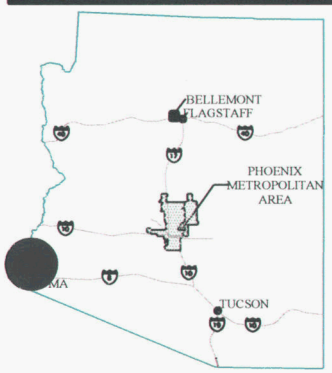

Figure 1
Site Location of
Flagstaff Meadows
Bellemont, Arizona

HydroSystems Inc.
GARY G. SMALL M.S., P.G., C.E.I
1220 S. PARK LANE. SUITE 5 TEMPE, AZ. 85281
TELEPHONE: 480-517-9050 FAX: 480-517-9049

Date: 04/04

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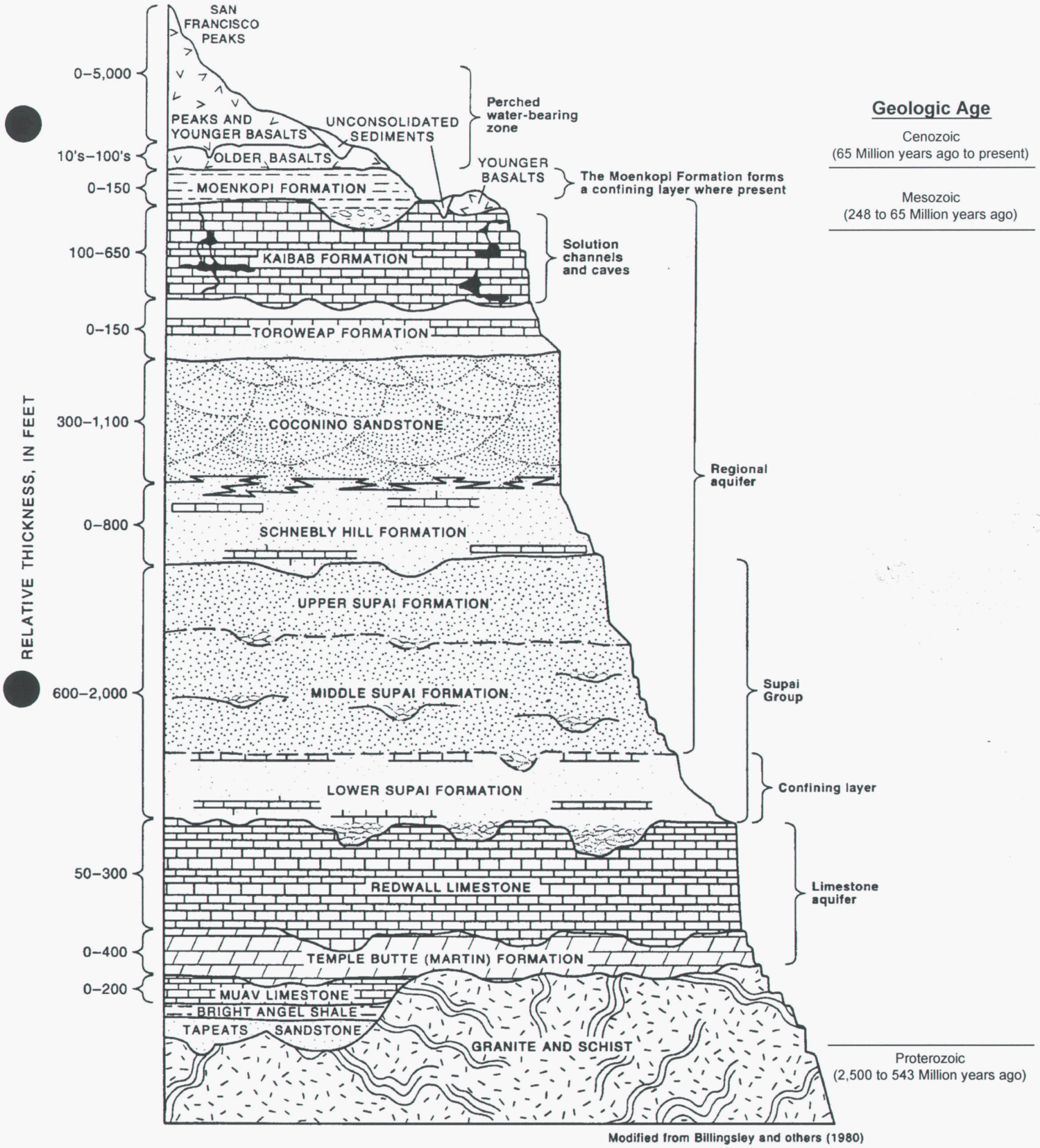

Figure 2. Generalized Stratigraphic Section of Rock Units, Flagstaff, Arizona.

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(Modified From Bills et al., 2000)

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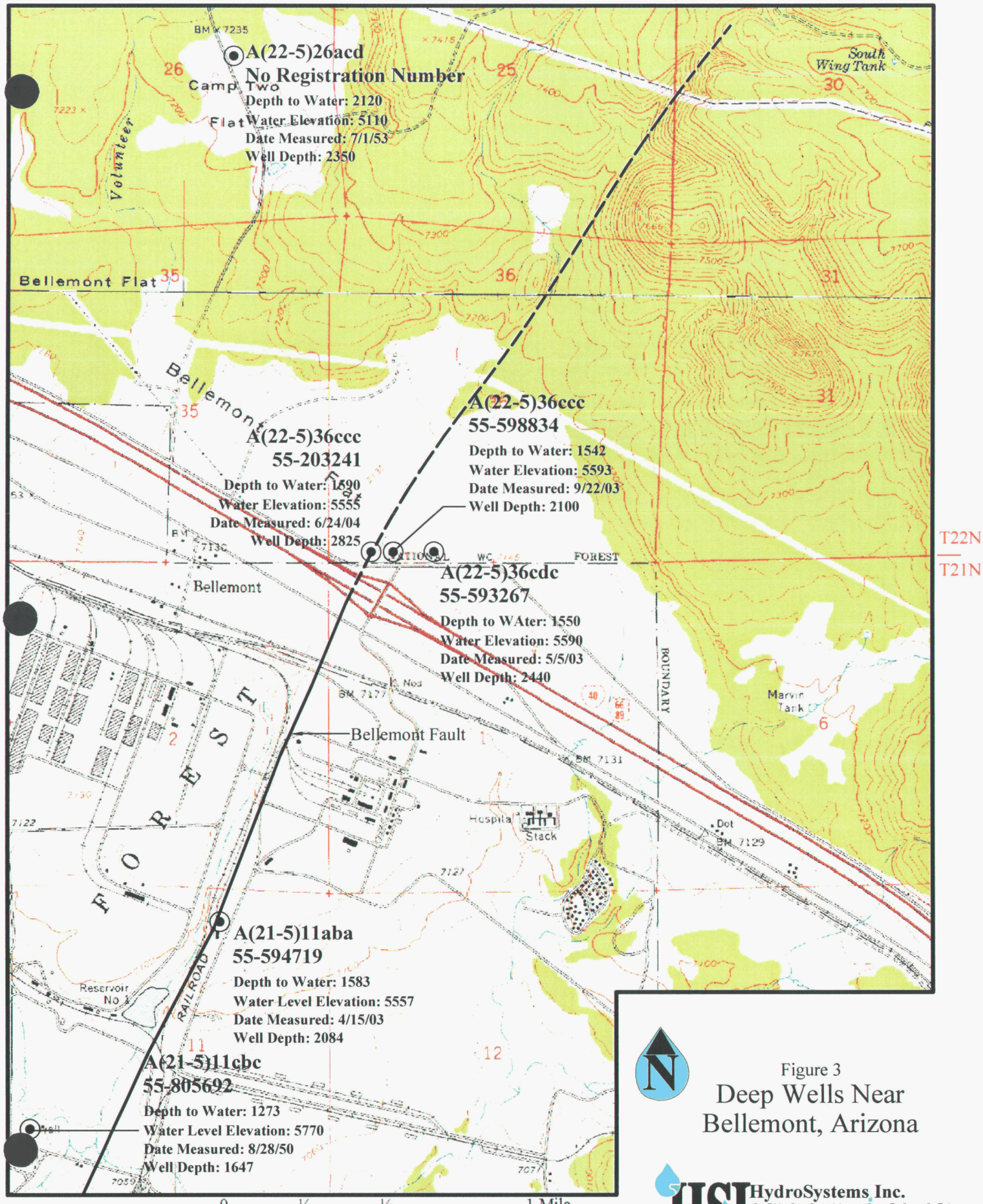

Figure 3
Deep Wells Near
Bellemont, Arizona

HydroSystems Inc.
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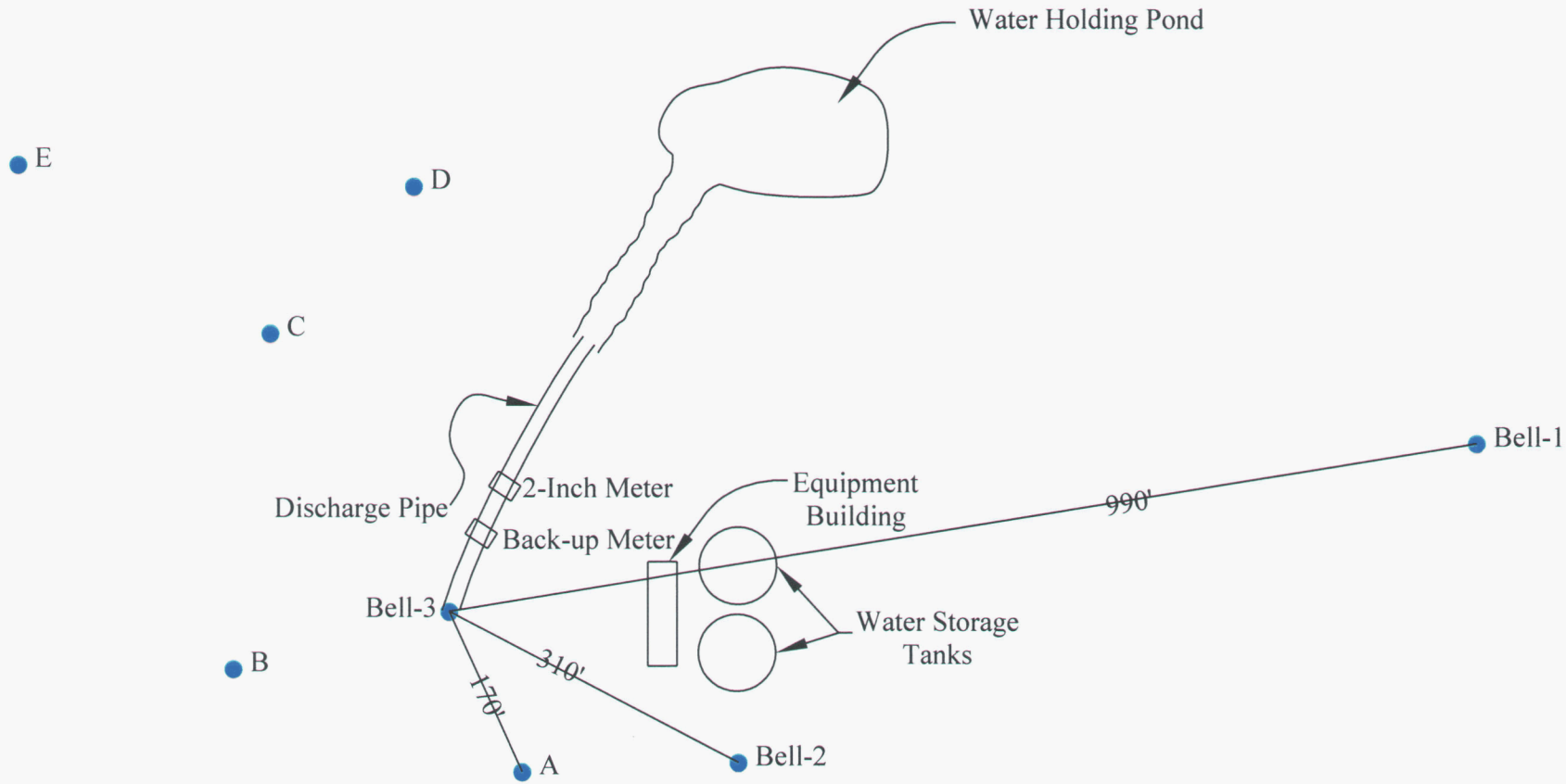
TELEPHONE: 480-517-9050 FAX: 480-517-9049

Date: 07/04

File Path: S:\04-371\PAD Hydrologic\Figures\Fig 3.Dwg



Note: A,B,C,D, and E are shallow wells (Wild Bill Hill Aquifer)
Bell-1, Bell-2, and Bell-3 are deep wells (Regional Aquifer)

Township 22 North, Range 5 East, Section 36

Not to Scale

HydroSystems Inc.
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Figure 4
Aquifer Test Site Plan

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Figure 5.
Drawdown vs. Time for Bell-3

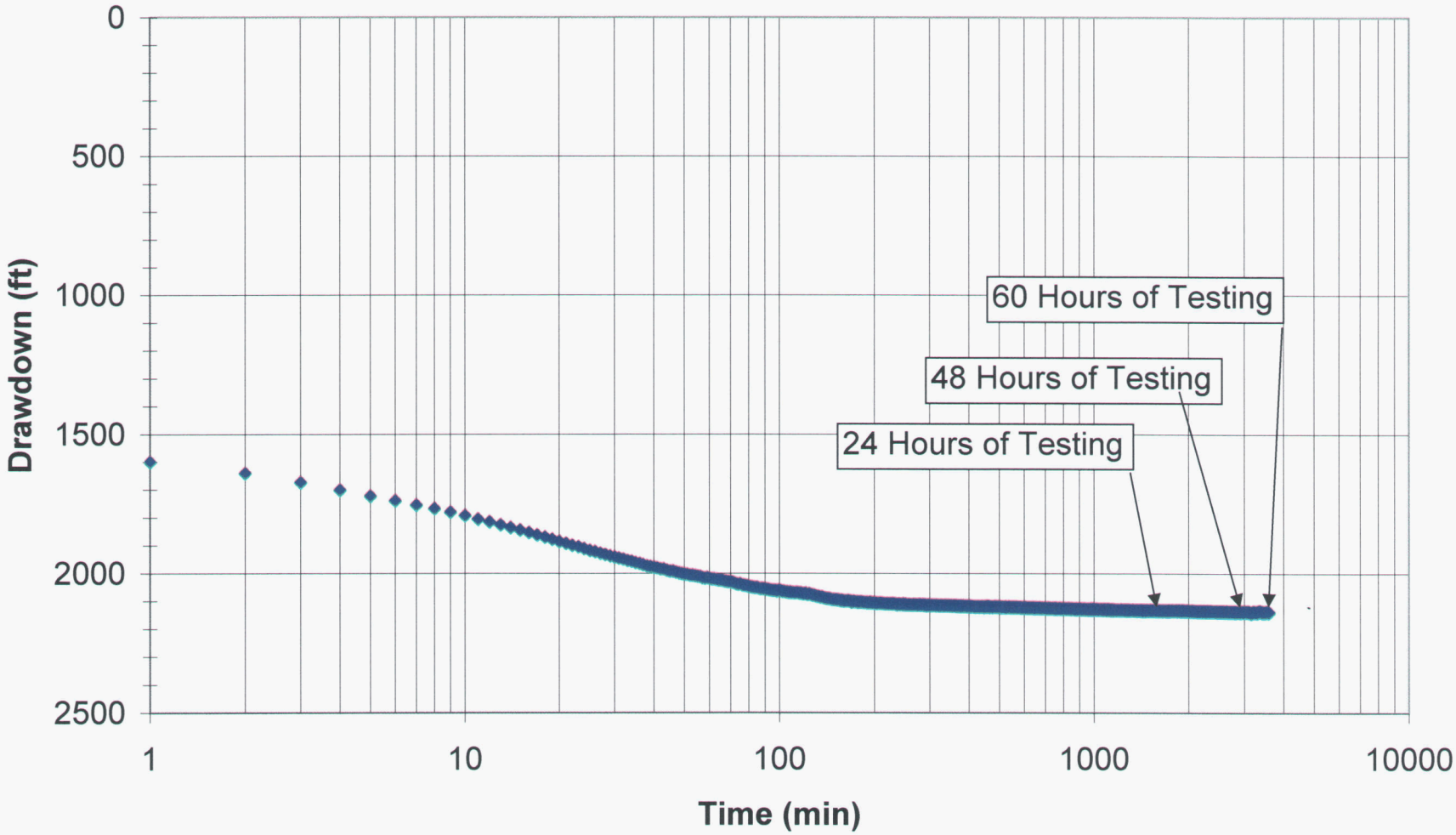


Figure 6.
Drawdown and Recovery Data for Well Bell-3

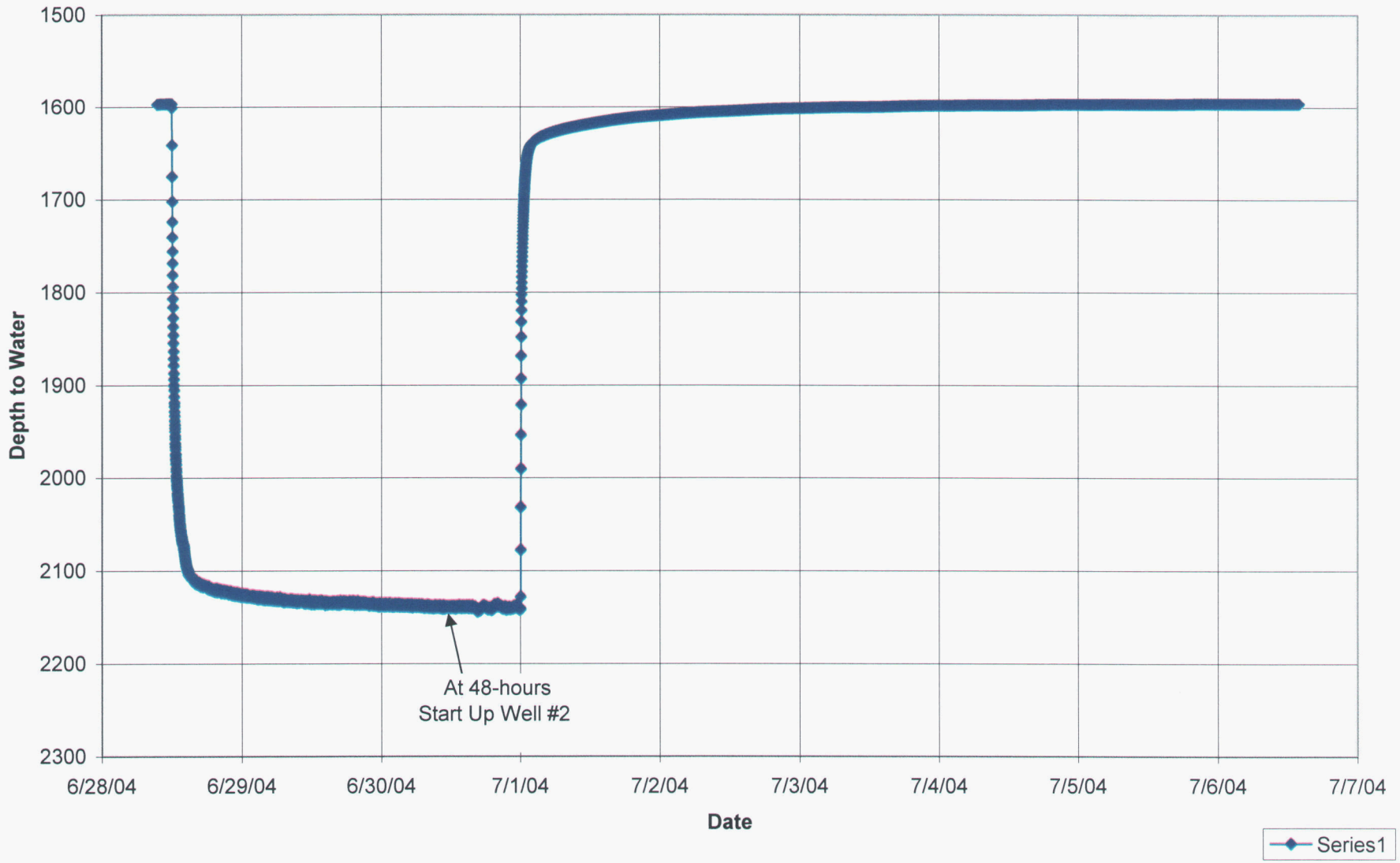
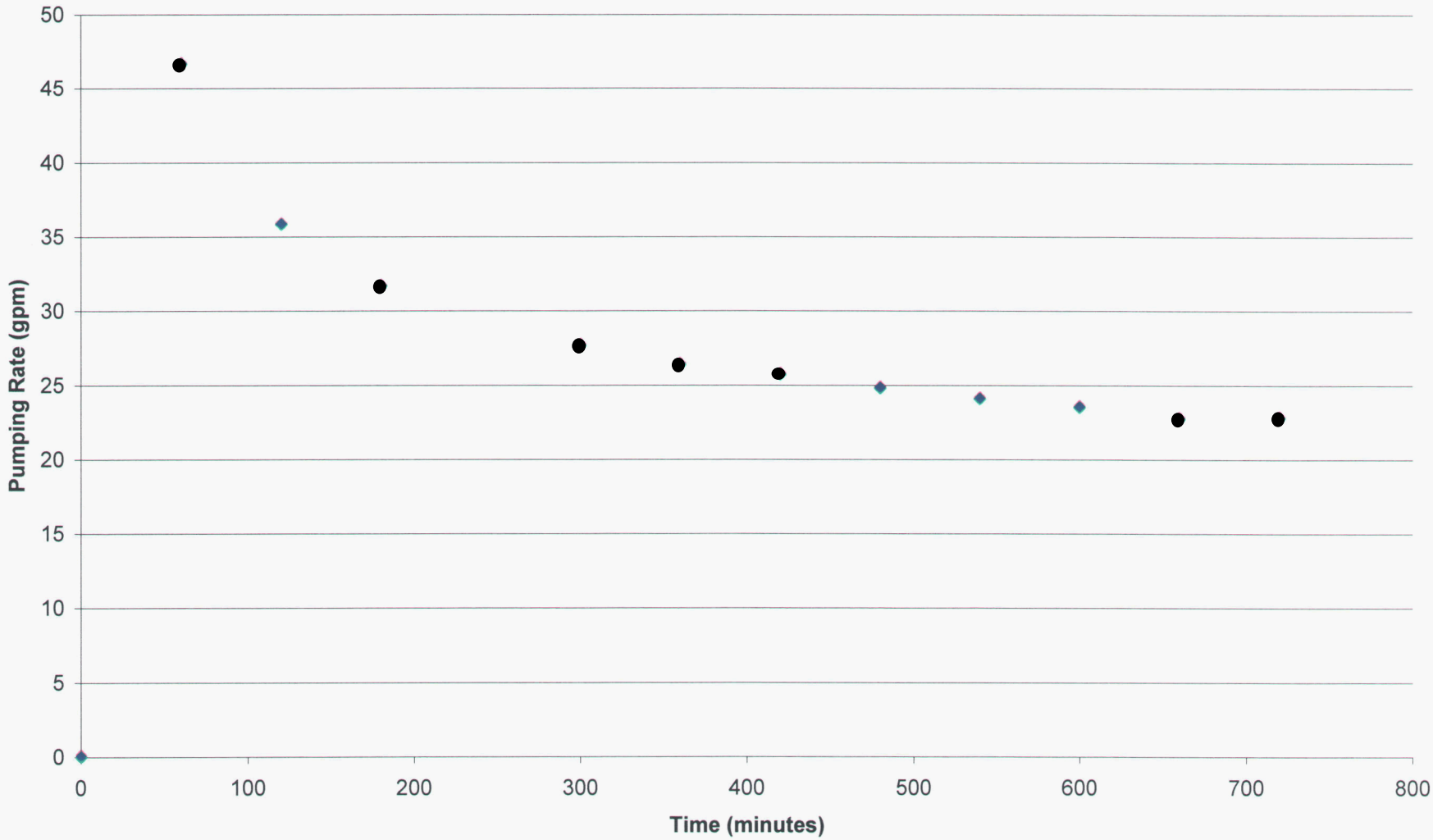


Figure 7.
Pumping Rate Well Bell-2



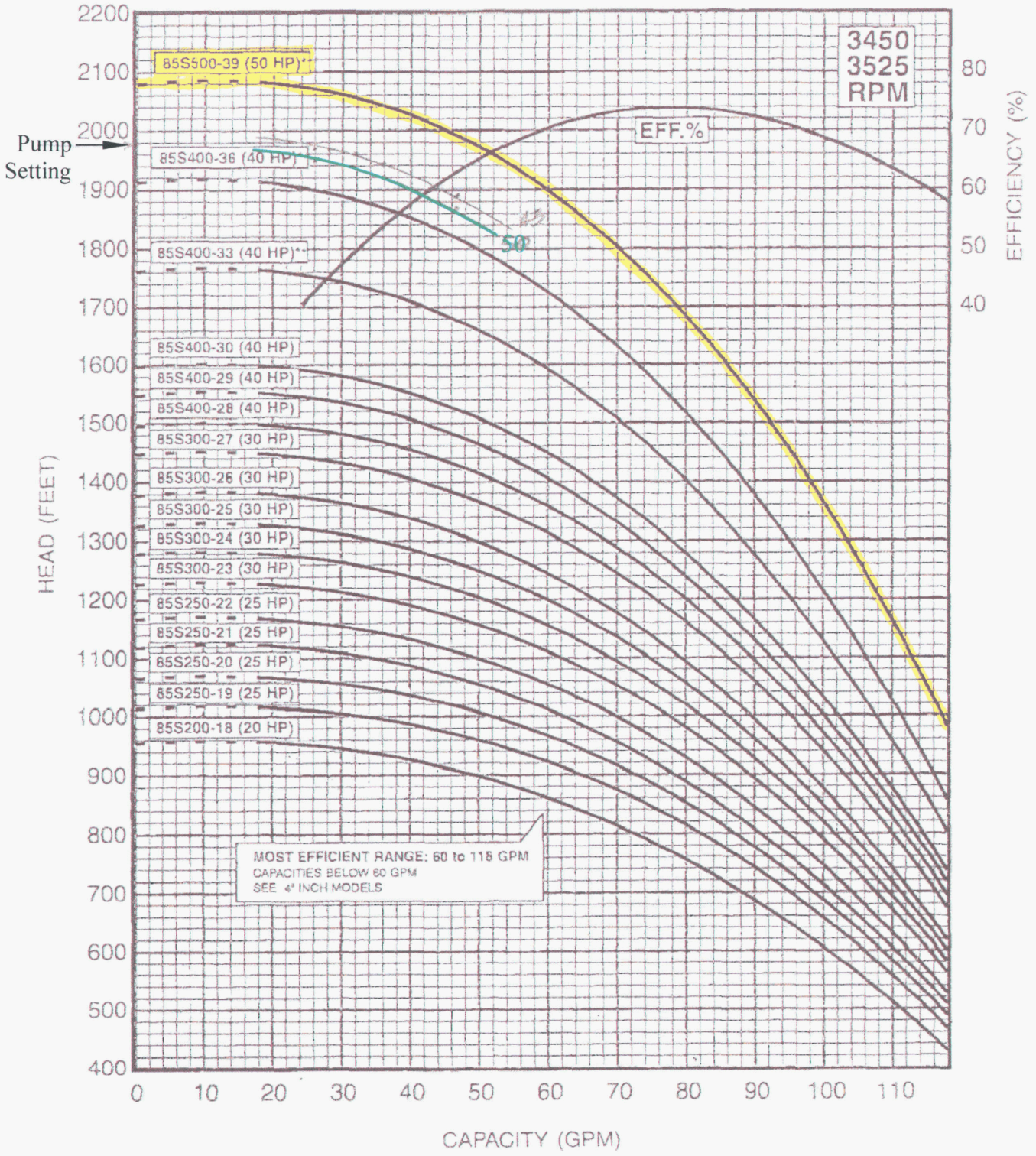


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Figure 8
Pump Curve for Well Bell-2

Figure 9
Impact Analysis for the Deep Wells Near Bellemont, Arizona

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Date: 07/04

File Path: S:\04-371\PAD Hydrologic\Figures\Fig 9.Dwg

TABLES

Table 1 - Flagstaff Meadows
100-Year Projected
Supply Demand Information

Supply

Supply Sources	Quantity (gpm)	Annual Supply (AF/yr)	100-Year Supply (AF)
Well 1 and 2 (Deep Wells)	35	56	5,646
Well 3 (Deep Well)	72	116	11,614
Sub-Total Deep Well Supply	107	173	17,259
Treated Effluent[1]	63	102	10,233
Shallow Wells	44	71	7,097
Total Supplies	214	**346**	**34,589**

[1]Equates to .9 of residential demand per lot

Demand

Subdivision Name	No. of Lots	Approx Size of lots (sq.ft)	Total Acreage	Projected Water Demand Per Residential Lot (gpd)	Projected Water Demand Per Subdivision (gpm)	Projected Water Demand Per Subdivision (gpd)	Residential Demand: Projected Deep Well Water Demand Per Subdivision (af/yr)	Non-Residential Demands: Parks and Lakes served exclusively with Effluent (af/yr)	Commercial* (af/yr)	Fire-station** (af/yr)	Truck Stop (af/yr)	Hotel (af/yr)	Annual Demand for the Proposed Subdivision (af/yr)	100-Year Demand for the Proposed Subdivision (af)
Flagstaff Meadows Unit I (current)	91	7500	47	200	12.6	18,200.00	30	27			6	3	66	6,580
Flagstaff Meadows Unit I (committed)	42	7500		200	5.8	8,400.0								
Flagstaff Meadows Unit II (committed)	87	7000	23	200	12.1	17,400.0	19						19	1,949
Flagstaff Meadows Unit III (committed)	120	6500	71	200	16.7	24,000.0	27	18	19	1			65	6,488
Flagstaff Meadows Townhomes Unit II (committed)	230	3500		100	16.0	23,000.0	26						26	2,576
Flagstaff Meadows Townhomes Unit I (committed)	105	3500	11	100	7.3	10,500.0	12						12	1,176
Total	675		152		70.5	101,500	114	45	29				**188**	**18,769**

* Commercial property in Phase 3 has 10 acres. Assumes 1,700 gpd per acre

** Assumes 57 gpcd (10 occupants)
200 gallons per acre @>4 DU/acre
240 gallons per acre @<4 DU/acre

Table 2 - FLAGSTAFF MEADOWS UNIT 1

Actual Meter Readings				
DATE:	Month	NO. OF WATER USERS:	GALLONS USED PER MONTH	AVERAGE DAILY USAGE:
5/3/2003	April	20	75930	127
6/3/2003	May	22	142248	218
7/1/2003	June	35	216195	205
8/3/2003	July	45	311997	232
9/3/2003	August	58	338060	193
10/3/2003	September	57	291610	171
11/3/2003	October	60	354137	198
12/2/2003	November	64	285593	148
1/2/2004	December	74	349341	157
2/1/2004	January	82	338449	138
3/2/2004	February	86	300480	116
4/1/2004	March	91	414200	152
		58	310749	171

Table 3 - Highland Townhomes @ Ponderosa Trails

Water Meter Readings

LOT:	# of Months:	GALLONS:		LOT:	# of Months:	GALLONS:
1	N/A	N/A		37	20	81260
2	6	81700		38	20	56420
3	20	27500		39	19	29370
4	17	50790		40	19	66780
5	27	69000		41	19	80730
6	27	28100		42	19	54190
7	27	60210		43	19	34140
8	27	37520		44	19	156390
9	25	56910		45	19	63230
10	25	61890		46	19	66840
11	29	28750		47	18	26430
12	30	27840		48	19	7850
13	25	60350		49	18	81680
14	25	39500		50	19	65690
15	24	38260		51	18	51140
16	27	31340		52	18	5040
17	24	3210		53	13	15280
18	24	1790		54	13	43220
19	23	38970		55	13	11490
20	23	23600		56	14	2930
21	22	78440		57	12	23070
22	23	80790		58	13	19600
23	23	48970		59	13	20430
24	22	65720		60	13	56530
25	21	11550		61	14	3020
26	21	11850		62	14	43930
27	21	57030		63	14	39170
28	20	33930		64	N/A	N/A
29	20	88480		65	12	13140
30	21	55750		66	13	14520
31	20	123090		67	13	23820
32	20	46350		68	13	1470
33	18	75530		69	18	50230
34	17	37590		70	18	74860
35	18	15920		71	17	63490
36	18	34650		72	17	18740
			TOTAL:	**70**	**1349**	**3098990**

Average Months Since Close Date:	**19.27142857**
Average Gallons Per House:	**44271.28571**
Average Gallons Per House, Per Month:	**2297.249815**
Average Gallons Per House, Per Day:	**75.56742811**

Table 4: Well Summary

Bellemont Shallow Wells Wild Bill Hill Aquifer								
Cadastral Location	Registration Number	Name	Surface Elevation	Depth	Depth to Water	Water Elevation	Date of Measurement	Rate gpm
A(22-5)36ccc	55-598623	E	7135	300	246	6889	1/5/2004	10
A(22-5)36ccd	55-559096	A	7135	240	42	7093	2/20/1997	7
A(22-5)36ccd	55-564258	B	7135	300	16	7119	7/29/1998	12
A(22-5)36ccd	55-515324	D	7135	105	22	7113	7/10/1987	5
A(22-5)36cdc	55-503545	C	7135	215	111	7024	9/1/1982	10
Area Wells Deep Regional Aquifer								
Cadastral Location	Registration Number	Name	Surface Elevation	Depth	Depth to Water	Water Elevation	Date of Measurement	Rate gpm
A(21-5)11aba	55-594719	New	7140	2084	1583	5557	04/15/03	125
A(21-5)11cbc	55-805692	Old	7043	1647	1273	5770	08/28/50	
A(22-5)26acd			7230	2350	2120	5110	07/01/53	
A(22-5)36ccc	55-598834	Bell-2	7135	2100	1542	5593	09/22/03	23
A(22-5)36cdc	55-593267	Bell-1	7140	2440	1550	5590	05/05/03	11
A(22-5)36ccc	55-203241	Bell-3	7145	2825	1590	5555	6/24/2004	72

Table 5
Flow Data Collected at Well Bell-2

Date	Time	Elapsed Time	Meter Gallons	Flow Between Measurements (gpm)	Cumulative Flow (gpm)	Pressure (psi)	Water Level (Ft)
6/30/2004	1200	0	18000	0	0		
	1300	60	20800	47	47	50	1865
	1400	120	22300	25	36	50	1920
	1500	180	23700	23	32	50	1940
	1700	300	26300	43	28	50	1950
	1800	360	27500	20	26	50	1955
	1900	420	28800	22	26	50	1955
	2000	480	29900	18	25	50	1955
	2100	540	31000	18	24	50	1958
	2200	600	32100	18	24	50	1958
	2300	660	33000	15	23	50	1960
	2400	720	34400	23	23	50	1960

PHOTOS

Photo 1: Cutting samples collected from Bell-3 at 2,825 feet

Photo 2: Water discharged from the lower portion of well Bell-3 during airlifting development.

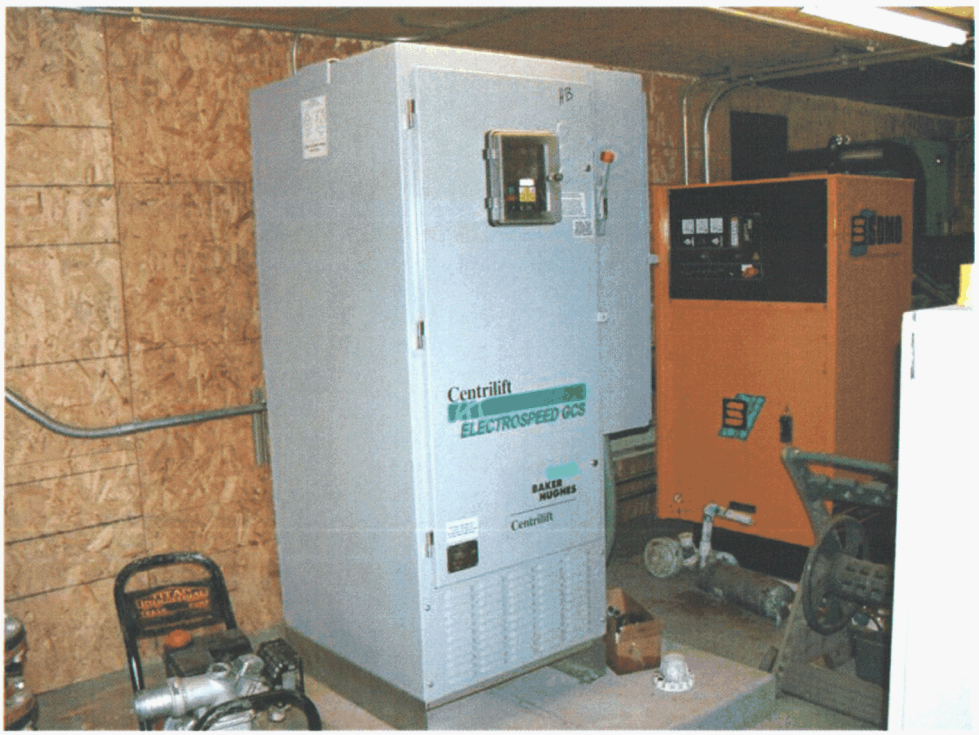

Photo3: Centrilift variable speed drive controller for submersible pump placed in well Bell-3.

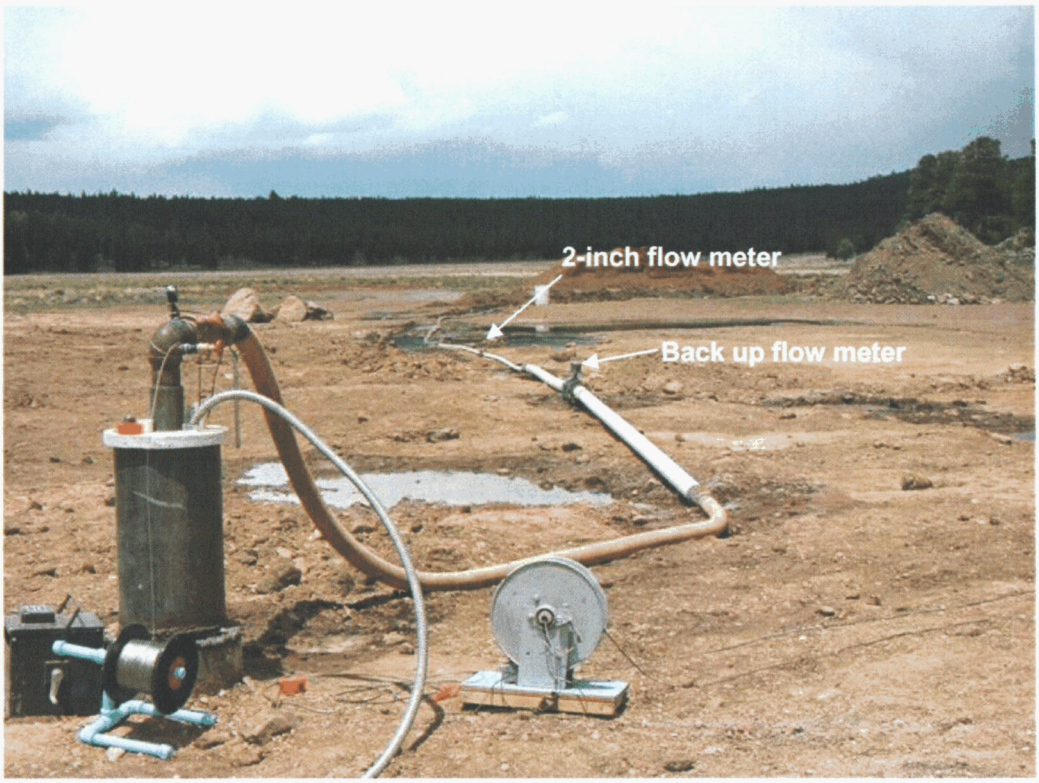

Photo 4: Position of discharge piping and flow meters during aquifer test.

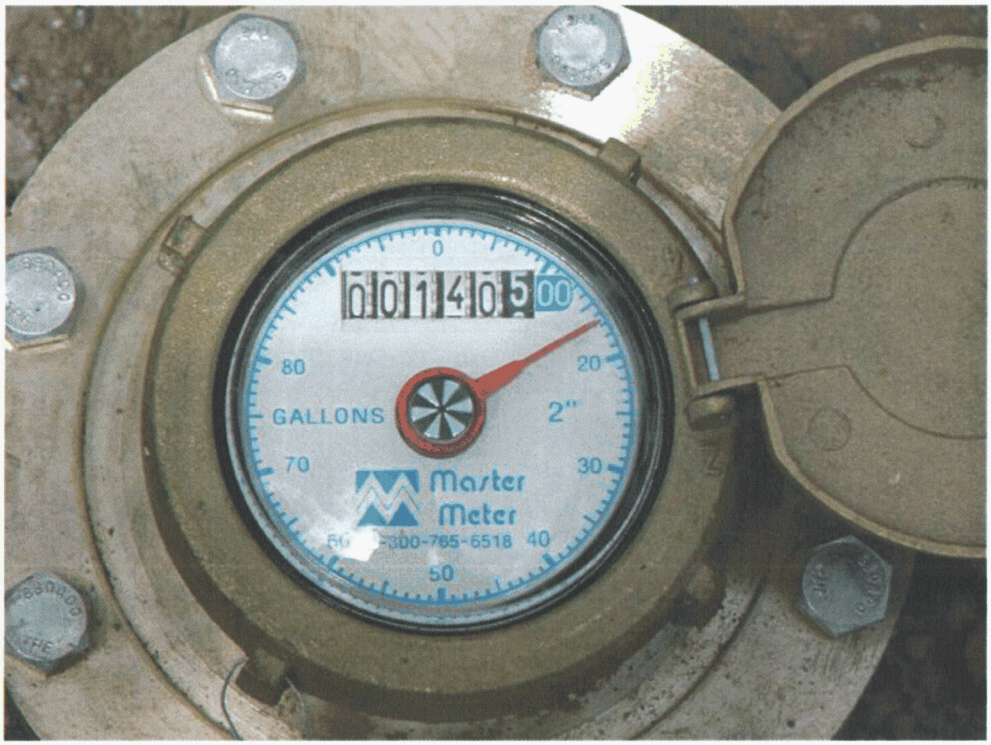

Photo5: Totalizer and dial flow meter used at well Bell-3 for aquifer test.

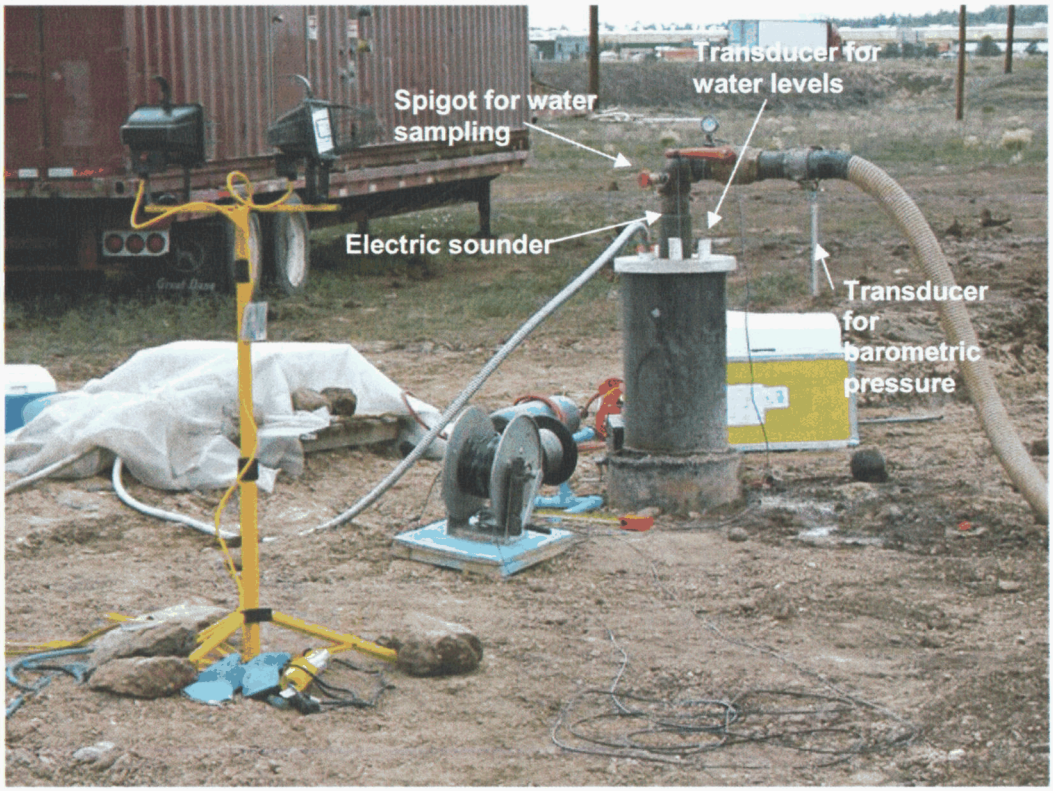

Photo 6: Water level measurement at Bell-3 during aquifer test.

APPENDICES

Appendix A

Appendix A

Flagstaff Meadows

2003-04-04

Cumulative Total Gallons	175500
Monthly Gallons	175500
Number of water users:	8
Average Water usage:	722
Base and water fees:	598.69
Sewer fees:	496.27
Homeowners fees:	870.00
Tax:	71.47
Total new charges:	2036.43
Total Billed (including outstanding balances):	2036.43

Billing Date
2003-05-03 (April Water Use)

Cumulative Total Gallons	251430
Monthly Gallons	75930
Number of water users:	20
Average Water usage:	127
Base and water fees:	538.93
Sewer fees:	305.97
Homeowners fees:	600.00
Tax	50.80
Total new charges:	1495.70
Total Billed (including outstanding balances):	2587.76

2003-06-03 May

Cumulative Total Gallons	393678
Monthly Gallons	142248
Number of water users:	22
Average Water usage:	218

Base and water fees:	517.08
Sewer fees:	304.71
Homeowners fees:	540.00
Tax:	52.78
Total new charges:	1414.57
Total Billed (including outstanding balances):	1569.57

2003-07-01 June

Cumulative Total Gallons	609873
Monthly Gallons	216195
Number of water users:	35
Average Water usage:	205
Base and water fees:	949.66
Sewer fees:	595.16
Homeowners fees:	660.00
Tax:	94.79
Total new charges:	2299.61
Total Billed (including outstanding balances):	2787.41

2003-08-03 July

Cumulative Total Gallons	921870
Monthly Gallons	311997
Number of water users:	45
Average Water usage:	232
Base and water fees:	1273.02
Sewer fees:	848.60
Homeowners fees:	2070.00
Tax:	132.64
Total new charges:	4324.26
Total Billed (including outstanding balances):	4772.47

2003-09-03 August

Cumulative Total Gallons	1259930
Monthly Gallons	338060
Number of water users:	58
Average Water usage:	193
Base and water fees:	1397.80
Sewer fees:	836.98
Homeowners fees:	2370.00
Tax:	84.94
Total new charges:	4689.72
Total Billed (including outstanding balances):	6185.35

2003-10-03

September

Cumulative Total Gallons	1551540
Monthly Gallons	291610
Number of water users:	57
Average Water usage:	171
Base and water fees:	1429.43
Sewer fees:	904.96
Homeowners fees:	2160.00
Tax:	93.28
Total new charges:	4587.67
Total Billed (including outstanding balances):	5034.70

2003-11-03 October

Cumulative Total Gallons	1905677
Monthly Gallons	354137
Number of water users:	60
Average Water usage:	198
Base and water fees:	1487.42
Sewer fees:	982.35
Homeowners fees:	2190.00
Tax:	97.11
Total new charges.	4756.88
Total Billed (including outstanding balances).	5655.90

2003-12-02 November

Cumulative Total Gallons	2191270
Monthly Gallons	285593
Number of water users:	64
Average Water usage:	148
Base and water fees:	1260.52
Sewer fees:	739.10
Homeowners fees:	2070.00
Tax:	82.27
Total new charges:	4151.89
Total Billed (including outstanding balances):	5282.12

2004-01-02 December

Cumulative Total Gallons	2540611
Monthly Gallons	349341
Number of water users:	74
Average Water usage:	157
Base and water fees:	1333.42
Sewer fees:	788.02
Homeowners fees:	3540.00
Tax:	86.90

Total new charges:	5748.34
Total Billed (including outstanding balances):	6966.79

2004-02-01 January

Cumulative Total Gallons	2879060
Monthly Gallons	338449
Number of water users:	82
Average Water usage:	138
Base and water fees:	1520.95
Sewer fees:	915.41
Homeowners fees:	2880.00
Tax:	99.25
Total new charges:	5415.61
Total Billed (including outstanding balances):	8573.62

2004-03-02 February

Cumulative Total Gallons	3179540
Monthly Gallons	300480
Number of water users:	86
Average Water usage:	116
Base and water fees:	1439.60
Sewer fees:	813.91
Homeowners fees:	4470.00
Tax	93.92
Total new charges:	6817.43
Total Billed (including outstanding balances):	10286.26

2004-04-01 Mar

Cumulative Total Gallons	3593740
Monthly Gallons	414200
Number of water users:	91
Average Water usage:	152
Base and water fees:	
Sewer fees:	
Homeowners fees:	
Tax:	
Total new charges:	
Total Billed (including outstanding balances):	

TOTALS: Flagstaff Meadows

Gallons Used:	3593740
Base and water fees:	13746.52
Sewer fees.	8531.44
Homeowners fees:	24420.00

Tax:	1040.15
Total new charges:	47738.11

TOTALS: All properties

Gallons Used:	6862750
Base and water fees:	23211.54
Sewer fees:	17058.93
Homeowners fees:	25230.00
Tax:	1920.80
Total new charges:	67421.27

COMMERCIAL PROPERTY

Based on Actual Meter Readings

DATE:	WATER USERS:	GPM	GPD	DATE:	USERS:	GPM	GPD
5/3/03	Hotel	27800	926	5/3/03	Truck Stop	142900	4763
6/3/03	Hotel	88900	2867	6/3/03	Truck Stop	189900	6125
7/1/03	Hotel	96700	3223	7/1/03	Truck Stop	177300	5910
8/3/03	Hotel	118100	3809	8/3/03	Truck Stop	226800	7316
9/3/03	Hotel	96200	3103	9/3/03	Truck Stop	183800	5929
10/3/03	Hotel	96300	3210	10/3/03	Truck Stop	163600	5453
11/3/03	Hotel	112600	3632	11/3/03	Truck Stop	168600	5438
12/2/03	Hotel	87200	2906	12/2/03	Truck Stop	135200	4506
1/2/04	Hotel	103900	3351	1/2/04	Truck Stop	127800	4122
2/1/04	Hotel	75400	2432	2/1/04	Truck Stop	123400	3980
3/2/04	Hotel	59700	2058	3/2/04	Truck Stop	111800	3855
4/1/04	Hotel	82000	2645	4/1/04	Truck Stop	124600	4019
			2846.833				5118

Appendix B

U.S. Census Bureau
American FactFinder

FACT SHEET

Coconino County, Arizona

Highlights from the Census 2000 Demographic Profiles:

General Characteristics - show more >>	Number	Percent	U.S.		
Total population	116,320	100.0	100%	map	brief
Male	58,061	49.9	49.1%	map	brief
Female	58,259	50.1	50.9%	map	brief
Median Age (years)	29.6	(X)	35.3	map	brief
Under 5 years	8,444	7.3	6.8%	map	
18 years and over	82,895	71.3	74.3%		
65 years and over	8,143	7.0	12.4%	map	brief
One race - Total	113,576	97.6	97.6%		
White	73,381	63.1	75.1%	map	brief
Black or African American	1,215	1.0	12.3%	map	brief
American Indian and Alaska Native	33,161	28.5	0.9%	map	brief
Asian	910	0.8	3.6%	map	brief
Native Hawaiian and Other Pacific Islander	108	0.1	0.1%	map	brief
Some other race	4,801	4.1	5.5%	map	
Two or more races	2,744	2.4	2.4%	map	brief
Hispanic or Latino (of any race)	12,727	10.9	12.5%	map	brief
Average household size	2.80	(X)	2.59	map	brief
Average family size	3.36	(X)	3.14	map	
Total housing units	53,443	100.0	100.0%	map	
Occupied housing units	40,448	75.7	91.0%		brief
Owner-occupied housing units	24,835	61.4	66.2%	map	
Renter-occupied housing units	15,613	38.6	33.8%	map	brief
Vacant housing units	12,995	24.3	9.0%	map	

Social Characteristics - show more >>	Number	Percent	U.S.		
Population 25 years and over	65,976	100.0			
High school graduate or higher	55,272	83.8	80.4%	map	brief
Bachelor's degree or higher	12,316	29.9	24.4%	map	
Civilian veterans (civilian population 25 years and older)	9,712	11.7	12.7%	map	brief
Disability Status (population 21 to 64 years)	11,668	17.2	19.2%	map	brief
Foreign Born	5,051	4.3	11.1%	map	brief
Now Married (population 15 years and over)	44,165	49.7	54.4%		brief
Speak a language other than English at home (5 years and older)	30,401	28.2	17.9%	map	brief

Economic Characteristics - show more >>	Number	Percent	U.S.		
In Labor Force (16 years and older)	59,688	68.6	63.9%		brief
Mean travel time to work in minutes (16 years and older)	19.0	(X)	25.5	map	
Median household income (dollars)	38,256	(X)	41,994	map	
Median family income (dollars)	45,873	(X)	50,046	map	
Per capita income (dollars)	17,139	(X)	21,857	map	
Families below poverty level	3,549	13.1	9.2%	map	brief
Individuals below poverty level	20,609	18.2	12.4%	map	

Housing Characteristics - show more >>	Number	Percent	U.S.		
Single-family owner-occupied homes	18,195	100.0			
Median value (dollars)	142,500	(X)	119,600	map	brief
Median of selected monthly owner costs	(X)	(X)			
With a mortgage	1,125	(X)	1,088	map	
Not mortgaged	225	(X)	295		

Appendix C

Greenfield Land Development
55-File for PAD
T22N R5E, T22N R4E, T21N R5E, T21N R4E

Reg. No.	T	N	R	E	Sec.	160	40	10	UTMX	UTMY	WELLTYPE	Installed	Driller	Well Depth	Water Level	Casing Type	Casing Depth	Casing Width	Pump Type	Pump rate	Test rate	draw down	Drill log	Last Name	Cncld
573793	21	N	4	E	5	SE	SE	NE	410444.7	3898218.8	EXEMPT	5/17/1999	530	602	556	PLASTIC OR PVC	300	4		0	0	0	X	COLLINS	
521865	21	N	4	E	8	NE	NE	NE	410437.9	3897809.8	EXEMPT	9/4/1988	401	130	90	SLOTTED CASING	130	7	TURBINE	5	5	30	X	DOHERTY, MARK,	
556189	21	N	4	E	8	NE	NE	NE	410437.9	3897809.8	EXEMPT		530	0	0		0	0		0	0	0		APPLE, GUY,	Y
521321	21	N	4	E	8	NE	NE	NE	410437.9	3897809.8	EXEMPT		401	0	0		0	0		0	0	0		PALMER, MICHAEL,J	Y
559592	21	N	4	E	8	NE	NE	NE	410437.9	3897809.8	EXEMPT	8/23/1996	530	280	0	SLOTTED CASING	0	7		0	0	0	X	APPLE, GUY,	Y
559591	21	N	4	E	8	NE	SE	NE	410447.5	3897404.6	EXEMPT		530	0	0		0	0		0	0	0		APPLE, GUY,	Y
563973	21	N	4	E	8	NE	SE	SW	410250.5	3897206.7	EXEMPT		204	506	0		0	0		0	0	0	X	KACKLEY	
561220	21	N	4	E	8	NE	SE	SW	410250.5	3897206.7	EXEMPT	6/1/1997	204	405	0		0	0		0	0	0	X	KACKLEY, JERRY,A	
569595	21	N	4	E	8	SE	NW	SW	409855.3	3896808.9	EXEMPT	8/24/1998	336	150	0		0	0		0	0	0	X	BYRD	Y
505769	21	N	4	E	8	SE	SW	SE	410066.3	3896398.1	EXEMPT	9/5/1983	265	280	0	SLOTTED CASING	20	6		0	0	0	X	VELASCO,G	Y
505521	21	N	4	E	8	SE	SE	NW	410264.2	3896598.9	EXEMPT	6/20/1983	265	120	90	SLOTTED CASING	120	6	CENTRIFUGAL	5	5	110	X	BROOKS,N	
500321	21	N	4	E	8	SE	SE	SW	410268.6	3896395.5	EXEMPT	7/2/1981	29	55	0	SLOTTED CASING	57	7		0	0	0	X	SCHREINER, LESTER,	
561116	21	N	4	E	8	SE	SE	SW	410268.6	3896395.5	EXEMPT	6/6/1997	239	350	0	SLOTTED CASING	20	7		0	0	0	X	TSCHUMY, GENE,	
563260	21	N	4	E	8	SE	SE	SW	410268.6	3896395.5	EXEMPT		239	0	0		0	0		0	0	0		TSCHUMY, GENE,	
563261	21	N	4	E	8	SE	SE	SW	410268.6	3896395.5	EXEMPT		239	0	0		0	0		0	0	0		TSCHUMY, GENE,	
514835	21	N	4	E	8	SE	SE	SW	410268.6	3896395.5	EXEMPT	10/4/1982	0	110	60	SLOTTED CASING	110	6	TURBINE	5	5	30	X	SCHREINER, LESTER,	
514469	21	N	4	E	8	SE	SE	SE	410470.6	3896392.9	EXEMPT	9/3/1986	336	95	62	SLOTTED CASING	95	6	SUBMERSIBLE	12	12	8	X	MANROSE, DEBORAH,L	
566705	21	N	4	E	9	NW	SW	NW	410650	3897400.1	EXEMPT	5/16/1998	530	300	0	PLASTIC OR PVC	300	7		0	0	0	X	MILLER	
647939	21	N	4	E	9	SW	SW		410769.9	3896486.9	EXEMPT		0	162	99	SLOTTED CASING	164	6		10	10	0		HAGA,M L	
646435	21	N	4	E	9	SW	SW	NE	410867.2	3896584.8	EXEMPT	8/10/1968	0	210	80	SLOTTED CASING	60	8		30	30	0		RIDCO INC AZ COPR,	
505954	21	N	4	E	17	NE	NE	NE	410471	3896190.5	EXEMPT	9/7/1983	265	240	0	SLOTTED CASING	20	6		0	0	0	X	JEWEL,R	
528323	21	N	4	E	17	NE	NE	NE	410471	3896190.5	EXEMPT	7/11/1990	532	200	140	SLOTTED CASING	200	7		0	0	0	X	MOORE, CHARLES,R	
574119	21	N	4	E	17	NE	NE	NE	410471	3896190.5	EXEMPT	5/19/1999	530	262	210	PLASTIC OR PVC	260	4		0	0	0	X	COLEMAN	
505522	21	N	4	E	17	NE	NE	NW	410268.5	3896192.8	EXEMPT	6/17/1983	336	240	137	PLASTIC OR PVC	240	5	SUBMERSIBLE	8	0	95	X	VICKREY	
505661	21	N	4	E	17	NE	NE	NW	410268.5	3896192.8	EXEMPT	2/12/1993	336	232	104	SLOTTED CASING	132	6	SUBMERSIBLE	10	10	100	X	SEFF,M	
505955	21	N	4	E	17	NE	NE	NW	410268.5	3896192.8	EXEMPT		265	0	0		0	0		0	0	0		JEWELL,B	Y
505760	21	N	4	E	17	NE	NE	SW	410265.1	3895990.8	EXEMPT	9/12/1983	265	60	30	SLOTTED CASING	60	6		0	0	0	X	DEVENS,E	
506289	21	N	4	E	17	NE	NE	SW	410265.1	3895990.8	EXEMPT	9/8/1983	265	200	0	SLOTTED CASING	0	6		0	0	0	X	DEVENS,E	Y
544802	21	N	4	E	17	NE	NW	NW	409863.7	3896197.3	EXEMPT	11/15/1995	495	115	69	SLOTTED CASING	0	0		0	0	0	X	HAWTHORNE, RICHARD,	
546368	21	N	4	E	17	NE	NW	SW	409859.9	3895995.9	EXEMPT	6/6/1995	336	252	200	SLOTTED CASING	252	7	SUBMERSIBLE	5	2	240	X	STRONG, JAMES,L	
505764	21	N	4	E	17	NW	NE	NE	409661.3	3896199.6	EXEMPT		265	0	0		0	0		0	0	0	X	CARSON,W S	Y
505759	21	N	4	E	17	NW	NE	NE	409661.3	3896199.6	EXEMPT	7/22/1983	265	160	0	SLOTTED CASING	20	6		0	0	0	X	HUGUEZ,A	
505763	21	N	4	E	17	NW	NE	NE	409661.3	3896199.6	EXEMPT		265	0	0		0	0		0	0	0		WILLIAMS,M	Y
522339	21	N	5	E	1	NE	SW	NW	425825.9	3899030.2	NON-EXEMPT	9/29/1988	362	225	159	SLOTTED CASING	38	6		0	0	0	X	ACGT,	
509305	21	N	5	E	1	NE	SW	SW	425827	3898825.8	EXEMPT		336	0	0		0	0		0	0	0		CROCKATT,C G	Y
513656	21	N	5	E	1	NE	SW	SW	425827	3898825.8	NON-EXEMPT	4/4/1986	336	100	42	SLOTTED CASING	0	6	SUBMERSIBLE	15	1	0	X		
513994	21	N	5	E	1	NE	SW	SW	425827	3898825.8	EXEMPT	5/14/1986	336	220	137		0	0		0	0	0	X	CROCKATT	
575889	21	N	5	E	1	NE	SW	SW	425827	3898825.8	EXEMPT		336	0	0		0	0		0	0	0		CROCKATT	Y
541300	21	N	5	E	1	SW	NW	SE	425223	3898413.1	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
541301	21	N	5	E	1	SW	NW	SE	425223	3898413.1	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y

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Reg. No.	T	N	R	E	Sec.	160	40	10	UTMX	UTMY	WELLTYPE	Installed	Driller	Well Depth	Water Level	Casing Type	Casing Depth	Casing Width	Pump Type	Pump rate	Test rate	draw down	Drill log	Last Name	Cncld
541304	21	N	5	E	1	SW	NW	SE	425223	3898413.1	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
541305	21	N	5	E	1	SW	NW	SE	425223	3898413.1	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
541306	21	N	5	E	1	SE	NW	SE	426031.1	3898418.6	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
541307	21	N	5	E	1	SE	NW	SE	426031.1	3898418.6	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
541308	21	N	5	E	1	SE	NW	SE	426031.1	3898418.6	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
541309	21	N	5	E	1	SE	NW	SE	426031.1	3898418.6	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
541310	21	N	5	E	1	SE	NW	SE	426031.1	3898418.6	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
541311	21	N	5	E	1	SE	NW	SE	426031.1	3898418.6	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
541312	21	N	5	E	1	SE	NW	SE	426031.1	3898418.6	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
575890	21	N	5	E	1	SE	SW	SW	425831.3	3898008.6	EXEMPT		336	0	0		0	0		0	0	0		CROCKATT	Y
627254	21	N	5	E	2	NE	NW	SW	424213.3	3899237.7	NON-EXEMPT	8/12/1929	0	110	0		0	0		0	0	0		ATCHISON-TOPEKA,	
525930	21	N	5	E	2	NE	NW	SE	424414.1	3899236.3	NON-EXEMPT	10/31/1989	35	240	0	SLOTTED CASING	20	12		0	0	0	X	BELLEMONT WATER CO,	
549875	21	N	5	E	2	NE	SW	SW	424215.6	3898830.5	PIEZOMETER	10/21/1995	161	49	36	PLASTIC OR PVC	47	4		0	0	0	X	ARIZONA ARMY NATL,	
557462	21	N	5	E	2	NE	SW	SW	424215.6	3898830.5	PIEZOMETER	5/18/1996	161	145	130	PLASTIC OR PVC	130	2		0	0	0	X		
557461	21	N	5	E	2	NE	SW	SW	424215.6	3898830.5	PIEZOMETER	5/21/1996	161	350	25	PLASTIC OR PVC	350	4		0	0	0	X		
557463	21	N	5	E	2	NE	SW	SW	424215.6	3898830.5	PIEZOMETER	5/21/1996	161	45	30	PLASTIC OR PVC	30	2		0	0	0	X		
627253	21	N	5	E	2	NW	NE	SE	424012.4	3899239	NON-EXEMPT	11/7/1926	0	122	0	SLOTTED CASING	125	12		0	0	0		ATCHISON-TOPEKA,	
557464	21	N	5	E	2	NW	NW	NW	423409.3	3899445.1	PIEZOMETER	5/19/1996	161	52	49	PLASTIC OR PVC	33	2		0	0	0	X		
541297	21	N	5	E	2	NW	NW	SE	423610.7	3899241.7	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
541298	21	N	5	E	2	NW	NW	SE	423610.7	3899241.7	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
541303	21	N	5	E	2	NW	NW	SE	423610.7	3899241.7	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
541299	21	N	5	E	2	NW	NW	SE	423610.7	3899241.7	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
541302	21	N	5	E	2	NW	NW	SE	423610.7	3899241.7	PIEZOMETER		533	0	0		0	0		0	0	0		DEPT OF DEFENSE,	Y
549874	21	N	5	E	2	NW	SE	NE	424013.7	3899035.9	PIEZOMETER	10/20/1995	161	50	43	PLASTIC OR PVC	13	4		0	0	0	X	AZ ARMY NATL GUARD,	
549876	21	N	5	E	2	NW	SE	SE	424015	3898832.9	PIEZOMETER	10/21/1995	161	78	43	PLASTIC OR PVC	76	4		0	0	0	X	ARIZONA ARMY NATL,	
553811	21	N	5	E	2	SW	NW	NE	423615.4	3898635.7	EXPLORATION		473	0	0		0	0		0	0	0		ARIZONA ARMY NATL,	
549871	21	N	5	E	2	SW	SE	SW	423820.2	3898025.1	PIEZOMETER	5/16/1996	161	370	0		0	0		0	0	0	X	ARIZONA ARMY NATL,	Y
806551	21	N	5	E	2	SE	NE	NW	424617.7	3898621	EXEMPT		283	0	0		0	0		0	0	0		NAVAJO DEPOT ACTIV.,	Y
530019	21	N	5	E	10	NE	NE	NW	423020.8	3897867.8	PIEZOMETER		540	0	0		0	0		0	0	0			Y
530020	21	N	5	E	10	NE	NE	NW	423020.8	3897867.8	PIEZOMETER		540	0	0		0	0		0	0	0		DEPT OF ARMY,	Y
563028	21	N	5	E	10	NE	NE	NW	423020.8	3897867.8	PIEZOMETER	9/22/1997	498	22	18	PLASTIC OR PVC	22	4		0	0	0	X	AZ ARMY NTL GUARD,	
530017	21	N	5	E	10	NE	NE	SW	423019.9	3897649.2	MONITOR	11/8/1990	540	26	6	PLASTIC OR PVC	6	2		0	0	0	X		Y
563017	21	N	5	E	10	NE	NE	SW	423019.9	3897649.2	PIEZOMETER	9/23/1997	498	21	15	PLASTIC OR PVC	21	4		0	0	0	X	AZ ARMY NTL GUARD,	
563029	21	N	5	E	10	NE	NE	SW	423019.9	3897649.2	PIEZOMETER	9/22/1997	498	15	12	PLASTIC OR PVC	15	4		0	0	0	X	AZ ARMY NTL GUARD,	
530016	21	N	5	E	10	NE	NE	SW	423019.9	3897649.2	PIEZOMETER	11/8/1990	540	26	0	PLASTIC OR PVC	26	2		0	0	0	X		
530021	21	N	5	E	10	NE	NE	SE	423219.7	3897636.4	PIEZOMETER		540	0	0		0	0		0	0	0		DEPT OF ARMY,	Y
563018	21	N	5	E	10	NE	NE	SE	423219.7	3897636.4	PIEZOMETER	9/23/1997	498	24	18	PLASTIC OR PVC	24	4		0	0	0	X	AZ ARMY NATL GUARD,	
563016	21	N	5	E	10	NE	NE	SE	423219.7	3897636.4	PIEZOMETER	9/23/1997	498	24	22	PLASTIC OR PVC	24	4		0	0	0	X	AZ ARMY NATL GUARD,	
577357	21	N	5	E	10	NE	NE	SE	423219.7	3897636.4	GEOTECHNICAL		7	0	0		0	0		0	0	0			Y
530010	21	N	5	E	10	NE	NW	NE	422821.7	3897890.2	PIEZOMETER	11/10/1990	540	33	17	PLASTIC OR PVC	32	2		0	0	0	X		

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Reg. No.	T	N	R	E	Sec.	160	40	10	UTMX	UTMY	WELLTYPE	Installed	Driller	Well Depth	Water Level	Casing Type	Casing Depth	Casing Width	Pump Type	Pump rate	Test rate	draw down	Drill log	Last Name	Cncld
530013	21	N	5	E	10	NE	NW	NE	422821.7	3897890.2	MONITOR	11/8/1990	540	29	9	PLASTIC OR PVC	26	2		0	0	0	X		Y
530012	21	N	5	E	10	NE	NW	SE	422820.2	3897661.9	MONITOR	11/9/1990	540	27	8	PLASTIC OR PVC	27	2		0	0	0	X		Y
530014	21	N	5	E	10	NE	NW	SE	422820.2	3897661.9	MONITOR	11/6/1990	540	48	10	PLASTIC OR PVC	20	2		0	0	0	X		Y
530015	21	N	5	E	10	NE	NW	SE	422820.2	3897661.9	MONITOR	11/7/1990	540	60	8	PLASTIC OR PVC	5	2		0	0	0	X		Y
400062	21	N	5	E	10	NE	SW	NE	422817.9	3897452.1	MONITOR		498	0	0		0	0		0	0	0			Y
563027	21	N	5	E	10	NE	SE	NE	423218	3897431.3	MONITOR		498	0	0		0	0		0	0	0			Y
544383	21	N	5	E	10	NE	SE	NE	423218	3897431.3	MONITOR	7/4/1994	214	113	108	PLASTIC OR PVC	113	4		0	0	0	X		
583550	21	N	5	E	10	NE	SE	NE	423218	3897431.3	MONITOR	10/24/2000	7	30	27	PLASTIC OR PVC	27	2		0	0	0	X		
530018	21	N	5	E	10	NE	SE	SW	423016.3	3897234	MONITOR	11/11/1990	540	50	41	PLASTIC OR PVC	26	2		0	0	0	X		Y
530011	21	N	5	E	10	NE	SE	SE	423216.4	3897226	MONITOR	11/9/1990	540	29	10	PLASTIC OR PVC	9	2		0	0	0	X		
400063	21	N	5	E	10	SE	NW	NE	422813.3	3897032.1	MONITOR		498	0	0		0	0		0	0	0			Y
549873	21	N	5	E	11	NW	NE	NE	424021.6	3897818.3	PIEZOMETER	11/2/1995	161	62	0		0	0		0	0	0	X	ARIZONA ARMY NATL,	
549872	21	N	5	E	11	NW	NE	NW	423821.5	3897822.8	PIEZOMETER	10/22/1995	161	50	22	PLASTIC OR PVC	48	4		0	0	0	X	ARIZONA ARMY NATL,	
583548	21	N	5	E	11	NW	NW	SE	423620.3	3897624.2	MONITOR	9/26/2000	7	21	12	PLASTIC OR PVC	16	2		0	0	0	X		
577359	21	N	5	E	11	NW	SW		423517.8	3897321	GEOTECHNICAL		7	0	0		0	0		0	0	0			Y
577358	21	N	5	E	11	NW	SW		423517.8	3897321	GEOTECHNICAL		7	0	0		0	0		0	0	0			Y
563021	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	PIEZOMETER	9/25/1997	498	34	32	PLASTIC OR PVC	34	4		0	0	0	X	AZ ARMY NATL GUARD,	
570389	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	MONITOR		161	0	0		0	0		0	0	0			Y
570390	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	MONITOR		161	0	0		0	0		0	0	0			Y
570391	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	MONITOR		161	0	0		0	0		0	0	0			Y
570392	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	MONITOR		161	0	0		0	0		0	0	0			Y
570393	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	MONITOR		52	0	0		0	0		0	0	0			Y
570394	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	MONITOR		52	0	0		0	0		0	0	0			Y
570395	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	MONITOR		52	0	0		0	0		0	0	0			Y
570396	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	MONITOR		161	0	0		0	0		0	0	0			N
570397	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	MONITOR		52	0	0		0	0		0	0	0			Y
570398	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	MONITOR		52	0	0		0	0		0	0	0			Y
570399	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	MONITOR		52	0	0		0	0		0	0	0			Y
570400	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	PIEZOMETER		52	0	0		0	0		0	0	0			Y
570401	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	PIEZOMETER		52	0	0		0	0		0	0	0			Y
570402	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	GEOTECHNICAL		52	0	0		0	0		0	0	0			Y
570403	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	GEOTECHNICAL		52	0	0		0	0		0	0	0			Y
583511	21	N	5	E	11	NW	SW	NE	423619.1	3897421.3	GEOTECHNICAL		7	0	0		0	0		0	0	0			Y
525515	21	N	5	E	11	NW	SW	NW	423418.4	3897424.1	PIEZOMETER	8/7/1989	0	19	16	PLASTIC OR PVC	0	2		0	0	0	X		
563020	21	N	5	E	11	NW	SW	NW	423418.4	3897424.1	PIEZOMETER	9/25/1998	498	32	30	PLASTIC OR PVC	32	4		0	0	0	X	AZ ARMY NTL GUARD,	
563023	21	N	5	E	11	NW	SW	NW	423418.4	3897424.1	PIEZOMETER	9/26/1997	498	22	20	PLASTIC OR PVC	22	4		0	0	0	X	AZ ARMY NATL GUARD,	
563019	21	N	5	E	11	NW	SW	NW	423418.4	3897424.1	PIEZOMETER		498	35	34	PLASTIC OR PVC	35	4		0	0	0		AZ ARMY NATL GUARD,	
577356	21	N	5	E	11	NW	SW	NW	423418.4	3897424.1	GEOTECHNICAL		7	0	0		0	0		0	0	0			Y
583549	21	N	5	E	11	NW	SW	NW	423418.4	3897424.1	MONITOR	9/27/2000	7	18	0	PLASTIC OR PVC	13	6		0	0	0	X		
544384	21	N	5	E	11	NW	SW	SW	423416.9	3897220.5	PIEZOMETER	7/6/1994	214	146	137	PLASTIC OR PVC	115	4		0	0	0	X		

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Reg. No.	T	N	R	E	Sec.	160	40	10	UTMX	UTMY	WELLTYPE	Installed	Driller	Well Depth	Water Level	Casing Type	Casing Depth	Casing Width	Pump Type	Pump rate	Test rate	draw down	Drill log	Last Name	Cncld
563024	21	N	5	E	11	NW	SW	SW	423416.9	3897220.5	PIEZOMETER	9/26/1997	498	19	16	PLASTIC OR PVC	19	4		0	0	0	X	AZ ARMY NATL GUARD,	
525514	21	N	5	E	11	NW	SW	SW	423416.9	3897220.5	PIEZOMETER	8/7/1989	0	15	8	PLASTIC OR PVC	0	2		0	0	0	X		
563022	21	N	5	E	11	NW	SW	SW	423416.9	3897220.5	PIEZOMETER	9/24/1997	498	18	14	PLASTIC OR PVC	18	4		0	0	0	X	AZ ARMY NATL GUARD,	
563025	21	N	5	E	11	NW	SW	SE	423617.9	3897218.4	PIEZOMETER	9/26/1997	498	21	18	PLASTIC OR PVC	21	4		0	0	0	X	AZ ARMY NTL GUARD,	
563026	21	N	5	E	11	NW	SE	SW	423818.6	3897216.3	PIEZOMETER	9/24/1998	498	12	10	PLASTIC OR PVC	12	4		0	0	0	X	AZ ARMY NTL GUARD,	
549860	21	N	5	E	11	SW	NW	SW	423413.9	3896813.2	PIEZOMETER		161	0	0		0	0		0	0	0		ARIZONA ARMY NATL,	
549861	21	N	5	E	11	SW	NW	SW	423413.9	3896813.2	PIEZOMETER		161	0	0		0	0		0	0	0		ARIZONA ARMY NATL,	
805692	21	N	5	E	11	SW	NW	SW	423413.9	3896813.2	NON-EXEMPT	4/11/1950	0	1647	1273	SLOTTED CASING	1500	2		65	0	0		DEPT OF THE ARMY,	
544385	21	N	5	E	11	SW	NW	SW	423413.9	3896813.2	MONITOR	7/7/1994	214	96	0	PLASTIC OR PVC	96	4		0	0	0	X		
400201	21	N	5	E	11	SW	NW	SE	423615.5	3896812.6	MONITOR		498	0	0		0	0		0	0	0			Y
533244	21	N	5	E	11	SW	SE	NW	423815.6	3896609.9	MONITOR	10/15/1991	263	22	14	PLASTIC OR PVC	22	2		0	0	0	X		Y
575521	21	N	5	E	11	SE	NE	SW	424620.9	3896809.7	MONITOR		533	0	0		0	0		0	0	0			Y
575520	21	N	5	E	11	SE	NW	SE	424419.8	3896810.3	MONITOR		533	0	0		0	0		0	0	0			Y
575519	21	N	5	E	11	SE	SW	NE	424419.5	3896610.4	MONITOR		533	0	0		0	0		0	0	0			Y
533241	21	N	5	E	11	SE	SW	NW	424218.2	3896610.3	MONITOR	10/14/1991	263	27	17	PLASTIC OR PVC	27	2		0	0	0	X		Y
533242	21	N	5	E	11	SE	SW	NW	424218.2	3896610.3	MONITOR	10/14/1991	263	28	18	PLASTIC OR PVC	28	2		0	0	0	X		Y
533243	21	N	5	E	11	SE	SW	NW	424218.2	3896610.3	PIEZOMETER		263	0	0		0	0		0	0	0			Y
533245	21	N	5	E	11	SE	SW	NW	424218.2	3896610.3	PIEZOMETER		263	0	0		0	0		0	0	0			Y
533239	21	N	5	E	11	SE	SW	NW	424218.2	3896610.3	MONITOR	10/10/1991	263	250	17	PLASTIC OR PVC	25	2		0	0	0	X		Y
533240	21	N	5	E	11	SE	SW	NW	424218.2	3896610.3	PIEZOMETER	10/11/1991	263	27	17	PLASTIC OR PVC	27	2		0	0	0	X		
575352	21	N	5	E	12	SE	NE	NE	426439.2	3897006	MONITOR		533	0	0		0	0		0	0	0			Y
575353	21	N	5	E	12	SE	NE	NE	426439.2	3897006	MONITOR		533	0	0		0	0		0	0	0			Y
582467	21	N	5	E	12	SE	NE	NE	426439.2	3897006	MONITOR		7	0	0		0	0		0	0	0			Y
582468	21	N	5	E	12	SE	NE	NE	426439.2	3897006	MONITOR		7	0	0		0	0		0	0	0			Y
400229	21	N	5	E	12	SE	NE	NE	426439.2	3897006	MONITOR		7	0	0		0	0		0	0	0			
576760	21	N	5	E	12	SE	NE	SW	426237.2	3896805.1	MONITOR		533	0	0		0	0		0	0	0			Y
576761	21	N	5	E	12	SE	NE	SW	426237.2	3896805.1	MONITOR		533	0	0		0	0		0	0	0			Y
576762	21	N	5	E	12	SE	NE	SW	426237.2	3896805.1	MONITOR		533	0	0		0	0		0	0	0			Y
757350	21	N	5	E	12	SE	NE	SE	426439.5	3896804.6	MONITOR		0	0	0		0	0		0	0	0			
575350	21	N	5	E	12	SE	NE	SE	426439.5	3896804.6	MONITOR	7/13/2000	533	30	8	PLASTIC OR PVC	10	4		0	0	0	X		
575351	21	N	5	E	12	SE	NE	SE	426439.5	3896804.6	MONITOR	7/14/1999	533	25	0	PLASTIC OR PVC	5	4		0	0	0	X		
576759	21	N	5	E	12	SE	NE	SE	426439.5	3896804.6	GEOTECHNICAL		533	0	0		0	0		0	0	0			Y
577853	21	N	5	E	12	SE	NE	SE	426439.5	3896804.6	GEOTECHNICAL		7	0	0		0	0		0	0	0			Y
549878	21	N	5	E	14	NW	NE	SW	423810.8	3896008.4	PIEZOMETER	10/23/1995	161	180	0		0	0		0	0	0	X	ARIZONA ARMY NATL,	
549879	21	N	5	E	14	NW	NE	SW	423810.8	3896008.4	PIEZOMETER		161	0	0		0	0		0	0	0		ARIZONA ARMY NATL,	
549877	21	N	5	E	14	NW	NE	SE	424012.4	3896009.4	PIEZOMETER	10/21/1995	161	78	43	PLASTIC OR PVC	76	4		0	0	0	X	ARIZONA ARMY NATL,	
549880	21	N	5	E	14	NW	NE	SE	424012.4	3896009.4	PIEZOMETER		161	0	0		0	0		0	0	0		ARIZONA ARMY NATL,	
647981	21	N	4	E	5	NE	NW	NE	410077.1	3899447.1	EXEMPT	10/1/1929	0	17	12	IRON - SEAMLESS	17	38		10	10	0		SCHOLZ,W G	
645743	22	N	4	E	28	NE	SW		411611.9	3902098.3	EXEMPT		0	15	3	IRON - SEAMLESS	15	72		0	0	0		KAIBAB NATL FOREST,	
645744	22	N	4	E	28	NE	SW		411611.9	3902098.3	EXEMPT		0	5	2	IRON - SEAMLESS	5	99		0	0	0		KAIBAB NATL FOREST,	

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Reg. No.	T	N	R	E	Sec.	160	40	10	UTMX	UTMY	WELLTYPE	Installed	Driller	Well Depth	Water Level	Casing Type	Casing Depth	Casing Width	Pump Type	Pump rate	Test rate	draw down	Drill log	Last Name	Cncld
524781	22	N	4	E	28	NE	SE	SW	411901.7	3901994	EXEMPT	6/11/1989	401	0	30	SLOTTED CASING	110	7	SUBMERSIBLE	8	1	0	X	DOYLE, HERMAN,	
534963	22	N	4	E	28	SW	NE	NE	411316.1	3901802.7	EXEMPT	6/21/1992	532	70	40	PLASTIC OR PVC	70	7	SUBMERSIBLE	4	1	10	X	GOOD, LILLIAN,E	
551653	22	N	4	E	28	SW	NE	NE	411316.1	3901802.7	EXEMPT	12/19/1995	336	200	190	SLOTTED CASING	200	7		0	0	0	X	CLARENCE,L	
533579	22	N	4	E	28	SW	NE	SW	411119.5	3901604.9	EXEMPT	12/7/1991	532	225	115	PLASTIC OR PVC	185	7		0	0	0	X	HAYES, DAVID,	
559436	22	N	4	E	28	SW	NE	SE	411313.2	3901602.7	EXEMPT	8/20/1996	530	150	147	SLOTTED CASING	20	7		0	0	0	X	JACKSON, KEN,	
523231	22	N	4	E	28	SW	SE	NE	411310.3	3901402.7	EXEMPT	5/17/1989	401	90	72	SLOTTED CASING	90	7	SUBMERSIBLE	7	3	65	X	GOFORTH, ROBERT,	
590116	22	N	4	E	28	SW	SE	SW	411113.9	3901211.4	EXEMPT		530	0	0		0	0		0	0	0		SPARKS	
532430	22	N	4	E	28	SW	SE	SE	411307.2	3901212.6	EXEMPT	8/3/1991	532	205	198	SLOTTED CASING	205	7	SUBMERSIBLE	4	1	40	X	HARRISON, DONALD,D	
562547	22	N	4	E	28	SE	NW	NE	411704	3901797.5	EXEMPT		239	0	0		0	0		0	0	0		SCHMID, S,F	
552396	22	N	4	E	28	SE	NW	SW	411506.8	3901600.4	EXEMPT	12/21/1995	336	100	35	SLOTTED CASING	100	7	SUBMERSIBLE	8	0	0	X	RONALD,	
512309	22	N	4	E	28	SE	SE	NW	411890.5	3901396.8	EXEMPT		362	0	0		0	0		0	0	0		CHOI, ANTHONY,	Y
506284	22	N	4	E	28	SE	SE	SW	411887.2	3901200.9	EXEMPT	9/10/1983	265	60	40	SLOTTED CASING	60	6	OTHER	5	5	0	X	URGITUS,M	
623906	22	N	4	E	32	NE	SW	SE	410106.7	3900430	EXEMPT	7/16/1968	0	200	180		190	4		10	10	0		GOTTESMAN,B J	
650885	22	N	4	E	32	NE	SE	NE	410533	3900622.4	EXEMPT		0	260	0	SLOTTED CASING	70	2		5	5	0		MCFARLANE,W L	
501245	22	N	4	E	33	NE	NW		411597.8	3900914.3	EXEMPT		523	0	0		0	0		0	0	0		ZERDEN,S	Y
564290	22	N	4	E	33	NW	NW	SE	410918	3900814.8	EXEMPT	8/2/1998	239	450	0	SLOTTED CASING	300	7		0	0	0	X	BARTA, BEVERLY,	
564800	22	N	4	E	33	NW	SE	NW	411111	3900620.1	EXEMPT		0	155	0	SLOTTED CASING	20	7		0	0	0	X	HARMON	
535898	22	N	4	E	33	SE	SW	NE	411704.4	3899846.3	EXEMPT	10/4/1992	532	130	120	SLOTTED CASING	130	3		0	0	0	X	SCHADE, WILLARD,	Y
551551	22	N	4	E	33	SE	SW	NE	411704.4	3899846.3	EXEMPT	8/24/1995	377	200	0	SLOTTED CASING	0	6		0	0	0	X	SCHADE, WILLARD,C	
512698	22	N	5	E	21	SW	NW	SW	420235.5	3903312.8	EXEMPT	3/10/1986	336	110	0		0	0		0	0	0	X	TOY, CHARLES,L	
579593	22	N	5	E	21	SW	NW	SW	420235.5	3903312.8	EXEMPT		670	0	0		0	0		0	0	0		ATWATER	Y
627310	22	N	5	E	25	SW	SW		425189.6	3901441.2	EXEMPT		0	0	0		0	0		0	0	0		FOREST,	
524148	22	N	5	E	27	SE	SE	SE	423217.2	3901266.6	EXEMPT	8/24/1989	336	300	156	SLOTTED CASING	270	1	SUBMERSIBLE	6	1	238	X	BAHA'IS OF FLAGSTAFF,	
560468	22	N	5	E	34	SE	NE	NW	423014	3900264.2	NON-EXEMPT		336	0	0		0	0		0	0	0		BONES, WILLIAM,	
560469	22	N	5	E	35	SW	NW	SW	423407.9	3900053.6	NON-EXEMPT		336	0	0		0	0		0	0	0		BONES, WILLIAM,	
560467	22	N	5	E	35	SW	SW	SW	423403.3	3899647.1	NON-EXEMPT		336	0	0		0	0		0	0	0		BONES, WILLIAM,	
513823	22	N	5	E	35	SW	SE	SE	424003.4	3899647.8	EXEMPT	4/29/1986	362	225	21	SLOTTED CASING	122	6	SUBMERSIBLE	130	130	2	X	BONES, WILLIAM,W	
514216	22	N	5	E	35	SW	SE	SE	424003.4	3899647.8	NON-EXEMPT	5/6/1986	362	223	21	SLOTTED CASING	223	6		0	0	0	X	BONES, WILLIAM,W	
526470	22	N	5	E	35	SE	SW	SW	424205.1	3899648	NON-EXEMPT	12/27/1989	453	245	68	SLOTTED CASING	180	12	TURBINE	250	215	2	X	BELLEMONT WATER CO,	
606639	22	N	5	E	36	SW	SW		425122.7	3899756.6	NON-EXEMPT	10/1/1960	0	65	55		65	6		65	65	0		BOMKAMP,F A	Y
515324	22	N	5	E	36	SW	SW	SE	425225.1	3899647.3	EXEMPT	7/10/1987	336	105	22	SLOTTED CASING	20	6	SUBMERSIBLE	54	54	20	X	MARTINSON, LEONARD,	
564258	22	N	5	E	36	SW	SW	SE	425225.1	3899647.3	EXEMPT	7/29/1998	239	300	16	SLOTTED CASING	300	7		0	0	0	X	CTR,	
559096	22	N	5	E	36	SW	SW	SE	425225.1	3899647.3	NON-EXEMPT	2/20/1997	336	240	42	SLOTTED CASING	240	8	SUBMERSIBLE	18	18	153	X		
503545	22	N	5	E	36	SW	SE	SW	425426.8	3899646.2	EXEMPT	9/1/1982	29	215	111	SLOTTED CASING	120	6	SUBMERSIBLE	14	14	129	X	WATER,	

Greenfield Land Development
GWSI for PAD
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Cadastral	Reg. No.	Lat	Long	Well Use	Site Hole Depth	Well Depth	Casing Dia	Drill Date	Msrmnt Date	Depth to Water	Water Level Elev
A-21-04 05DBB		35.227222	111.990278	UNUSED	650	650					
A-21-04 05DBC	647981	35.226944	111.99	DOMESTIC	17	17			4/19/1994	10.4	6800
A-21-04 08DDA		35.21	111.984167	UNUSED					4/20/1994	104.7	6696
A-21-04 08DDB		35.209444	111.985833	STOCK					5/25/1978	76.9	6718
A-21-04 08DDB	505521	35.210278	111.985833	DOMESTIC	120	120	6	6/20/1983	4/20/1994	77.2	6720
A-21-04 08DDC1		35.208333	111.985278	DOMESTIC					4/20/1994	108.5	6681
A-21-04 08DDC2	514835	35.208889	111.985	DOMESTIC	110	110			4/20/1994	63.4	6727
A-21-04 09CCB		35.209444	111.982222	DOMESTIC					4/20/1994	116.9	6668
A-21-05 01ACC1		35.232222	111.815	UNUSED					6/22/1978	66.5	7064
A-21-05 01ACC2	513994	35.231944	111.815833	DOMESTIC	110	110	6.5	5/14/1986			
A-21-05 01ACC3	513656	35.231944	111.814167	UNUSED	100	100	6.5	4/4/1986	4/22/1999	89.8	7045
A-21-05 02ABC1	627253	35.235833	111.833889	COMMERCIAL	122	122	16	11/7/1926	4/20/1994	27.3	7103
A-21-05 02ABC2		35.235556	111.833056	UNUSED	335	335		1/1/1927			
A-21-05 02ABC3	627254	35.235889	111.834139	COMMERCIAL	110	110	12	8/1/1929	3/11/2003	34.1	7096.9
A-21-05 02ABC4		35.235556	111.833611	UNUSED	224	224	6	1/1/1971	8/1/1971	125	7005
A-21-05 02ACC1	557461	35.231389	111.833056	UNUSED	350	350	4	5/21/1996	4/21/1999	65.08	7065
A-21-05 02ACC2	557462	35.231111	111.833333	UNUSED	145	145	2	5/18/1996	4/21/1999	112.4	7018
A-21-05 02ACC3	557463	35.231667	111.833056	UNUSED	45	45	2	5/21/1996	4/21/1999	27.03	7103
A-21-05 02BAA		35.235833	111.834167	PUBLIC SUPPLY	100	100	6	8/9/1971	8/9/1971	21	7109
A-21-05 02CCC		35.224722	111.840556	UNUSED	90	90		1/1/1942	1/1/1942	25	7095
A-21-05 02CDA		35.225556	111.836111	UNDETERMINED				1/1/1968			
A-21-05 02DAB	806551	35.229167	111.828611	UNUSED			5		8/2/1978	14.1	7106
A-21-05 03BCC		35.231667	111.86	DOMESTIC							
A-21-05 10AAA		35.222222	111.8425	FIRE							
A-21-05 10AAB1	530017	35.221389	111.847222	UNUSED	26	26	6	11/8/1990	4/21/1999	0.4	7055
A-21-05 10AAB2	530013	35.221944	111.847222	UNUSED	29	29	6	11/8/1990			
A-21-05 10AAB3		35.221944	111.847222	UNUSED			6		4/18/1994	4.7	7050
A-21-05 10AAD		35.219444	111.844444	UNUSED			8.5		4/18/1994	12.6	7042
A-21-05 10ABA1	530010	35.222778	111.8475	UNUSED	33	33	6	11/10/1990	4/21/1999	9.09	7052
A-21-05 10ABA2		35.221944	111.847778	UNUSED			8.5		4/18/1994	6.6	7048
A-21-05 10ABA3	530011	35.222222	111.848056	UNUSED	29	29	6	11/9/1990	4/21/1999	5.3	7050
A-21-05 10ABA4		35.221111	111.848333	UNUSED			6				
A-21-05 10ABD1		35.220833	111.849167	UNUSED			8.5		4/18/1994		
A-21-05 10ABD2		35.220278	111.847778	UNUSED			8.5		4/18/1994		
A-21-05 10ABD3	530015	35.221111	111.848056	UNUSED	60	60	6	11/7/1990	4/21/1999	1.8	7053
A-21-05 10ABD4	530016	35.220833	111.847222	UNUSED	26	26	6	11/8/1990			
A-21-05 10ADC	530018	35.216944	111.845556	UNUSED	50	50	2.38	11/11/1990	4/18/1994		
A-21-05 11ABC		35.220278	111.832778	DOMESTIC							
A-21-05 11BCC		35.2175	111.840833	UNUSED			2.38				
A-21-05 11BCD1		35.2175	111.839167	UNUSED			2.38		4/21/1999	10.34	7045
A-21-05 11BCD2		35.2175	111.839722	UNUSED			2.38		4/18/1994	11.1	7044
A-21-05 11BCD3		35.217222	111.839722	UNUSED			2.38				
A-21-05 11BCD4		35.216944	111.839722	UNUSED			2.38		4/21/1999	8.45	7047
A-21-05 11BDA		35.218611	111.834444	INSTITUTION					8/10/1994	0	7070
A-21-05 11CBA		35.214722	111.84	UNUSED			2.38				
A-21-05 11CBB		35.215833	111.841111	UNUSED			8				
A-21-05 11CBC	805692	35.2125	111.841111	DOMESTIC	1647	1647	24	8/22/1950	4/19/1994		
A-21-05 11CBD		35.214167	111.839722	UNUSED			8.5		4/21/1999	3.07	7047
A-21-05 12ACB1		35.219444	111.815	UNUSED			8.5		4/21/1999	65.7	6999
A-21-05 12ACB2		35.218056	111.815278	UNUSED			8.5				

Greenfield Land Development
GWSI for PAD
T22N R5E, T22N R4E, T21N R5E, T21N R4E

Cadastral	Reg. No.	Lat	Long	Well Use	Site Hole Depth	Well Depth	Casing Dia	Drill Date	Msrmnt Date	Depth to Water	Water Level Elev
A-21-05 12ACC1		35.218056	111.815556	UNUSED			8.5		4/21/1999	24.02	7026
A-21-05 12ACC2		35.217778	111.814444	UNUSED			8.5				
A-21-05N10DDC		35.223333	111.845833	DOMESTIC							
A-22-04 28BDA		35.260833	111.974167	STOCK							
A-22-04 28CAA		35.257222	111.974722	DOMESTIC			7		4/19/1999	49.3	6921
A-22-04 28CAC	533579	35.255	111.976389	UNUSED	225	225	7	12/7/1991	4/21/1999	212.4	6767
A-22-04 32ADB		35.246111	111.986389	DOMESTIC	200	200	6	7/1/1969	6/1/1978	152.9	6792
A-22-05 21CCC		35.267778	111.876667	UNUSED	372	368	8	6/27/1970			
A-22-05 26ACD		35.260278	111.83	UNUSED	2350				7/1/1953	2120	5110
A-22-05 26ADC1		35.261111	111.829167	UNUSED	550	550					
A-22-05 26ADC2		35.260278	111.828056	UNUSED	2151				8/3/1953	2010	5220
A-22-05 27DDD	524148	35.253056	111.843889	DOMESTIC	300	300	6.5	8/24/1989	4/21/1994	173.2	7027
A-22-05 28BBB		35.266944	111.876667	UNUSED	100	100			6/6/1978	78.8	7181.2
A-22-05 35DCC1		35.237778	111.832222	PUBLIC SUPPLY			6.5		4/20/1994	26.77	7101
A-22-05 35DCC2		35.237778	111.832222	PUBLIC SUPPLY			8	1/1/1991	4/22/1999	29.2	7098.8
A-22-05 36CCC		35.238056	111.823611	DOMESTIC			6		4/22/1999	103.5	7026
A-22-05 36CCD1		35.238611	111.822778	COMMERCIAL	224	224	8	5/1/1968	4/19/1994	107.4	7022.6
A-22-05 36CCD2		35.238611	111.822778	DOMESTIC							

Appendix D

Deep Well #1

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

DRINKING WATER SYNTHETIC ORGANIC CHEMICAL ANALYSIS REPORT

*** SAMPLES TO BE TAKEN AT P.O.E. ONLY***

>>>> PUBLIC WATER SYSTEM INFORMATION <<<<

>>>> TO BE FILLED OUT BY SYSTEM PERSONNEL <<<<

System ID: Flag Meadows (530428)
System Name

08/06/2003 12:30 (24 hr clock)
Sample date Sample time

Chris Niccamon
Owner / Contact Person Name

928-774-6469
Owner / Contact Fax Number

928-606-0563
Owner / Contact Person Phone Number

SAMPLE TYPE
☒ Compliance Monitoring

SAMPLE COLLECTION POINT ID
☐ Point of Entry# _____

Well Head (530428)
SAMPLE SITE ID

FOR MCL EXCEEDANCE OR COMPOSITE TRIGGER

Original Violating Specimen Number
SAMPLE TYPE
☐ CONFIRMATION
☐ CONFIRMATION FOR COMPOSITE TRIGGER

*** SYNTHETIC ORGANIC CHEMICAL ANALYSIS ***

To be filled out by laboratory personnel

Analysis Method	MCL Value	Trigger Value	Contaminant Name	Cont. Code	Analysis Run Date	Results *	Exceeds MCL	Exceeds Trigger
	0.07	0.035	2,4-D	2105			☐	☐
	0.05	0.025	2,4,5-TP (Silvex)	2110			☐	☐
	0.003	0.0015	Toxaphene	2020			☐	☐
EPA 525.2	0.002	0.001	Alachlor	2051	08/12/2003	<0.0002	☐	☐
EPA 525.2	0.003	0.003	Atrazine	2050	08/12/2003	<0.0001	☐	☐
	0.04	0.02	Carbofuran	2046			☐	☐
	0.001	0.0005	Pentachlorophenol	2326			☐	☐
	0.002	0.001	Chlordane	2959			☐	☐
	0.0002	0.0002	Dibromochloropropane (DBCP)	2931			☐	☐
	0.00005	0.00005	Ethylene Dibromide (EDB)	2946			☐	☐
EPA 525.2	0.0004	0.0002	Heptachlor	2065	08/12/2003	<0.00004	☐	☐
EPA 525.2	0.0002	0.0001	Heptachlor Epoxide	2067	08/12/2003	<0.00002	☐	☐
EPA 525.2	0.0002	0.0001	Lindane	2010	08/12/2003	<0.00002	☐	☐
EPA 525.2	0.0002	0.0001	Benzo (a) Pyrene	2306	08/12/2003	<0.00002	☐	☐
	0.2	0.1	Dalapon	2031			☐	☐
EPA 525.2	0.006	0.006	Di(2-ethylhexyl)phthalate	2039	08/12/2003	<0.0006	☐	☐
EPA 525.2	0.04	0.2	Di(2-ethylhexyl)adipate	2035	08/12/2003	<0.0006	☐	☐
	0.007	0.0035	Dinoseb	2041			☐	☐
	3 x 10(-8)	1.5 x 10(-8)	2,3,7,8-TCDD (Dioxin)	2063			☐	☐
	0.02	0.01	Diquat	2032			☐	☐
	0.1	0.05	Endothall	2033			☐	☐

>>>>> **LABORATORY INFORMATION** <<<<<

To be filled out by laboratory personnel

030807323001S
SPECIMEN NUMBER

ID Number AZ0004 Name: Legend Technical Services of Arizona

Comments: _____

Authorized Signature: Karen Maxwell

Date Public Water System Notified: _____

* All units must be reported in milligrams per liter.

Methods 504, 505, 515, 525, 531, 547, 548, 549 performed by EHL, South Bend IN. #AZ0432.

Method 1613 (Dioxin) performed by Pace Labs, Minneapolis, MN #AZ0014.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

DRINKING WATER SYNTHETIC ORGANIC CHEMICAL ANALYSIS REPORT

*** SAMPLES TO BE TAKEN IN THE DISTRIBUTION SYSTEM ONLY***

>>>> PUBLIC WATER SYSTEM INFORMATION <<<<

>>>> TO BE FILLED OUT BY SYSTEM PERSONNEL <<<<

System ID: _____ System Name: Flag Meadows (530428)

Sample date: 08/06/2003 Sample time: 12:30 (24 hr clock)

*** SYNTHETIC ORGANIC CHEMICAL ANALYSIS ***

To be filled out by laboratory personnel

Analysis Method	MCL Value	Trigger Value	Contaminant Name	Cont. Code	Analysis Run Date	Results *	Exceeds MCL	Exceeds Trigger
EPA 525.2	0.002	0.001	Endrin	2005	08/12/2003	<0.00001	☐	☐
	0.7	0.35	Glyphosate	2034			☐	☐
EPA 525.2	0.001	0.0005	Hexachlorobenzene	2274	08/12/2003	<0.0001	☐	☐
EPA 525.2	0.05	0.025	Hexachlorocyclopentadiene	2042	08/12/2003	<0.0001	☐	☐
	0.2	0.1	Oxamyl	2036			☐	☐
	0.5	0.25	Picloram	2040			☐	☐
EPA 525.2	0.004	0.002	Simazine	2037	08/12/2003	<0.00007	☐	☐
EPA 525.2	0.04	0.02	Methoxychlor	2015	08/12/2003	<0.0001	☐	☐
	0.0005	0.00025	PCB:Polychlorinated Biphenyls	2383			☐	☐

030807323001S

SPECIMEN NUMBER

L E G E N D
Technical Services of Arizona, Inc.

17631 North 25th Avenue
Phoenix, Arizona 85023
P (602)324-6100
F (602)324-6101
ADHS# AZ0004

Nortest Analytical
2400 E. Huntington Dr.
Flagstaff, AZ 86004

Received: 8/07/03
Reported: 8/19/03
Invoice No: 099781

Attn: Georgia Howeth

Project Name: Flag Meadows (530428)

Matrix: Water
Sample No: 0308-07323-001
Sample ID: Well Head (530428)

Time Sampled: 12:30
Date Sampled: 8/06/2003

PARAMETER	METHOD	RESULTS	UNITS	PQL	DATE ANALYZED
Alachlor	EPA 525.2	<0.0002	mg/L	0.0002	8/12/03
Aldrin	EPA 525.2	<0.0001	mg/L	0.0001	8/12/03
Atrazine	EPA 525.2	<0.0001	mg/L	0.0001	8/12/03
Benzo (a) pyrene	EPA 525.2	<0.00002	mg/L	0.00002	8/12/03
[illegible]tachlor	EPA 525.2	<0.0001	mg/L	0.0001	8/12/03
[illegible]ldrin	EPA 525.2	<0.0001	mg/L	0.0001	8/12/03
Bis(2-ethylhexyl)adipate	EPA 525.2	<0.0006	mg/L	0.0006	8/12/03
Bis(2-ethylhexyl)phthalate	EPA 525.2	<0.0006	mg/L	0.0006	8/12/03
Endrin	EPA 525.2	<0.00001	mg/L	0.00001	8/12/03
Heptachlor	EPA 525.2	<0.00004	mg/L	0.00004	8/12/03
Heptachlor Epoxide	EPA 525.2	<0.00002	mg/L	0.00002	8/12/03
Hexachlorobenzene	EPA 525.2	<0.0001	mg/L	0.0001	8/12/03
Hexachlorocyclopentadiene	EPA 525.2	<0.0001	mg/L	0.0001	8/12/03
Lindane (HCH-gamma)	EPA 525.2	<0.00002	mg/L	0.00002	8/12/03
Methoxychlor	EPA 525.2	<0.0001	mg/L	0.0001	8/12/03
Metolachlor	EPA 525.2	<0.0001	mg/L	0.0001	8/12/03
Metribuzin	EPA 525.2	<0.0001	mg/L	0.0001	8/12/03
Propachlor	EPA 525.2	<0.0001	mg/L	0.0001	8/12/03
Simazine	EPA 525.2	<0.00007	mg/L	0.00007	8/12/03
Extraction	EPA 525.2				8/12/03

EPA 525 analyzed by Environmental Health Labs, South Bend, IN; ADHS No. AZ#0432.

Karen Maxwell

Authorized Signatory

Client: Legend Technical Services of Arizona, Inc. Report: 925435

Sampling Point: 0308-07323-001 ID Number: AZ0432

PARAMETER	SDWA Method	Trigger / MRL* (mg/L)	Results (mg/L)	MCL (mg/L)	Extraction Date	Analysis Date	Lab Number	Data Qualifiers
Alachlor (Lasso)	525.2	0.0002	< 0.0002	0.002	08/12/03	08/12/03	925435	
Aldicarb				postponed				
Aldicarb Sulfone				postponed				
Aldicarb Sulfoxide				postponed				
Aldrin	525.2	0.0001	< 0.0001	---	08/12/03	08/12/03	925435	
Aroclor 1016				£				
Aroclor 1221				£				
Aroclor 1232				£				
Aroclor 1242				£				
Aroclor 1248				£				
Aroclor 1254				£				
Aroclor 1260				£				
Atrazine	525.2	0.0001	< 0.0001	0.003	08/12/03	08/12/03	925435	
Benzo(a)pyrene	525.2	0.00002	< 0.00002	0.0002	08/12/03	08/12/03	925435	
Butachlor	525.2	0.0001	< 0.0001	---	08/12/03	08/12/03	925435	
Carbaryl				---				
Carbofuran				0.04				
Chlordane				0.002				
2,4-D				0.07				
Dalapon				0.2				
1,2-Dibromo-3-chloropropane				0.0002				
Dicamba				---				
Dieldrin	525.2	0.0001	< 0.0001	---	08/12/03	08/12/03	925435	
Di(2-ethylhexyl)adipate	525.2	0.0006	< 0.0006	0.4	08/12/03	08/12/03	925435	
Di(2-ethylhexyl)phthalate	525.2	0.0006	< 0.0006	0.006	08/12/03	08/12/03	925435	
Dinoseb				0.007				
Diquat				0.02				
Endothall				0.1				
Endrin	525.2	0.00001	< 0.00001	0.002	08/12/03	08/12/03	925435	
Ethylene dibromide (EDB)				0.00005				
Glyphosate (Round-up)				0.7				
Heptachlor	525.2	0.00004	< 0.00004	0.0004	08/12/03	08/12/03	925435	
Heptachlor epoxide	525.2	0.00002	< 0.00002	0.0002	08/12/03	08/12/03	925435	
Hexachlorobenzene	525.2	0.0001	< 0.0001	0.001	08/12/03	08/12/03	925435	
Hexachlorocyclopentadiene	525.2	0.0001	< 0.0001	0.05	08/12/03	08/12/03	925435	
3-Hydroxycarbofuran				---				
Lindane (gamma-BHC)	525.2	0.00002	< 0.00002	0.0002	08/12/03	08/12/03	925435	
Methoxychlor	525.2	0.0001	< 0.0001	0.04	08/12/03	08/12/03	925435	
Methomyl				---				
Metolachlor (Dual)	525.2	0.0001	< 0.0001	---	08/12/03	08/12/03	925435	
Metribuzin (Sencor)	525.2	0.0001	< 0.0001	---	08/12/03	08/12/03	925435	
Oxamyl (Vydate)				0.2				
Pentachlorophenol				0.001				
Picloram (Tordon)				0.5				
Propachlor	525.2	0.0001	< 0.0001	---	08/12/03	08/12/03	925435	
2,4,5-TP (Silvex)				0.05				
Simazine	525.2	0.00007	< 0.00007	0.004	08/12/03	08/12/03	925435	
2,3,7,8-TCDD (Dioxin)				3e-08				
Toxaphene				0.003				

* EHL has demonstrated it can achieve these report limits in reagent water, but can not document them in all sample matrices.

A Division of Underwriters Laboratories Inc.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

DRINKING WATER SOURCE APPROVAL FORM

*** SAMPLES TO BE TAKEN AT SOURCE ONLY***

>>>> PUBLIC WATER SYSTEM INFORMATION <<<<

>>>> TO BE FILLED OUT BY SYSTEM PERSONNEL <<<<

03-300 Flagstaff Meadows

System ID System Name

12/01/2003 10:30 (24 hr clock)

Sample date Sample time

ORIGINAL SENT TO ADEQ

ADEQ Project Number

Well ID Number

NEW SYSTEM YES ___ NO ___

NEW P.O.E. YES ___ NO ___

Surface Water Intake ID Number

Pat Carpenter

Owner / Contact Person Name

928-606-0498

Owner / Contact Person Phone Number

928-774-6469

Owner / Contact Fax Number

#4 Well (Deep Well #2)

SAMPLING SITE ID

SAMPLE TYPE

☒ Compliance Monitoring

SAMPLE COLLECTION POINT/ID

☐ Point of Entry #

This form is intended to be completely filled out and ALL pages submitted together for all microbiological and chemical tests detailed on this form. If more than one laboratory participated in the analysis, please attach a copy of the original laboratory report, signed by the performing laboratory, to the back of this form. ALL RESULTS SHALL BE REPORTED IN MILLIGRAMS PER LITER (MG/L) UNLESS OTHERWISE SPECIFIED.

PLEASE MAIL THIS COMPLETED FORM TO:

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
TECHNICAL REVIEW UNIT
DRINKING WATER SECTION
3033 NORTH CENTRAL AVE.
PHOENIX, AZ 85012

*** INORGANIC CHEMICAL ANALYSIS ***

>>> To be filled out by Laboratory Personnel <<<

Analysis Method	MCL Value	Trigger Value	Contaminant Name	Cont. Code	Test Start Date/Time	Analysis Run Date	Results	Exceeds MCL	Exceeds Trigger
EPA 200.9	0.05		Arsenic	1005		12/02/2003	<0.002	☐	
EPA 200.7	2.0		Barium	1010		12/08/2003	0.38	☐	
EPA 200.9	0.005		Cadmium	1015		12/02/2003	<0.0002	☐	
EPA 200.7	0.1		Chromium	1020		12/08/2003	<0.005	☐	
EPA 200.7	1.3		Copper (Action Level)	1022		12/08/2003	<0.01	☐	
SM 4500-FC	4.0		Fluoride	1025		12/04/2003	0.1	☐	
EPA 200.9	0.015		Lead (Action Level)	1030		12/02/2003	<0.005	☐	
EPA 245.1	0.002		Mercury	1035		12/18/2003	<0.0002	☐	
CALC.	10		Nitrate (as N)	1040	12/02/2003 15:00	12/02/2003	0.3	☐	☐
SM4500NO2B1			Nitrite (as N)	1041	12/02/2003 15:00	12/02/2003	<0.1	☐	☐
EPA 200.9	0.05		Selenium	1045		12/02/2003	<0.005	☐	
EPA 200.9	0.006		Antimony	1074		12/16/2003	<0.004	☐	
EPA 200.7	0.004		Beryllium	1075		12/08/2003	<0.002	☐	
SM4500 CNE	0.2		Cyanide (as free cyanide)	1024		12/02/2003	<0.01	☐	
EPA 200.7	0.1		Nickel	1036		12/08/2003	<0.02	☐	
EPA 200.9	0.002		Thallium	1085		12/03/2003	<0.001	☐	

*** CORROSIVITY CHEMICAL ANALYSIS ***

>>> To be filled out by Laboratory Personnel <<<

Analysis Method	MCL Value	Trigger Value	Contaminant Name	Cont. Code	Test Start Date/Time	Analysis Run Date	Results	Exceeds MCL	Exceeds Trigger
EPA 300.0			Sulfate	1055		12/12/2003	<5.0		
EPA 200.7			Sodium	1052		12/08/2003	5.		
EPA 150.1			pH	1925		12/03/2003	8.2		
SM 2320B			Alkalinity	1927		12/02/2003	90.		
			Hardness/Calcium	1918		12/18/2003	35		
CALCULATION			Langelier Index	1997		12/18/2003	-0.172		
			Temperature (Celsius), Field	1996	12/01/2003 10:30	12/01/2003	10		
SM 2540C			Total Dissolved Solids-TDS	1930		12/02/2003	131.		

>>>>> LABORATORY INFORMATION <<<<<<

To be filled out by laboratory personnel

SPECIMEN NUMBER 0312115100011

12/01/2003 10:30 (24 hr clock)
Sample Date Sample Time

ID Number AZ0004 Name: Legend Technical Services of Arizona

Comments:

Authorized Signature: Karen Maxwell

Date Public Water System Notified:

*** SYNTHETIC ORGANIC CHEMICAL ANALYSIS ***

>>> To be filled out by Laboratory Personnel <<<

Analysis Method	MCL Value	Trigger Value	Contaminant Name	Cont. Code	Analysis Run Date	Results	Exceeds MCL	Exceeds Trigger
EPA 515.3	0.07	0.0001	2,4-D	2105	12/09/2003	<0.0001	☐	☐
EPA 515.3	0.05	0.0002	2,4,5-TP (Silvex)	2110	12/09/2003	<0.0002	☐	☐
EPA 525.2	0.002	0.0002	Alachlor	2051	12/08/2003	<0.0002	☐	☐
EPA 505	0.003	0.001	Toxaphene	2020	12/04/2003	<0.001	☐	☐
EPA 525.2	0.003	0.0001	Atrazine	2050	12/08/2003	<0.0001	☐	☐
EPA 531.1	0.04	0.0009	Carbofuran	2046	12/05/2003	<0.0009	☐	☐
EPA 515.3	0.001	0.00004	Pentachlorophenol	2326	12/09/2003	<0.00004	☐	☐
EPA 505	0.002	0.0002	Chlordane	2959	12/04/2003	<0.0002	☐	☐
EPA 504.1	0.0002	0.00002	Dibromochloropropane (DBCP)	2931	12/03/2003	<0.00002	☐	☐
EPA 504.1	0.00005	0.00001	Ethylene Dibromide (EDB)	2946	12/03/2003	<0.00001	☐	☐
EPA 525.2	0.0004	0.00004	Heptachlor	2065	12/08/2003	<0.00004	☐	☐
EPA 525.2	0.0002	0.00002	Heptachlor Epoxide	2067	12/08/2003	<0.00002	☐	☐
EPA 525.2	0.0002	0.00002	Lindane	2010	12/08/2003	<0.00002	☐	☐
EPA 525.2	0.04	0.0001	Methoxychlor	2015	12/08/2003	<0.0001	☐	☐
	0.0005	0.0001	PCB:Polychlorinated Biphenyls	2383			☐	☐
EPA 525.2	0.0002	0.00002	Benzo (a) Pyrene	2306	12/08/2003	<0.00002	☐	☐
EPA 515.3	0.2	0.001	Dalapon	2031	12/09/2003	<0.001	☐	☐
EPA 525.2	0.006	0.0006	Di(2-ethylhexyl)phthalate	2039	12/08/2003	<0.0006	☐	☐
EPA 525.2	0.4	0.0006	Di(2-ethylhexyl)adipate	2035	12/08/2003	<0.0006	☐	☐
EPA 515.3	0.007	0.0002	Dinoseb	2041	12/09/2003	<0.0002	☐	☐
EPA 1613B	3 x 10(-8)	5 x 10(-9)	2,3,7,8-TCDD (Dioxin)	2063	12/17/2003	<5.0 x 10(-9)	☐	☐
EPA 549.2	0.02	0.0004	Diquat	2032	12/04/2003	<0.0004	☐	☐
EPA 548.1	0.1	0.009	Endothall	2033	12/08/2003	<0.009	☐	☐
EPA 525.2	0.002	0.00001	Endrin	2005	12/08/2003	<0.00001	☐	☐
EPA 547	0.7	0.006	Glyphosate	2034	12/04/2003	<0.006	☐	☐
EPA 525.2	0.001	0.0001	Hexachlorobenzene	2274	12/08/2003	<0.0001	☐	☐
EPA 525.2	0.05	0.0001	Hexachlorocyclopentadiene	2042	12/08/2003	<0.0001	☐	☐
EPA 531.1	0.2	0.002	Oxamyl	2036	12/04/2003	<0.002	☐	☐
EPA 515.3	0.5	0.0001	Picloram	2040	12/09/2003	<0.0001	☐	☐
EPA 525.2	0.004	0.00007	Simazine	2037	12/08/2003	<0.00007	☐	☐

>>>>> LABORATORY INFORMATION <<<<<<

To be filled out by laboratory personnel

SPECIMEN NUMBER 0312115100001S

12/01/2003 10:30 (24 hr clock)
Sample Date Sample Time

ID Number AZ0004 Name: Legend Technical Services of Arizona

Comments:

Authorized Signature: Karen Maxwell

Date Public Water System Notified:

Aroclor Results may be submitted in lieu of PCB

Methods 504, 505, 515, 525, 531, 547, 548 & 549 analyzed by EHL, South Bend IN, # AZ0432.

Method 1613 (Dioxin) performed by Pace Analytical Services, Minn. MN #AZ0014

*** AROCLOR (PCBs SCREENING TEST) ***

>>> To be filled out by Laboratory Personnel <<<

Analysis Method	MCL Value	Trigger Value	Contaminant Name	Cont. Code	Analysis Run Date	Results	Exceeds Trigger
EPA 505		0.00008	Aroclor 1016	2388	12/04/2003	<0.00008	☐
EPA 505		0.02	Aroclor 1221	2390	12/04/2003	<0.02	☐
EPA 505		0.0005	Aroclor 1232	2392	12/04/2003	<0.0005	☐
EPA 505		0.0003	Aroclor 1242	2394	12/04/2003	<0.0003	☐
EPA 505		0.0001	Aroclor 1248	2396	12/04/2003	<0.0001	☐
EPA 505		0.0001	Aroclor 1254	2398	12/04/2003	<0.0001	☐
EPA 505		0.0002	Aroclor 1260	2400	12/04/2003	<0.0002	☐

>>>>> LABORATORY INFORMATION <<<<<<

To be filled out by laboratory personnel

SPECIMEN NUMBER 0312115100001S

12/01/2003 10:30 (24 hr clock)
Sample Date Sample Time

ID Number AZ0004 Name: Legend Technical Services of Arizona

Comments:

Authorized Signature: Karen Maxwell

Date Public Water System Notified:

*** VOLATILE ORGANIC CHEMICAL ANALYSIS ***

>>> To be filled out by Laboratory Personnel <<<

Analysis Method	MCL Value	Trigger Value	Contaminant Name	Cont. Code	Analysis Run Date	Results	Exceeds MCL	Exceeds Trigger
EPA 524.2	0.007	0.0005	1,1-Dichloroethylene	2977	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.2	0.0005	1,1,1-Trichloroethane	2981	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.005	0.0005	1,1,2-Trichloroethane	2985	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.005	0.0005	1,2-Dichloroethane	2980	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.005	0.0005	1,2-Dichloropropane	2983	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.005	0.0005	Benzene	2990	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.005	0.0005	Carbon Tetrachloride	2982	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.07	0.0005	cis-1,2-Dichloroethylene	2380	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.7	0.0005	Ethylbenzene	2992	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.1	0.0005	(mono)chlorobenzene	2989	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.6	0.0005	o-Dichlorobenzene	2968	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.075	0.0005	para-Dichlorobenzene	2969	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.1	0.0005	Styrene	2996	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.005	0.0005	Tetrachloroethylene	2987	12/11/2003	<0.0005	☐	☐
EPA 524.2	1	0.0005	Toluene	2991	12/11/2003	0.0006	☐	☒
EPA 524.2	0.1	0.0005	Trans-1,2-Dichloroethylene	2979	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.005	0.0005	Trichloroethylene	2984	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.002	0.0005	Vinyl Chloride	2976	12/11/2003	<0.0005	☐	☐
EPA 524.2	10	0.0005	Xylenes, total	2955	12/11/2003	<0.0015	☐	☐
EPA 524.2	0.07	0.0005	1,2,4-Trichlorobenzene	2378	12/11/2003	<0.0005	☐	☐
EPA 524.2	0.005	0.0005	Dichloromethane	2964	12/11/2003	<0.0005	☐	☐

>>>>> LABORATORY INFORMATION <<<<<<
To be filled out by laboratory personnel

SPECIMEN NUMBER 211510001V

12/01/2003 10:30 (24 hr clock)
Sample Date Sample Time

ID Number AZ0004 Name: Legend Technical Services of Arizona

Comments:

Authorized Signature: Karen Maxwell

Date Public Water System Notified:

*** RADIOCHEMICAL ANALYSIS ***
>>> To be filled out by Laboratory Personnel <<<

Analysis Method	MCL Value	Trigger Value	Contaminant Name	Cont. Code	Analysis Run Date	Results	Exceeds MCL
EPA 600/00-02	5 pCi/l	3 pCi/l	Gross Alpha	4000	12/05/2003	1.6 +/- 0.6	☐
	5 pCi/l		Combined Radium (226,228)	4010			☐
		1 pCi/l	Radium 226	4020			
		1 pCi/l	Radium 228	4030			
	4 mrem	3 pCi/l	Gross Beta	4100			☐
	20,000 pCi/l ***		Tritium	4102			
	8 pCi/l ***		Strontium-90	4174			

>>>>> LABORATORY INFORMATION <<<<<<
To be filled out by laboratory personnel

SPECIMEN NUMBER 031211510001R

12/01/2003 10:30 (24 hr clock)
Sample Date Sample Time

ID Number AZ0004 Name: Legend Technical Services of Arizona

Comments:

Authorized Signature: Karen Maxwell

Date Public Water System Notified:

* A composite radiochemical sample means four quarterly samples from a single source only.
* Gross alpha is the value of all alpha particle emitters except for uranium and radon 222. Radium 226 is included in the reported gross alpha value. All units are reported in picocuries per liter (pCi/l) EXCEPT for gross beta which is reported in millirem per year.
*** These values are assumed to produce a total body or organ dose of 4 millirem per year.

Radiochemistry performed by Radiation Safety, Chandler AZ #AZ0462.

*** ASBESTOS ANALYSIS ***

>>> To be filled out by Laboratory Personnel <<<

Analysis Method	MCL Value	Trigger Value	Contaminant Name	Cont. Code	Analysis Run Date	Results	Exceeds MCL
EPA 100.1	7 MFL		Asbestos	1094	12/04/2003	<1.	

>>>>> LABORATORY INFORMATION <<<<<<

To be filled out by laboratory personnel

SPECIMEN NUMBER 031211510001

12/01/2003 10:30 (24 hr clock)
Sample Date Sample Time

ID Number AZ0004 Name: Legend Technical Services of Arizona

Comments:

Authorized Signature: Karen Maxwell

Date Public Water System Notified:

Asbestos performed by Fiberquant, Phoenix AZ #AZ0904

*** MICROBIOLOGICAL ANALYSIS ***

>>> To be filled out by Laboratory Personnel <<<

Analysis Method	MCL Value	Trigger Value	Contaminant Name	Cont. Code	Test Start Date/Time	Analysis Run Date	Results
SM 9223B	Present / 1 or more Coliform		Total Coliform	3000	12/01/2003 16:00	12/01/2003	1

* ONLY REPORT FECAL RESULT IF TOTAL COLIFORM RESULT IS POSITIVE *

>>> To be filled out by Laboratory Personnel <<<

Analysis Method	MCL Value	Contaminant Name	Cont. Code	Test Start Date/Time	Analysis Run Date	Results	Exceeds MCL	Exceeds Trigger
	Present / 1 or more Coliform	E. Coli or Fecal Coliform	3013		12/01/2003	0		

>>>>> LABORATORY INFORMATION <<<<<<

To be filled out by laboratory personnel

SPECIMEN NUMBER 031211510001MIC

12/01/2003 10:30 (24 hr clock)
Sample Date Sample Time

ID Number AZ0004 Name: Legend Technical Services of Arizona

Comments:

Authorized Signature: Karen Maxwell

Date Public Water System Notified:

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Nortest Analytical
2400 E. Huntington Dr.
Flagstaff, AZ 86004

Received: 12/01/03
Reported: 12/29/03
Invoice No: 011828

Attn: Georgia Howeth

Project Name: Flagstaff Meadows

Matrix: Drinking Water
Sample No: 0312-11510-001
Sample ID: #4 Well (Deep Well #2)

Time Sampled: 10:30
Date Sampled: 12/01/2003

PARAMETER	METHOD	RESULTS	UNITS	PQL	DATE ANALYZED
Colilert	SM 9223B	1	P/A		12/01/03
Antimony	EPA 200.9	<0.004	mg/L	0.004	12/16/03
Arsenic	EPA 200.9	<0.002	mg/L	0.002	12/02/03
Barium	EPA 200.7	0.38	mg/L	0.01	12/08/03
Beryllium	EPA 200.7	<0.002	mg/L	0.002	12/08/03
Calcium	EPA 200.7	14.	mg/L	1.	12/18/03
Cadmium	EPA 200.9	<0.0002	mg/L	0.0002	12/02/03
Chromium	EPA 200.7	<0.005	mg/L	0.005	12/08/03
Copper	EPA 200.7	<0.01	mg/L	0.01	12/08/03
Hardness, Calcium	SM 2340B	35	mg/L	2.5	12/18/03
Hardness, Total (Ca & Mg)	SM 2340B	76.	mg/L	7.	12/18/03
Lead	EPA 200.9	<0.005	mg/L	0.005	12/02/03
Langlier Index	CALCULATION	-0.172		-5	12/18/03
Magnesium	EPA 200.7	10.	mg/L	1.	12/18/03
Mercury	EPA 245.1	<0.0002	mg/L	0.0002	12/18/03
Nickel	EPA 200.7	<0.02	mg/L	0.02	12/08/03
Selenium	EPA 200.9	<0.005	mg/L	0.005	12/02/03
Sodium	EPA 200.7	5.	mg/L	2.	12/08/03
Thallium	EPA 200.9	<0.001	mg/L	0.001	12/03/03
Cyanide, Total	SM4500 CNE	<0.01	mg/L	0.01	12/02/03
Fluoride	SM 4500-FC	0.1	mg/L	0.1	12/04/03
pH	EPA 150.1	8.2	Std Unit		12/03/03
Temperature	EPA 170.1	20.8	Degrees C		12/03/03
Asbestos	EPA 100.1	<1.	MFL	1.	12/04/03
Total Alkalinity (as CaC03)	SM 2320B	90.	mg/L	10.	12/02/03
Total Dissolved Solids	SM 2540C	131.	mg/L		12/02/03
Sulfate	EPA 300.0	<5.0	mg/L	5.0	12/12/03
Temperature, Field		10	Degrees C		12/01/03
Nitrogen as Nitrite	SM4500NO2B	<0.1	mg/L	0.1	12/02/03
Nitrate plus Nitrite	SM 4500-NO3 F	0.3	mg/L	0.1	12/18/03
Nitrogen as Nitrate	CALC.	0.3	mg/L		12/02/03
Gross Alpha	EPA 600/00-02	1.6 +/- 0.6	pCi/L		12/05/03

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Matrix: Drinking Water
Sample No: 0312-11510-001
Sample ID: #4 Well (Deep Well #2)

Time Sampled: 10:30
Date Sampled: 12/01/2003

PARAMETER	METHOD	RESULTS	UNITS	PQL	DATE ANALYZED
1,2-Dibromoethane (EDB)	EPA 504.1	<0.00001	mg/L	0.00001	12/03/03
1,2-Dibromo-3-Chloropropane	EPA 504.1	<0.00002	mg/L	0.00002	12/03/03
PCB 1016	EPA 505	<0.00008	mg/L	0.00008	12/04/03
PCB 1221	EPA 505	<0.02	mg/L	0.02	12/04/03
PCB 1232	EPA 505	<0.0005	mg/L	0.0005	12/04/03
PCB 1242	EPA 505	<0.0003	mg/L	0.0003	12/04/03
PCB 1248	EPA 505	<0.0001	mg/L	0.0001	12/04/03
PCB 1254	EPA 505	<0.0001	mg/L	0.0001	12/04/03
PCB 1260	EPA 505	<0.0002	mg/L	0.0002	12/04/03
Chlordane	EPA 505	<0.0002	mg/L	0.0002	12/04/03
Toxaphene	EPA 505	<0.001	mg/L	0.001	12/04/03
Extraction	EPA 505				12/04/03
2,4-D	EPA 515.3	<0.0001	mg/L	0.0001	12/09/03
Dalapon	EPA 515.3	<0.001	mg/L	0.001	12/09/03
Dicamba	EPA 515.3	<0.0001	mg/L	0.0001	12/09/03
Dinoseb	EPA 515.3	<0.0002	mg/L	0.0002	12/09/03
Pentachlorophenol	EPA 515.3	<0.00004	mg/L	0.00004	12/09/03
Picloram	EPA 515.3	<0.0001	mg/L	0.0001	12/09/03
2,4,5-TP (Silvex)	EPA 515.3	<0.0002	mg/L	0.0002	12/09/03
Extraction	EPA 515.3				12/05/03
Alachlor	EPA 525.2	<0.0002	mg/L	0.0002	12/08/03
Aldrin	EPA 525.2	<0.0001	mg/L	0.0001	12/08/03
Atrazine	EPA 525.2	<0.0001	mg/L	0.0001	12/08/03
Benzo (a) pyrene	EPA 525.2	<0.00002	mg/L	0.00002	12/08/03
Butachlor	EPA 525.2	<0.0001	mg/L	0.0001	12/08/03
Dieldrin	EPA 525.2	<0.0001	mg/L	0.0001	12/08/03
Bis(2-ethylhexyl)adipate	EPA 525.2	<0.0006	mg/L	0.0006	12/08/03
Bis(2-ethylhexyl)phthalate	EPA 525.2	<0.0006	mg/L	0.0006	12/08/03
Endrin	EPA 525.2	<0.00001	mg/L	0.00001	12/08/03
Heptachlor	EPA 525.2	<0.00004	mg/L	0.00004	12/08/03
Heptachlor Epoxide	EPA 525.2	<0.00002	mg/L	0.00002	12/08/03
Hexachlorobenzene	EPA 525.2	<0.0001	mg/L	0.0001	12/08/03
Hexachlorocyclopentadiene	EPA 525.2	<0.0001	mg/L	0.0001	12/08/03
Lindane (HCH-gamma)	EPA 525.2	<0.00002	mg/L	0.00002	12/08/03
Methoxychlor	EPA 525.2	<0.0001	mg/L	0.0001	12/08/03
Metolachlor	EPA 525.2	<0.0001	mg/L	0.0001	12/08/03
Metribuzin	EPA 525.2	<0.0001	mg/L	0.0001	12/08/03
Propachlor	EPA 525.2	<0.0001	mg/L	0.0001	12/08/03
Simazine	EPA 525.2	<0.00007	mg/L	0.00007	12/08/03
Extraction	EPA 525.2				12/04/03

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Matrix: Drinking Water
Sample No: 0312-11510-001
Sample ID: #4 Well (Deep Well #2)

Time Sampled: 10:30
Date Sampled: 12/01/2003

PARAMETER	METHOD	RESULTS	UNITS	PQL	DATE ANALYZED
Aldicarb	EPA 531.1	<0.0005	mg/L	0.0005	12/05/03
Aldicarb Sulfone	EPA 531.1	<0.0008	mg/L	0.0008	12/05/03
Aldicarb Sulfoxide	EPA 531.1	<0.0005	mg/L	0.0005	12/05/03
Carbaryl	EPA 531.1	<0.0005	mg/L	0.0005	12/05/03
Carbofuran	EPA 531.1	<0.0009	mg/L	0.0009	12/05/03
3-Hydroxycarbofuran	EPA 531.1	<0.0005	mg/L	0.0005	12/05/03
Methomyl	EPA 531.1	<0.0005	mg/L	0.0005	12/05/03
Oxamyl (Vydate)	EPA 531.1	<0.002	mg/L	0.002	12/04/03
Glyphosate	EPA 547	<0.006	mg/L	0.006	12/04/03
Endothall	EPA 548.1	<0.009	mg/L	0.009	12/08/03
Extraction	EPA 548.1				12/08/03
Diquat	EPA 549.2	<0.0004	mg/L	0.0004	12/04/03
Extraction	EPA 549.2				12/03/03
Dioxin	EPA 1613B	<5.0 x 10(-9)	mg/L		12/17/03
Chloromethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Vinyl Chloride	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Bromomethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Chloroethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,1-Dichloroethylene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Dichloromethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
MTBE	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
trans 1,2-Dichloroethylene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,1-Dichloroethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
cis 1,2-Dichloroethylene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
2,2-Dichloropropane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Chloroform	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,1,1-Trichloroethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,1-Dichloropropene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Carbontetrachloride	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,2-Dichloroethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Benzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Trichloroethylene (TCE)	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,2-Dichloropropane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Dibromomethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Bromodichloromethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
cis 1,3-Dichloropropene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Toluene	EPA 524.2	0.0006	mg/L	0.0005	12/11/03
trans-1,3-Dichloropropene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,1,2-Trichloroethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,3-Dichloropropane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03

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Matrix: Drinking Water
Sample No: 0312-11510-001 — Time Sampled: 10:30
Sample ID: #4 Well (Deep Well #2) — Date Sampled: 12/01/2003

PARAMETER	METHOD	RESULTS	UNITS	PQL	DATE ANALYZED
Tetrachloroethylene (PCE)	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Dibromochloromethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Chlorobenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,1,1,2-Tetrachloroethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Ethylbenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Styrene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Bromoform	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,1,2,2-Tetrachloroethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,2,3-Trichloropropane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Bromobenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
2-Chlorotoluene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
4-Chlorotoluene (para)	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,3-Dichlorobenzene (meta)	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,4-Dichlorobenzene (para)	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,2-Dichlorobenzene (ortho)	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,2,4-Trichlorobenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Xylenes, Total	EPA 524.2	<0.0015	mg/L	0.0015	12/11/03
Total Trihalomethanes	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Surrogate:	EPA 524.2				12/11/03
***Pentafluorobenzene	EPA 524.2	100	% Recovery		12/11/03
***4-Bromofluorobenzene	EPA 524.2	92	% Recovery		12/11/03
***1,2-dichlorobenzene-d4	EPA 524.2	86	% Recovery		12/11/03

Asbestos analyzed by Fiberquant, Phoenix, AZ; #AZ0904.
Radiochemistry performed by Radiation Safety Engineering, Chandler, AZ; #AZ0462.
EPA 504,505,515,525,531,547,548 & 549 analyzed by Environmental Health Labs, South Bend, IN; ADHS No. AZ#0432.
Dioxin performed by Pace Analytical Services, Minneapolis, MN; #AZ0014.
NOTE: Interpretation of Colilert Results
- 0 = Negative for Coliform bacteria
- 1 = Positive for Coliform bacteria and Negative for E.coli (fecal bacteria)
- 2 = Positive for Coliform bacteria and Positive for E.coli (fecal bacteria)

Matrix: DI Water
Sample No: 0312-11510-002 — Time Sampled: 10:30
Sample ID: Travel Blank — Date Sampled: 12/01/2003

Dichlorodifluoromethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Chloromethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03

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Matrix: DI Water
Sample No: 0312-11510-002
Sample ID: Travel Blank

Time Sampled: 10:30
Date Sampled: 12/01/2003

PARAMETER	METHOD	RESULTS	UNITS	PQL	DATE ANALYZED
Vinyl Chloride	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Bromomethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Chloroethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Trichlorofluoromethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,1-Dichloroethylene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Dichloromethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
MTBE	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
trans 1,2-Dichloroethylene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,1-Dichloroethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
cis 1,2-Dichloroethylene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
2,2-Dichloropropane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Bromochloromethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Chloroform	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,1,1-Trichloroethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,1-Dichloropropene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Carbontetrachloride	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,2-Dichloroethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Benzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Trichloroethylene (TCE)	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,2-Dichloropropane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Dibromomethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Bromodichloromethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
cis 1,3-Dichloropropene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Toluene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
trans-1,3-Dichloropropene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,1,2-Trichloroethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,3-Dichloropropane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Tetrachloroethylene (PCE)	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Dibromochloromethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,2-Dibromoethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Chlorobenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,1,1,2-Tetrachloroethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Ethylbenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
m,p-Xylenes	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
o-Xylene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Styrene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Bromoform	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Isopropylbenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,1,2,2-Tetrachloroethane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,2,3-Trichloropropane	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03

LEGEND
Technical Services of Arizona, Inc.

17631 North 25th Avenue • Phoenix, AZ • 85023
(602) 324-6100 • F (602) 324-6101 • ADHS# AZ0004

4837 East 5th St., Ste 103 • Tucson, AZ • 85711
(520) 327-1234 • F (520) 327-0518 • ADHS# AZ0004

Matrix: DI Water
Sample No: 0312-11510-002
Sample ID: Travel Blank

Time Sampled: 10:30
Date Sampled: 12/01/2003

PARAMETER	METHOD	RESULTS	UNITS	PQL	DATE ANALYZED
Bromobenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Propylbenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
2-Chlorotoluene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,3,5-Trimethylbenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
4-Chlorotoluene (para)	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
tert-Butylbenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
sec-Butylbenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
4-Isopropyltoluene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,3-Dichlorobenzene (meta)	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,4-Dichlorobenzene (para)	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
n-Butylbenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,2-Dichlorobenzene (ortho)	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,2,4-Trichlorobenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Hexachlorobutadiene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,2,4-Trimethylbenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Naphthalene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
1,2,3-Trichlorobenzene	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Xylenes, Total	EPA 524.2	<0.0015	mg/L	0.0015	12/11/03
Total Trihalomethanes	EPA 524.2	<0.0005	mg/L	0.0005	12/11/03
Surrogate:	EPA 524.2				12/11/03
***Pentafluorobenzene	EPA 524.2	99	% Recovery		12/11/03
***4-Bromofluorobenzene	EPA 524.2	92	% Recovery		12/11/03
***1,2-dichlorobenzene-d4	EPA 524.2	85	% Recovery		12/11/03

Karen Maxwell

Authorized Signatory

Pace Analytical Services, Inc.
1700 Elm Street - Suite 200
Minneapolis, MN 55414

Tel: 612-607-1700
Fax: 612-607-6444

Drinking Water Analysis Results
2,3,7,8-TCDD -- USEPA Method 1613B

Sample ID.....0312-11510-001
Client.....Legend Tech Services of Ariz.
Lab Sample ID.....105161087

Date Collected.....12/01/2003
Date Received.....12/05/2003
Date Extracted.....12/12/2003

	Sample 105161087	Method Blank	Lab Spike
[2,3,7,8-TCDD]	**ND**	ND	--
RL	5 pg/L	5 pg/L	--
2,3,7,8-TCDD Recovery	--	--	105%
Spike Recovery Limit	--	--	73-146%
IS Recovery	**88%**	87%	92%
IS Recovery Limits	31-137%	31-137%	25-141%
CS Recovery	**90%**	89%	102%
CS Recovery Limits	42-164%	42-164%	37-158%
Filename	A31216G_11	A31216F_1	A31216G_7
Analysis Date	12/17/2003	12/16/2003	12/17/2003
Analysis Time	02:48	20:14	00:40
Analyst	CMP	CMP	CMP
Volume	0.966L	0.990L	1.031L
Dilution	NA	NA	NA
CCAL Filename	A31216G_6	A31216D_1	A31216G_6

!	= Outside the Control Limits
ND	= Not Detected
RL	= Reporting Limit
Limits	= Control Limits from Method 1613 (10/94 Revision), Tables 6A and 7A
IS	= Internal Standard [2,3,7,8-TCDD-$^{13}C_{12}$]
CS	= Cleanup Standard [2,3,7,8-TCDD-$^{37}Cl_4$]

Project No.....1082125

Environmental Health Laboratories
The Nation's Drinking Water Laboratory

110 S. Hill Street
South Bend, IN 46617
574.233.4777
800.332.4345
Fax: 574.233.5207
www.ehl.cc

LABORATORY REPORT

Client: Legend Technical Services of Arizona, Inc.
Attn: Susan Butler
17631 North 25th Avenue
Phoenix, AZ 85023

Report: 973072-80

Priority: Standard Written

Status: Final

ID Number: AZ0432

Sampling Point: 0312-11510-001 & 002 TB

Samples Submitted: Eight drinking water samples and one laboratory trip blank

Copies to: None

Collected			Received	
Date: 12/01/03	Time: 10:30	By: Client	Date: 12/02/03	Time: 09:45

REPORT SUMMARY

None of the analytes included in the detailed parameter list were detected in the sample submitted for analysis.

Detailed quantitative results are presented on the following page.

We appreciate the opportunity to provide you with this analysis. If you have any questions concerning this report, please do not hesitate to call us at (574) 233-4777.

Note: This report may not be reproduced, except in full, without written approval from Environmental Health Laboratories (EHL). EHL is accredited by the National Environmental Laboratory Accreditation Program (NELAP). This report satisfies the requirements of your project but has not been prepared to comply with NELAP reporting requirements.

Reviewed By: [signature] Date: 12/15/03

Finalized By: [signature] Date: 12/16/03

A Division of Underwriters Laboratories Inc.

Client: Legend Technical Services of Arizona, Inc. Report: 973072-80

Sampling Point: 0312-11510-001 & 002 TB ID Number: AZ0432

PARAMETER	SDWA Method	Trigger / MRL* (mg/L)	Results (mg/L)	MCL (mg/L)	Extraction Date	Analysis Date	Lab Number	Data Qualifiers
Alachlor (Lasso)	525.2	0.0002	< 0.0002	0.002	12/04/03	12/08/03	973075	
Aldicarb	531.1	0.0005	< 0.0005	postponed	12/04/03	12/05/03	973076	
Aldicarb Sulfone	531.1	0.0008	< 0.0008	postponed	12/04/03	12/05/03	973076	
Aldicarb Sulfoxide	531.1	0.0005	< 0.0005	postponed	12/04/03	12/05/03	973076	
Aldrin	525.2	0.0001	< 0.0001	---	12/04/03	12/08/03	973075	
Aroclor 1016	505	0.00008	< 0.00008	£	12/04/03	12/04/03	973073	
Aroclor 1221	505	0.02	< 0.02	£	12/04/03	12/04/03	973073	
Aroclor 1232	505	0.0005	< 0.0005	£	12/04/03	12/04/03	973073	
Aroclor 1242	505	0.0003	< 0.0003	£	12/04/03	12/04/03	973073	
Aroclor 1248	505	0.0001	< 0.0001	£	12/04/03	12/04/03	973073	
Aroclor 1254	505	0.0001	< 0.0001	£	12/04/03	12/04/03	973073	
Aroclor 1260	505	0.0002	< 0.0002	£	12/04/03	12/04/03	973073	
Atrazine	525.2	0.0001	< 0.0001	0.003	12/04/03	12/08/03	973075	
Benzo(a)pyrene	525.2	0.00002	< 0.00002	0.0002	12/04/03	12/08/03	973075	
Butachlor	525.2	0.0001	< 0.0001	---	12/04/03	12/08/03	973075	
Carbaryl	531.1	0.0005	< 0.0005	---	12/04/03	12/05/03	973076	
Carbofuran	531.1	0.0009	< 0.0009	0.04	12/04/03	12/05/03	973076	
Chlordane	505	0.0002	< 0.0002	0.002	12/04/03	12/04/03	973073	
2,4-D	515.3	0.0001	< 0.0001	0.07	12/05/03	12/09/03	973074	
Dalapon	515.3	0.001	< 0.001	0.2	12/05/03	12/09/03	973074	
1,2-Dibromo-3-chloropropane	504.1	0.00002	< 0.00002	0.0002	12/03/03	12/03/03	973072	
Dicamba	515.3	0.0001	< 0.0001	---	12/05/03	12/09/03	973074	
Dieldrin	525.2	0.0001	< 0.0001	---	12/04/03	12/08/03	973075	
Di(2-ethylhexyl)adipate	525.2	0.0006	< 0.0006	0.4	12/04/03	12/08/03	973075	
Di(2-ethylhexyl)phthalate	525.2	0.0006	< 0.0006	0.006	12/04/03	12/08/03	973075	
Dinoseb	515.3	0.0002	< 0.0002	0.007	12/05/03	12/09/03	973074	
Diquat	549.2	0.0004	< 0.0004	0.02	12/03/03	12/04/03	973079	
Endothall	548.1	0.009	< 0.009	0.1	12/08/03	12/08/03	973078	
Endrin	525.2	0.00001	< 0.00001	0.002	12/04/03	12/08/03	973075	
Ethylene dibromide (EDB)	504.1	0.00001	< 0.00001	0.00005	12/03/03	12/03/03	973072	
Glyphosate (Round-up)	547	0.006	< 0.006	0.7	12/04/03	12/04/03	973077	
Heptachlor	525.2	0.00004	< 0.00004	0.0004	12/04/03	12/08/03	973075	
Heptachlor epoxide	525.2	0.00002	< 0.00002	0.0002	12/04/03	12/08/03	973075	
Hexachlorobenzene	525.2	0.0001	< 0.0001	0.001	12/04/03	12/08/03	973075	
Hexachlorocyclopentadiene	525.2	0.0001	< 0.0001	0.05	12/04/03	12/08/03	973075	
3-Hydroxycarbofuran	531.1	0.0005	< 0.0005	---	12/04/03	12/05/03	973076	
Lindane (gamma-BHC)	525.2	0.00002	< 0.00002	0.0002	12/04/03	12/08/03	973075	
Methoxychlor	525.2	0.0001	< 0.0001	0.04	12/04/03	12/08/03	973075	
Methomyl	531.1	0.0005	< 0.0005	---	12/04/03	12/05/03	973076	
Metolachlor (Dual)	525.2	0.0001	< 0.0001	---	12/04/03	12/08/03	973075	
Metribuzin (Sencor)	525.2	0.0001	< 0.0001	---	12/04/03	12/08/03	973075	
Oxamyl (Vydate)	531.1	0.002	< 0.002	0.2	12/04/03	12/05/03	973076	
Pentachlorophenol	515.3	0.00004	< 0.00004	0.001	12/05/03	12/09/03	973074	
Picloram (Tordon)	515.3	0.0001	< 0.0001	0.5	12/05/03	12/09/03	973074	
Propachlor	525.2	0.0001	< 0.0001	---	12/04/03	12/08/03	973075	
2,4,5-TP (Silvex)	515.3	0.0002	< 0.0002	0.05	12/05/03	12/09/03	973074	
Simazine	525.2	0.00007	< 0.00007	0.004	12/04/03	12/08/03	973075	
2,3,7,8-TCDD (Dioxin)				3e-08				
Toxaphene	505	0.001	< 0.001	0.003	12/04/03	12/04/03	973073	

* EHL has demonstrated it can achieve these report limits in reagent water, but can not document them in all sample matrices.

£ Any positive Aroclor result would require analysis for total PCB as decachlorobiphenyl by method 508A (MCL = 0.0005 mg/L).

A Division of Underwriters Laboratories Inc.

Radiation Safety Engineering, Inc.

3245 N. WASHINGTON ST. • CHANDLER, ARIZONA 85225-1121 (480) 897-9459
Website: www.radsafe.com FAX (480) 892-5446

Radiochemical Activity in Water (pCi/L)

Legend Technical Services of Arizona
17631 North 25th Avenue
Phoenix, AZ 85023

Sample Received: December 3, 2003
Analysis Completed: December 8, 2003

Sample ID	Gross Alpha Activity Method 600/00-02 (pCi/L)
0312-11511-001	2.9 ± 0.8
0312-11510-001	1.6 ± 0.6

Robert L. Metzger, Ph.D., C.H.P.

FIBERQUANT ANALYTICAL SERVICES

Determination of Asbestos in Water using TEM

JobNumber: 200308505

Client: LEGEND TECHNICAL SVC of AZ

BOLIN LABORATORIES INC

17631 N 25TH AVE

PHOENIX, AZ 85023-0000

Office Phone: (602) 324-6100

FAX: (602) 942-1050

 # Samples: 2 TEM **Rec:** 12/2/2003 **Method:** EPA 100.1 TEM Water

Client Job: 0312-11510,11511 **PO Number:** 03-0860 **Routing Number:** -

Report Date: 12/4/2003 **Date Analyzed:** 12/4/2003

Method and Analysis Information:

Samples are analyzed using the protocols given in EPA method 100.1, as amended by the 1993 EPA guidence. Samples should be un-preserved water in 1 L containers having about 200 ml headspace for shaking. There is a 48 hr deadline between the time the sample is taken and the time it is filtered to minimize loss of asbestos fibers due to biological interference. Each sample is shook for 1 minute, and ultrasonicated for at least 10 minutes, shaking every 5 minutes to disperse any fibers that are present. A measured amount of sample is then filtered through a 0.1 um pore size polycarbonate filter, backed by a 5 um pore size MCE filter and a glass frit. Several volumes of liquid may be filtered for each sample in order to assure that a properly loaded sample is obtained. A portion of each resulting filter (and blanks) is then coated with 100-200 um of carbon in a Denton 502A Carbon Evaporator. The carbon encapsulates all of the larger and most of the smaller particulate on the filter. Three mm square pieces of the coated filter are placed on three or more copper TEM grids, and the original filter material is dissolved away in a Jaffe wick and/or condensation washer. The finished replica in carbon containing the particulate is then examined on a JEOL 1200 or Phillips CM 10 transmission electrom microscope at 10,000 to 20,000x magnification. All asbestos fibers >10um in length are tabulated and characterized as asbestos or non-asbestos using a combination of morphology, electron diffraction characteristics, and elemental composition. The result is calculated in millions of fibers per liter (MFL). The grid is scanned until 20 grid openings have been observed, or until an analytical sensitivity (the hypothetical observation of one fiber) of 0.2 MFL has been reached. The nominal 20 grid opening cut-off is used for those samples containing so much non-asbestos particulate that the desired analytical sensitivity is impractical to attain.

The method was designed to determine EPA drinking water compliance. The standard for drinking water is <7 MFL as measured by this method. Fiberquant maintains Arizona Environmental Laboratory license #AZ0633 covering EPA Method 100.1.

Overall, the coefficient of variation can be expected to be approximately 0.5 for analyses in which >20 asbestos fibers have been counted, ranging up to 1.00 for analyses in which only a few asbestos fibers are counted.

The analysis was performed under an ongoing quality assurance program which includes: Lab blanks, prepared with each set of samples, and analyzed at the rate of one per 25 samples analyzed. Each analyst has suitable background credentials, such as at least a bachelor's degree in geology or chemistry, and has undergone extensive 2-6 month training in TEM techniques and mineralogy specific to TEM asbestos analysis before being allowed to perform client analyses. Unknown reference samples are routinely identified to ensure that each analyst can collect and correctly interpret TEM information. The TEM is aligned and its performance checked daily. Magnification, electron diffraction pattern size, and analytical performance characteristics are calibrated routinely. Samples are re-analyzed sometimes by the same analyst and sometimes by a different analyst in order to determine accuracy and precision. The total of QC analyses (blanks + recounts) are greater than 10% of analyzed samples. Each analyst participates in interlab round robins and proficiency testing in order to show correlation to other lab's analyses. Because TEM samples are not analyzed in batches, which would be traditional for most water analyses, and not every blank is read, and not every sample has a duplicate or replicate analysis associated with it, it is not possible to include a traditional QC report with the analysis. QC reports are produced monthly, and are available on request. All quality checks performed for these samples were in control except as detailed in the "Analytical Notes" below. Fiberquant is accredited by NVLAP to perform TEM analysis of asbestos in air samples, and has been found to be proficient in the EPA water proficiency program. Accreditation or proficiency does not imply endorsement by the EPA, any other United States governmental agency or any private agency or association. Each lab analysis refers only to the sample tested, and may not, due to the sampling process, be representative of the material sampled. This report may not be reproduced except in full, without the approval of Fiberquant Analytical Services.

Job Analysis Notes:

0312-11510-001 and 0311-11511-001: High levels of particulate material did not permit analysis to the desired sensitivity of 0.2 million fibers per liter (MFL).

	Date	Time		
Sampled:	12/1/2003	10:30	By:	Legend Tech Services
Received:	12/2/2003	16:30		
Filtered:	12/2/2003	17:55		
Analyzed:	12/4/2003	16:35		

Analysis Results:

Lab Number	Client Number	Date	Condition	Filtered Vol (ml)	#GOs	GO Area	MFL	AsbestosType	Sensitivity (MFL)
							Job Number:		200308505
2003-08505-1	0312-11510-001	12/1/2003	acceptable	5	20	0.00934	<1	-	1
2003-08505-2	0312-11511-001	12/1/2003	acceptable	0.1	20	0.00934	<51.5	-	51.5

Analyst: DAVID M. SCHALLER

Printed: 04-Dec-03

Original Print Date: 04-Dec-03

Larry S. Pierce, Approved Accreditation Signatory

Appendix E

RECEIVED
MAR 20 1997
RECORDS MGT

WELL A
A(22-5)36ccd

STATE OF ARIZONA
DEPARTMENT OF WATER RESOURCES
GROUNDWATER MANAGEMENT SUPPORT SECTION

500 North Third Street - Phoenix, Arizona 85004-3903
Phone (602) 417-2470

WELL DRILLER REPORT

This report should be prepared by the Driller in all detail and filed with the Department within 30 days following completion of the well.

1. Owner's Name: Bellemont Travel Center
   Address: PO Box 116087 (Street) Bellemont (City) AZ (State) 86015 (Zip) (Telephone Number)
2. Drilling Firm: Flagstaff Well & Supply Co. Inc.
   Address: PO Box 22280 (Street) Flagstaff (City) AZ (State) 86002 (Zip) 520-774-8243 (Telephone Number)
3. Location: SE ¼ (10 Acre) SW ¼ (40 Acre) SW ¼ (160 Acre) of Section 36 Township 22n Range 5E
4. Well Registration No. 55- 559096 (Required)
5. Permit No. _____ (If issued)

ENTERED MAR 1997

DESCRIPTION OF WELL

6. Total Depth of Hole 240 ft.
7. Type of Casing Steel
8. Diameter and length of casing 8 inches from 0 to 42 . 6 inches from 0 to 240
9. Method of sealing at reduction points grout
10. Perforated from 40 to 240 from _____ to _____ from _____ to _____
11. Size of cuts 1/8" Number of cuts per foot 12
12. If screen was installed: Length N/A feet. Diameter _____ inches. Type _____
13. Method of construction drilled (drilled, dug, driven, bored, jetted, etc.)
14. Date started Dec (Month) 30 (Day) 1996 (Year)
15. Date completed Feb (Month) 20 (Day) 1997 (Year)
16. Depth to water 42 ft. (If flowing well, so state).
17. Describe point from which depth measurements were made, and give sea-level elevation if available wellhead
18. If flowing well, state method of flow regulation:
19. Remarks: _____

FOR DEPARTMENT USE ONLY
Registration No. 55-559096
File No. A(22-5)36ccd
Received _____ By ____
Entered _____ By ____

DWR-55-55 (Rev 5/96)

LOG OF WELL

Indicate depth at which water was first encountered, and the depth and thickness of water bearing beds. If water is artesian, indicate depth at which encountered, and depth to which it rose in well.

From (feet)	To (feet)	
0	42	Fill
42	68	malipai - (HARD)
68	87	Brown Clay
87	95	Red Clay & Cinders
95	100	Black Cinders & CLAY
100	240	Clay & Cinders - Some river gravel

I hereby certify that this well was drilled by me (or under my supervision), and that each and all statements herein contained are true to the best of my knowledge and belief.

Driller's Name (Qualifying Party): [signature]

PO Box 22280

Street

Flagstaff AZ 86002

City State Zip

520-774-8243 3/13/97

Phone Number Date

DWR 55-55 (Rev 5/96)

ARIZONA DEPARTMENT OF WATER RESOURCES
GROUNDWATER MANAGEMENT SUPPORT SECTION

500 North Third Street, Phoenix, Arizona 85004-3903
Phone (602) 417-2470

RECEIVED JAN 12 1998 GROUNDWATER MGT

COMPLETION REPORT
(Pump Installation Report)

1. Per A.R.S. § 45-600, the Completion Report is to be filed with the Department within 30 days after installation of pump equipment by the registered well owner.

2. Drawdown of the water level for a non-flowing well should be measured in feet after not less than 4 hours of continuous operation. For a flowing well the shut-in pressure should be measured in feet above the land or in pounds per square inch at the land surface.

3. The static groundwater level should be measured in feet from the land surface immediately prior to the well capacity test.

4. The tested pumping capacity of the well in gallons per minute for a non-flowing well should be determined by measuring the discharge of the pump after continuous operation for at least 4 hours and for a flowing well by measuring the natural flow at the land surface.

REGISTRATION NO: 55- 559096 **FILE NO:** A-122-5136 ccd
22-5-36

LOCATION OF THE WELL:

22 (N/S) Township; 5 (E/W) Range; 36 Section; ¼ SE 10-acre; ¼ SW 40-acre; ¼ SW 160-acre

EQUIPMENT INSTALLED:

Kind of pump: submersible (Turbine, submersible, centrifugal, etc.) Kind of power: Electric (Electric, natural gas, gasoline, etc.)

H.P. Rating of Motor: 2 Pumping Capacity: 18GPM Date Pump Installed: 5-14-97

WELL TEST:

Test pumping capacity: 18 Gallons per minute Date Well Tested: 5-15-97

Method of Discharge Measurement: Weir (Weir, orifice, current meter, etc.)

Static Groundwater Level: 42' ft. Drawdown: 153' ft.

Total Pumping Lift: 215' ft. Drawdown: _____ lbs. (Flowing Well)

I HEREBY CERTIFY that the above statements are true to the best of my knowledge and belief.

Print Well Owner's Name	Address	City	State	Zip
Steven D. Killmeir	PO Box 16087	Bellemont	AZ	86015

Signature of Well Owner	Phone Number	Date
[signature]	520-774-2762	1-2-98

DWR 55-56 (Rev 10/95)

ENTERED JAN 13 1998

ARIZONA DEPARTMENT OF WATER RESOURCES
GROUNDWATER MANAGEMENT SUPPORT SECTION
MAIL TO: P.O. BOX 458 - PHOENIX, ARIZONA 85001-0458
500 North Third Street - Phoenix, Arizona 85004-3903
Phone (602) 417-2470

RECEIVED JUL 23 1996 GROUNDWATER MGT

NOTICE OF INTENTION TO DRILL, DEEPEN, REPLACE OR MODIFY A WELL

PLEASE READ SPECIFIC INSTRUCTIONS, LIMITATIONS AND CONDITIONS ON REVERSE SIDE OF THIS FORM BEFORE COMPLETING.

PLEASE COMPLETE ALL ITEMS IN THE BOX BELOW DOWN TO COUNTY OR LOCAL AUTHORITY ENDORSEMENT. IF ANY WATER FROM THE PROPOSED WELL (LISTED BELOW) WILL BE USED FOR DOMESTIC PURPOSES ON A PARCEL OF LAND 20 OR FEWER ACRES, THE APPLICABLE COUNTY OR LOCAL HEALTH AUTHORITY MUST ENDORSE ALL ITEMS IN THE BOX BEFORE SUBMITTING TO THE DEPARTMENT OF WATER RESOURCES.

Land Owner's Name: Bellemont Travel Center
Current Mailing Address: P.O. Box 16087
City: Bellemont State: AZ Zip: 86015

Telephone No. 520-774-2762

COUNTY ASSESSOR'S PARCEL ID INFORMATION:

Well Located In Coconino County — BOOK 203 MAP 47 PARCEL 003 # of Acres 7

Well/Land Location (must be completed as requested):

SE ¼ (10AC) SW ¼ (40AC) SW ¼ (160AC) of Section 36 Township 22 N/S Range 5 E/W

COCONINO COUNTY HEALTH DEPT. OFFICIAL SEAL OR 2200 N. FORT VALLEY RD. FLAGSTAFF ARIZONA STATE 001 ENVIRONMENTAL HEALTH — 00

COUNTY OR LOCAL AUTHORITY ENDORSEMENT

Check one:
Recommend Approval ✓; Insufficient Information to Make Determination ___; Variance Required ___ (Explanation attached)

DATE 7-18-96 AUTHORIZED SIGNATURE Marlene T. Dowler, RS TITLE Supervisor

GENERAL INSTRUCTIONS FOR FILING NOTICE WITH ADWR

1. Section §45-596(D) provides that the Director shall determine that all information required on this form has been submitted. If not, the person filing will be notified, and the drilling, deepening or modification of the well may not proceed.
2. Section §45-596(d) provides that the Department has 15 days after the receipt of a complete and correct notice of intention to record the notice and mail duplicate to owner. Drill card will be mailed directly to drilling firm as stated in Item #14.
3. Please mail two original notices with original signatures, a site plan in DUPLICATE, and a check or money order (no cash) in the amount of $10.00 to P.O. Box 458, Phoenix, Arizona 85001-0458 or hand deliver to 500 North Third Street, Phoenix, Arizona 85004-3903. USE BLACK OR BLUE INK.
4. If the well is a replacement, deepening or modification of an existing well, provide the registration number of the existing well in Item 2.
5. Construction standards for wells, including abandonment, shall be in accordance with Department Rules.

1. Owner of well:
Name: Bellemont Travel Center
Current Mailing Address: P.O. Box 16087
City: Bellemont State: AZ Zip: 86015
Telephone No. 528-774-2762

2. Action requested: Drill New Well X; Deepen ___ Modify ___ Replace ___.
For a replacement well provide: Maximum capacity of the original well ___ gallons per minute; distance from the original well ___ feet.
Well Registration No.55-___

3. Construction will start about:
Month 7 Year 96

4. Description of proposed well:
Diameter 8" inches
Depth 300 feet
Type of Casing Steel

5. Design pump capacity:
50 gallons per minute

6. Lessee of land of wellsite:
Name
Current Mailing Address
City State Zip
Telephone No.

7. Principal Use of Water; (be specific): Truck stop operation

8. Other uses of Water; (be specific):

9. If use includes irrigation, state to nearest tenth, the number of acres to be irrigated;

FOR DEPARTMENT USE ONLY
File No. A(22-5)36ccd
Filed 7-23-96 By FB
Input ___ By ___
DUPLICATE MAILED
Date 7-25-96
Registration 55- 559096
AMA/INA ___
W/S 05 S/B ___

ENTERED AUG 7 1996

10. Place of Use (Legal Description of Land):
SE ¼ (10 AC) SW ¼ (40AC) SW ¼ (160AC) Section 36
Township 22 N/S Range 5 E/W

11. Type of Well (Check One):
Exempt ___ Non-Exempt X

12. Check One:
Residential ___ Commercial X

13. Is the proposed wellsite within 100 feet of a septic tank system, sewage disposal area, landfill, hazardous materials or petroleum storage areas and tanks? Yes ___ No ___

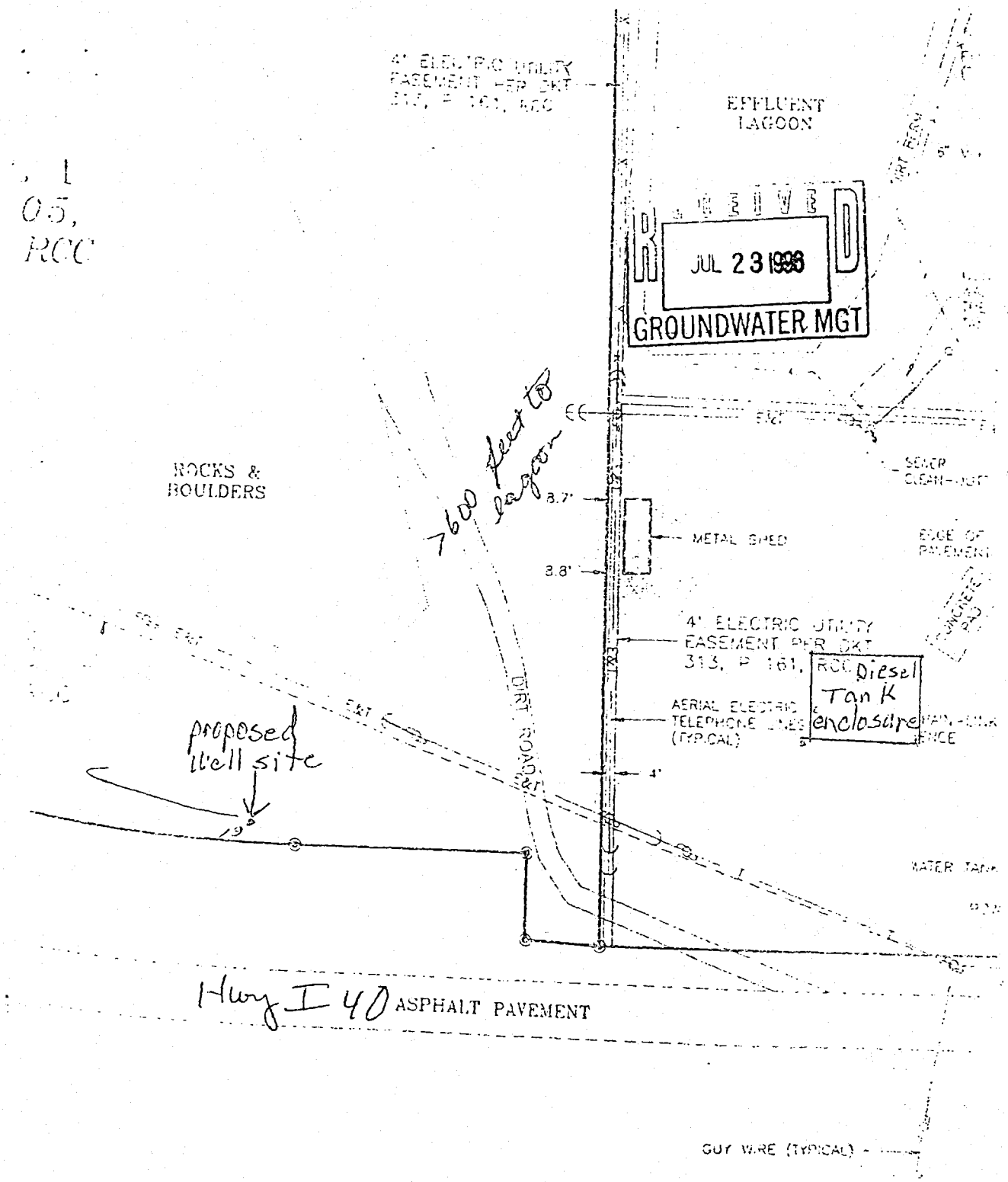
14. Drilling Firm: Bailey Well & Supply Co.
Name P.O. Box 22280
Mailing Address Ariz. 85002
City State Zip
Telephone No. 520-774-8243
DWR License Number 336
ROC License Category A-04, C-53

I State that this Notice is filed in compliance with A.R.S. §§45-595 and 45-596 and is complete and correct to the best of my knowledge and belief and that I understand the limitations and conditions set forth on the reverse side of this form.

Steven Killmer GM
Typed or Printed Name and Title

Signature [X] Land Owner [ ] Lessee of Wellsite, Title

Date


4' ELECTRIC UTILITY EASEMENT PER DKT 313, P 161, RCC
EFFLUENT LAGOON
RECEIVED
JUL 23 1996
GROUNDWATER MGT
ROCKS & BOULDERS
7600 feet to lagoon
8.7'
8.8'
METAL SHED
SEWER CLEAN-OUT
EDGE OF PAVEMENT
4' ELECTRIC UTILITY EASEMENT PER DKT 313, P 161, RCC
Diesel Tank enclosure
AERIAL ELECTRIC TELEPHONE LINES (TYPICAL)
DIRT ROAD
proposed well site
4'
WATER TANK
Hwy I 40
ASPHALT PAVEMENT
GUY WIRE (TYPICAL)

ARIZONA DEPARTMENT OF WATER RESOURCES
GROUNDWATER MANAGEMENT SUPPORT SECTION
MAIL TO: P.O. BOX 458 - PHOENIX, ARIZONA 85001-0458
500 North Third Street - Phoenix, Arizona 85004-3903
Phone (602) 417-2470

RECEIVED JUL 23 1996 GROUNDWATER MGT

NOTICE OF INTENTION TO DRILL, DEEPEN, REPLACE OR MODIFY A WELL

PLEASE READ SPECIFIC INSTRUCTIONS, LIMITATIONS AND CONDITIONS ON REVERSE SIDE OF THIS FORM BEFORE COMPLETING

PLEASE COMPLETE ALL ITEMS IN THE BOX BELOW DOWN TO COUNTY OR LOCAL AUTHORITY ENDORSEMENT. IF ANY WATER FROM THE PROPOSED WELL (LISTED BELOW) WILL BE USED FOR DOMESTIC PURPOSES ON A PARCEL OF LAND 20 OR FEWER ACRES, THE APPLICABLE COUNTY OR LOCAL HEALTH AUTHORITY MUST ENDORSE ALL ITEMS IN THE BOX BEFORE SUBMITTING TO THE DEPARTMENT OF WATER RESOURCES.

Land Owner's Name: Bellemont Travel Center — Current Mailing Address: P.O. Box 16087 — City: Bellemont — State: AZ — Zip: 86015

Telephone No. 520-774-2762

COUNTY ASSESSOR'S PARCEL ID INFORMATION:

Well Located in Coconino County — BOOK 203 — MAP 47 — PARCEL 003 — # of Acres 7

COCONINO COUNTY HEALTH DEPT. OFFICIAL

THIS DOCUMENT HAS AN ARTIFICIAL WATERMARK PRINTED ON THE BACK; WITH A MICRO TYPE BORDER & SIGNATURE LINE ON THE FACE. ABSENCE OF THESE FEATURES WILL INDICATE A COPY.

OFFICIAL CHECK

5000157657 — 75-28/919

NORWEST BANKS

NORWEST BANK ARIZONA, N.A.
Phoenix, Arizona
0919

Location ID 00859

Remitter: BELLEMONT TRAVEL CENTER

Date: JULY 08, 1996

Pay: **********10AND00CTS — $ ********10.00

To the Order of

DRAWER: TRAVELERS EXPRESS COMPANY, INC.
P.O. BOX 9476 MINNEAPOLIS, MN 55480
DRAWEE: FIRST AMERICAN BANK, N.A. ST. CLOUD, MN

Authorized Signature — Norwest Bank Arizona, N.A.

[redacted]

City — State — Zip
Telephone No. 520-774-2762

2. Action requested: Drill New Well X; Deepen ____ Modify ____ Replace ____. For a replacement well provide: Maximum capacity of the original well ____ gallons per minute; distance from the original well ____ feet. Well Registration No.55-____

3. Construction will start about: Month 7 Year 96

4. Description of proposed well:
Diameter 8" inches
Depth 300 feet
Type of Casing Steel

5. Design pump capacity: 50 gallons per minute

Telephone No. ____

7. Principal Use of Water; (be specific): Truck stop operation

8. Other uses of Water; (be specific): ____

9. If use includes irrigation, state to nearest tenth, the number of acres to be irrigated; ____

FOR DEPARTMENT USE ONLY
File No. ____
Filed ____ By ____
Input ____ By ____
DUPLICATE MAILED
Date ____
Registration 55-____
AMA/INA ____
W/S ____ S/B ____

Exempt ____ Non-Exempt ✓

12. Check One: Residential ____ Commercial X

13. Is the proposed wellsite within 100 feet of a septic tank system, sewage disposal area, landfill, hazardous materials or petroleum storage areas and tanks? Yes ____ No ____

14. Drilling Firm: [illegible]
Name
Mailing Address [illegible]
City — State — Zip
Telephone No. 520-774-8243
DWR License Number 336
ROC License Category A-04, C-53

I State that this Notice is filed in compliance with A.R.S. §§45-595 and 45-596 and is complete and correct to the best of my knowledge and belief and that I understand the limitations and conditions set forth on the reverse side of this form.

Steven Killmer GM — Typed or Printed Name and Title

Signature [X] Land Owner [ ] Lessee of Wellsite, Title — Date

ARIZONA DEPARTMENT OF WATER RESOURCES
GROUNDWATER MANAGEMENT SUPPORT SECTION

500 North Third Street
Phoenix, Arizona 85004-3903

THIS AUTHORIZATION SHALL BE IN POSSESSION OF THE DRILLER DURING ALL DRILL OPERATIONS

WELL REGISTRATION NO: 55-559096

AUTHORIZED DRILLER: FLAGSTAFF WELL & SUPPLY LICENSE NO: 336

NOTICE OF INTENTION TO DRILL A NON-EXEMPT WELL HAS BEEN FILED WITH THE DEPARTMENT BY:

WELL OWNER: BELLEMONT TRAVEL CENTER

The well(s) is/are to be located in the:

SE 1/4 of the SW 1/4 of the SW 1/4 Section 36 Township 22 NORTH Range 5 EAST

No. of Wells in this project: 1

THIS AUTHORIZATION EXPIRES AT MIDNIGHT ON THE 22ND DAY OF JULY, 1997.

CHIEF, GROUNDWATER MANAGEMENT SUPPORT

GREAT SEAL OF THE STATE OF ARIZONA
DITAT DEUS
1912

THE DRILLER MUST FILE A LOG OF THE WELL
WITHIN 30 DAYS OF COMPLETION OF DRILLING

WELL B
A(22-5) 36 CCD

ARIZONA DEPARTMENT OF WATER RESOURCES
500 North Third Street
Phoenix, Arizona 85004

WELL DRILLER REPORT

This report should be prepared by the driller in all detail and filed with the Department within 30 days following completion of the well.

RECEIVED AUG 14 1998 RECORDS MGT

1. DRILL TECH INC
   6515 N HWY 89
   CHINO VALLEY AZ 86323

2. Owner Name: Bellemont TravelCenter
   Address: P.I. Box 16087 Belmont Az. 86015
   City State Zip

3. Location: 22N N/S 5E E/W 36 ¼ Se ¼ Sw ¼ Sw
   Township Range Section 10-acre 40-acre 160-acre

4. Well Registration No. 55- 564258 (Required)
5. Permit No. _____ (If issued)

DESCRIPTION OF WELL

6. Total depth of hole 300 ft.
7. Type of casing Steel/ PVC
8. Diameter and length of casing 7 in. from 0 to 20, 4.5 in from 0 to 300
9. Method of sealing at reduction points _____
10. Perforated from 200 to 300, from _____ to _____ from _____ to _____
11. Size of cuts Fac Perf Number of cuts per foot _____
12. If screen was installed: Length _____ ft. Diam _____ in. Type _____
13. Method of construction Drilled
    (drilled, dug, driven, bored, jetted, etc)
14. Date started July 28 1998
    Month Day Year
15. Date completed July 29, 1998
    Month Day Year
16. Depth to water 16 ft. (If flowing well, so state)
17. Describe point from which depth measurements were made, and give sea-level elevation if available
    _____
18. If flowing well, state method of flow regulation: _____
19. Remarks: _____

DO NOT WRITE IN THIS SPACE
OFFICE RECORD

Registration No. 55-564258
File No. A(22-5)36CCD
Received _____ By _____
Entered _____ By _____
ANSWERED AUG 20 1998

DWR-55-55-7/95 (Rev.)

LOG OF WELL

Indicate depth at which water was first encountered, and the depth and thickness of water bearing beds. If water is artesian, indicate depth at which encountered, and depth to which it rose in well.

From (feet)	To (feet)	Description of formation material
0	2	Top Soil
2	43	Colg
43	132	Malapai
132	204	Clay
204	242	Malapai
242	270	Clay
270	300	Malapai
		GPM: 10+

I hereby certify that this well was drilled by me(or under my supervision), and that each and all statements herein contained are true to the best of my knowledge and belief.

Driller Name: _____

Street

City South Rio State Zip 8/12/96 Phone No. 636 8006

Signature of Driller Date

ARIZONA DEPARTMENT OF WATER RESOURCES
GROUNDWATER MANAGEMENT SUPPORT SECTION
MAIL TO: P.O. BOX 458 - PHOENIX, ARIZONA 85001-0458
500 North Third Street - Phoenix, Arizona 85004-3903
Phone (602) 417-2470

RECEIVED AUG - 5 1997 GROUNDWATER MGT

NOTICE OF INTENTION TO DRILL, DEEPEN, REPLACE OR MODIFY

PLEASE READ SPECIFIC INSTRUCTIONS, LIMITATIONS AND CONDITIONS ON REVERSE SIDE OF THIS FORM BEFORE COMPLETING.

PLEASE COMPLETE ALL ITEMS IN THE BOX BELOW DOWN TO COUNTY OR LOCAL AUTHORITY ENDORSEMENT. IF ANY WATER FROM THE PROPOSED WELL (LISTED BELOW) WILL BE USED FOR DOMESTIC PURPOSES ON A PARCEL OF LAND 20 OR FEWER ACRES, THE APPLICABLE COUNTY OR LOCAL HEALTH AUTHORITY MUST ENDORSE ALL ITEMS IN THE BOX BEFORE SUBMITTING TO THE DEPARTMENT OF WATER RESOURCES.

Bellemont Travel Center Box 16087 Bellemont AZ 86015
Land Owner's Name / Current Mailing Address / City / State / Zip

Telephone No. 520-774-2762

COUNTY ASSESSOR'S PARCEL ID INFORMATION:

Well Located In Coconino County — BOOK 203 MAP 47 PARCEL 003 # of Acres 7

OFFICIAL SEAL OR STAMP

Well/Land Location (must be completed as requested):

SE ¼ SW ¼ SW ¼ of Section 36 Township 22 (N/S) Range 5 (E/W)
10AC 40AC 160AC

COUNTY OR LOCAL AUTHORITY ENDORSEMENT

Check one:
Recommend Approval ✓; Insufficient Information to Make Determination ___; Variance Required ___ (Explanation attached)

DATE 7/29/97 AUTHORIZED SIGNATURE Monica Santoro TITLE Planner

GENERAL INSTRUCTIONS FOR FILING NOTICE WITH ADWR

1. Section §45-596(D) provides that the Director shall determine that all information required on this form has been submitted. If not, the person filing will be notified, and the drilling, deepening or modification of the well may not proceed.
2. Section §45-596(d) provides that the Department has 15 days after the receipt of a complete and correct notice of intention to record the notice and mail duplicate to owner. Drill card will be mailed directly to drilling firm as stated in Item #14.
3. Please mail two original notices with original signatures, a site plan in DUPLICATE, and a check or money order (no cash) in the amount of $10.00 to P.O. Box 458, Phoenix, Arizona 85001-0458 or hand deliver to 500 North Third Street, Phoenix, Arizona 85004-3903. USE BLACK OR BLUE INK.
4. If the well is a replacement, deepening or modification of an existing well, provide the registration number of the existing well in Item 2.
5. Construction standards for wells, including abandonment, shall be in accordance with Department Rules.

1. Owner of well:
Name: Bellemont Travel Center
Current Mailing Address: PO Box 16087
City / State / Zip: Bellemont AZ 86015
Telephone No. 520-774-2762

2. Action requested: Drill New Well ✓; Deepen ___ Modify ___ Replace ___.
For a replacement well provide: Maximum capacity of the original well ___ gallons per minute; distance from the original well ___ feet.
Well Registration No.55-___

3. Construction will start about: Month 7 Year 97

4. Description of proposed well:
Diameter 8" inches
Depth 200' feet
Type of Casing PVC

5. Design pump capacity: 35 gallons per minute

6. Lessee of land of wellsite:
Name ___
Current Mailing Address ___
City / State / Zip ___
Telephone No. ___

7. Principal Use of Water; (be specific): Truck Stop Operation

8. Other uses of Water; (be specific): ___

9. If use includes irrigation, state to nearest tenth, the number of acres to be irrigated; ___

FOR DEPARTMENT USE ONLY
File No. A(22-5)36CD
Filed 8/5/97 By dd
Input ___ By ___
DUPLICATE MAILED
Date 8/21/97
Registration 55-564258
AMA/INA ✓
W/S 05 S/B ✓

10. Place of Use (Legal Description of Land):
SE ¼ SW ¼ SW ¼ Section 36
10 AC 40AC 160AC
Township 22 (N/S) Range 5 (E/W)

11. Type of Well (Check One): Exempt ___ Non-Exempt X

12. Check One: Residential ___ Commercial X

13. Is the proposed wellsite within 100 feet of a septic tank system, sewage disposal area, landfill, hazardous materials or petroleum storage areas and tanks? Yes ___ No X

14. Drilling Firm: Drill-Tech Inc
Name / Mailing Address: 6515 N Hwy 89
City / State / Zip: Chino Valley AZ 86323
Telephone No. 800-248-9742
DWR License Number 239
ROC License Category A-4 C53

ENTERED AUG 27 1997

I State that this Notice is filed in compliance with A.R.S. §§45-595 and 45-596 and is complete and correct to the best of my knowledge and belief and that I understand the limitations and conditions set forth on the reverse side of this form.

Steven Killmer GM — Typed or Printed Name and Title
Signature [X] Land Owner [ ] Lessee of Wellsite, Title
7-97 — Date

GROUNDWATER MANAGEMENT SUPPORT SECTION
MAIL TO: P.O. BOX 458 - PHOENIX, ARIZONA 85001-0458
500 North Third Street - Phoenix, Arizona 85004-3903
Phone (602) 417-2470

RECEIVED AUG 1997 GROUNDWATER MGT

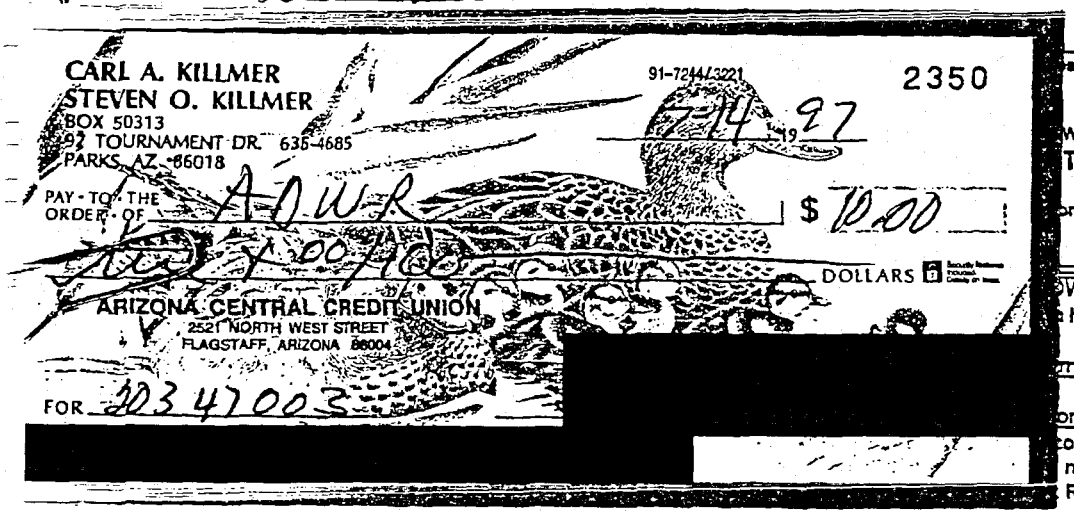
NOTICE OF INTENTION TO DRILL, DEEPEN, REPLACE OR MODIFY A WELL

PLEASE READ SPECIFIC INSTRUCTIONS, LIMITATIONS AND CONDITIONS ON REVERSE SIDE OF THIS FORM BEFORE COMPLETING

PLEASE COMPLETE ALL ITEMS IN THE BOX BELOW DOWN TO COUNTY OR LOCAL AUTHORITY ENDORSEMENT. IF ANY WATER FROM THE PROPOSED WELL (LISTED BELOW) WILL BE USED FOR DOMESTIC PURPOSES ON A PARCEL OF LAND 20 OR FEWER ACRES, THE APPLICABLE COUNTY OR LOCAL HEALTH AUTHORITY MUST ENDORSE ALL ITEMS IN THE BOX BEFORE SUBMITTING TO THE DEPARTMENT OF WATER RESOURCES.

Bellemont Travel Center Box 16087 Bellemont AZ 86015
Land Owner's Name / Current Mailing Address / City / State / Zip

Telephone No. 520-774-2762 COUNTY ASSESSOR'S PARCEL ID INFORMATION:



OFFICIAL SEAL OR STAMP

on attached)

Pears

DWR

has been submitted. If not, the person filing

rect notice of intention to record the notice

oney order (no cash) in the amount of $10.00

cona 85004-3903. USE BLACK OR BLUE INK

number of the existing well in Item 2.

Rules.

1. Owner of well:
Bellemont Travel Center
Name
PO Box 16087
Current Mailing Address
Bellemont AZ 86015
City State Zip
Telephone No. 520-774-2762

2. Action requested: Drill New Well ✓; Deepen____ Modify____ Replace____.
For a replacement well provide: Maximum capacity of the original well _____ gallons per minute; distance from the original well _____ feet.
Well Registration No.55-_____

3. Construction will start about:
Month 7 Year 97

4. Description of proposed well:
Diameter 8" inches
Depth 200 feet
Type of Casing PVC

5. Design pump capacity:
35 gallons per minute

6. Lessee of land of wellsite:
Name
Current Mailing Address
City State Zip
Telephone No.

7. Principal Use of Water; (be specific):
Truck Stop operation

8. Other uses of Water; (be specific):

9. If use includes irrigation, state to nearest tenth, the number of acres to be irrigated;

FOR DEPARTMENT USE ONLY
File No.
Filed By
Input By
DUPLICATE MAILED
Date
Registration 55-
AMA/INA
W/S S/B

10. Place of Use (Legal Description of Land):
SE ¼ SW ¼ SW ¼ Section 36
10 AC 40AC 160AC
Township 22 N/S Range 5 E/W

11. Type of Well (Check One):
Exempt_____ Non-Exempt X

12. Check One:
Residential_____ Commercial X

13. Is the proposed wellsite within 100 feet of a septic tank system, sewage disposal area, landfill, hazardous materials or petroleum storage areas and tanks? Yes_____ No X

14. Drilling Firm: Drill Tech
Name
6515 N Hwy 89
Mailing Address
Chino Valley AZ 86323
City State Zip
800-248-9742
Telephone No.
239
DWR License Number
A-4 C53
ROC License Category

I State that this Notice is filed in compliance with A.R.S. §§45-595 and 45-596 and is complete and correct to the best of my knowledge and belief and that I understand the limitations and conditions set forth on the reverse side of this form.

Steven Killmer GM — 7-97
Typed or Printed Name and Title — Signature [X] Land Owner [ ] Lessee of Wellsite, Title — Date

ARIZONA DEPARTMENT OF WATER RESOURCES
GROUNDWATER MANAGEMENT SUPPORT SECTION

500 North Third Street
Phoenix, Arizona 85004-3903

THIS AUTHORIZATION SHALL BE IN POSSESSION OF THE DRILLER DURING ALL DRILL OPERATIONS

WELL REGISTRATION NO: 55-564258

AUTHORIZED DRILLER: DRILL TECH INC LICENSE NO: 239

NOTICE OF INTENTION TO DRILL A NON-EXEMPT WELL(S) HAS BEEN FILED WITH THE DEPARTMENT BY:

WELL OWNER: BELLEMONT TRAVEL CENTER PO BOX 16087 BELLEMONT AZ 86015

The well(s) is/are to be located in the:

SE 1/4 of the SW 1/4 of the SW 1/4 Section 36 Township 22 NORTH Range 5 EAST

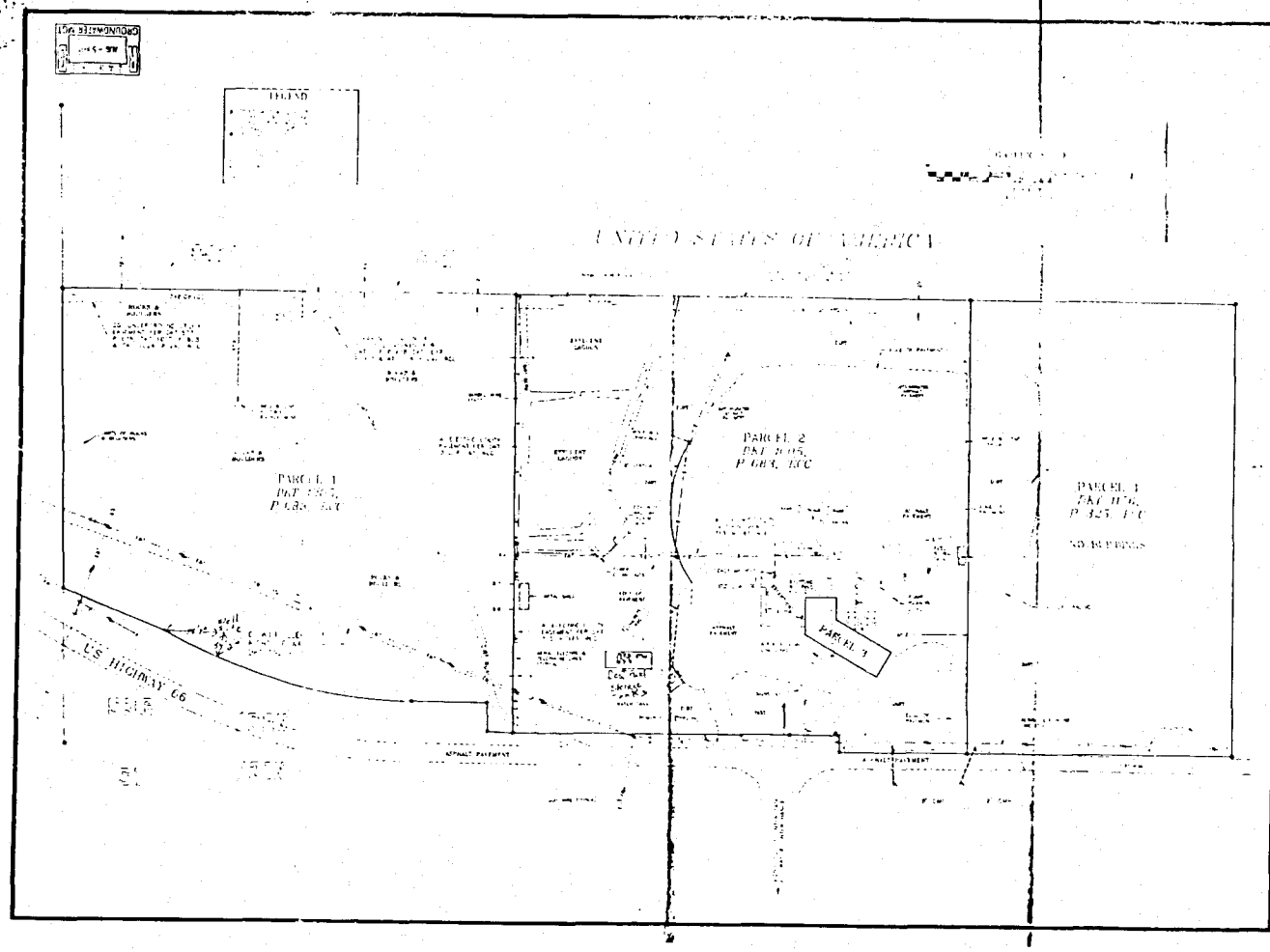
No. of wells in this project: 1

THIS AUTHORIZATION EXPIRES AT MIDNIGHT ON THE 4TH DAY OF AUGUST, 1998.

CHIEF, GROUNDWATER MANAGEMENT SUPPORT

THE DRILLER MUST FILE A LOG OF THE WELL
WITHIN 30 DAYS OF COMPLETION OF DRILLING

GREAT SEAL OF THE STATE OF ARIZONA
DITAT DEUS
1912



WERHAN, FLORENS & MONHAN, INC
ENGINEERS & SURVEYORS
FLAGSTAFF, ARIZONA 86001

ALTA/ACSM LAND TITLE SURVEY OF PARCELS
LOCATED IN THE SOUTHEAST QUARTER OF
SECTION 36, TOWNSHIP 22 NORTH, RANGE 5
EAST, GASRM, COCONINO COUNTY, ARIZONA

2 of 3

94012

DEPARTMENT OF WATER RESOURCES
99 East Virginia
Phoenix, Arizona 85004

WELL C
A(22-5)36 cdc

RECEIVED MAR 28 1983 DEPT. OF WATER RESOURCES

Registration No. 55-503545
Owner of
Well Site F. Bomkamp Water Co

File No. A(22-5)36cdc

COMPLETION REPORT

1. Completion Report to be filed with the Department within 30 days after installation of pump equipment.

2. The tested pumping capacity of the well in gallons per minute for a non-flowing well should be determined by measuring the discharge of the pump after continuous operation for at least 4 hours and for a flowing well by measuring the natural flow at the land surface.

3. Drawdown of the water level for a non-flowing well should be measured in feet after not less than 4 hours of continuous operation and while still in operation and for a flowing well the shut-in pressure should be measured in feet above the land or in pounds per square inch at the land surface.

4. The static groundwater level should be measured in feet from the land surface immediately prior to the well capacity test.

LOCATION OF THE WELL

T 22N R 5E S 36.

Date Well Completed November 1982 Depth of Well 215'

1. Well Test:
Test Pumping Capacity 14 (Gal. per min.) Date Well Tested November

Method of Discharge Measurement weir (weir, orifice, current meter, etc.)

Static Groundwater Level 111 ft. Drawdown 129 ft.

Total Pumping Lift 130 ft. Drawdown _____ lbs. (Flowing Well)

2. Equipment Installed:

Kind of Pump submersible (turbine, centrifugal, etc.)

Kind of Power electric (Elec., Nat. Gas, Etc.) H.P. Rating of Motor 1

I HEREBY CERTIFY that the above statements are true to the best of my knowledge and belief.

Signature

P. O. Box 704
Address

Parks, Az. 86018
City State Zip

_____, 19____
Date

3-30-83

RECORDED FILE

STATE OF ARIZONA

DEPARTMENT OF
WATER RESOURCES

WELL DRILLER REPORT

MAR 1983
DEPARTMENT OF WATER RESOURCES

This report should be prepared by the driller in all detail and filed with the Department within 30 days following completion of the well.

1. Owner Fred Bomkamp Water Co
Name
P O Box 11177 Phoenix AZ 85061
Address

2. Lessee or Operator
Name
Address

3. Driller Charles A. Bulfer
Name
P. O. Box 704 Parks, AZ 86018
Address

4. Location of well: T-22N R-5E S-36

5. Permit No. (if issued)

DESCRIPTION OF WELL

6. Total depth of hole 215 ft.
7. Type of Casing Machine Perforated Liner
8. Diameter and length of casing 6 5/8 in. from -1 to 120', in from to .
9. Method of sealing at reduction points
10. Perforated from 120' to 215', from to , from to
11. Size of cuts 1/8" X 3" Number of cuts per foot 18
12. If screen was installed: Length ft. Diam in. Type
13. Method of construction Drilled
drilled, dug, driven, bored, jetted, etc.
14. Date started September 1982
Month day year
15. Date completed September 1982
Month day year
16. Depth to water 111 ft. (If flowing well, so state.)
17. Describe point from which depth measurements were made, and give sea-level elevation if available.
ground
18. If flowing well, state method of flow regulation
19. REMARKS:

DO NOT WRITE IN THIS SPACE
OFFICE RECORD
Registration No. 55-503545
Received By
Entered 3-30-83 By
File No. A(22-5)36cdc

(Well log to appear on Reverse side)

LOG OF WELL

Indicate depth at which water was first encountered, and the depth and thickness of water bearing beds. If water is artesian, indicate depth at which encountered, and depth to which it rose in well.

FROM (FEET)	TO (FEET)	DESCRIPTION OF FORMATION MATERIAL
0	4 '	Clay
4	15 '	Clay & Gravel & Boulder
15	27 '	Scoria
27	36 '	Cinders & Clay
36	38 '	Scoria
38	47 '	Cinder
47	47½ '	Malapai
47½	63 '	Cinder
63	81 '	Malapai
81	215 '	Clay & Cinder & Valcanic Ash

I hereby certify that this well was drilled by me (or under my supervision), and that each and all of the statements herein contained are true to the best of my knowledge and belief.

Driller Chas A Z[illegible]
Name

P. O. Box 704 Parks, Az 86018
Address

Date

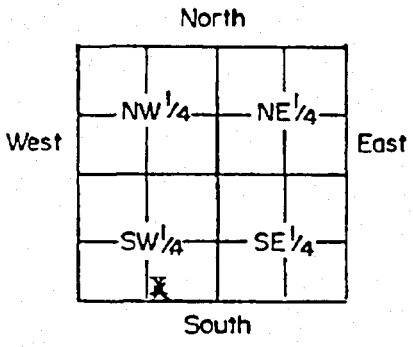
2-73

EXEMPT WELL
FILING FEE: $3.00

DEPARTMENT OF WATER RESOURCES
NOTICE OF INTENTION TO DRILL OR DEEPEN AN EXEMPT WELL

EXEMPT WELL

Section 45-596, Arizona Revised Statutes, provides: A person may not drill or cause to be drilled any well or deepen or replace an existing well without first filing a Notice of Intention to Drill with the Department on a form prescribed and furnished by the Department. The work shall be completed within one year after the date of Notice. An exempt well means a well having a pump with a maximum design capacity of not more than 35 gallons per minute which is used to withdraw ground water. An exempt well may include the non-commercial irrigation of not more than 1 acre of land.



· Indicate Well Location by X
(Above diagram represents one 640 acre section)

WELL/LAND LOCATION:
1. Township 22N
2. Range 5E
3. Section 36
4. SW ¼ SE ¼ SW ¼
10 acre sub-division
County Coconino

5. Owner of Well:
Fred Bomkamp Water Company
Name
PO Box 11177
Address
Phoenix AZ 85061
City State Zip

7. Owner of Land:
Fred Bomkamp
Name
PO Box 11177
Address
Phoenix AZ 85061
City State Zip

DESCRIPTION OF WELL:
8. Diameter 8"
Depth 300
9. Type of Casing
Steel
10. Principal use of Water.
Domestic
11. Other uses Intended
(If for non-commercial irrigation, state approximate area being cultivated.)
12. Construction will start about:
June 1982
Month Year

PLACE OF USE:
13. Township 22N
Range 5E
15. Section 36
16. Legal description of land water is to be used on:
Same as above
17. Design Pump Capacity
14 GPM
18. Action Requested:
Drill X
Deepen
Replace
19. This notice filed by:
Owner
Lessee
Driller X

Bulfer Pump Service Inc.
Name
PO Box 704
Address
Parks Az 86018
City State Zip

20. Drillers Name:
Charles A. Bulfer
Name
PO Box 704
Address
Parks Az 86018
City State Zip
F-29
Department License Number

DO NOT WRITE IN THIS SPACE
OFFICE RECORD
FILE NO. A(22-5)36cdc
FILED 7-18-82 BY EK
INPUT 7-21-82 BY
DUPLICATE MAILED 7-20-82 BY EK
REGISTRATION NO 55-603545
AMA NON EXPANSION AREA —

MICROFILMED

1. Fill out this form in duplicate and mail to P.O. Box 2600, Phoenix, Arizona, 85002, or deliver to 99 East Virginia, Suite 104, Phoenix, Arizona 85004.
2. If the Exempt Well is in fact a replacement (or deepening) well, state the registration number of the existing well.
3. Construction standards for new and replacement wells and the deepening and abandonment of existing wells, shall be in accordance with Department Rules and Regulations.

I, Charles A. Bulfer, state that the construction will be under the direct and personal supervision of the well driller designated on this form and that the designated driller holds contractors license pursuant to ARS 45-595.

Date

Charles A. Bulfer
Signature of Person Filing

JUL 1987
DEPARTMENT OF WATER RESOURCES

STATE OF ARIZONA
DEPARTMENT OF WATER RESOURCES
99 EAST VIRGINIA AVENUE
PHOENIX, ARIZONA 85004

WELL D
A(22-5)36 ccd

WELL DRILLER REPORT

This report shall be prepared by the driller in all detail and filed with the Department within 30 days following completion of the well.

1. Owner Leonard Martinson
Name
P.O. Box 111, Bellemont Az. 86015
Mailing Address

2. Driller Flagstaff Well & Supply
Name
P.O. Box 22280, Flagstaff Az., 86002
Mailing Address

3. Location of well: 22N, 5E, Sect 36 SE SW SW

4. Permit No. 55-515324
(if issued)

DESCRIPTION OF WELL

5. Total depth of hole 105 ft.

6. Type of casing steel

7. Diameter and length of casing 6" in. from 0 to 105, 8" in from 0 to 20.

8. Method of sealing at reduction points grout

9. Perforated from 40 to 100, from ____ to ____, from ____ to ____.

10. Size of cuts 1/4 Number of cuts per foot 6

11. If screen was installed: Length ____ ft. Diam ____ in. Type ____

12. Method of construction drilled
drilled, dug, driven, bored, jetted, etc.

13. Date started 6 (Month) 8 (Day) 87 (Year)

14. Date completed 7 (Month) 10 (Day) 87 (Year)

15. Depth to water 22 ft. (If flowing well, so state.)

16. Describe point from which depth measurements were made, and give sea-level elevation if available ground level

17. If flowing well, state method of flow regulation: ____

18. Remarks: ____

DO NOT WRITE IN THIS SPACE
OFFICE RECORD
Registration No. 55-515324
Received ____ By ____
Entered ENTERED AUG 07 1987
File No. A(22-5)36 ccd

MICROFILMED

DWR-55-6-Rev. 8/85

LOG OF WELL

Indicate depth at which water was first encountered, and the depth and thickness of water bearing beds. If water is artesian, indicate depth at which encountered, and depth to which it rose in well.

From (feet)	To (feet)	Description of formation material
0	15	CLAY
15	35	HARD LAVA
35	90	LAVA with CINDER LAYERS
90	105	LAVA

I hereby certify that t is well was drilled by me (or under my supervision), and that each and all of the statements herein contained are true to the best of my knowledge and belief.

Driller Flagstaff Well & Supply
Name

P.O Box 22280
Address

Flagstaff Az 86002
City State Zip

Date 7/21/87

DEPARTMENT OF WATER RESOURCES
99 East Virginia
Phoenix, Arizona 85004

MAY 1988 DEPARTMENT OF WATER RESOURCES

Registration No. 55-515324

File No. A(22-5)36 ccd

COMPLETION REPORT

1. Per A.R.S. §45-600, the Completion Report to be filed with the Department within 30 days after installation of pump equipment by the registered well owner.
2. Drawdown of the water level for a non-flowing well should be measured in feet after not less than 4 hours of continuous operation and while still in operation and for a flowing well the shut-in pressure should be measured in feet above the land or in pounds per square inch at the land surface.
3. The static groundwater level should be measured in feet from the land surface immediately prior to the well capacity test.
4. The tested pumping capacity of the well in gallons per minute for a non-flowing well should be determined by measuring the discharge of the pump after continuous operation for at least 4 hours and for a flowing well by measuring the natural flow at the land surface.

LOCATION OF THE WELL:

22N	5E	36	SE SW SW
Township	Range	Section	¼ ¼ ¼

EQUIPMENT INSTALLED:

Kind of pump Submersible
Turbine, centrifugal, etc.

Kind of power Electric
Electric, natural gas, gasoline, etc.

H.P. Rating of Motor 3hp

Pumping Capacity 54
Gallons per minute

Date installed 7/10/87

WELL TEST:

Test pumping capacity 54
Gallons per minute

Date Well Tested 7/10/87

Method of Discharge Measurement meter
Weir, orifice, current meter, etc.

Static Groundwater Level 18 ft. Drawdown 2 ft to 20' ft.

Total Pumping Lift 20' ft. Drawdown _____ lbs
(Flowing Well)

I HEREBY CERTIFY that the above statements are true to the best of my knowledge and belief.

5/4/88, 19__
DATE

Bill Myers "Driller"
Signature

PO Box 22280
Address

Flagstaff Az 86002
City State Zip

DWR-55-7-3/84

ENTERED MAY 05 1988

FILING FEE $10.00

DEPARTMENT OF WATER RESOURCES (DWR)
NOTICE OF INTENTION TO DRILL OR DEEPEN A WELL
OUTSIDE OF AN ACTIVE MANAGEMENT AREA

Section 45-596, Arizona Revised Statutes, provides: In an area not subject to Active Management, a person may not drill or cause to be drilled any well or deepen an existing well without first filing a Notice of Intention to Drill with the Department.

AUG 1986
DEPARTMENT OF WATER RESOURCES

NORTH

NW 1/4 — NE 1/4
WEST — EAST
SW 1/4 — SE 1/4

SOUTH

INDICATE WELL LOCATION BY X
(Above diagram represents one 640 acre section)

WELL/LAND LOCATION:

1. Township See Attached 22N
2. Range 5E
3. Section 36
4. SE¼, SW¼, SW¼
10 acre subdivision
5. County Coconino
6. Owner of well:
Leonard Martinson
Name
PO Box 111
Address
Bellemont AZ 86015
City State Zip
Telephone 774-2761
7. Owner of land:
SAME
Name
Address
City State Zip

DESCRIPTION OF WELL:

8. Diameter 6 inches
Depth 200 feet
9. Type of casing Steel
10. Design pump capacity:
35 gallons per minute
11. Estimate of total annual pumping: 2 acre feet
12. Principal use of water:
Back up well For use AT Truck Stop
(Be Specific)
13. Other uses intended:
None
(Be Specific)
14. If for irrigation, state the number of acres to be irrigated:
N-A acres
15. Construction will start about:
Sept 1986
Month Year

DO NOT WRITE IN THIS SPACE
OFFICE RECORD
FILE NO A(22-5)36ccd
FILED 8-26-86 By mg
INPUT ENTERED SEP 02 1986 By
DUPLICATE MAILED 8-28-86 By mg
REGISTRATION NO. 55-515324
Non Expansion Area —
W/S 05 S/B —

PLACE OF USE: See Attached
16. Township
17. Range
18. Section
19. Legal description of land

20. Type well:
X Exempt
___ Non-Exempt
21. Action Requested:
Drill X Deepen ___ Replace ___
55-
22. This notice filed by:
Owner ✓
Lessee ___
Leonard Martinson
Name
4640 Elm Twood
Address
Flagstaff AZ 86015
City State Zip
Telephone 774-2761
23. Driller's Name:
Name
Flagstaff Well & Supply Co.
Address PO Box 22280
Flagstaff Az 86002
City State Zip
#330 Roc58790
DWR License Number

GENERAL INSTRUCTIONS

1. Fill out this form in duplicate and send to 99 East Virginia, Suite 100, Phoenix, Az. 85004.
2. For specific instructions, limitations and conditions, see the reverse side of this form.
3. This form is to be used to drill, deepen or replace a well outside of an Active Management Area.
4. If the well is a replacement or deepening of an existing well, state the registration number of the existing well in Item 21.
5. Construction standards for new and replacement wells and the deepening and abandonment of existing wells shall be in accordance with Department Rules and Regulations.

MICROFILMED

I state that this Notice is filed in compliance with ARS 45-596 and is complete and correct to the best of my knowledge and belief and that I understand the limitations under which I must operate this well set forth on the reverse side of this form.

DATE 8/23/86 Signature of Person Filing [signature]

WR-55-21-1333

Note

The well will be drilled on this parcel →

F BETTY M. PECK
R COCONINO COUNTY ASSESSOR
O COCONINO COUNTY COURTHOUSE
M FLAGSTAFF, AZ 86001

PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE PAID
FLAGSTAFF, ARIZONA
PERMIT NO. 132

THIS IS NOT A TAX BILL

TO
PROGRAMMED LAND INC
MARTINSON LEONARD N & BRENDA *JT

PO BOX 111
BELLEMONT AZ 86015

See Reverse Side for Definitions and Instructions. Your Appeal Deadline is February 25, 1986.

PROPERTY IN COUNTY: COCONINO YEAR 1986 PARCEL ID 203-47-003 5 NOTICE DATE 2-1-86

	1985 VALUATION				1986 VALUATION			
	CLASS	VALUE	ASST. RATIO	ASSESSED VALUE	CLASS	VALUE	ASST. RATIO	ASSESSED VALUE
LIMITED VALUE	4	20888	16.0	3342	4	22976	16.0	3676
FULL CASH VALUE	4	27687	16.0	4430	4	27687	16.0	4430

IF PROPERTY IS BEING USED AS A RESIDENTIAL RENTAL UNIT AND THE CLASS DISPLAYED IS CLASS FIVE OR A PORTION OF SAME, THE OWNER MUST NOTIFY THE COUNTY ASSESSOR OF THE RENTAL USE OR MAY BE SUBJECT TO A CIVIL PENALTY.

LEGAL DESCRIPTION
SEC/TR 0036 TWNS/BLK RANGE/LOT 7.27 AC
S2 SW4 SW4 SEC 36 22N 5E (20.00AC) LESS 1.950AC 27
5/57 STATE OF ARIZ; 10.780AC 280/47

03-203-47-00486 NOTICE OF VALUATION 34269

It will help serve the Truck Stop which is situated on this parcel →

F BETTY M. PECK
R COCONINO COUNTY ASSESSOR
O COCONINO COUNTY COURTHOUSE
M FLAGSTAFF, AZ 86001

PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE PAID
FLAGSTAFF, ARIZONA
PERMIT NO. 132

THIS IS NOT A TAX BILL

TO
PROGRAMMED LAND INC
MARTINSON LEONARD N & BRENDA *JT

PO BOX 111
BELLEMONT AZ 86015

See Reverse Side for Definitions and Instructions. Your Appeal Deadline is February 25, 1986.

PROPERTY IN COUNTY: COCONINO YEAR 1986 PARCEL ID 203-47-004B6 NOTICE DATE 2-1-86

	1985 VALUATION				1986 VALUATION			
	CLASS	VALUE	ASST. RATIO	ASSESSED VALUE	CLASS	VALUE	ASST. RATIO	ASSESSED VALUE
LIMITED VALUE	3	262996	25.0	65749	3	268592	25.0	67148
FULL CASH VALUE	3	308301	25.0	77075	3	295699	25.0	73925

IF PROPERTY IS BEING USED AS A RESIDENTIAL RENTAL UNIT AND THE CLASS DISPLAYED IS CLASS FIVE OR A PORTION OF SAME, THE OWNER MUST NOTIFY THE COUNTY ASSESSOR OF THE RENTAL USE OR MAY BE SUBJECT TO A CIVIL PENALTY.

LEGAL DESCRIPTION
SEC/TR TWNS/BLK RANGE/LOT
PT SEC 36 22N-5E; BEG AT SE COR SW4SW4 SEC 36; TH
N0D 21M26S W 658.90'; TH N89D48M W

MICROFILMED

RECEIVED AUG 26 1986 DEPT. OF WATER RESOURCES

ARIZONA DEPARTMENT OF WATER RESOURCES
Records Management Section
500 N. 3rd Street • Phoenix, Arizona 85004
(602) 417-2405 • (800) 352-8488
www.water.az.gov

RECEIVED
JAN 2 9 2004
Information Management

Well Driller Report and Well Log

WELL 5
A(22-5)36CCC

- Review instructions prior to completing form
- This report should be prepared by the driller in detail and filed with the Department within 30 days following completion of the well.

** PLEASE PRINT CLEARLY **

FILE NUMBER: A(22-5) 36 CCC
WELL REGISTRATION NUMBER: 55- 598623
PERMIT NUMBER (IF ISSUED):

SECTION 1. REGISTRY INFORMATION

Well Owner

FULL NAME OF COMPANY, ORGANIZATION OR INDIVIDUAL: FUELCO
MAILING ADDRESS: 721 E SAN PEDRO
CITY / STATE / ZIP: GILBERT, AZ 85234
CONTACT PERSON NAME AND TITLE:
TELEPHONE NUMBER: 480-892-8756
FAX:

Location of Well

WELL LOCATION ADDRESS (IF KNOWN): I-40 Exit 185

TOWNSHIP (N/S)	RANGE (E/W)	SECTION	160 ACRE	40 ACRE	10 ACRE
22N	5E	36	SW 1/4	SW 1/4	SW 1/4

LATITUDE: 35° 14 . 23 "N
LONGITUDE: 111° 49 . 33 "W
LAND SURFACE ELEVATION AT WELL: 7093 Feet Above Sea Level
METHOD OF LATITUDE / LONGITUDE (CHECK ONE): ☐ USGS Quad Map ☐ Conventional Survey ☒ GPS: ☒ Hand-Held ☐ Survey-Grade
COUNTY ASSESSOR'S PARCEL ID NUMBER: BOOK 203 MAP 47 PARCEL 003A
COUNTY WHERE WELL IS LOCATED: Coconino

SECTION 2. DRILLING AUTHORIZATION

Drilling Firm

NAME: FLAGSTAFF WELL AND SUPPLY COMPANY, INC.
WR LICENSE NUMBER: 6
TELEPHONE NUMBER: 928-774-8243
FAX:

SECTION 3. WELL CONSTRUCTION DETAILS

DATE WELL CONSTRUCTION STARTED: 11-5-03
DATE WELL CONSTRUCTION COMPLETED: 1-5-04
IF FLOWING WELL, METHOD OF FLOW REGULATION: ☐ Valve ☐ Other

Drill Method

CHECK ONE
- ☒ Air Rotary
- ☐ Bored or Augered
- ☐ Cable Tool
- ☐ Dual Rotary
- ☐ Mud Rotary
- ☐ Reverse Circulation
- ☐ Driven
- ☐ Jetted
- ☐ Air Percussion / Odex Tubing
- ☐ Other (please specify)

Method of Well Development

CHECK ONE
- ☒ Airlift
- ☐ Bail
- ☐ Surge Back
- ☐ Surge Pump
- ☐ Other (please specify)

Method of Sealing at Reduction Points

CHECK ONE
- ☐ None
- ☐ Packed
- ☐ Swedged
- ☒ Welded
- ☐ Other (please specify)

Water Level Information

STATIC WATER LEVEL: 246 Feet Below Land Surface
DATE MEASURED: 1-5-04

ANSWERED FEB - 2 2004

R-55-55-10/01 (Rev.)

Well Driller Report and Well Log

WELL REGISTRATION NUMBER
55- 598623

SECTION 4. WELL CONSTRUCTION DESIGN (AS BUILT) (attach additional page if needed)

Borehole			Installed Casing													
DEPTH FROM SURFACE			DEPTH FROM SURFACE			MATERIAL TYPE (X)				PERFORATION TYPE (X)						
FROM (feet)	TO (feet)	BOREHOLE DIAMETER (inches)	FROM (feet)	TO (feet)	OUTER DIAMETER (inches)	STEEL	PVC	ABS	IF OTHER TYPE, DESCRIBE	BLANK OR NONE	WIRE WRAP	SHUTTER SCREEN	MILLS KNIFE	SLOTTED	IF OTHER TYPE, DESCRIBE	SLOT SIZE IF ANY (inches)
0	20	16"														
20	70	12"	0	70	6"	X				X						
70	300	8"	70	300	6"	X								X		1/8"

Installed Annular Material											
DEPTH FROM SURFACE		ANNULAR MATERIAL TYPE (X)								FILTER PACK		
					BENTONITE							
FROM (feet)	TO (feet)	NONE	CONCRETE	NEAT CEMENT OR CEMENT GROUT	CEMENT-BENTONITE GROUT	GROUT	CHIPS	PELLETS	IF OTHER TYPE OF ANNULAR MATERIAL, DESCRIBE	SAND	GRAVEL	SIZE
0	76			X								

ANSWERED FEB - 2 2004

DEPTH OF BORING 300 Feet Below Land Surface

DEPTH OF COMPLETED WELL 300 Feet Below Land Surface

DWR-55-55B-10/01 (Rev.)

Well Driller Report and Well Log

WELL REGISTRATION NUMBER
55- 598623

SECTION 5. GEOLOGIC LOG OF WELL

DEPTH FROM SURFACE FROM (feet)	TO (feet)	DESCRIPTION Describe material, grain size, color, etc.	Check (X) every interval where water was encountered
0	7	Fill & Clay	
7	11	Malipai & Cinders	
11	70	Malipai	
70	160	Clay & Gravel	
160	240	Cinders	
240	300	Cinders & Clay	

ARIZONA DEPARTMENT OF WATER RESOURCES
Hydrology Division
500 North Third Street, Phoenix, Arizona 85004
Telephone 602 417-2448
Fax 602 417-2425

JANET NAPOLITANC
Governor

HERB GUENTHER
Director

May 15, 2003

Fuelco
721 E. San Pedro
Gilbert, Arizona 85234

ATTN: Lonnie McClere

Re: Notice of Intent to Drill One Commercial Well
Township 22 North, Range 5 East, Section 36 CCC

Dear Mr. McClere:

The Arizona Department of Water Resources (ADWR) received on April 25, 2003, your Notice of Intention to Drill one commercial well. The proposed location of your well is in proximity to an area of contaminated groundwater known as the Camp Navajo Department of Defense remedial site.

Special considerations and/or well construction requirements may be applicable when working in this area to avoid possible vertical cross-contamination between aquifers and/or other problems that may be encountered when working in a contaminated area.

Your driller, Flagstall Well & Supply Company has been asked to submit a well construction diagram for our review within 60 days. Failure to submit the information requested within 60 days may result in the denial of the application. Therefore, the Department's completeness review time frame is suspended until all requested information is provided.

Please feel free to call me directly if you have any questions: 602-417-2400, extension 7301.

Sincerely,

Bruce A. Hammett
Hydrologist
Technical Support Section

BH/rd
503932
cc: File

☐ 55UPDATE

Review Sheet for Notices of Intention (NOI) to Drill or Abandon Wells (revised 02/03/2003)

Well Owner Name FUELCO **Date** 5-7-03
Well Location (A-22-5) 36 CCC **Well Registration Number** 55-548623

☒ **Permission has been granted to drill, deepen, replace, modify or abandon** the well indicated on the attached NOI.

☒ **Permission has been granted to drill or abandon** the well indicated on the attached NOI.
However, special well construction or abandonment requirements apply if the proposed well is located near or within the boundary of a groundwater contamination site. See attached special requirements or visit the ADWR "WQARF" homepage on the ADWR website at http://www.water.az.gov/ for further information on "Special well drilling requirements for wells located within areas of groundwater contamination". Please be aware that groundwater produced from the proposed well may not meet applicable federal, state, county or local water quality standards.

The checked special well drilling requirements apply to the indicated well (see attachments):

- ✓ **Standard Special Requirements (*applies to contamination areas not covered by site-specific requirements*)**
- ____ **Pinal Creek Special Requirements**
- ____ **Yuma Marine Corps Air Station Special Requirements**
- ____ **Well Abandonment Handbook (see Standard Method or Alternatives 2 or 3)**

WQARF

SPECIAL REQUIREMENTS

☐ **Permission has not been granted to drill or abandon** the well indicated on the attached NOI for the following reasons(s):

☐ County or local health official endorsement and approval is required but was not provided.

☐ Insufficient information to determine if well meets 100-foot setback requirement. Well owner must sign and return attached certification form if well meets 100-foot minimum set-back requirement.

☐ Incomplete or incorrect well location information.

☐ Incomplete or incorrect well owner information.

☐ Land owner permission to drill letter is required.

☐ Proposed well is located within 100 feet of a septic system, sewer disposal area, landfill, hazardous waste materials or petroleum storage area or tank.

☐ Well driller information incomplete.

☐ Well driller is not currently licensed with ADWR and/or the Registrar of Contractors.

☐ Well construction information is incomplete, you must include design pump capacity (if applicable), well depth, well diameter and type of casing (if applicable).

☐ Well abandonment information is incomplete, you must include information on proposed well abandonment design (see ADWR Well Abandonment Handbook)

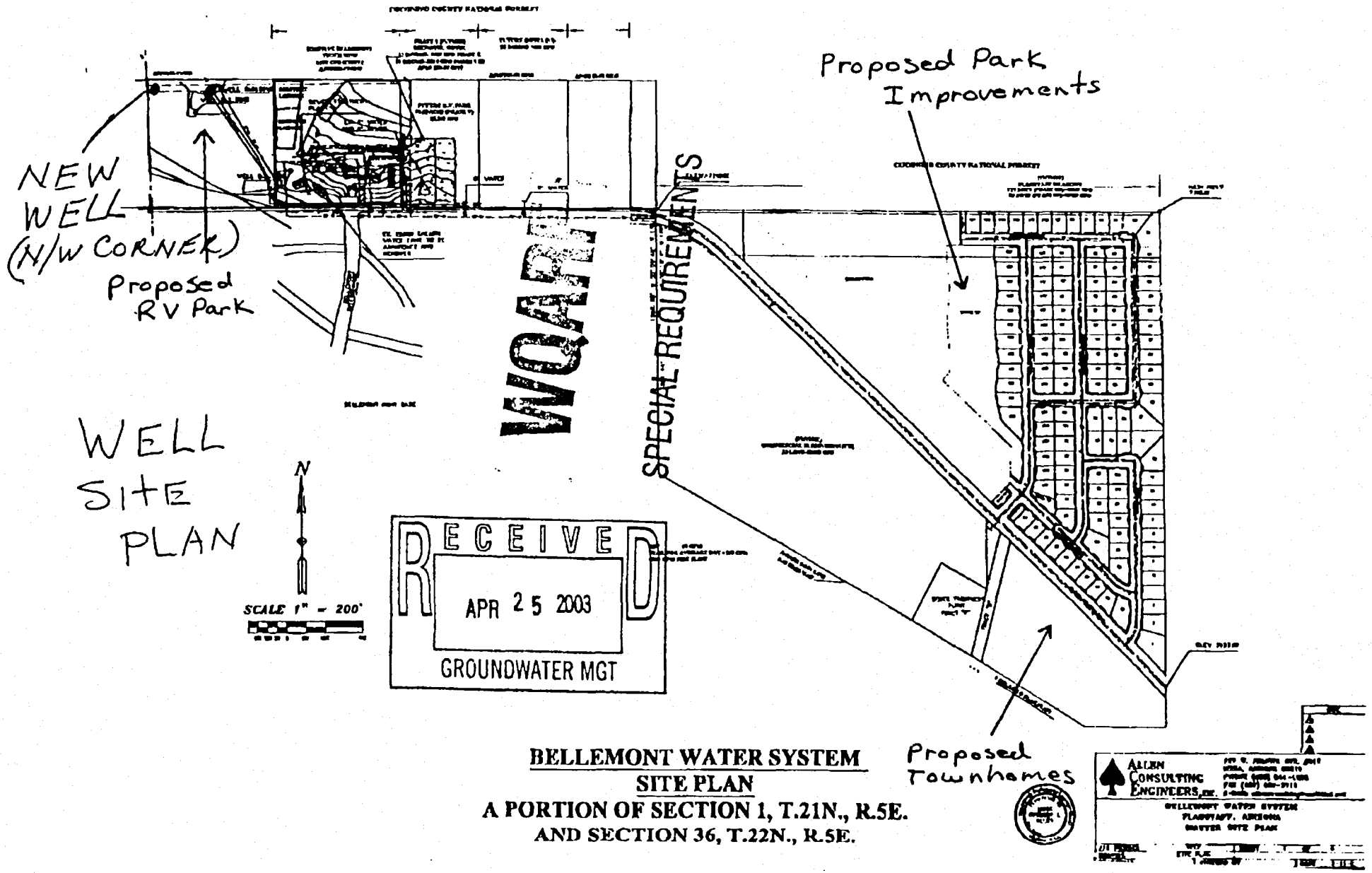
☐ Well owner or landowner information and/or signature incomplete or incorrect.

☐ Variance request has not been granted. Explanation:_____

☐ Other_____

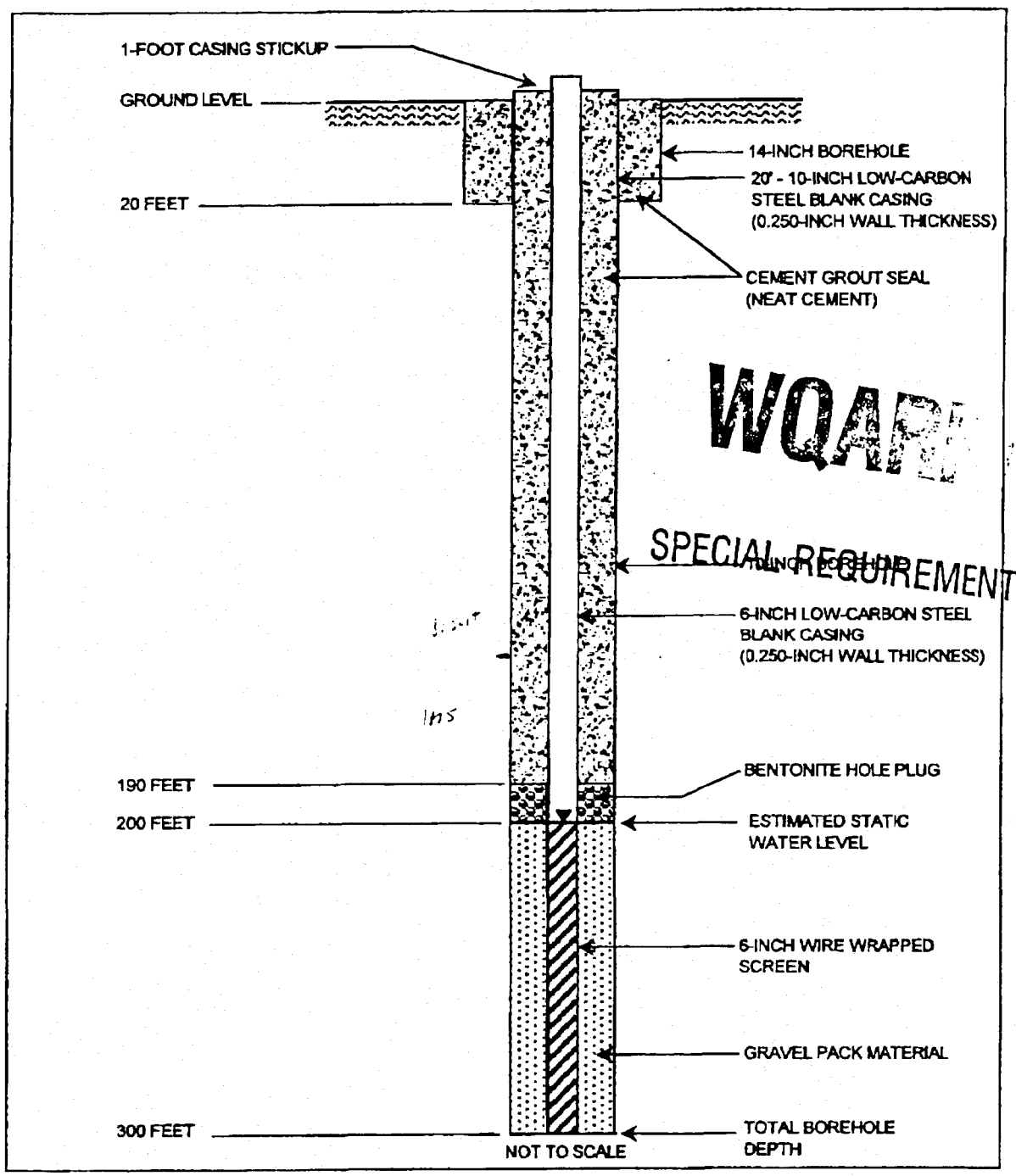
If permission to drill or abandon the specified well has not been granted, please correct all indicated errors and/or deficiencies and resubmit the corrected NOI form, this review sheet, and any attachments (if applicable) to ADWR. No additional fees are required to resubmit this NOI. Be sure to submit all necessary information with your corrected NOI. The original NOI file will not be reviewed when ADWR reviews your corrected NOI. You must resubmit all the required information within 60 days, or you will need to file a new NOI with a new fee. *Note: If you do not have the necessary information or need help, please contact your driller/consultant.*

Mail resubmittals to: ADWR Hydrology Division NOI-Resubmittals Section
PO Box 1390
Phoenix Arizona 85004



RECEIVED
APR 25 2003
GROUNDWATER MGT

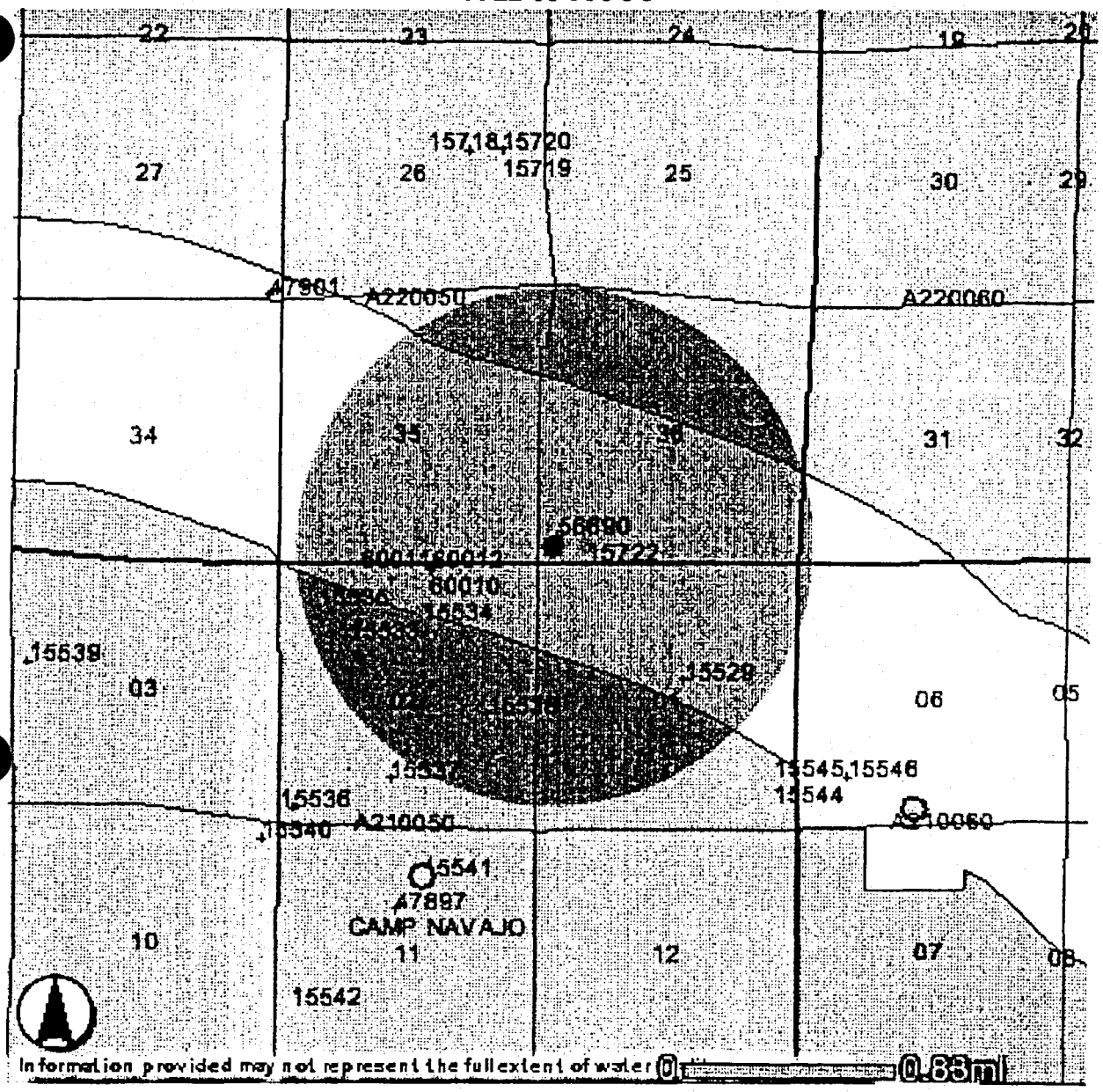
BELLEMONT WATER SYSTEM
SITE PLAN
A PORTION OF SECTION 1, T.21N., R.5E.
AND SECTION 36, T.22N., R.5E.



PROPOSED WELL CONSTRUCTION
DIAGRAM FOR McCLEVE WELL (FUELCO)

PREPARED BY: FLAGSTAFF WELL & SUPPLY CO., INC.

A-22-05 36CCC



Legend
- Highlighted Feature
- Selected Features
- The Buffer Polygons
- The Buffer Target
- T R S
- Township Ranges
- ADEQ Wells
- Wells > MRL
- Wells > Secondary MCL
- Wells > MCL
- No Exceedance
- WQARF Sites
- 1 or 2 Mile Buffer
- WQARF Sites

ARIZONA DEPARTMENT OF WATER RESOURCES
GROUNDWATER MANAGEMENT SUPPORT SECTION
500 North Third Street
Phoenix, Arizona 85004

SPECIAL REQUIREMENTS APPLY (WQARF/SUPERFUND)

THIS AUTHORIZATION SHALL BE IN POSSESSION OF THE DRILLER DURING ALL DRILL OPERATIONS

WELL REGISTRATION NO: 55-598623

AUTHORIZED DRILLER: FLAGSTAFF WELL AND SUPPLY COMPANY, INC. LICENSE NO: 336

NOTICE OF INTENTION TO DRILL AN EXEMPT WELL(S) HAS BEEN FILED WITH THE DEPARTMENT BY:

WELL OWNER: FUELCO 721 E SAN PEDRO GILBERT, AZ 85234

The well(s) is/are to be located in the:

SW ¼ of the SW ¼ of the SW ¼ Section 36 Township 22 NORTH Range 5 EAST

No. of wells in this project: 1

THIS AUTHORIZATION EXPIRES AT MIDNIGHT ON THE 25TH DAY OF APRIL, 2003

Bruce A Hammond

GROUNDWATER MANAGEMENT SUPPORT

THE DRILLER MUST FILE A LOG OF THE WELL
WITHIN 30 DAYS OF COMPLETION OF DRILLING

COPY

GREAT SEAL OF THE STATE OF ARIZONA
DITAT DEUS
1912

Bell-1

Flagstaff Well and Supply Co. Inc.
P.O. Box 22280
Flagstaff, AZ 86002
(928) 774-8243
699-1621 cell phone

RECEIVED
AUG - 9 2002
HYDROLOGY DIV.

August 5, 2002

Arizona Department of Water Resources
Attn: Maureen Freark, Hydrology Division
500 North Third Street
Phoenix, AZ 85004

Re: Diagram for Commercial Well
Well Registry # 55-593267

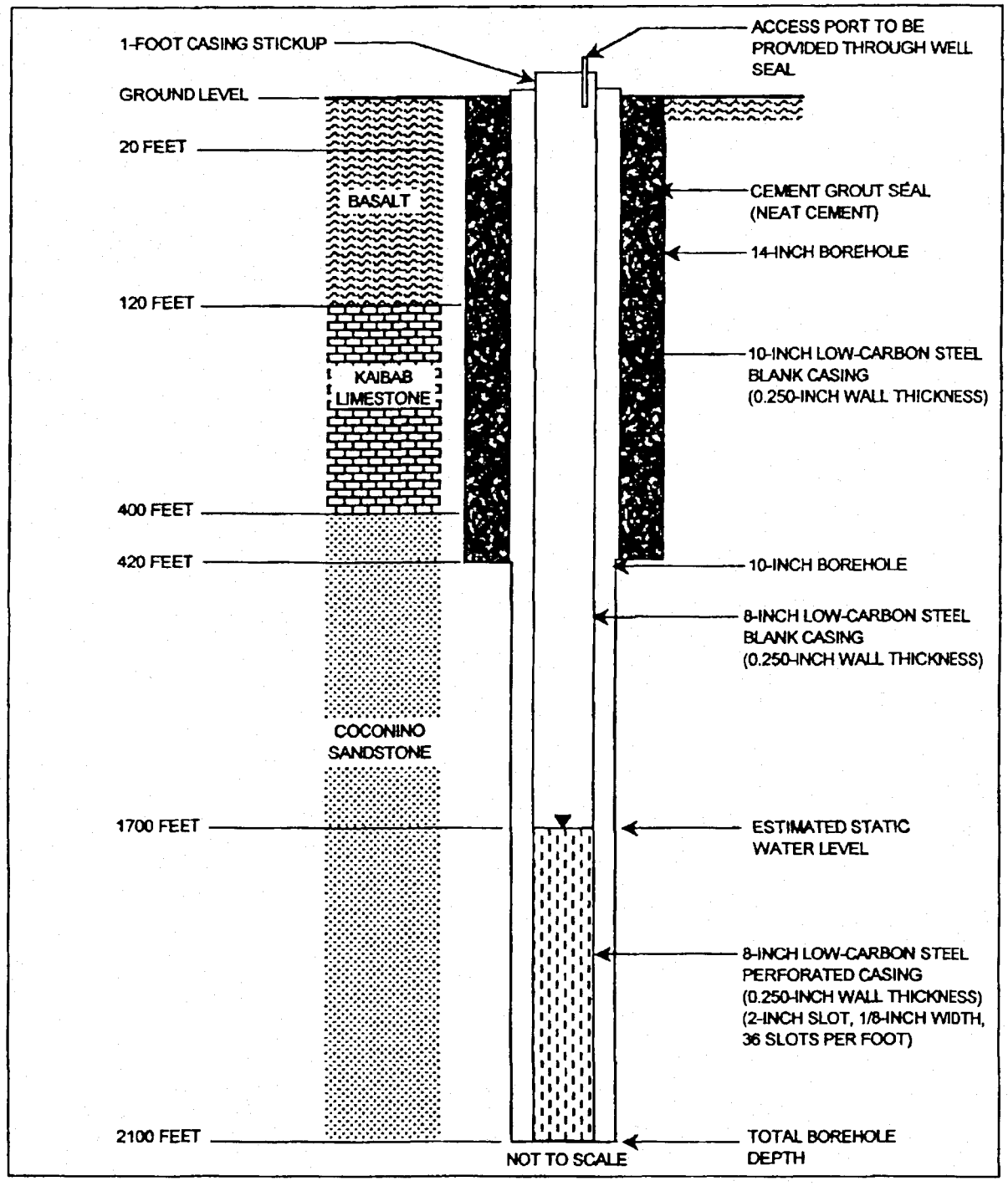
Dear Maureen:

The following are the changes you requested on the Proposed Well Construction Diagram for the McCleve Well. As discussed on the phone, the 14-inch borehole will be drilled twenty feet into the Coconino Sandstone, and the cement grout seal will be neat cement. Should you have any further questions please feel free to call our office at (928) 774-8243.

Sincerely,

Bill Myers
Flagstaff Well and Supply Co.

BELL-1



PROPOSED WELL CONSTRUCTION
DIAGRAM FOR McCLEVE WELL
WELL REGISTRY #55-593267
T22N, R5E, SECTION 36 BDC

PREPARED BY: FLAGSTAFF WELL & SUPPLY CO., INC.

ARIZONA DEPARTMENT OF WATER RESOURCES
Records Management Section
500 N. 3rd Street • Phoenix, Arizona 85004
(602) 417-2405 • (800) 352-8488
www.water.az.gov

Well Driller Report and Well Log

MAY 22 2003

FILE NUMBER: A(22-5) 36 BDC
WELL REGISTRATION NUMBER: 55-593267
PERMIT NUMBER (IF ISSUED):

- Review instructions prior to completing form
- This report should be prepared by the driller in detail and filed with the Department within 30 days following completion of the well.

** PLEASE PRINT CLEARLY **

SECTION 1. REGISTRY INFORMATION

Well Owner

FULL NAME OF COMPANY, ORGANIZATION OR INDIVIDUAL: LONNIE MCCLEVE
MAILING ADDRESS: 721 E SAN PEDRO
CITY / STATE / ZIP: GILBERT, AZ 85234
CONTACT PERSON NAME AND TITLE:
TELEPHONE NUMBER: 480-540-5656
FAX:

Location of Well

WELL LOCATION ADDRESS (IF KNOWN): Bellemont Travel Center - I 40 Exit 185

TOWNSHIP (N/S)	RANGE (E/W)	SECTION	160 ACRE	40 ACRE	10 ACRE
22 N	5E	36	NW 1/4	SE 1/4	SW 1/4

LATITUDE: 35° 14 . 21 N
LONGITUDE: 111° 49 . 16 W
LAND SURFACE ELEVATION AT WELL: 7,136 Feet Above Sea Level
METHOD OF LATITUDE / LONGITUDE (CHECK ONE): ☒ Hand-Held ☐ USGS Quad Map ☐ Conventional Survey ☒ GPS: ☐ Survey-Grade
COUNTY ASSESSOR'S PARCEL ID NUMBER: BOOK 203 | MAP 47 | PARCEL 001H
COUNTY WHERE WELL IS LOCATED: Coconino

SECTION 2. DRILLING AUTHORIZATION

Drilling Firm

NAME: FLAGSTAFF WELL AND SUPPLY COMPANY, INC.
DWR LICENSE NUMBER: 336
TELEPHONE NUMBER: 928-774-8243
FAX: 928-774-4266

SECTION 3. WELL CONSTRUCTION DETAILS

DATE WELL CONSTRUCTION STARTED: September 4, 2003
DATE WELL CONSTRUCTION COMPLETED: April 25, 2003
IF FLOWING WELL, METHOD OF FLOW REGULATION: ☐ Valve ☐ Other

Drill Method

CHECK ONE
- ☒ Air Rotary
- ☐ Bored or Augered
- ☐ Cable Tool
- ☐ Dual Rotary
- ☐ Mud Rotary
- ☐ Reverse Circulation
- ☐ Driven
- ☐ Jetted
- ☐ Air Percussion / Odex Tubing
- ☐ Other (please specify)

Method of Well Development

CHECK ONE
- ☒ Airlift
- ☐ Bail
- ☐ Surge Back
- ☐ Surge Pump
- ☐ Other (please specify)

Water Level Information

STATIC WATER LEVEL: 1,550 Feet Below Land Surface
DATE MEASURED: May 5, 2003

Method of Sealing at Reduction Points

CHECK ONE
- ☐ None
- ☐ Packed
- ☐ Swedged
- ☒ Welded
- ☐ Other (please specify)

DWR-55-55-10/01 (Rev.)

ANSWERED MAY 23 2003

Well Driller Report and Well Log

WELL REGISTRATION NUMBER
55- 593267

SECTION 4. WELL CONSTRUCTION DESIGN (AS BUILT) (attach additional page if needed)

Borehole			Installed Casing													
DEPTH FROM SURFACE			DEPTH FROM SURFACE			MATERIAL TYPE (X)				PERFORATION TYPE (X)						
FROM (feet)	TO (feet)	BOREHOLE DIAMETER (inches)	FROM (feet)	TO (feet)	OUTER DIAMETER (inches)	STEEL	PVC	ABS	IF OTHER TYPE, DESCRIBE	BLANK OR NONE	WIRE WRAP	SHUTTER SCREEN	MILLS KNIFE	SLOTTED	IF OTHER TYPE, DESCRIBE	SLOT SIZE IF ANY (inches)
0	500	14"	0	500	10"	X										
500	2400	10"	0	1947	8"	X										
			1530	1947	8"	X								X		1/8"

Installed Annular Material											
DEPTH FROM SURFACE		ANNULAR MATERIAL TYPE (X)								FILTER PACK		
						BENTONITE						
FROM (feet)	TO (feet)	NONE	CONCRETE	NEAT CEMENT OR CEMENT GROUT	CEMENT-BENTONITE GROUT	GROUT	CHIPS	PELLETS	IF OTHER TYPE OF ANNULAR MATERIAL, DESCRIBE	SAND	GRAVEL	SIZE
0	500			X								

DEPTH OF BORING		DEPTH OF COMPLETED WELL	
2,440	Feet Below Land Surface	2,400	Feet Below Land Surface

DWR-55-55B-10/01 (Rev.)

ANSWERED MAY 2 3 2003

Nov 18 03 02:02p

Well Driller Report and Well Log

BELL 1

WELL REGISTRATION NUMBER
55-593267

SECTION 5. GEOLOGIC LOG OF WELL

DEPTH FROM SURFACE FROM (feet)	TO (feet)	DESCRIPTION Describe material, grain size, color, etc.	Check (X) every interval where water was encountered
0	28	hard basalt	
28	75	clay + cinders - black cinders, brown clay	
75	90	limestone - dark brown	
90	125	limestone - light brown	
125	300	limestone - brown with red streaks	
300	410	limestone - tan color with red	
		+ blue sandstone layers	
410	600	hard limestone - brown with	
		red sandstone + quartz	
600	680	sandstone with malipai + quartz layers	
680	840	brown sandstone + clay	
840	920	yellow sandstone + clay	
920	1230	brown sandstone - fine	
1230	1370	red sandstone - course	
1370	1910	brown + yellow sandstone	X 1550
1910	1990	brown sandstone - hard	
1990	2010	red sandstone - yellow layers imbedded	
2010	2380	red sandstone - hard	
2380	2440	red + brown sandstone	

RECEIVED
APR 29 2004
WATER QUALITY

faxed 4/26/04 - ATS

DWR 55-55-10/01 (REV) page 3 of 4

A(22-5)36 cdc
BELL-1

Well Driller Report and Well Log

WELL REGISTRATION NUMBER
55- 593267

SECTION 5. GEOLOGIC LOG OF WELL

DEPTH FROM SURFACE FROM (feet)	TO (feet)	DESCRIPTION Describe material, grain size, color, etc.	Check (X) every interval where water was encountered
0	28	hard basalt	
28	75	clay + cinders - black cinders, brown clay	
75	90	limestone - dark brown	
90	125	limestone - light brown	
125	300	limestone - brown with red streaks	
300	410	limestone - tan color with red	
		+ blue sandstone layers	
410	600	hard limestone - brown with	
		red sandstone + quartz	
600	680	sandstone with malipai + quartz layers	
680	840	brown sandstone + clay	
840	920	yellow sandstone + clay	
920	1230	brown sandstone - fine	
1230	1370	red sandstone - course	
1370	1910	brown + yellow sandstone	X 1550
1910	1990	brown sandstone - hard	
1990	2010	red sandstone - yellow layers imbedded	
2010	2380	red sandstone - hard	
2380	2440	red + brown sandstone	

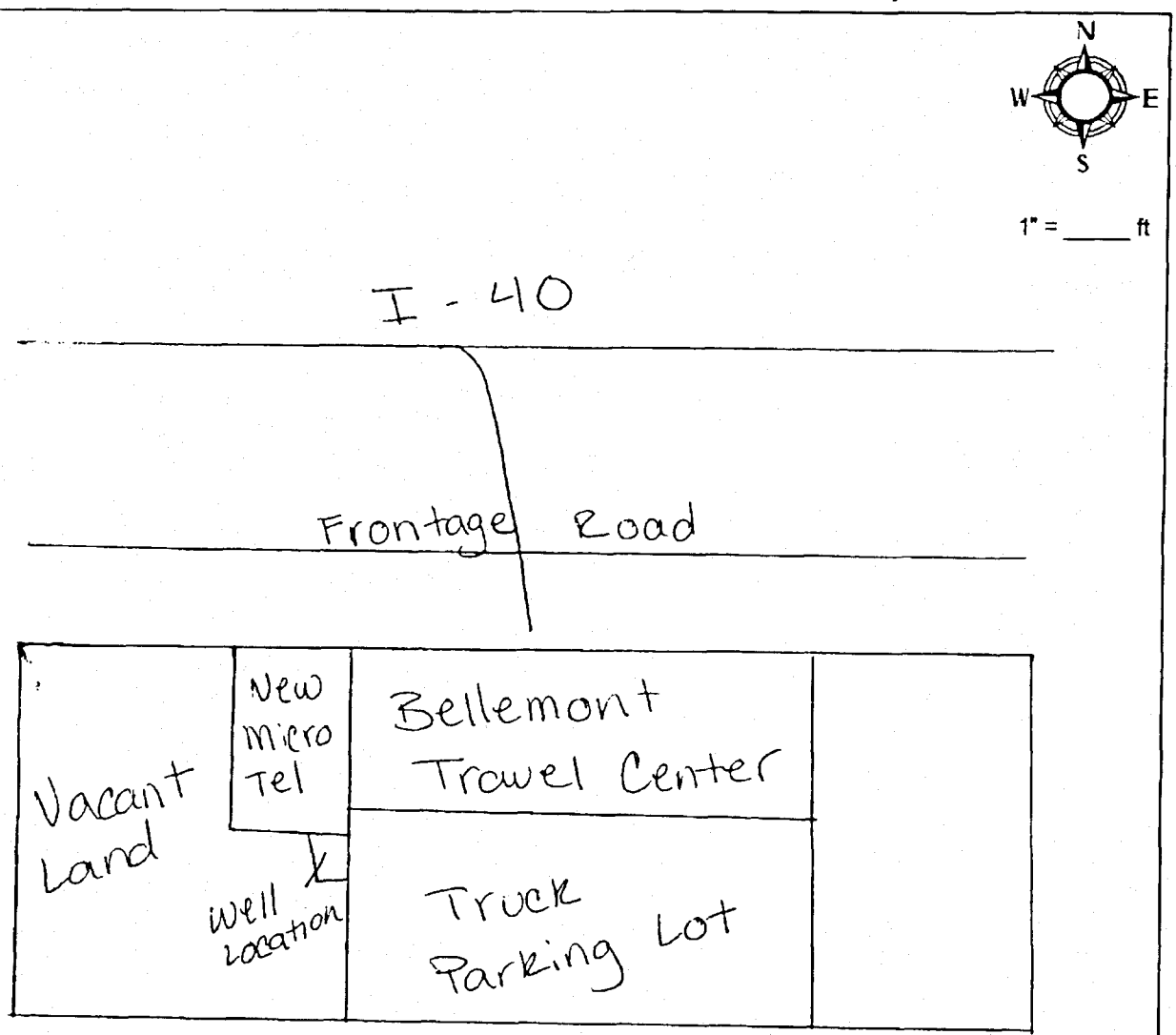
Well Driller Report and Well Log

WELL REGISTRATION NUMBER
55- 593267

SECTION 6. WELL SITE PLAN

NAME OF WELL OWNER	COUNTY ASSESSOR'S PARCEL ID NUMBER BOOK	MAP	PARCEL
LONNIE MCCLEVE	203	47	001H

- Please draw the following: (1) the boundaries of property on which the well was located; (2) the proposed well location; (3) the locations of all septic tank systems and sewer systems on the property or within 100 feet of the well location, even if on neighboring properties; and (4) any permanent structures on the property that may aid in locating the well.
- Please indicate the distance between the well location and any septic tank system or sewer system.



I state that this notice is filed in compliance with A.R.S. § 45-596 and is complete and correct to the best of my knowledge and belief.

DRILLING FIRM	SIGNATURE OF QUALIFYING PARTY	DATE
Flagstaff Well & Supply Co.		

DWR-55-55 (Rev. 10/11/01)

ARIZONA DEPARTMENT OF WATER RESOURCES

GROUNDWATER MANAGEMENT SUPPORT SECTION

500 North Third Street
Phoenix, Arizona 85004

THIS AUTHORIZATION SHALL BE IN POSSESSION OF THE DRILLER DURING ALL DRILL OPERATIONS

WELL REGISTRATION NO: 55-593267

AUTHORIZED DRILLER: FLAGSTAFF WELL AND SUPPLY COMPANY, INC. LICENSE NO: 336

NOTICE OF INTENTION TO DRILL A NON-EXEMPT WELL(S) HAS BEEN FILED WITH THE DEPARTMENT BY:

WELL OWNER: LONNIE MCCLEVE 721 E SAN PEDRO GILBERT, AZ 85234

The well(s) is/are to be located in the:

SW ¼ of the SE ¼ of the NW ¼ Section 36 Township 22 NORTH Range 5 EAST

No. of wells in this project: 1

THIS AUTHORIZATION EXPIRES AT MIDNIGHT ON THE 24TH DAY OF JUNE, 2003

GROUNDWATER MANAGEMENT SUPPORT

THE DRILLER MUST FILE A LOG OF THE WELL WITHIN 30 DAYS OF COMPLETION OF DRILLING

GREAT SEAL OF THE STATE OF ARIZONA
DITAT DEUS
1912

Arizona Department of Water Resources
Groundwater Management Support Section
P.O. Box 458 ✦ Phoenix, Arizona 85001-0458
(602) 417-2470 ✦ (800) 352-8488
www.water.az.gov

JUN 25 2002
GROUNDWATER MGT

$10 FEE

Notice of Intent to Drill, Deepen, Replace or Modify a Well

(except a Non-Exempt Well in an Active Management Area)

- Review instructions prior to completing form
- You must include with your notice:
  - $10 check or money order for the processing fee
- Authority for fee: A.R.S. § 45-113(B), A.A.C. R12-15-151(B)(4)(a)

AMA / INA		8	SB
RECEIVED	DATE	WS	
		05	
ISSUED	DATE	WQARF	CERCLA
8/7/02			

FILE NUMBER: A625536 bac
WELL REGISTRATION NUMBER: 55-593267

** PLEASE PRINT CLEARLY **

SECTION 1. COUNTY OR LOCAL HEALTH AUTHORITY ENDORSEMENT (if applicable)

If water from the proposed well will be used for domestic purposes on a parcel of land of 20 or fewer acres, the applicable county or local health authority must endorse all items in Section 1 before submission to the Department of Water Resources. You must also attach a site plan (see instructions).

CHECK ONE

- ☐ County or Local Health Authority Recommends Approval (pursuant to A.R.S. § 45-596 (G) and (F))
  - ☐ Field Inspection Performed
  - ☐ Site Plan Review Only
- ☒ Insufficient Information to Make a Determination

Official County or Local Seal or Stamp

Coconino County Environmental Health Services — APPROVED — Doug Murphy — Date Signature

JUL 11 2002

COUNTY OR LOCAL AUTHORITY NAME AND TITLE: Doug Murphy, RS

TELEPHONE NUMBER: (928) 226-2710

DATE: 6/21/02

COUNTY OR LOCAL AUTHORITY SIGNATURE: Doug Murphy, RS

SECTION 2. REGISTRY INFORMATION

Well Type

CHECK ONE

- ☐ Exempt (Pump has a maximum capacity of not more than 35 gpm and water is not used for irrigation purposes inside an AMA.) (*See instructions.*)
- ☒ Non-Exempt (Pump has a maximum capacity of more than 35 gpm or water is used for irrigation purposes inside an AMA.) (*See instructions.*)

DESIGN PUMP CAPACITY: 100 Gallons Per Minute

Proposed Action

CHECK ONE

- ☒ Drill New Well
- ☐ Deepen
- ☐ Replace
- ☐ Modify

If Deepening, Replacing or Modifying:

ORIGINAL WELL REGISTRATION NUMBER: 55 -

MAXIMUM CAPACITY OF ORIGINAL WELL: Gallons Per Minute

DISTANCE & DIRECTION FROM ORIGINAL WELL: Feet

Location of Well

WELL LOCATION ADDRESS (IF ANY):

TOWNSHIP (N/S)	RANGE (E/W)	SECTION	160 ACRE	40 ACRE	10 ACRE
22N	5E	36	NW ¼	SE ¼	SW ¼

COUNTY ASSESSOR'S PARCEL ID NUMBER

BOOK	MAP	PARCEL	# OF ACRES
203	47	001 H	5

PLACE OF WATER USE (ONLY IF DIFFERENT FROM LOCATION OF WELL)

TOWNSHIP (N/S)	RANGE (E/W)	SECTION	160 ACRE	40 ACRE	10 ACRE
		¼	¼	¼	¼

COUNTY WHERE WELL IS LOCATED: COCONINO

SECTION 3. OWNER INFORMATION

Well Owner

FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL: Lonnie McClure

MAILING ADDRESS: 721 E. San Pedro

CITY / STATE / ZIP CODE: Gilbert, Az. 85234

CONTACT PERSON NAME AND TITLE: Lonnie McClure

TELEPHONE NUMBER: 480-540-5656

FAX: 480-892-3387

Landowner (if different from Well Owner)

FULL NAME OF COMPANY, GOVERNMENT AGENCY, OR INDIVIDUAL: Same as Well owner

MAILING ADDRESS:

CITY / STATE / ZIP CODE:

CONTACT PERSON NAME AND TITLE:

TELEPHONE NUMBER:

FAX:

SECTION 4.

Questions	Yes	No	If Yes:
1. Is the proposed well site within 100 feet of a septic tank system, sewer disposal area, landfill, hazardous materials or petroleum storage area or tank?		X	You must also request a variance (A.A.C. R12-15-818).
2. Is there another well name or identification number associated with this well?		X	PLEASE STATE
3. Is the proposed well the second exempt well on this parcel for the same use?		X	If the proposed well is in an Active Management Area, you must also file a supplemental form 55-40A.

Notice of Intent to Drill, Deepen, Replace or Modify a Well

WELL REGISTRATION NUMBER
55-

SECTION 5. DRILLING AUTHORIZATION

Drilling Firm

NAME: Flagstaff Well & Supply Co. Inc.

DWR LICENSE NUMBER: 336

ROC LICENSE CATEGORY: A-04, C-53

TELEPHONE NUMBER: 928-774-8243

FAX: 928-774-4266

SECTION 6. WATER / SITE INFORMATION

Principal Use of Water (CHECK ONE)	*Other Uses* of Water (CHECK ALL THAT APPLY)
☐ Irrigation	☐ Irrigation
☐ Utility	☒ Utility
☒ Commercial	☐ Commercial
☐ Domestic	☐ Domestic
☐ Municipal	☐ Municipal
☐ Industrial	☐ Industrial
☐ Mining	☒ Mining
☐ Stock	☒ Stock
☐ Recharge	☐ Recharge
☒ Dewatering	☐ Dewatering
☒ Other *(please specify)*:	☒ Other *(please specify)*:

SECTION 7. PROPOSED WELL CONSTRUCTION DESIGN (attach separate sheet if needed)

DATE CONSTRUCTION IS TO BEGIN: 7-02

Borehole			Casing													
DEPTH FROM SURFACE			DEPTH FROM SURFACE			MATERIAL TYPE (✓)				PERFORATION TYPE (✓)						
FROM (feet)	TO (feet)	BOREHOLE DIAMETER (inches)	FROM (feet)	TO (feet)	OUTER DIAMETER (inches)	STEEL	PVC	ABS	IF OTHER TYPE, DESCRIBE	BLANK OR NONE	WIRE WRAP	SHUTTER SCREEN	MILLS KNIFE	SLOTTED	IF OTHER TYPE, DESCRIBE	GROUTING MATERIAL
0	300	12	0	300	10	X*				X						Cement
300	1800	10	300	1600	8	X				X						
			1600	1800	8	X								X		

* ADWR well construction standards require a surface seal consisting of a minimum of 20 feet of steel casing. Cement grout must be used to fill the annular space between the surface casing and the borehole. (A.A.C. R12-15-811(B))

The Department's issuance of an authorization to drill a well is not a determination of whether water withdrawn from the well is legally surface water or groundwater. The legal nature of the water withdrawn from the well may be the subject of court action in the future as part of a determination of surface water rights in your area. If there are court proceedings that could affect your well, you will be notified and be given the opportunity to participate. If you have questions regarding the legal nature of the water to be withdrawn from your proposed well, please consult with an experienced civil engineer, hydrologist or water rights attorney.

I state that this notice is filed in compliance with A.R.S. § 45-596 and is complete and correct to the best of my knowledge and belief.

TYPE OR PRINT NAME AND TITLE: Lonnie C. McClure – Owner

SIGNATURE OF WELL OWNER OR LANDOWNER: Lonnie C. McClure

DATE: 6/18/2002

Notice of Intent to Drill, Deepen, Replace or Modify a Well

WELL REGISTRATION NUMBER: 55-

SECTION 5. DRILLING AUTHORIZATION

Drilling Firm

NAME: Flagstaff Well & Supply Co. Inc.

DWR LICENSE NUMBER: 3336

ROC LICENSE CATEGORY: A-04, C-53

TELEPHONE NUMBER: 928-774-8243

FAX: 928-774-4266

SECTION 6. WATER / SITE INFORMATION

Principal Use of Water CHECK ONE	*Other Uses of Water* CHECK ALL THAT APPLY
☐ Irrigation	☐ Irrigation
☐ Utility	☐ Utility
☒ Commercial	☐ Commercial
☐ Domestic	☐ Domestic
☐ Municipal	☐ Municipal
☐ Industrial	☐ Industrial
☐ Mining	☐ Mining
☐ Stock	☐ Stock
☐ Recharge	☐ Recharge
☐ Dewatering	☐ Dewatering
☐ Other *(please specify)*:	☐ Other *(please specify)*:

SECTION 7. PROPOSED WELL CONSTRUCTION DESIGN (attach separate sheet if needed)

DATE CONSTRUCTION IS TO BEGIN: 7-02

Borehole			Casing													
DEPTH FROM SURFACE			DEPTH FROM SURFACE			MATERIAL TYPE (✓)				PERFORATION TYPE (✓)						
FROM (feet)	TO (feet)	BOREHOLE DIAMETER (inches)	FROM (feet)	TO (feet)	OUTER DIAMETER (inches)	STEEL	PVC	ABS	IF OTHER TYPE, DESCRIBE	BLANK OR NONE	WIRE WRAP	SHUTTER SCREEN	MILLS KNIFE	SLOTTED	IF OTHER TYPE, DESCRIBE	GROUTING MATERIAL
0	300	12	0	300	10	X*				X						Cement
300	1800	10	300	1600	8	X				X						
			1600	1800	8	X								X		

* ADWR well construction standards require a surface seal consisting of a minimum of 20 feet of steel casing. Cement grout must be used to fill the annular space between the surface casing and the borehole. (A.A.C. R12-15-811(B))

The Department's issuance of an authorization to drill a well is not a determination of whether water withdrawn from the well is legally surface water or groundwater. The legal nature of the water withdrawn from the well may be the subject of court action in the future as part of a determination of surface water rights in your area. If there are court proceedings that could affect your well, you will be notified and be given the opportunity to participate. If you have questions regarding the legal nature of the water to be withdrawn from your proposed well, please consult with an experienced civil engineer, hydrologist or water rights attorney.

I state that this notice is filed in compliance with A.R.S. § 45-596 and is complete and correct to the best of my knowledge and belief.

TYPE OR PRINT NAME AND TITLE: Lonnie C. McClure – Owner

SIGNATURE OF WELL OWNER OR LANDOWNER: Lonnie C. McClure

DATE: 6/18/2002

Notice of Intent to Drill, Deepen, Replace or Modify a Well

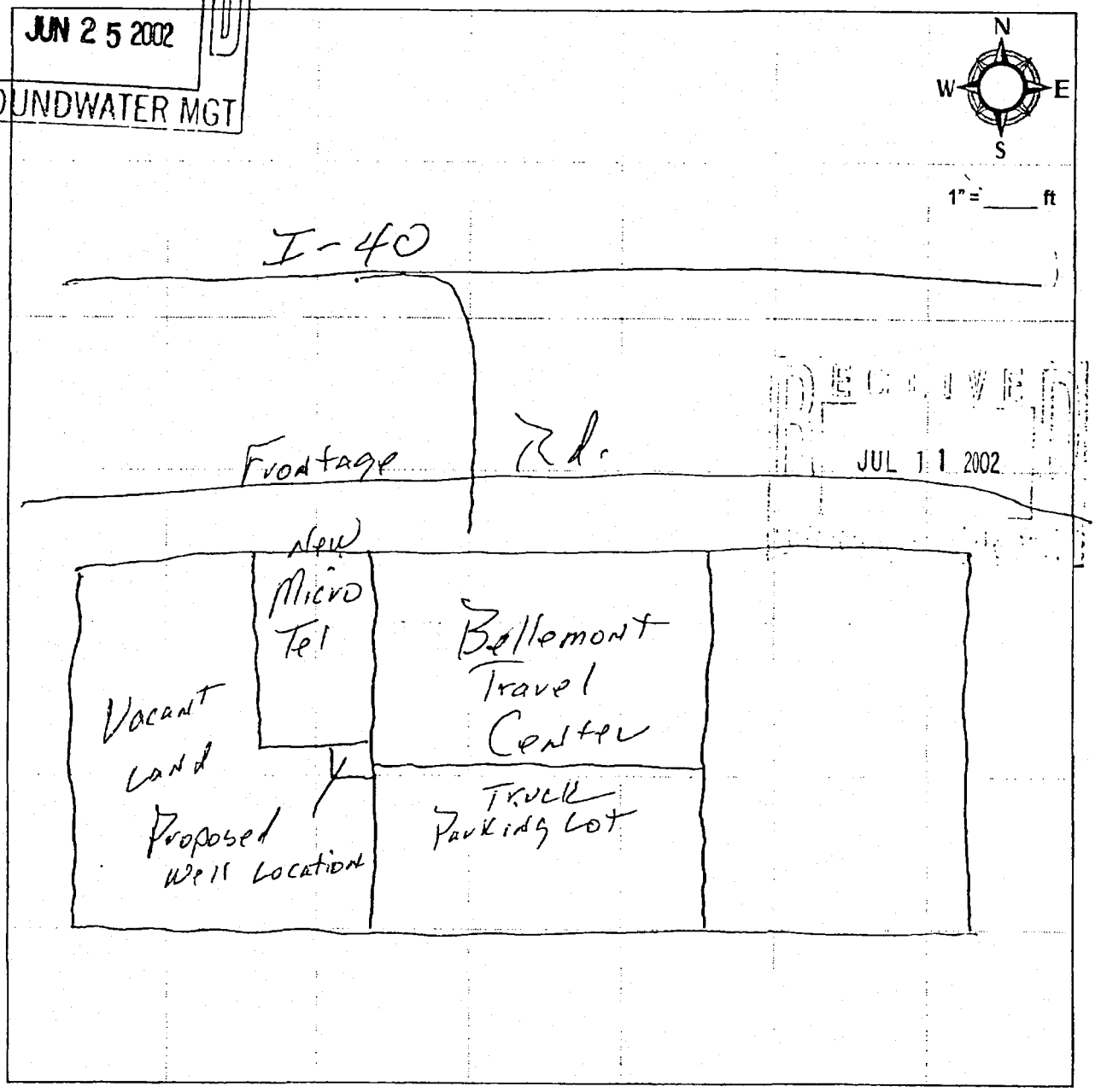
WELL REGISTRATION NUMBER
55

WELL SITE PLAN

NAME OF WELL OWNER	COUNTY ASSESSOR'S PARCEL ID NUMBER		
	BOOK	MAP	PARCEL
	203	47	001 H

- If this well will be a domestic well on 20 acres or less, please draw the following: (1) the boundaries of your property; (2) the proposed well location; (3) the locations of all septic tank systems and sewer systems on the property or within 100 feet of the well location, even if on neighboring properties; and (4) any permanent structures on the property that may aid in locating the well. If the parcel is vacant land or lacks a septic tank or sewer system, please indicate this. Indicate the distance between the proposed well location and any septic tank system or sewer system.

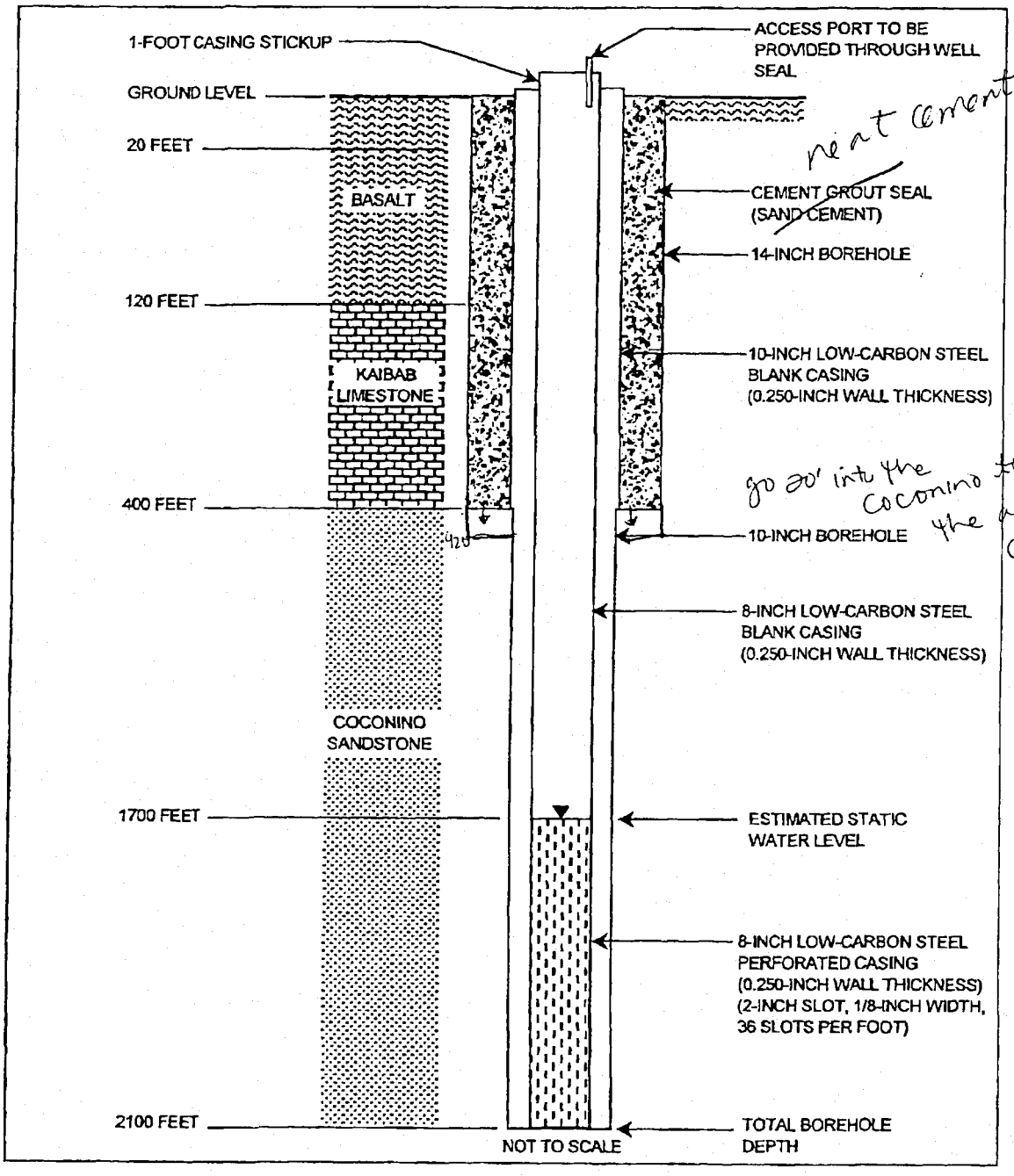
RECEIVED
JUN 25 2002
GROUNDWATER MGT



RECEIVED
JUL 11 2002

COUNTY OR LOCAL AUTHORITY NAME AND TITLE		Official County or Local Seal or Stamp
COUNTY OR LOCAL AUTHORITY SIGNATURE		
TELEPHONE NUMBER	DATE	

Neat cement
cement bentonite grout
high solids bentonite grout



PROPOSED WELL CONSTRUCTION
DIAGRAM FOR McCLEVE WELL
WELL REGISTRY #55-593267
T22N, R5E, SECTION 36 BDC

PREPARED BY: FLAGSTAFF WELL & SUPPLY CO., INC.

8/2/02
Yeri wants 20' into Coconino SS to seal off aquifer contact. Also need neat cement (or acceptable alternative) in annular space due to contamination where basalt is.

Kristie

FLAGSTAFF WELL & SUPPLY CO. INC.
P.O. Box 22280
Flagstaff, AZ 86002
Telephone (928) 774-8243
Fax (928) 774-4266

FAX COVER SHEET

TO: AZ Dept of Water Resources **ATTN:** Maureen Freark

FAX # 602-417-2425 **DATE:** 8-1-02

FROM: Bill Myers

RE: Well Diagram for Lonnie McCleve
well Reg # 55593267

NUMBER OF PAGES _____ (Including cover sheet)

COMMENTS: Maureen,
Please review the folbwing diagram you requested. If you have any further questions - please contact me at 928-774-8243
Bill Myers

ARIZONA DEPARTMENT OF WATER RESOURCES
Hydrology Division
500 North Third Street, Phoenix, Arizona 85004
Telephone 602 417-2448
Fax 602 417-2425

JANE DEE HULL
Governor

JOSEPH C. SMITH
Director

July 22, 2002

Lonnie McCleve
721 E. San Pedro
Gilbert, AZ 85234

Re: Notice of Intent to Drill One Commerical Well
Well Registry #55-593267
Township 22 North, Range 5 East, Section 36BDC

Dear Mr. McCleve:

The Arizona Department of Water Resources (ADWR) received your Notice of Intention to Drill one commercial well on July 11, 2002. The proposed location of your well is in close proximity to an area of contaminated groundwater known as the "Camp Navajo " Department of Defense (DOD) remedial site.

Special considerations and/or well construction requirements are applicable when working in this area to avoid possible vertical cross-contamination between aquifers and/or other problems that may be encountered when working in a contaminated area.

Your proposed driller, Flagstaff Well & Supply Company, has been asked to submit a detailed well construction diagram of the new well for our review within 60 days. Failure to submit the information requested within 60 days may result in the denial of the application. Therefore, the Department's completeness review time frame is suspended until all requested information is provided.

Please feel free to call me directly if you have any questions: 602-417-2400, ext. 7258.

Sincerely,

Maureen Freark

Maureen Freark
Water Resources Specialist
Hydrology Division – WQARF Unit

cc: Flagstaff Well & Supply Company
File

ARIZONA DEPARTMENT OF WATER RESOURCES

Hydrology Division
500 North Third Street, Phoenix, Arizona 85004
Telephone 602 417-2448
Fax 602 417-2425

JANE DEE HULL
Governor

JOSEPH C. SMITH
Director

July 22, 2002

Flagstaff Well & Supply Company, Inc.
PO Box 22280
Flastaff, Arizona 86002-2280

Re: Notice of Intent to Drill One Commercial Well
Well Registry #55-593267
Township 22 North, Range 5 East, Section 36 BDC

Dear Sir:

The proposed location of the McCleve well is near an area of contaminated groundwater known as the "Camp Navajo" Department of Defense (DOD) remedial site. Therefore, special well construction requirements are applicable when working in this area to avoid possible vertical cross-contamination between aquifers and/or other problems that may be encountered when working in contaminated areas.

ADWR is requesting that you submit a detailed well construction diagram within 60 days for the above referenced well. The well construction diagram should feature the Minimum Well Construction Requirements, as stated in the Arizona Administrative Code (A.A.C.) R12-15-811.

- Total Borehole Depth
- Borehole Diameter
- Casing Material (steel or thermoplastic)
- Casing Length and Diameter
- Width of Annular Space between the casing and the borehole should be a minimum of 2 inches (special well construction standards)
- Surface Seal (20-feet of cement grout)
- Access Port
- Annular Material (type of grout)
- Expected Depth to Water
- Screening Materials and Perforated Intervals (in feet)
- Geologic/Hydrogeologic Units Expected to be Encountered at which depths
- Please label each feature of the well with their corresponding depths

Attached is a copy of the letter sent to Mr. McCleve indicating the suspension of the Department's completeness review time frame. Please call me if you have any questions.

Thank you,

Maureen Freark

Maureen Freark
Water Resources Specialist
Hydrology Division – WQARF Unit

cc: Owner
File

```
within 1 mile of one or more WQARF sites
Township 22.0n Range 05.0e Section 36 BDC (A22005036BDC)
is not in any AMA or INA 0
is in COCONINO county 03
is in VERDE RIVER basin VERDE VALLEY subbasin* 79
* Asterisk after the subbasin indicates groundwater basins or subbasins
  that contain a Superfund or WQARF site
is in VERDE RIVER watershed 05
is within 1 mile of one or more WQARF sites XXX
```

Click Back to return to the form.

ARIZONA DEPARTMENT OF WATER RESOURCES

500 North Third Street, Phoenix, Arizona 85004
Telephone (602) 417-2470
Fax (602) 417-2422

June 27, 2002

Lonnie McCleve
721 E San Pedro
Gilbert, Az 85234

Assigned Referenced Number: 55-593267

Dear Applicant:

The Department of Water Resources recently received your Notice of Intent to **Drill, Deepen, Replace, or Modify A Well.** However, our review indicates that the filing(s) is incomplete under the Groundwater Management Act for the following reason(s):

- **(See attached letter)**
- **Must complete legal description.**

In accordance with A.R.S § 45-596; Paragraph D, this application is being returned as a "statement of determination", requesting information necessary to make it correct and complete. If the necessary information is not received by the Department within sixty (60) days, the application may be denied. You would then have to re-initiate the N.O.I. process to receive a drilling authority for this location. If you have any questions, please contact the Sylvia Valdez at (602) 417-2400, ext. 7147.

ATTACH THIS CHECK LIST WHEN RESUBMITTING THE COMPLETED NOTICE OF INTENT AND RETURN TO BOX 458, PHOENIX, ARIZONA 85004-3003. YOU MAY ALSO CONTACT YOUR DRILLER OR COUNTY ASSESSORS OFFICE FOR ASSISTANCE PERTAINING TO THE NECESSARY INFORMATION THAT IS REQUIRED TO COMPLETE YOUR APPLICATION.

Arizona Department of Water Resources Groundwater Management Support Section 500 N. 3rd Street, Phoenix, Arizona 85004 (602) 417-2470 --- (800) 352-8488 www.water.az.gov	**Certification to the Notice of Intention to Drill an Exempt Well for Domestic Use Pursuant to § 45-596(F & G)**

RECEIVED
JUL 11 2002
GROUNDWATER MGT

FILE NUMBER

WELL REGISTRATION NUMBER
55

Certification of Proposed Well, Septic System, and Other Hazard Separation

Notices of Intent to Drill, Deepen, Replace or Modify a well that are reviewed by the county environmental health authority before being submitted to ADWR are sometimes marked as Insufficient Information to Make a Decision that the proposed well will not be within 100 feet of a septic tank or sewage system.

When the county has been unable to make a determination, the applicant may sign the following certification in lieu of providing maps of adjacent parcels and their septic systems.

I state that this supplement is filed in compliance with A.R.S. § 45-596(F & G), is complete and correct to the best of my knowledge and belief, and I have read, understand and will comply with the following:

1. I have conducted and performed a reasonable investigation of the locations of any and all septic tank systems, sewage disposal areas, landfills, hazardous waste facilities, storage area of hazardous materials or petroleum storage areas or tanks (collectively "Hazards") within one hundred (100) feet of the proposed location of the well as indicated on the Notice of Intent, and of my property.
2. Based on this reasonable investigation, and to the best of my knowledge, I represent and swear that the proposed well location is at least one hundred (100) feet from any such Hazard on my or any neighboring parcel of land, in compliance with Department Rule A.A.C. R12-15-818. I understand, represent and acknowledge that I assume any and all risks of the accuracy and diligence of this representation, including health risks to myself and others, and that I may be required to take ameliorative action in the event that facts are subsequently revealed to the contrary.
3. I understand, represent and acknowledge that the Department has made no representation or promises as to water quality or quantity from a well constructed in accordance with the Department's Rules.
4. I understand that the well will be approved for construction at this location only, and represent that I will not knowingly construct the well within 100 feet of any Hazards.

TYPE OR PRINT NAME OF APPLICANT	
Lonnie C. McCleve	
SIGNATURE OF APPLICANT	DATE SIGNED
[signature]	7-10-02

If you have any questions concerning these requirements, please call Mr. Alan Dulaney of the Department at 602-417-2470.

§ 45-496(F) & (G)

F. If any water from a proposed well will be used for domestic purposes as defined in section 45-454 on a parcel of land twenty or fewer acres, the applicant shall submit a well site plan of the property with the notice of intention to drill. The site plan shall:

1. Include the county assessor's parcel identification number.

2. Show the proposed well location and the location of any septic tank or sewer system that is either located on the property or within one hundred feet of the proposed well site.

3. Show written approval by the county health authority that controls the installation of septic tanks or sewer systems in the county, or by the local health authority in areas where the authority to control installation of septic tanks or sewer systems has been delegated to a local authority. In areas where there is no local or county authority that controls the installation of septic tanks or sewer systems, the applicant shall apply for approval directly to the department of water resources.

G. Before approving a well site plan submitted pursuant to subsection F of this section, the county or local health authority or the department of water resources, as applicable, pursuant to subsection F of this section, shall review the well site plan and determine whether the proposed well location complies with applicable local laws, ordinances and regulations and any laws or rules adopted under this title and title 49 regarding the placement of wells and the proximity of wells to septic tanks or sewer systems. If the health authority or the department of water resources, as applicable, pursuant to subsection F of this section, finds that the proposed well location complies with this title, title 49 and with local requirements, it shall endorse the site plan and the proposed well placement in a manner indicating approval. On endorsement, the director of water resources shall approve the construction of the well, if all remaining requirements have been met. If the health authority is unable to determine whether the proposed well location complies with this title, title 49 and local requirements, it shall indicate this on the site plan and the decision to approve or reject the proposed construction rests with the director of water resources. If parcel size, geology or location of improvements on the property prevents the well from being drilled in accordance with this title, title 49 or local requirements, the property owner may apply for a variance. The property owner shall make the request for a variance to the county or local authority if a county or local law, ordinance or regulation prevents the proposed construction. If a law or rule adopted under this title or title 49 prevents the proposed construction, the property owner shall make the request for a variance directly to the department of water resources. The request for a variance shall be in the form and shall contain the information that the department of water resources, county or local authority may require. The department of water resources, or the county or local authority whose law, ordinance or regulation prevents the proposed construction, may expressly require that a particular variance shall include certification by a registered professional engineer or geologist that the location of the well will not pose a health hazard to the applicant or surrounding property or inhabitants. If all necessary variances are obtained, the director of water resources shall approve the construction of the well if all remaining requirements have been met.

Arizona Administrative Code, R12-15-818, Well Location, Adopted Effective March 5, 1984

"Except for monitor and piezometer wells, no well shall be drilled within 100 feet of any septic tank systems, sewage disposal area, landfill, hazardous waste facility, storage area of hazardous materials or petroleum storage areas and tanks, unless authorized in writing by the Director."

Arizona Department of Water Resources
Groundwater Management Support Section
P.O. Box 458 • Phoenix, Arizona 85001-0458
(602) 417-2470 • (800) 352-8488
www.water.az.gov

JN 2 5 2002
GROUNDWATER MGT

Notice of Intent to Drill, Deepen, Replace or Modify a Well

(except a Non-Exempt Well in an Active Management Area)

- Review instructions prior to completing form
- You must include with your Notice:
  - $10 check or money order for the processing fee
- Authority for fee: A.R.S. § 45-113(E), A.A.C. R12-15-151(B)(4)(a)

AMA/INA	B	SB
RECEIVED DATE	WS	
ISSUED DATE	WQARF	CERCLA

FILE NUMBER

WELL REGISTRATION NUMBER 55 -

** PLEASE PRINT CLEARLY **

SECTION 1: COUNTY OR LOCAL HEALTH AUTHORITY ENDORSEMENT (if applicable)

If water from the proposed well will be used for domestic purposes on a parcel of land of 20 or fewer acres, the applicable county or local health authority must endorse all items in Section 1 before submission to the Department of Water Resources. You must also attach a site plan (see instructions).

CHECK ONE

- ☐ County or Local Health Authority Recommends Approval (pursuant to A.R.S. § 45-596 (G) and (F))
  - ☐ Field Inspection Performed
  - ☐ Site Plan Review Only
- ☒ Insufficient Information to Make a Determination

COUNTY OR LOCAL AUTHORITY NAME AND TITLE: Doug Murray, RS

Official County or Local Seal or Stamp

Pinal County Environmental Health Services — APPROVED BY

COUNTY OR LOCAL AUTHORITY SIGNATURE

2386

GREENFIELD LAND DEVELOPMENT LLC
721 E. SAN PEDRO PH. 480-892-8756
GILBERT, AZ 85234

91-527-1221

DATE 6/13/2002

PAY TO THE ORDER OF ADWR $ 10.00

DOLLARS

Wells Fargo Bank Arizona, N.A.
1901 S. Gilbert Rd.
Mesa, AZ 85204
www.wellsfargo.com

TWO SIGNATURES REQUIRED

FOR Well Permit

[redacted]

SECTION 3: OWNER INFORMATION

Well Owner		Landowner (if different from Well Owner)	
FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL: Lonnie McClure		FULL NAME OF COMPANY, GOVERNMENT AGENCY, OR INDIVIDUAL: Same as Well owner	
MAILING ADDRESS: 721 E. San Pedro		MAILING ADDRESS:	
CITY / STATE / ZIP CODE: Gilbert, Az. 85234		CITY / STATE / ZIP CODE:	
CONTACT PERSON NAME AND TITLE: Lonnie McClure		CONTACT PERSON NAME AND TITLE:	
TELEPHONE NUMBER: 480-540-5656	FAX: 480-892-3387	TELEPHONE NUMBER:	FAX:

SECTION 4:

Questions	Yes	No	If Yes:
1. Is the proposed well site within 100 feet of a septic tank system, sewer disposal area, landfill, hazardous materials or petroleum storage area or tank?		X	You must also request a variance (A.A.C. R12-15-818).
2. Is there another well name or identification number associated with this well?		X	PLEASE STATE
3. Is the proposed well the second exempt well on this parcel for the same use?		X	If the proposed well is in an Active Management Area, you must also file a supplemental form 55-40A.

within 1 mile of one or more WQARF sites
Township 22.0n Range 05.0e Section 36 BDC (A22005036BDC)
is not in any AMA or INA 0
is in COCONINO county 03
is in VERDE RIVER basin VERDE VALLEY subbasin* 79

- Asterisk after the subbasin indicates groundwater basins or subbasins that contain a Superfund or WQARF site

is in VERDE RIVER watershed 05
is within 1 mile of one or more WQARF sites XXX

Click Back to return to the form.

WELL REGISTRY No. 55- 593267 CADASTRAL LOCATION: a(22.5)36bdc

Date Received 7/17/02 Date to Water Quality 7/17/02

Date Returned to GMSS _____ Date to Hydrology 17 JUL 02 @1500 HKS

Variance Letter Received Yes _____ No ✓

Well diagram Received Yes _____ No ✓

TYPE OF WELL:

Monitor/Piezometer _____ Other ✓

Domestic _____ NOI to Abandon _____

Geotechnical _____

WATER QUALITY – WQARF ANALYST COMMENTS:

to hydrology for further review

Camp Navajo (CN) - drilling 1 commercial well

Site Map attached ✓ Referred to Hydrologist ✓

Subbasin Map attached ✓ Returned to GMSS _____

RECEIVED JUL 17 2002 WATER QUALITY SECTION

WATER QUALITY APPROVAL:

Granted X

Not granted _____

Letter issued X

Signature: J. R. Date: 17 JUL 02

HYDROLOGY DIVISION – WQARF HYDROLOGIST COMMENTS:

7/22/02 stop clock letter - need diagram.

8/1/02 faxed well diagram received (no in the field). Start clock.

8/2/02 called Bill Mayer - Flagstaff Well + Supply (928) 774-4266. Discussed well w/teri, need him to go 20 into Coconino to seal off aquifer contact and do neat cement. Bill called back will construct as discussed, will submit new diagram - (with changes on it).

HYDROLOGY DIVISION APPROVAL:

Granted ✓

Not Granted _____

Letter Issued _____

Variance

Not Required _____

Granted _____

Not Granted _____

Letter issued _____

Signature: Maureen Freark Date: 8/2/02

Wqarf:\WQARF Tracking Sheet

ARIZONA DEPARTMENT OF WATER RESOURCES
500 North 3rd Street, Phoenix, Arizona 85004
Telephone (602) 417-2470
Fax (602) 417-2422

August 07, 2002

JANE DEE HULL
Governor

JOSEPH C. SMITH
Director

LONNIE MCCLEVE
721 E SAN PEDRO
GILBERT, AZ 85234

Registration No. 55-593267
File No. A(22-5)36 BDC

Dear Well Owner:

Enclosed is a copy of the Notice of Intention (NOI) to Drill a well. This NOI, which was recently filed with this Department, is being returned to you as evidence of your compliance with ARS §45-596. The enclosed Pump Installation Completion Report is to be submitted when pump equipment is installed. The drilling card and Well Drilling Report form have been sent to your driller. He may not begin drilling until he has received the drilling card and it must be displayed on the rig during drilling. If you change drillers, you must supply this Department with the new driller's identity. Please ensure that the driller you select is licensed to drill the type of well you require. All well drillers must pass an examination proving they understand the drilling methods for that particular license, and are familiar with the laws and regulations which govern well construction in Arizona.

If it is necessary to change the location of the proposed well, immediately contact the Department of Water Resources to obtain written permission before proceeding with the drilling. A properly signed, amended drilling card must be in the possession of the driller before drilling commences at a different location than originally authorized.

ARS §45-600 requires the registered well owner to submit a Pump Installation Completion Report within thirty (30) days after the installation of pumping equipment. It also requires the driller to furnish this Department a complete and accurate Well Drillers Report and Well Log within thirty (30) days after completion of drilling. You should insist, and ensure, that both of these are done.

If in the course of drilling a new well, it is determined that the new well cannot be successfully completed as initially intended (dry hole, cave in, lost tools, etc.), the new well must be properly abandoned and a Well Abandonment Completion Report submitted per R12-15-816.F.

Per ARS §45-593 (C), the person to whom a well is registered shall notify this Department of a change in ownership of the well and/or information pertaining to the physical characteristics of the well in order to keep this well registration file current and accurate. We have enclosed a Change of Well Information Form should it be needed in the future.

Sincerely,

Sylvia Valdez
Water Resource Technician
Groundwater Management Support Section

Enclosures

Bell-2

ARIZONA DEPARTMENT OF WATER RESOURCES
Records Management Section
500 N. 3rd Street • Phoenix, Arizona 85004
(602) 417-2405 • (800) 352-8488
www.water.az.gov

Well Driller Report and Well Log

RECEIVED NOV 18 2003 Information Management

FILE NUMBER
A(22-5) 36 CCC
WELL REGISTRATION NUMBER
55- 598834
PERMIT NUMBER (IF ISSUED)

- Review instructions prior to completing form
- This report should be prepared by the driller in detail and filed with the Department within 30 days following completion of the well.

** PLEASE PRINT CLEARLY **

SECTION 1. REGISTRY INFORMATION

Well Owner

FULL NAME OF COMPANY, ORGANIZATION OR INDIVIDUAL: FUELCO

MAILING ADDRESS: 721 E SAN PEDRO

CITY / STATE / ZIP: GILBERT, AZ 85234

CONTACT PERSON NAME AND TITLE:

TELEPHONE NUMBER: 480-892-8756 FAX:

Location of Well

WELL LOCATION ADDRESS (F KNOWN): I-40 Exit 185

TOWNSHIP (N/S)	RANGE (E/W)	SECTION	160 ACRE	40 ACRE	10 ACRE
22N	5E	36	SW 1/4	SW 1/4	SW 1/4

LATITUDE: 35° 14 . 18 -N LONGITUDE: 111 ° 49 . 24 -W

LAND SURFACE ELEVATION AT WELL: 7155 Feet Above Sea Level

METHOD OF LATITUDE / LONGITUDE (CHECK ONE): ☐ USGS Quad Map ☐ Conventional Survey ☒ GPS: ☐ Survey-Grade ☒ Hand-Held

COUNTY ASSESSOR'S PARCEL ID NUMBER: BOOK 203 MAP 47 PARCEL 003A

COUNTY WHERE WELL IS LOCATED: Coconino

SECTION 2. DRILLING AUTHORIZATION

Drilling Firm

NAME: FLAGSTAFF WELL AND SUPPLY COMPANY, INC.

DWR LICENSE NUMBER: 336

TELEPHONE NUMBER: 928-774-8243 FAX:

SECTION 3. WELL CONSTRUCTION DETAILS

DATE WELL CONSTRUCTION STARTED: 7-7-03

DATE WELL CONSTRUCTION COMPLETED: 9-22-03

IF FLOWING WELL, METHOD OF FLOW REGULATION: ☐ Valve ☐ Other

Drill Method

CHECK ONE
- ☒ Air Rotary
- ☐ Bored or Augered
- ☐ Cable Tool
- ☐ Dual Rotary
- ☐ Mud Rotary
- ☐ Reverse Circulation
- ☐ Driven
- ☐ Jetted
- ☐ Air Percussion / Odex Tubing
- ☐ Other (please specify)

Method of Well Development

CHECK ONE
- ☒ Airlift
- ☐ Bail
- ☐ Surge Back
- ☐ Surge Pump
- ☐ Other (please specify)

Water Level Information

STATIC WATER LEVEL: 1342 Feet Below Land Surface

DATE MEASURED: 9-22-03

Method of Sealing at Reduction Points

CHECK ONE
- ☐ None
- ☐ Packed
- ☐ Swedged
- ☒ Welded
- ☐ Other (please specify)

ANSWERED DEC 25 2003

DWR-55-55-10/01 (Rev.)

BELL-2

Well Driller Report and Well Log

WELL REGISTRATION NUMBER
55- 598834

SECTION 4. WELL CONSTRUCTION DESIGN (AS BUILT) (attach additional page if needed)

Borehole			Installed Casing													
DEPTH FROM SURFACE		BOREHOLE DIAMETER (inches)	DEPTH FROM SURFACE		OUTER DIAMETER (inches)	MATERIAL TYPE (X)				PERFORATION TYPE (X)						SLOT SIZE IF ANY (inches)
FROM (feet)	TO (feet)		FROM (feet)	TO (feet)		STEEL	PVC	ABS	IF OTHER TYPE, DESCRIBE	BLANK OR NONE	WIRE WRAP	SHUTTER SCREEN	MILLS KNIFE	SLOTTED	IF OTHER TYPE, DESCRIBE	
0	400	14"	0	400	10"	X				X						
400	2100	10"	0	1540	8"	X				X						
			1540	2100	8"	X								X		1/8"

Installed Annular Material											
DEPTH FROM SURFACE		ANNULAR MATERIAL TYPE (X)								FILTER PACK		
						BENTONITE						
FROM (feet)	TO (feet)	NONE	CONCRETE	NEAT CEMENT OR CEMENT GROUT	CEMENT-BENTONITE GROUT	GROUT	CHIPS	PELLETS	IF OTHER TYPE OF ANNULAR MATERIAL, DESCRIBE	SAND	GRAVEL	SIZE
0	400			X								

DEPTH OF BORING	DEPTH OF COMPLETED WELL
2100 Feet Below Land Surface	2100 Feet Below Land Surface

DWR-55-55B-10/01 (Rev.)

Well Driller Report and Well Log

BELL 2

WELL REGISTRATION NUMBER
55-598834

SECTION 5. GEOLOGIC LOG OF WELL

DEPTH FROM SURFACE FROM (feet)	TO (feet)	DESCRIPTION Describe material, grain size, color, etc.	Check (X) every interval where water was encountered
0	16	Brown Clay	
16	26	malipai	
26	35	Red Clay	
35	42	malipai	
42	60	Black Cinders	
60	90	malipai	
90	110	Clay & Cinders	
110	125	Clay	
125	375	Limestone	
375	505	Coconino Sandstone Lt. yellow	
505	615	" " Brown	
615	700	" " Dk. Brown	
700	852	" " " " -Coarse	
852	853	Fractured	
853	900	Coconino Sandstone - Lt. Tan	
900	1265	" " - Dk. Brown -	Fracture at 1265
1265	1320	" " " " -Coarse	
1320	1565	Red Sandstone -Fracture at 1565	
1565	1820	Dark Red Sandstone	
1820	1860	Brown & Lt. Tan Sandstone 1840-1862 Heavily Fractured	
1860	1925	Dk. Red Sandstone	
1925	2100	Lt. Red Sandstone	

RECEIVED
APR 29 2004
WATER QUALITY SECTION

faxed 4/26/04 -ATS

A(22-5)36CCC
BELL-2

Well Driller Report and Well Log

WELL REGISTRATION NUMBER
55- 598834

SECTION 5. GEOLOGIC LOG OF WELL

DEPTH FROM SURFACE FROM (feet)	TO (feet)	DESCRIPTION Describe material, grain size, color, etc.	Check (X) every interval where water was encountered
0	16	Brown Clay	
16	26	Malipai	
26	35	Red Clay	
35	42	Malipai	
42	60	Black Cinders	
60	90	Malipai	
90	110	Clay & Cinders	
110	125	Clay	
125	375	Limestone	
375	505	Coconino Sandstone Lt. yellow	
505	615	" " Brown	
615	700	" " Dk. Brown	
700	852	" " " " -Coarse	
852	853	Fractured	
853	900	Coconino Sandstone - Lt. Tan	
900	1265	" " - Dk. Brown -	Fracture At 1265
1265	1320	" " " " -Coarse	
1320	1565	Red Sandstone -Fracture At 1565	
1565	1820	Dark Red Sandstone	
1820	1860	Brown & Lt. Tan Sandstone 1840-1902 Heavily Fractured	
1860	1925	Dk. Red Sandstone	
1925	2100	Lt. Red Sandstone	

Well Driller Report and Well Log

WELL REGISTRATION NUMBER
55- 598834

SECTION 6. WELL SITE PLAN

NAME OF WELL OWNER	COUNTY ASSESSOR'S PARCEL ID NUMBER BOOK	MAP	PARCEL
FUELCO	203	47	003A

- Please draw the following: (1) the boundaries of property on which the well was located; (2) the proposed well location; (3) the locations of all septic tank systems and sewer systems on the property or within 100 feet of the well location, even if on neighboring properties; and (4) any permanent structures on the property that may aid in locating the well.
- Please indicate the distance between the well location and any septic tank system or sewer system.

N
W E
S

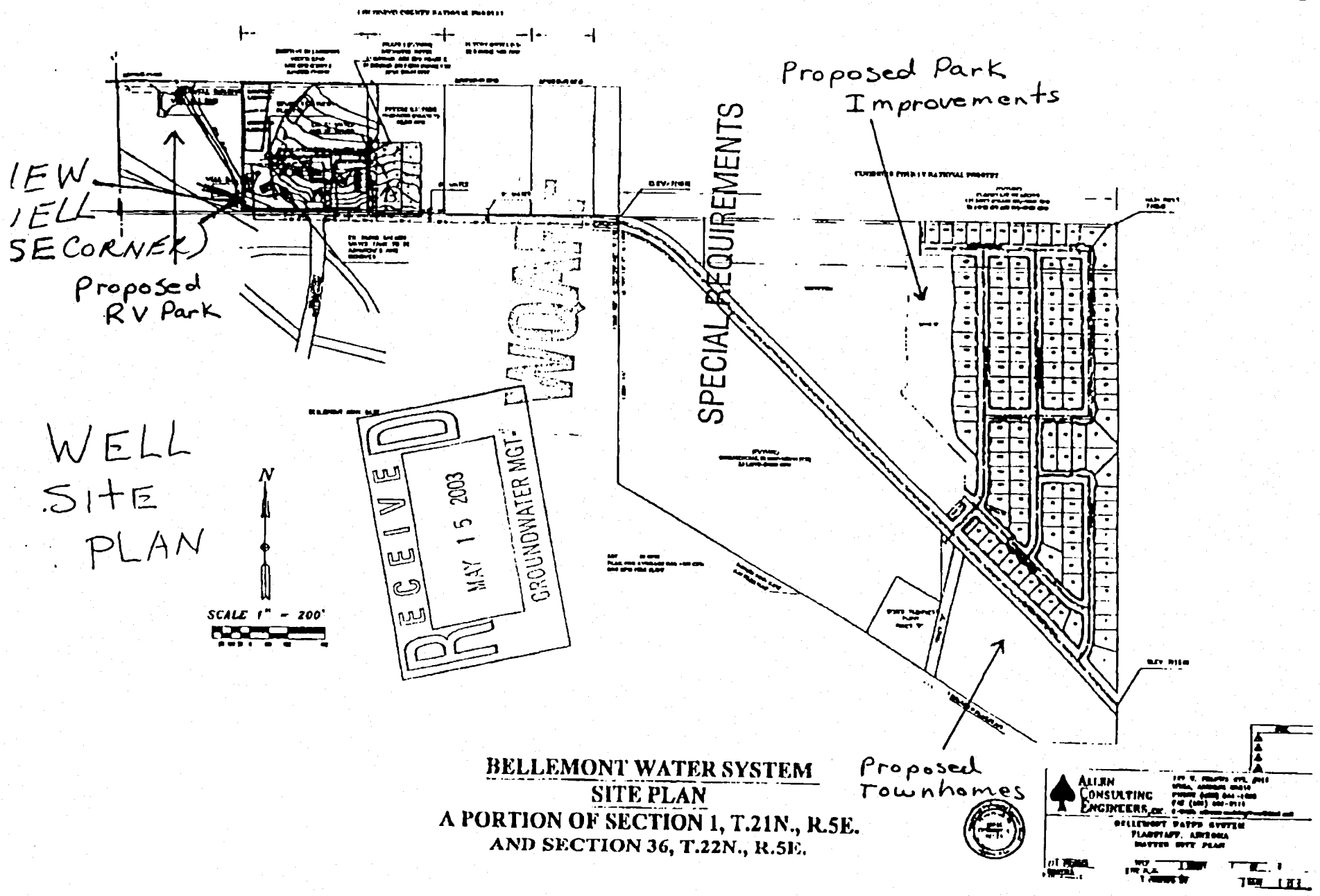
1" = _____ ft

pll attached

I state that this notice is filed in compliance with A.R.S. § 45-596 and is complete and correct to the best of my knowledge and belief.

DRILLING FIRM	SIGNATURE OF QUALIFYING PARTY	DATE
Flagstaff Well & Supply Co.	[illegible] III	10-22-03

DWR-55-55 (Rev. 10/11/07)



BELLEMONT WATER SYSTEM
SITE PLAN
A PORTION OF SECTION 1, T.21N., R.5E.
AND SECTION 36, T.22N., R.5E.

55Update ☐

Review Sheet for Notices of Intention (NOI) to Drill or Abandon Wells (Updated 05/13/2003)

Well Owner Name FUELCO **Date** 6-5-03
Well Location (A-22-5)36CCC **Well Registration Number** 55-548834

☐ **Permission has been granted to drill, deepen, replace, modify or abandon** the well indicated on the attached NOI.

☒ **Permission has been granted to drill or abandon** the well indicated on the attached NOI. However, special well construction or abandonment requirements apply since the proposed well is located within the boundary of a groundwater contamination site. See attached special requirements or visit the ADWR WQARF homepage on the ADWR website at http://www.water.az.gov/ for further information on "Special well drilling requirements for wells located within areas of groundwater contamination". Please be aware that groundwater produced from the proposed well may not meet applicable federal, state, county or local water quality standards.

The checked special well drilling requirements apply to the indicated well (see attachments):

- ✓ **Standard Special Requirements (applies to contamination areas not covered by site-specific requirements)**
- ____ **Pinal Creek Special Requirements**
- ____ **Yuma Marine Corps Air Station Special Requirements**
- ____ **Well Abandonment Handbook (see Standard Method or Alternatives 2 or 3)**

WQARF SPECIAL REQUIREMENTS

☐ **Permission has not been granted to drill or abandon** the well indicated on the attached NOI for the following reasons(s):

☐ Insufficient filing fee submitted*. Your check for $_____ is being returned to you. You must resubmit this review sheet, the attached NOI form (with any changes indicated below) and a check for the appropriate fee, which is $_____.

*NOI filing fees were increased on May 7, 2003. The appropriate filing fee for a well located within an AMA or INA is $150. For a well not located within an AMA or INA, the fee is $50 if the well will be used solely for domestic purposes and will have a pump with a maximum capacity of not more than 35 gallons per minute. Otherwise the fee is $150.

☐ County or local health official endorsement and approval is required but was not provided.

☐ Insufficient information to determine if well meets 100-foot setback requirement. Well owner must sign and return attached certification form if well meets 100-foot minimum set-back requirement.

☐ Incomplete or incorrect well location information.

☐ Incomplete or incorrect well owner information.

☐ Land owner permission to drill letter is required.

☐ Proposed well is located within 100 feet of a septic system, sewer disposal area, landfill, hazardous waste materials or petroleum storage area or tank.

☐ Well driller information incomplete.

☐ Well driller is not currently licensed with ADWR and/or the Registrar of Contractors.

☐ Well construction information is incomplete, you must include design pump capacity (if applicable), well depth, well diameter and type of casing (if applicable).

☐ Well abandonment information is incomplete, you must include information on proposed well abandonment design (see ADWR Well Abandonment Handbook)

☐ Well owner or landowner information and/or signature incomplete or incorrect.

☐ Variance request has not been granted. Explanation:_____

☐ Other_____

If permission to drill or abandon the specified well has not been granted, please correct all indicated errors and/or deficiencies and resubmit the corrected NOI form, this review sheet, and any attachments (if applicable) to ADWR. Unless stated above, no additional fees are required to resubmit this NOI. Be sure to submit all necessary information with your corrected NOI. The original NOI file will not be reviewed when ADWR reviews your corrected NOI. You must resubmit all the required information within 60 days, or you will need to file a new NOI with a new fee. Note: If you do not have the necessary information or need help, please contact your driller/consultant.

Mail resubmittals to: ADWR Hydrology Division NOI-Resubmittals Section
PO Box 1390
Phoenix Arizona 85004

$10 FEE

Arizona Department of Water Resources
Groundwater Management Support Section
P.O. Box 458 ✦ Phoenix, Arizona 85001-0458
(602) 417-2470 ✦ (800) 352-8488
www.water.az.gov

Notice of Intent to Drill, Deepen, Replace or Modify a Well

(except a Non-Exempt Well in an Active Management Area)

- Review instructions prior to completing form
- You must include with your Notice:
  - $10 check or money order for the processing fee
- Authority for fee: A.R.S. § 45-113(B), [illegible]

** PLEASE PRINT CLEARLY **

WQARF

AMA/INA		8	6B
0		79	
RECEIVED	DATE	WS	
		05	
ISSUED	DATE	WQARF	CERCLA
		XXX	

FILE NUMBER (A-22-5) 36 CCC

WELL REGISTRATION NUMBER 55 - 598834

SECTION 1. COUNTY OR LOCAL HEALTH AUTHORITY ENDORSEMENT (if applicable)

If water from the proposed well will be used for domestic purposes on a parcel of land of 20 or fewer acres, the applicable county or local health authority must endorse all items in Section 1 before submission to the Department of Water Resources. You must also attach a site plan (see instructions).

CHECK ONE

SPECIAL REQUIREMENTS

☐ County or Local Health Authority Recommends Approval (pursuant to A.R.S. § 45-596 (G) and (F))
- ☐ Field Inspection Performed
- ☐ Site Plan Review Only

☐ Insufficient Information to Make a Determination

Official County or Local Seal or Stamp

RECEIVED MAY 15 2003 GROUNDWATER MG

COUNTY OR LOCAL AUTHORITY NAME AND TITLE

TELEPHONE NUMBER | DATE | COUNTY OR LOCAL AUTHORITY SIGNATURE

SECTION 2. REGISTRY INFORMATION

Well Type

CHECK ONE

☐ Exempt (Pump has a maximum capacity of not more than 35 gpm and water is not used for irrigation purposes inside an AMA.) (*See instructions.*)

☒ Non-Exempt (Pump has a maximum capacity of more than 35 gpm or water is used for irrigation purposes inside an AMA.) (*See instructions.*)

DESIGN PUMP CAPACITY: 100 Gallons Per Minute

Proposed Action

CHECK ONE

☒ Drill New Well
☐ Deepen
☐ Replace
☐ Modify

If Deepening, Replacing or Modifying:

ORIGINAL WELL REGISTRATION NUMBER: 55 -

MAXIMUM CAPACITY OF ORIGINAL WELL: Gallons Per Minute

DISTANCE & DIRECTION FROM ORIGINAL WELL: Feet

Location of Well

WELL LOCATION ADDRESS (IF ANY): I 40 Exit 185

TOWNSHIP (N/S)	RANGE (E/W)	SECTION	160 ACRE	40 ACRE	10 ACRE
22N	5E	36	SW ¼	SW ¼	SW ¼

COUNTY ASSESSOR'S PARCEL ID NUMBER

BOOK	MAP	PARCEL	# OF ACRES
203	47	003A	8.17

PLACE OF WATER USE (ONLY IF DIFFERENT FROM LOCATION OF WELL)

TOWNSHIP (N/S)	RANGE (E/W)	SECTION	160 ACRE	40 ACRE	10 ACRE
		¼	¼	¼	¼

COUNTY WHERE WELL IS LOCATED: Coconino

SECTION 3. OWNER INFORMATION

Well Owner

FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL: Fuelco

MAILING ADDRESS: 721 E San Pedro

CITY / STATE / ZIP CODE: Gilbert, Az 85234

CONTACT PERSON NAME AND TITLE: Lonnie McClure, gen. part.

TELEPHONE NUMBER: 480-892-8756 | FAX: 480-892-3387

Landowner (if different from Well Owner)

FULL NAME OF COMPANY, GOVERNMENT AGENCY, OR INDIVIDUAL: Fuelco

MAILING ADDRESS: SAME

CITY / STATE / ZIP CODE: SAME

CONTACT PERSON NAME AND TITLE: SAME

TELEPHONE NUMBER: — | FAX: —

SECTION 4.

Questions	Yes	No	If Yes:
1. Is the proposed well site within 100 feet of a septic tank system, sewer disposal area, landfill, hazardous materials or petroleum storage area or tank?		X	You must also request a variance (A.A.C. R12-15-818).
2. Is there another well name or identification number associated with this well?		X	PLEASE STATE
3. Is the proposed well the second exempt well on this parcel for the same use?		X	If the proposed well is in an Active Management Area, you must also file a supplemental form 55-40A.

Notice of Intent to Drill, Deepen, Replace or Modify a Well

WELL REGISTRATION NUMBER 55-

SECTION 5. DRILLING AUTHORIZATION

Drilling Firm

NAME: Flagstaff Wells Supply

DWR LICENSE NUMBER: 336

ROC LICENSE CATEGORY: A-04 + C-53

TELEPHONE NUMBER: 928-774-8243

FAX: 928-774-4266

RECEIVED MAY 15 2003 GROUNDWATER MGT

SECTION 6. WATER / SITE INFORMATION

Principal Use of Water (CHECK ONE)	*Other Uses* of Water (CHECK ALL THAT APPLY)
☐ Irrigation	☐ Irrigation
☐ Utility	☐ Utility
☒ Commercial	☐ Commercial
☐ Domestic	☐ Domestic
☐ Municipal	☐ Municipal
☐ Industrial	☐ Industrial
☐ Mining	☐ Mining
☐ Stock	☐ Stock
☐ Recharge	☐ Recharge
☐ Dewatering	☐ Dewatering
☐ Other *(please specify)*:	☐ Other *(please specify)*: none

WQARF

SECTION 7. PROPOSED WELL CONSTRUCTION DESIGN (attach separate sheet if needed)

DATE CONSTRUCTION IS TO BEGIN:

SPECIAL REQUIREMENTS

Borehole: DEPTH FROM SURFACE FROM (feet)	Borehole: DEPTH FROM SURFACE TO (feet)	Borehole: BOREHOLE DIAMETER (inches)	Casing: DEPTH FROM SURFACE FROM (feet)	Casing: DEPTH FROM SURFACE TO (feet)	Casing: OUTER DIAMETER (inches)	MATERIAL TYPE (✓): STEEL	PVC	ABS	IF OTHER TYPE, DESCRIBE	PERFORATION TYPE (✓): BLANK OR NONE	WIRE WRAP	SHUTTER SCREEN	MILLS KNIFE	SLOTTED	IF OTHER TYPE, DESCRIBE	GROUTING MATERIAL
0	500	14	0	500	10	X*										Cement
500	2100	10	0	1900	8	X										
			1900	2100	8	X								X		

* ADWR well construction standards require a surface seal consisting of a minimum of 20 feet of steel casing. Cement grout must be used to fill the annular space between the surface casing and the borehole. (A.A.C. R12-15-811(B))

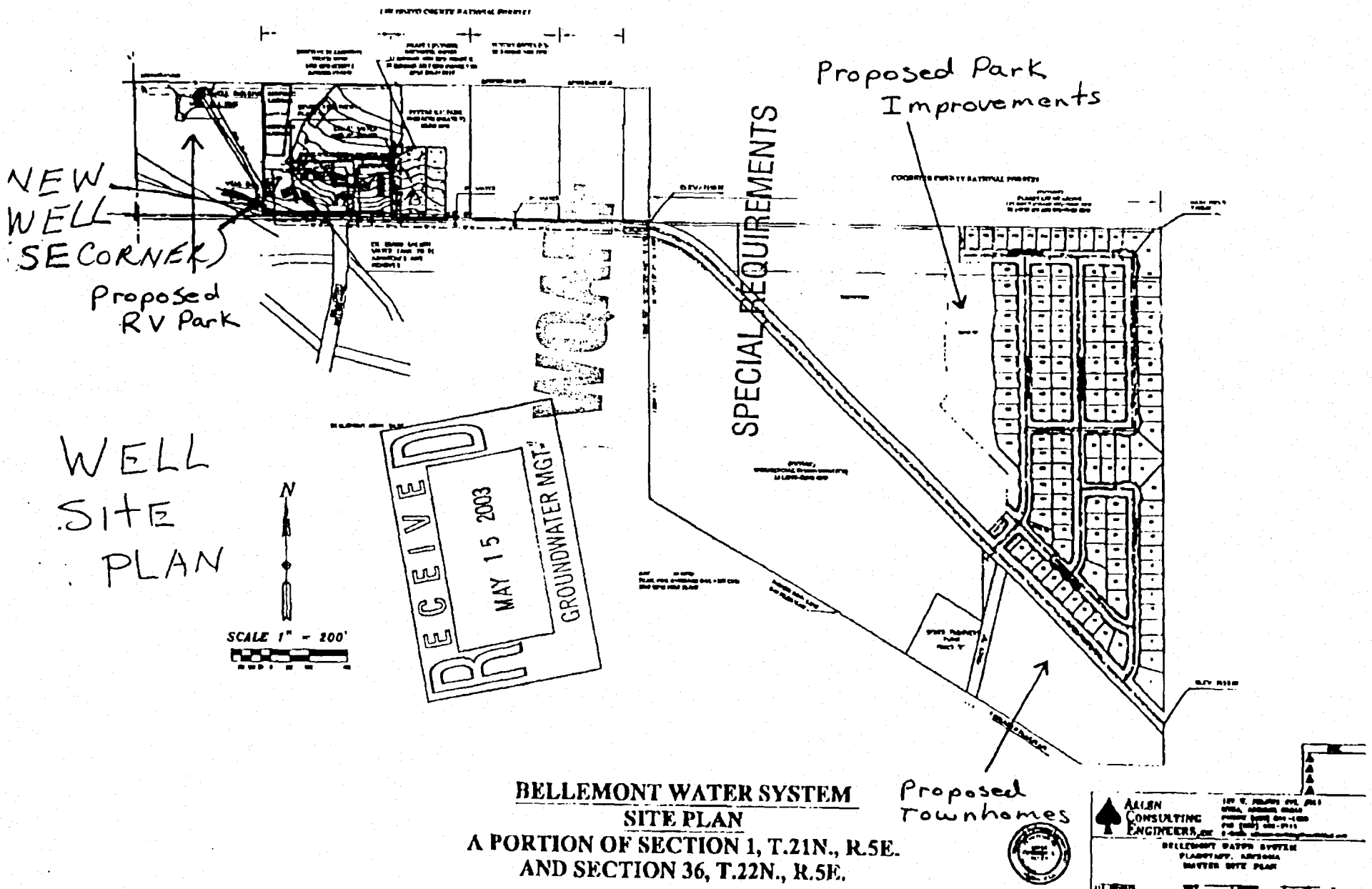
The Department's issuance of an authorization to drill a well is not a determination of whether water withdrawn from the well is legally surface water or groundwater. The legal nature of the water withdrawn from the well may be the subject of court action in the future as part of a determination of surface water rights in your area. If there are court proceedings that could affect your well, you will be notified and be given the opportunity to participate. If you have questions regarding the legal nature of the water to be withdrawn from your proposed well, please consult with an experienced civil engineer, hydrologist or water rights attorney.

I state that this notice is filed in compliance with A.R.S. § 45-596 and is complete and correct to the best of my knowledge and belief.

TYPE OR PRINT NAME AND TITLE: Lonnie E. McCleve, general partner - Fuelco

SIGNATURE OF WELL OWNER OR LANDOWNER: [signature]

DATE: 5-15-03



BELLEMONT WATER SYSTEM
SITE PLAN
A PORTION OF SECTION 1, T.21N., R.5E.
AND SECTION 36, T.22N., R.5E.

ARIZONA DEPARTMENT OF WATER RESOURCES
TECHNICAL SUPPORT SECTION –
HYDROLOGY/WQARF

MEMORANDUM

DATE: May 20, 2003

TO: FILE

FROM: Shannon Reif, Hydrology WQARF Section

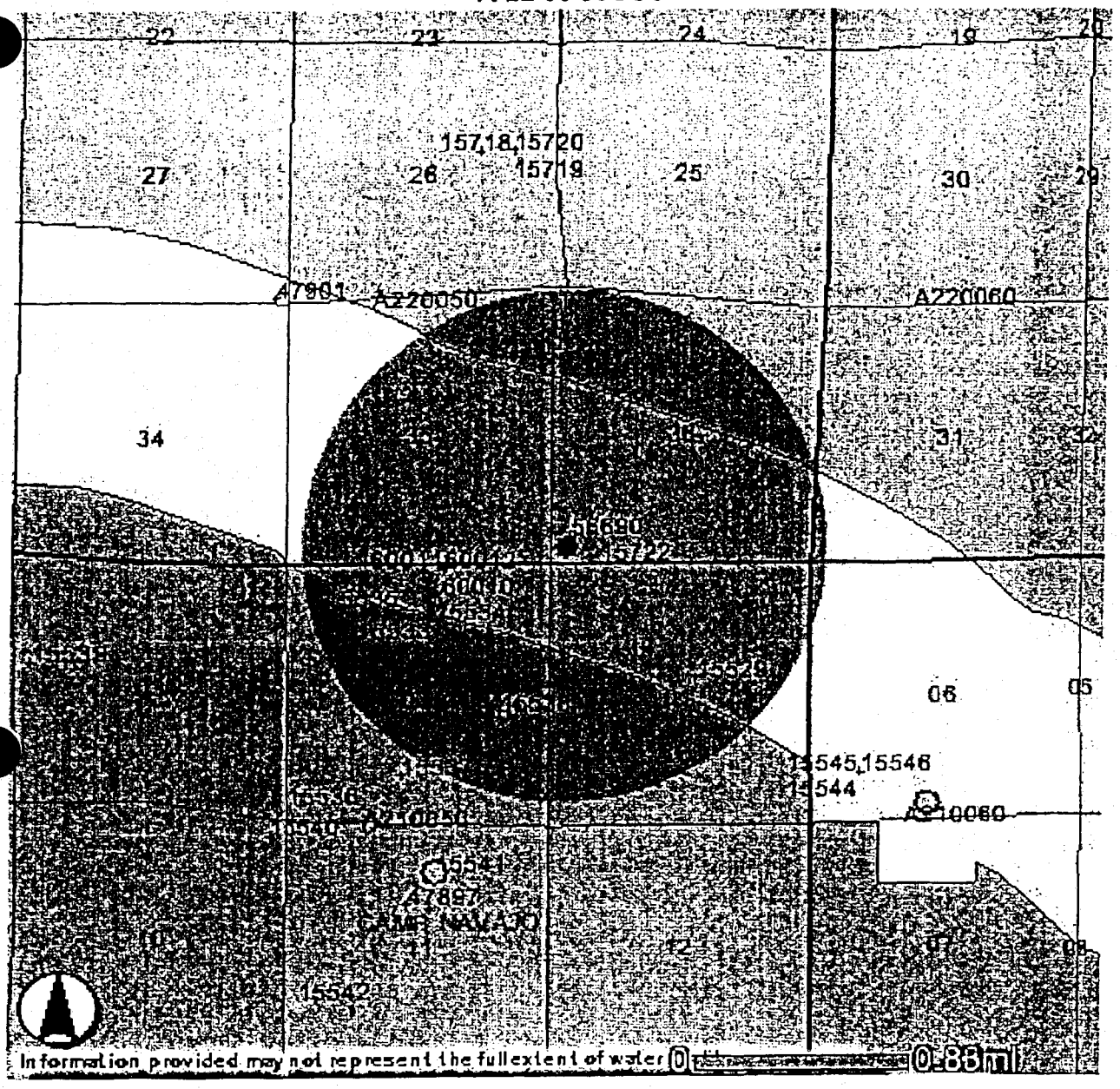
SUBJECT: **FUELCO Deep Well**

APPLICATION: NOI To Drill a Non-Exempt Well

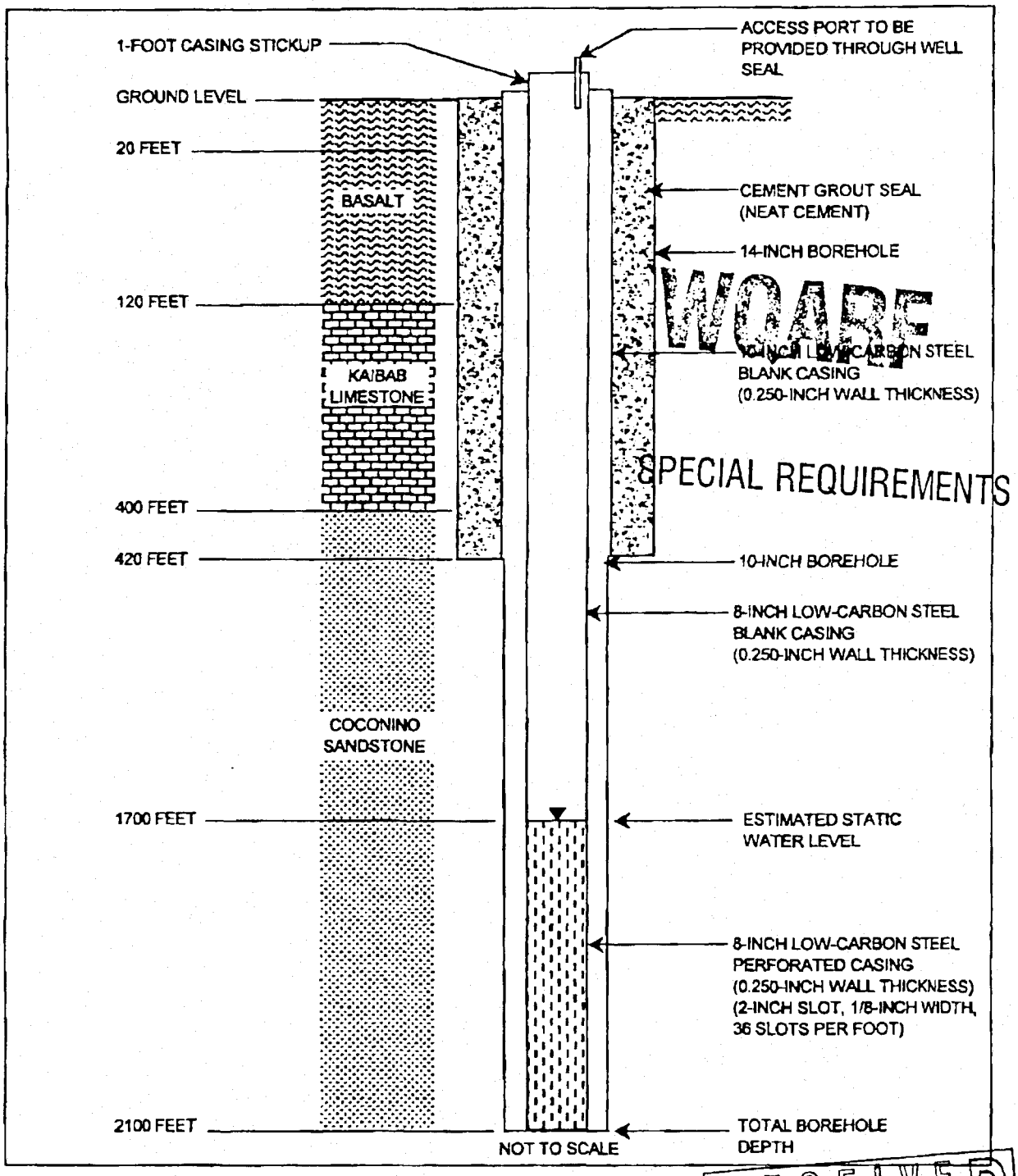
I spoke to Bill Myers of Flagstaff Well and Supply on May 20, 2003. He was calling to clarify the proposed well construction diagram that was submitted with the NOID on May 15, 2003. He is going to seal the annular space between the inner 8-inch steel casing and the outer 10-inch steel casing by welding a steel ring between the two casings.

He indicated that, in the past, he had drilled other wells in the area of the Camp Navajo DOD site and that he had worked with Maureen Freark on the construction details. Based on past discussions with Ms. Freark, Mr. Myers is proposing to seal off the upper 420 feet of the well with a 10-inch steel casing with neat cement in the annular space between the 14-inch borehole and 10-inch casing, as depicted in the attached diagram.

A-22-05 36CCC



Legend
Highlighted Features
Selected Features
theBufferPolygons
theBufferTarget
T R S
Township Range
ADEQ Wells
Wells > MRL
Wells > Secondary MCL
Wells > MCL
No Exceedances
WQARF Sites
1 or 1/2 Mi. Buffer
WQARF Sites



WQARF
SPECIAL REQUIREMENTS

PROPOSED WELL CONSTRUCTION DIAGRAM FOR McCLEVE WELL

RECEIVED
MAY 15 2003
GROUNDWATER MGT

PREPARED BY: FLAGSTAFF WELL & SUPPLY CO., INC.

ARIZONA DEPARTMENT OF WATER RESOURCES
500 North 3rd Street, Phoenix, Arizona 85004
Telephone (602) 417-2470
Fax (602) 417-2422

June 05, 2003

Janet Napolitano
Governor

Herb Guenther
Director

FUELCO
721 E SAN PEDRO
GILBERT, AZ 85234

COPY

Registration No. 55- 598834
File No. A(22-5) 36 CCC

Dear Well Owner:

Enclosed is a copy of the Notice of Intention (NOI) to Drill a well. This NOI, which was recently filed with this Department, is being returned to you as evidence of your compliance with ARS §45-596. The enclosed Pump Installation Completion Report is to be submitted when pump equipment is installed. The drilling card and Well Drilling Report form have been sent to your driller. He may not begin drilling until he has received the drilling card and it must be displayed on the rig during drilling. If you change drillers, you must supply this Department with the new driller's identity. Please ensure that the driller you select is licensed to drill the type of well you require. All well drillers must pass an examination proving they understand the drilling methods for that particular license, and are familiar with the laws and regulations which govern well construction in Arizona.

If it is necessary to change the location of the proposed well, immediately contact the Department of Water Resources to obtain written permission before proceeding with the drilling. A properly signed, amended drilling card must be in the possession of the driller before drilling commences at a different location than originally authorized.

ARS §45-600 requires the registered well owner to submit a Pump Installation Completion Report within thirty (30) days after the installation of pumping equipment. It also requires the driller to furnish this Department a complete and accurate Well Drillers Report and Well Log within thirty (30) days after completion of drilling. You should insist, and ensure, that both of these are done.

If in the course of drilling a new well, it is determined that the new well cannot be successfully completed as initially intended (dry hole, cave in, lost tools, etc.), the new well must be properly abandoned and a Well Abandonment Completion Report submitted per R12-15-816.F.

Per ARS §45-593 (C), the person to whom a well is registered shall notify this Department of a change in ownership of the well and/or information pertaining to the physical characteristics of the well in order to keep this well registration file current and accurate. We have enclosed a Change of Well Information Form should it be needed in the future.

Sincerely,

Bruce A Hammett

Bruce Hammett
Hydrology Division

Enclosures

ARIZONA DEPARTMENT OF WATER RESOURCES
GROUNDWATER MANAGEMENT SUPPORT SECTION
500 North Third Street
Phoenix, Arizona 85004

SPECIAL REQUIREMENTS APPLY (WQARF/SUPERFUND)

THIS AUTHORIZATION SHALL BE IN POSSESSION OF THE DRILLER DURING ALL DRILL OPERATIONS

WELL REGISTRATION NO: 55-598834

AUTHORIZED DRILLER: FLAGSTAFF WELL AND SUPPLY COMPANY, INC. LICENSE NO: 336

NOTICE OF INTENTION TO DRILL A NON-EXEMPT WELL(S) HAS BEEN FILED WITH THE DEPARTMENT BY:

WELL OWNER: FUELCO 721 E SAN PEDRO GILBERT, AZ 85234

The well(s) is/are to be located in the:

SW ¼ of the SW ¼ of the SW ¼ Section 36 Township 22 NORTH Range 5 EAST

No. of wells in this project: 1

THIS AUTHORIZATION EXPIRES AT MIDNIGHT ON THE 15TH DAY OF MAY, 2004

GROUNDWATER MANAGEMENT SUPPORT

THE DRILLER MUST FILE A LOG OF THE WELL
WITHIN 30 DAYS OF COMPLETION OF DRILLING

COPY

GREAT SEAL OF THE STATE OF ARIZONA
DITAT DEUS
1912

Bell-3

Arizona Department of Water Resources
Water Management Support Section
P.O. Box 458 • Phoenix, Arizona 85001-0458
(602) 417-2470 • (800) 352-8488
(602) 417-2422 fax www.water.az.gov

Notice of Intent to Drill, Deepen, Replace or Modify a Well

(except a Non-Exempt Well in an Active Management Area)

$150 or $50 FEE

- Review instructions prior to completing form in black or blue ink.
- You must include with your Notice:
- Check or money order in the amount of the appropriate filing fee. For a well located within an AMA or INA, the fee is $150.00. For a well not located within an AMA or INA, the fee is $50.00 if the well will be used solely for domestic purposes (see page 2 and instructions) and will have a pump with a maximum capacity of not more than 35 gallons per minute. Otherwise, the fee is $150.00.
- Authority for fee: A.R.S. § 45-596.

** PLEASE PRINT CLEARLY **

AMA / INA	B 79 SB
RECEIVED DATE	WS 05
ISSUED DATE	WQARF / CERCLA XXX

FILE NUMBER A(22-5)36ddd
WELL REGISTRATION NUMBER 55- 203241

SECTION 1. COUNTY OR LOCAL HEALTH AUTHORITY APPROVAL (if applicable)

If water from the proposed well will be used for domestic purposes on a parcel of land of 5 or fewer acres, the applicable county or local health authority must endorse all items in Section 1 within one year before submission to the Department of Water Resources. You must also attach a site plan (pg. 3).

CHECK ONE

- ☐ County or Local Health Authority Recommends Approval (pursuant to A.R.S. § 45-596 (G) and (F))
  - ☐ Field Inspection Performed
  - ☐ Site Plan Review Only
- ☐ Insufficient Information to Make a Determination

COUNTY OR LOCAL AUTHORITY NAME AND TITLE

TELEPHONE NUMBER | DATE

Official County or Local Seal or Stamp

APR 16 2004
GROUNDWATER MGT

COUNTY OR LOCAL AUTHORITY SIGNATURE

SECTION 2. REGISTRY INFORMATION

Well Type

CHECK ONE

- ☐ Exempt (Pump has a maximum capacity of not more than 35 gpm and water is not used for irrigation purposes inside an AMA.) (*See instructions.*)
- ☒ Non-Exempt (Pump has a maximum capacity of more than 35 gpm or water is used for irrigation purposes inside an AMA.) (*See instructions.*)

DESIGN PUMP CAPACITY: 130 Gallons Per Minute

Proposed Action

CHECK ONE

- ☒ Drill New Well
- ☐ Deepen
- ☐ Replace
- ☐ Modify

If Deepening, Replacing or Modifying:

ORIGINAL WELL REGISTRATION NUMBER: 55 -

MAXIMUM CAPACITY OF ORIGINAL WELL: Gallons Per Minute

DISTANCE & DIRECTION FROM ORIGINAL WELL: Feet

Location of Well

WELL LOCATION ADDRESS (IF ANY): I-40 Exit 185

TOWNSHIP (N/S)	RANGE (E/W)	SECTION	160 ACRE	40 ACRE	10 ACRE
22N	5E	36	SW ¼	SW ¼	SW ¼

COUNTY ASSESSOR'S PARCEL ID NUMBER

BOOK	MAP	PARCEL	# OF ACRES
203	47	003A	30

PLACE OF WATER USE (ONLY IF DIFFERENT FROM LOCATION OF WELL)

TOWNSHIP (N/S)	RANGE (E/W)	SECTION	160 ACRE	40 ACRE	10 ACRE
			¼	¼	¼

COUNTY WHERE WELL IS LOCATED

SECTION 3. OWNER INFORMATION

Well Owner

FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL: Greenfield Land Development

MAILING ADDRESS: 721 E. San Pedro

CITY / STATE / ZIP CODE: Gilbert, AZ 85234

CONTACT PERSON NAME AND TITLE:

Landowner (if different from Well Owner)

FULL NAME OF COMPANY, GOVERNMENT AGENCY, OR INDIVIDUAL: Same

MAILING ADDRESS:

CITY / STATE / ZIP CODE:

CONTACT PERSON NAME AND TITLE:

ORIGINAL DOCUMENT IS PRINTED ON CHEMICAL REACTIVE PAPER & HAS A MICROPRINTED BORDER / SIGNATURE LINE

HydroSystems, Inc.
1220 S. Park Lane, Suite 5
Tempe, Arizona 85281-6940
(480) 517-9050

BANK ONE, ARIZONA, N.A.
Tempe, AZ
91-2/1221

12158

4/16/2004

PAY TO THE ORDER OF ADWR $ **150.00

One Hundred Fifty and 00/100********** DOLLARS

ADWR

ARIZONA DEPARTMENT OF WATER RESOURCES
WATER MANAGEMENT SUPPORT SECTION
500 North Third Street
Phoenix, Arizona 85004

SPECIAL REQUIREMENTS APPLY (WQARF/SUPERFUND)

THIS AUTHORIZATION SHALL BE IN POSSESSION OF THE DRILLER DURING ALL DRILL OPERATIONS

WELL REGISTRATION NO: 55-203241

AUTHORIZED DRILLER: BOB BEEMAN DRILLING COMPANY LICENSE NO: 571

NOTICE OF INTENTION TO DRILL A NON-EXEMPT WELL(S) HAS BEEN FILED WITH THE DEPARTMENT BY:

WELL OWNER: GREENFIELD LAND DEVELOPMENT 721 E SAN PEDRO GILBERT, AZ 85234

The well(s) is/are to be located in the:

SW ¼ of the SW ¼ of the SW ¼ Section 36 Township 22 NORTH Range 5 EAST

No. of wells in this project: 1 Assessor Parcel No: 203-47-003A

THIS AUTHORIZATION EXPIRES AT MIDNIGHT ON THE 25TH DAY OF APRIL, 2005

COPY

WATER MANAGEMENT SUPPORT SECTION

THE DRILLER MUST FILE A LOG OF THE WELL
WITHIN 30 DAYS OF COMPLETION OF DRILLING

GREAT SEAL OF THE STATE OF ARIZONA
DITAT DEUS
1912

ARIZONA DEPARTMENT OF WATER RESOURCES
Hydrology Division
500 North Third Street, Phoenix, Arizona 85004
Telephone 602 417-2448
Fax 602 417-2425

Janet Napolitano
Governor

Herb Guenther
Director

April 26, 2004

Greenfield Land Development
Attn: Lonnie McCleve
721 E. San Pedro
Gilbert, AZ 85234

COPY

Re: Notice of Intent to Drill a Non-Exempt Well
Driller: Beeman Drilling
Well Registry #55-203241
T22A, R5E, Section 36CCC

Dear Mr. McCleve,

On April 16, 2004 the Arizona Department of Water Resources (ADWR) received a Notice of Intention (NOI) to Drill a new well registered as 55-203241. The proposed location of this well is in close proximity to an area of contaminated groundwater known as the Camp Navajo Department of Defense (DOD) remedial site.

Pursuant to A.R.S. § 45-605 (E), special considerations and/or well construction requirements may be applicable when installing wells in this area to avoid possible vertical cross-contamination between aquifers and/or other problems that may be encountered when working in a contaminated area.

The Department has completed the review of the NOI and determined that special requirements are necessary. The NOI is hereby granted provided the following condition is met:

- Neat cement shall be tremie-pumped into the annular space between the 10-inch casing and 15-inch borehole from a depth that is at least 20 feet into the Coconino Sandstone to the land surface. The sandstone is expected to be encountered at a depth of about 400 feet, however, the actual depth shall be determined by logging the borehole.

Please direct any questions you may have to Andrew Scott at 602-417-2448, ext. 7273.

Sincerely,

Teri Davis
Hydrology WQARF Unit Manger

cc: Beeman Drilling
ADWR File

ARIZONA DEPARTMENT OF WATER RESOURCES
500 North 3rd Street, Phoenix, Arizona 85004
Telephone (602) 417-2470
Fax (602) 417-2422

April 26, 2004

Janet Napolitano
Governor

Herb Guenther
Director

GREENFIELD LAND DEVELOPMENT
721 E SAN PEDRO
GILBERT, AZ 85234

COPY

Registration No. 55-203241
File No. A(22-5) 36 CCC

Dear Well Owner:

Enclosed is a copy of the Notice of Intention (NOI) to Drill a well. This NOI, which was recently filed with this Department, is being returned to you as evidence of your compliance with ARS §45-596. The enclosed Pump Installation Completion Report is to be submitted when pump equipment is installed. The drilling card and Well Drilling Report form have been sent to your driller. He may not begin drilling until he has received the drilling card and it must be displayed on the rig during drilling. If you change drillers, you must supply this Department with the new driller's identity. Please ensure that the driller you select is licensed to drill the type of well you require. All well drillers must pass an examination proving they understand the drilling methods for that particular license, and are familiar with the laws and regulations which govern well construction in Arizona.

If it is necessary to change the location of the proposed well, immediately contact the Department of Water Resources to obtain written permission before proceeding with the drilling. A properly signed, amended drilling card must be in the possession of the driller before drilling commences at a different location than originally authorized.

ARS §45-600 requires the registered well owner to submit a Pump Installation Completion Report within thirty (30) days after the installation of pumping equipment. It also requires the driller to furnish this Department a complete and accurate Well Drillers Report and Well Log within thirty (30) days after completion of drilling. You should insist, and ensure, that both of these are done.

If in the course of drilling a new well, it is determined that the new well cannot be successfully completed as initially intended (dry hole, cave in, lost tools, etc.), the new well must be properly abandoned and a Well Abandonment Completion Report submitted per R12-15-816.F.

Per ARS §45-593 (C), the person to whom a well is registered shall notify this Department of a change in ownership of the well and/or information pertaining to the physical characteristics of the well in order to keep this well registration file current and accurate. We have enclosed a Change of Well Information Form should it be needed in the future.

Sincerely,

Andrew Scott
NOI Unit
Water Management Support Section

Enclosures

Arizona Department of Water Resources
Water Management Support Section
P.O. Box 458 • Phoenix, Arizona 85001-0458
(602) 417-2470 • (800) 352-8488
(602) 417-2422 fax www.water.az.gov

Notice of Intent to Drill, Deepen, Replace or Modify a Well

(except a Non-Exempt Well in an Active Management Area)

$150 or $50 FEE

- Review instructions prior to completing form in black or blue ink.
- You must include with your Notice:
- Check or money order in the amount of the appropriate filing fee. For a well located within an AMA or INA, the fee is $150.00. For a well not located within an AMA or INA, the fee is $50.00 if the well will be used solely for domestic purposes (see page 2 and instructions) and will have a pump with a maximum capacity of not more than 35 gallons per minute. Otherwise, the fee is $150.00.
- Authority for fee: A.R.S. § 45-596.

** PLEASE PRINT CLEARLY **

AMA / INA	B 79 SB
RECEIVED DATE 4/16/04	WS 05
ISSUED DATE	WQARF XXX CERCLA

FILE NUMBER A(22-5)36CCC
WELL REGISTRATION NUMBER 55- 203241

WQARF

SECTION 1. COUNTY OR LOCAL HEALTH AUTHORITY APPROVAL (if applicable)

If water from the proposed well will be used for domestic purposes on a parcel of land of 5 or fewer acres, the applicable county or local health authority must endorse all items in Section 1 within one year before submission to the Department of Water Resources. You must also attach a site plan (pg. 3).

CHECK ONE

☐ County or Local Health Authority Recommends Approval (pursuant to A.R.S. § 45-596 (G) and (F))
- ☐ Field Inspection Performed
- ☐ Site Plan Review Only

☐ Insufficient Information to Make a Determination

COUNTY OR LOCAL AUTHORITY NAME AND TITLE

TELEPHONE NUMBER | DATE

Official County or Local Seal or Stamp

APR 16 2004

COUNTY OR LOCAL AUTHORITY SIGNATURE

SPECIAL REQUIREMENTS

SECTION 2. REGISTRY INFORMATION

Well Type

CHECK ONE

☐ Exempt (Pump has a maximum capacity of not more than 35 gpm and water is not used for irrigation purposes inside an AMA.) (*See instructions.*)

☒ Non-Exempt (Pump has a maximum capacity of more than 35 gpm or water is used for irrigation purposes inside an AMA.) (*See instructions.*)

DESIGN PUMP CAPACITY: 130 Gallons Per Minute

Proposed Action

CHECK ONE

☒ Drill New Well
☐ Deepen
☐ Replace
☐ Modify

If Deepening, Replacing or Modifying:

ORIGINAL WELL REGISTRATION NUMBER: 55 -

MAXIMUM CAPACITY OF ORIGINAL WELL: Gallons Per Minute

DISTANCE & DIRECTION FROM ORIGINAL WELL: Feet

Location of Well

WELL LOCATION ADDRESS (IF ANY): I-40 Exit 185

TOWNSHIP (N/S)	RANGE (E/W)	SECTION	160 ACRE	40 ACRE	10 ACRE
22N	5E	36	SW ¼	SW ¼	SW ¼

COUNTY ASSESSOR'S PARCEL ID NUMBER

BOOK	MAP	PARCEL	# OF ACRES
203	47	003A	30

PLACE OF WATER USE (ONLY IF DIFFERENT FROM LOCATION OF WELL)

TOWNSHIP (N/S)	RANGE (E/W)	SECTION	160 ACRE	40 ACRE	10 ACRE
			¼	¼	¼

COUNTY WHERE WELL IS LOCATED

SECTION 3. OWNER INFORMATION

Well Owner

FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL: Greenfield Land Development

MAILING ADDRESS: 721 E. San Pedro

CITY / STATE / ZIP CODE: Gilbert, AZ 85234

CONTACT PERSON NAME AND TITLE: Mr. Lonnie McCleve

TELEPHONE NUMBER: 480-892-8756 | FAX: 480-892-3387

Landowner (if different from Well Owner)

FULL NAME OF COMPANY, GOVERNMENT AGENCY, OR INDIVIDUAL: Same

MAILING ADDRESS:

CITY / STATE / ZIP CODE:

CONTACT PERSON NAME AND TITLE:

TELEPHONE NUMBER: | FAX:

SECTION 4.

Questions	Yes	No	If Yes:
1. Is the proposed well site within 100 feet of a septic tank system, sewer disposal area, landfill, hazardous materials or petroleum storage area or tank?		X	You must also request a variance (A.A.C. R12-15-818).
2. Is there another well name or identification number associated with this well?	X		PLEASE STATE Deep Well # 3
3. Is the proposed well the second exempt well on this parcel for the same use?		X	If the proposed well is in an Active Management Area, you must also file a supplemental form 55-40A.

Notice of Intent to Drill, Deepen, Replace or Modify a Well

WELL REGISTRATION NUMBER
55- 203241

SECTION 5. DRILLING AUTHORIZATION

Drilling Firm

NAME: Beeman Drilling

DWR LICENSE NUMBER: 571

ROC LICENSE CATEGORY: A-04 101-281

TELEPHONE NUMBER: 435-259-7281

FAX: 435-259-6491

MAILING ADDRESS: P.O.Box 788

CITY / STATE / ZIP CODE: Moab, Utah 84532

WQARF

SECTION 6. WATER / SITE INFORMATION

Principal Use of Water (CHECK ONE)	*Other Uses* of Water (CHECK ALL THAT APPLY)
☐ Irrigation	☐ Irrigation
☐ Utility	☐ Utility
☐ Commercial	☐ Commercial
☐ Domestic	☐ Domestic
☒ Municipal	☒ Municipal
☐ Industrial	☐ Industrial
☐ Mining	☐ Mining
☐ Stock	☐ Stock
☐ Recharge	☐ Recharge
☐ Dewatering	☐ Dewatering
☐ Other *(please specify)*:	☐ Other *(please specify)*:

SECTION 7. PROPOSED WELL CONSTRUCTION DESIGN (attach separate sheet if needed)

SPECIAL REQUIREMENTS

DATE CONSTRUCTION IS TO BEGIN: April 2004

Borehole: DEPTH FROM SURFACE FROM (feet)	Borehole: DEPTH FROM SURFACE TO (feet)	Borehole: BOREHOLE DIAMETER (inches)	Casing: DEPTH FROM SURFACE FROM (feet)	Casing: DEPTH FROM SURFACE TO (feet)	Casing: OUTER DIAMETER (inches)	MATERIAL TYPE (T): STEEL	PVC	ABS	IF OTHER TYPE, DESCRIBE	PERFORATION TYPE (T): BLANK OR NONE	WIRE WRAP	SHUTTER SCREEN	MILLS KNIFE	SLOTTED	IF OTHER TYPE, DESCRIBE	GROUTING MATERIAL
	125			125												
0	~~400~~	~~25~~ 20	0	~~400~~	16	X*				X						Cement
125 ~~400~~	2210	15	+1	~~1880~~ 400	10	X				X						neat cement
			~~1880~~	~~2180~~	~~10~~	~~X~~						~~X~~				
Changes per			~~2180~~	~~2200~~	~~10~~	~~X~~				~~X~~						
letter from			400	1880	10	X				X					1510-1550	cement/ Bentonite
phil Paski			1880	2180	10	X						X				
ATS 4/26/04			2180	2200	10	X				X						

* ADWR well construction standards require a surface seal consisting of a minimum of 20 feet of steel casing. Cement grout must be used to fill the annular space between the surface casing and the borehole. (A.A.C. R12-15-811(B))

RECEIVED
APR 16 2004
WATER MGT

The Department's issuance of an authorization to drill a well is not a determination of whether water withdrawn from the well is legally surface water or groundwater. The legal nature of the water withdrawn from the well may be the subject of court action in the future as part of a determination of surface water rights in your area. If there are court proceedings that could affect your well, you will be notified and be given the opportunity to participate. If you have questions regarding the legal nature of the water to be withdrawn from your proposed well, please consult with an experienced civil engineer, hydrologist or water rights attorney.

For the purposes of determining appropriate fees outside AMAs or INAs, "domestic purposes" is defined as "uses related to the supply, service and activities of households and private residences and includes the application of water to less than 2 acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock, range livestock or poultry, as such terms are defined in A.R.S. § 3-1201."

I state that this notice is filed in compliance with A.R.S. § 45-596 and is complete and correct to the best of my knowledge and belief.

TYPE OR PRINT NAME AND TITLE: Mr. Lonnie McCleve

SIGNATURE OF WELL OWNER: [signature] — DATE: 4-16-04

SIGNATURE OF LANDOWNER, IF APPLICABLE (SEE INSTRUCTIONS) — DATE:

Notice of Intent to Drill, Deepen, Replace or Modify a Well

WELL REGISTRATION NUMBER
55- 203241

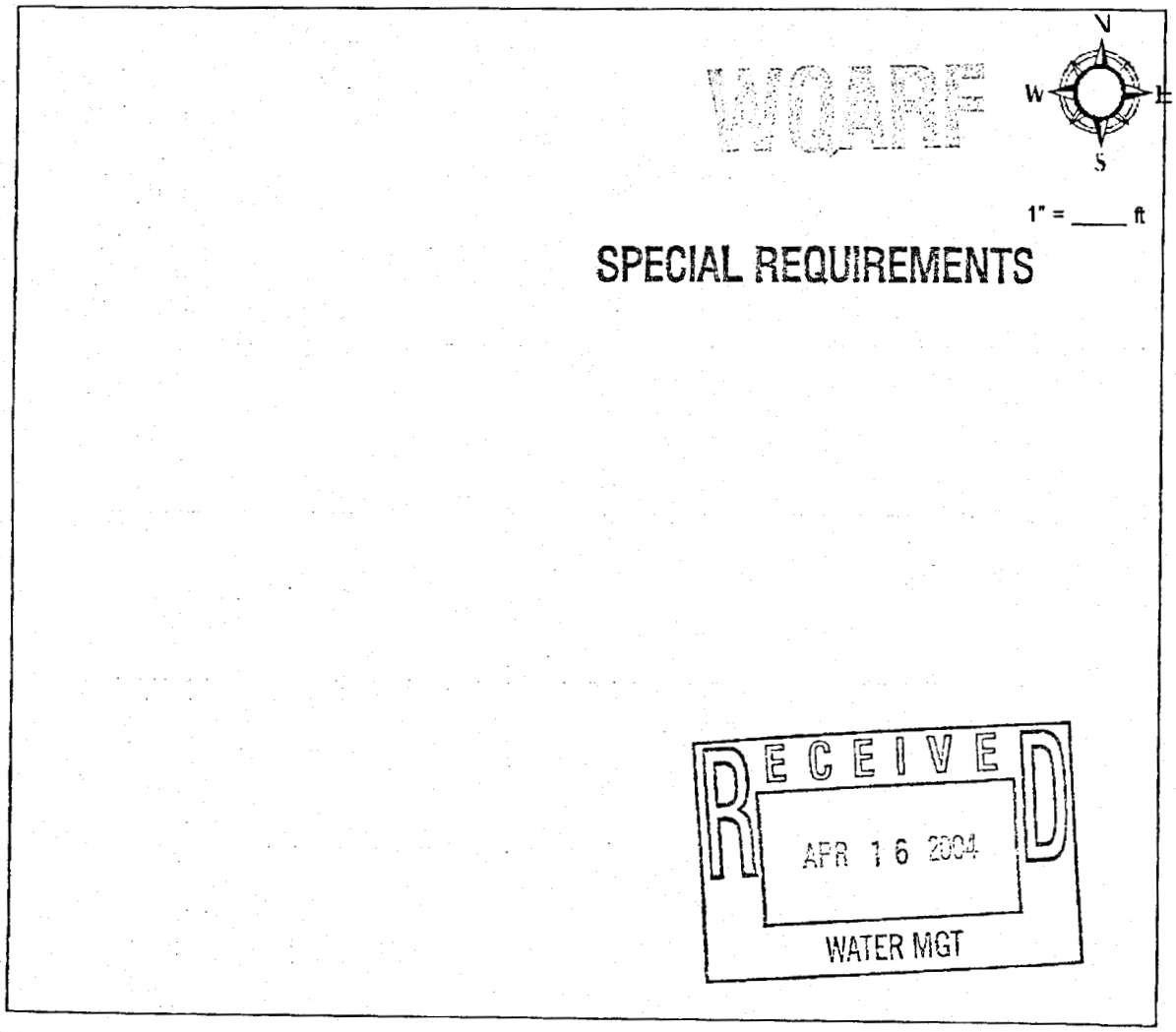
CHECK ONE: ☒ FILING MANUALLY
☐ FILING ELECTRONICALLY*

*COUNTY OR LOCAL HEALTH AUTHORITY APPROVAL CODE	COUNTY APPROVAL CODE
If applicant is filing this NOI electronically via the ADWR website and County approval is required, please indicate approval by providing a County Approval Code.	

WELL SITE PLAN

NAME OF WELL OWNER	COUNTY ASSESSOR'S PARCEL ID NUMBER		
	BOOK	MAP	PARCEL
Greenfield Land Development	203	47	003A

- If this well will be a domestic well on 5 acres or less, please draw the following: (1) the boundaries of your property; (2) the proposed well location; (3) the locations of all septic tank systems and sewer systems on the property or within 100 feet of the well location, even if on neighboring properties; and (4) any permanent structures on the property that may aid in locating the well. If the parcel is vacant land or lacks a septic tank or sewer system, please indicate this.
- Indicate the distance between the proposed well location and any septic tank system or sewer system.



COUNTY OR LOCAL AUTHORITY NAME AND TITLE		*Official County or Local Seal or Stamp*
COUNTY OR LOCAL AUTHORITY SIGNATURE		
TELEPHONE NUMBER	DATE	

HSI HydroSystems, Inc.
1220 S. Park Lane, Suite 5 Tempe, AZ 85281
Telephone: 480-517-9050 Fax: 480-517-9049

Principals
Gary G. Small
Roxanne Small

Business Manager
Peggy Olsen

Team HSI
Sheila Ehlers
Katherine Geiger
Tomas Goode
Denise Grimes
Isaac McCowan
Miles McGinnis
Marla Mikaelian
Phil Paski

April 26, 2004

RECEIVED
APR 29 2004
WATER QUALITY SECTION

faxed 4/26/04 - ATS

Andrew Scott
Arizona Department of Water Resources
Hydrology Division
P.O. Box 458
Phoenix, Arizona 85001-0458

Subject: Amendment to Notice of Intent for Greenfield Land Development A(22-5)36ccc

Dear Andrew:

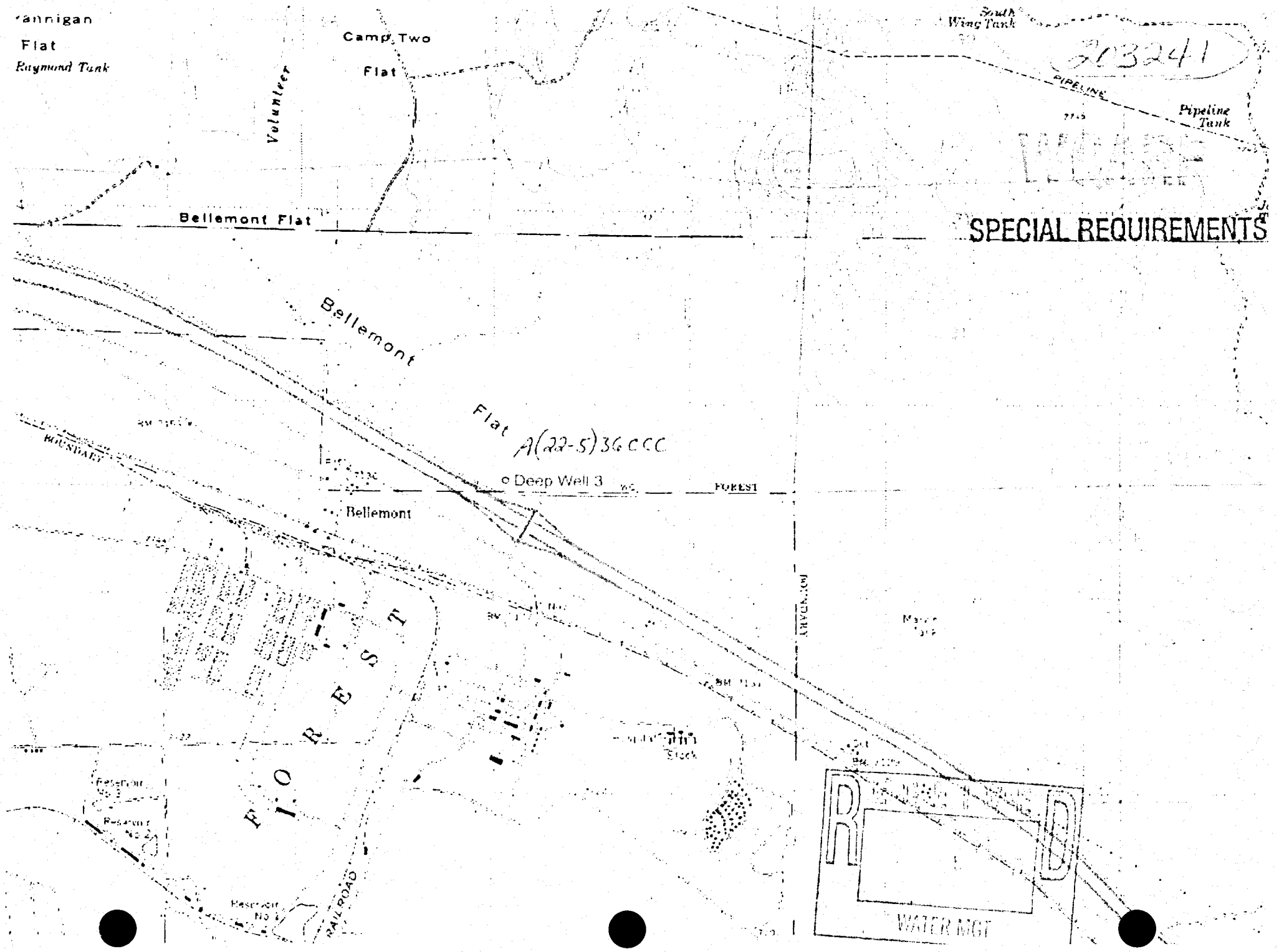
Attached you will find an Amended Conceptual Well Design Bellemont Deep Well 3 for Greenfield Land Development. Based on our telephone conversation this morning, HydroSystems, Inc. (HSI) is revising the length of the 16-inch conductor casing from 400 feet to 125 feet. A neat cement grout seal will be placed in the annular distance between the 20-inch borehole and 16-inch casing from 125 feet up to the ground surface. The 10-inch casing (extending from the surface to the bottom of the well) will have a neat cement seal placed in the annular distance between the 15-inch borehole and 10-inch casing from 400 feet up to 125 feet, and neat cement seal will continue from 125 feet in the 16-inch casing to the ground surface. The total neat cement seal is 400 feet.

For your convenience, I have included copies from to wells drilled for Greenfield Land Development. The log labeled as Bell-2 is approximately 350 feet east the proposed location of the subject well. If you have any questions please contact either myself or Sheila Ehlers at 480-517-9050.

Sincerely,

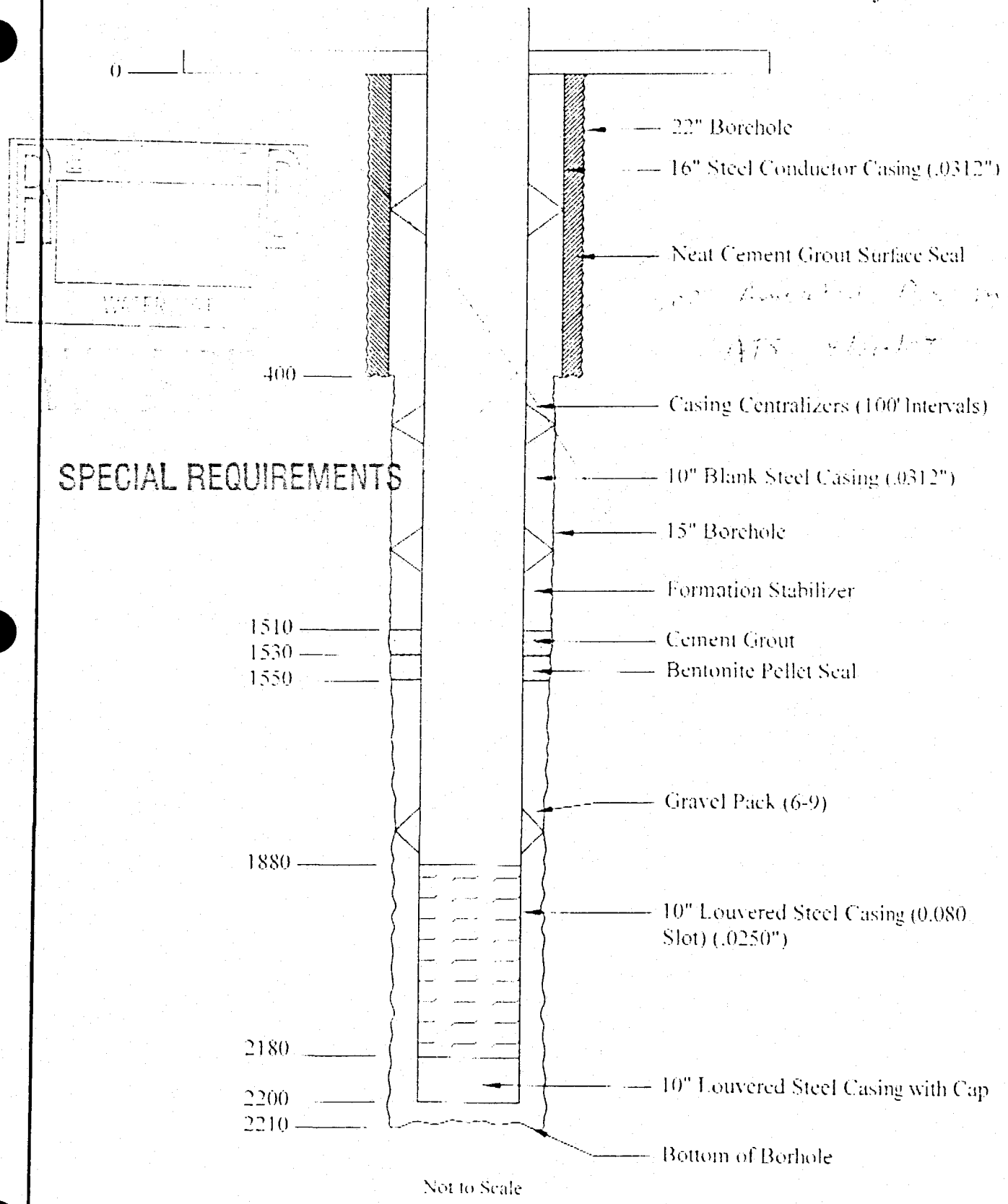
Phillip M. Paski, CGWP

Attachment



SPECIAL REQUIREMENTS

403241

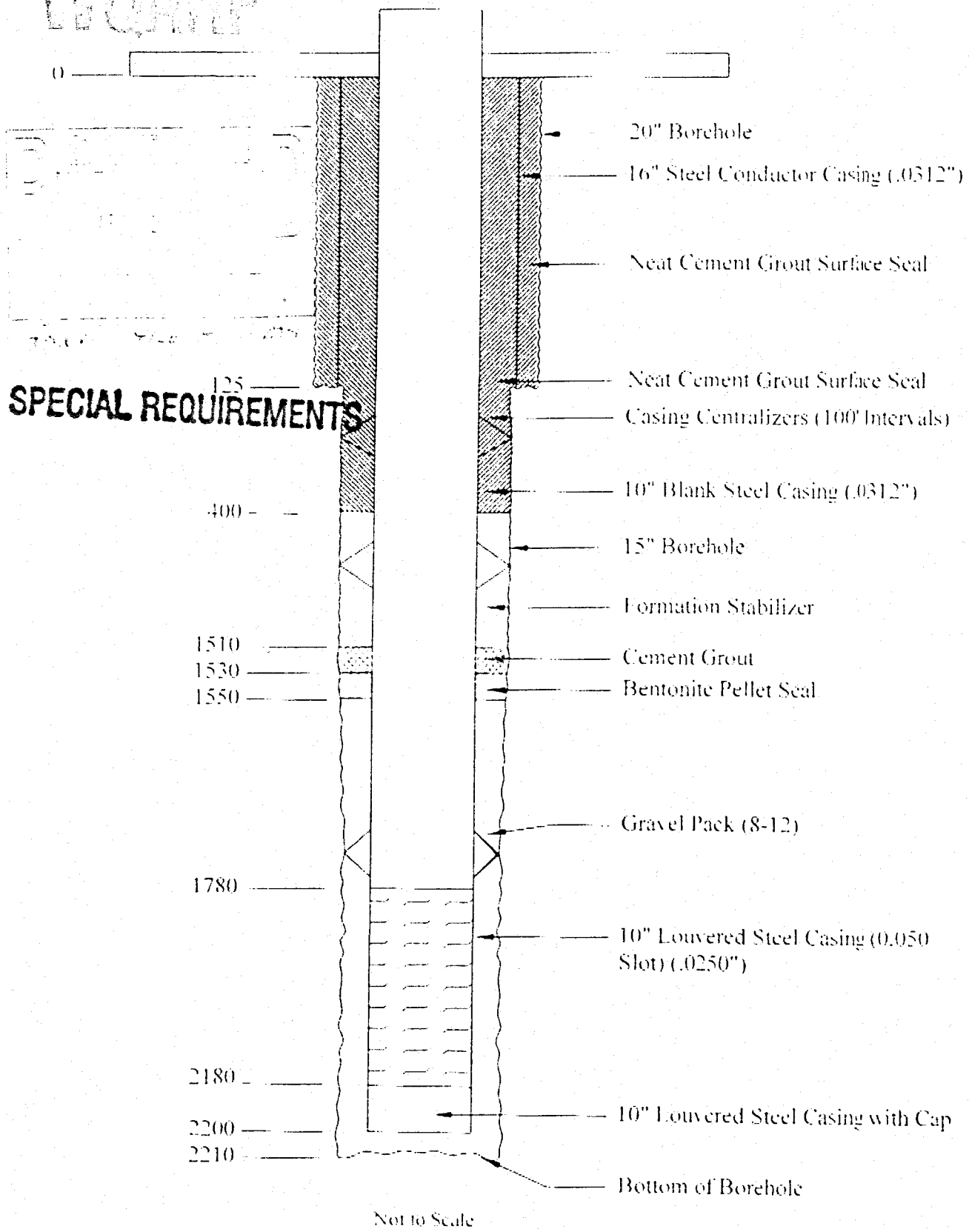


HydroSystems Inc.
GARY G. SMALL M.S., P.G., C.E.I
1220 S. PARK LANE, SUITE 5 TEMPE, AZ 85281
TELEPHONE: 480-517-9050 FAX: 480-517-9049

Conceptual Well Design
Bellemont Deep Well 3

Date: 01/04

File Path: S:\04-369 Figures\Well Design.dwg



WQARF
SPECIAL REQUIREMENTS

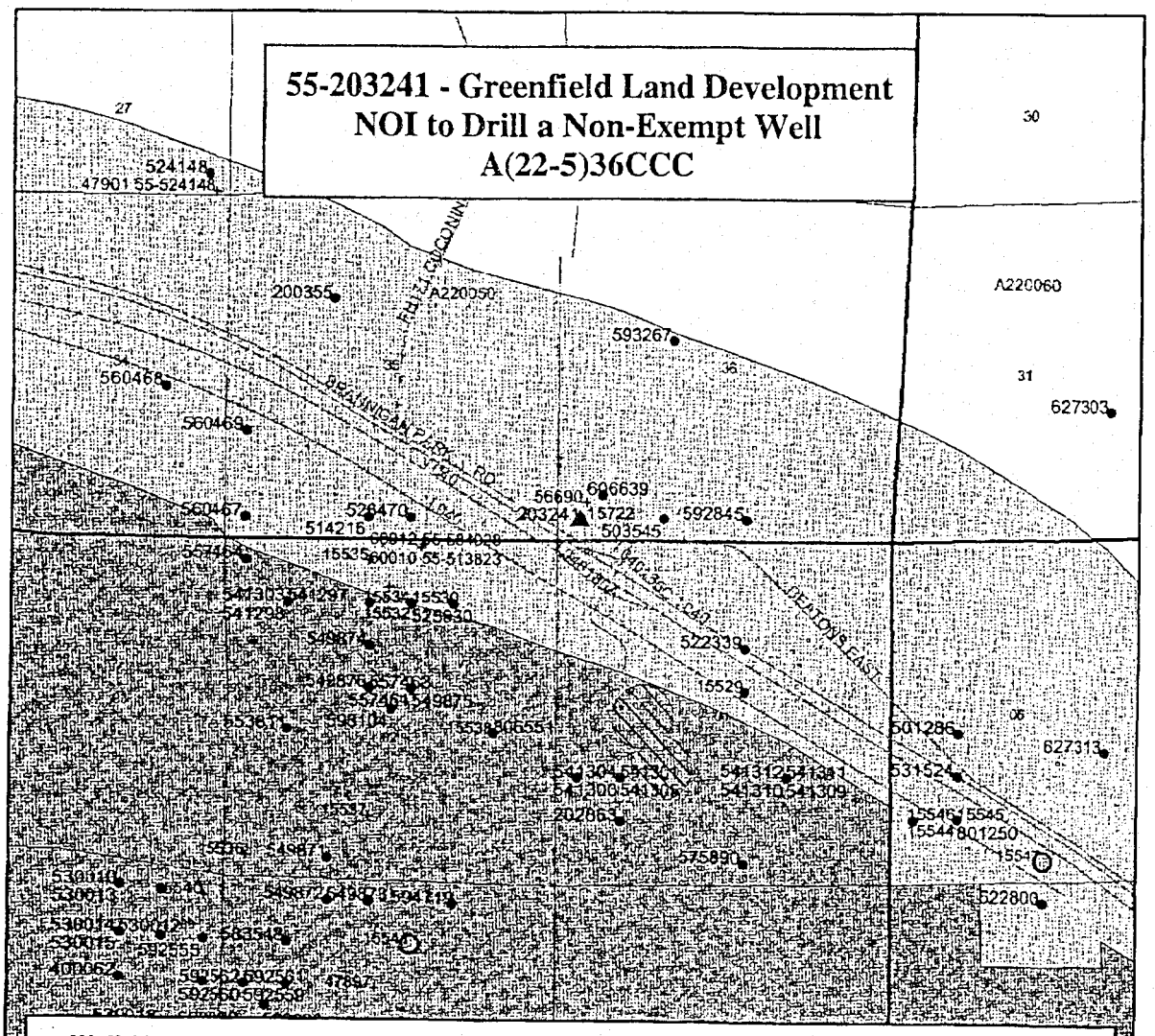
Figure 2
Amended Conceptual Well Design
Bellemont Deep Well 3

HSI HydroSystems Inc.
GARY G. SMALL M.S., P.G., C.E.I.
1220 S. PARK LANE, SUITE 5 TEMPE, AZ. 85281
TELEPHONE 480-517-9050 FAX: 480-517-9049

Date: 04-04

File Path: s:\04-369 Figures Fig2.Dwg

55-203241 - Greenfield Land Development
NOI to Drill a Non-Exempt Well
A(22-5)36CCC



Well Site Features

- Well Location
- 1 Mile Well Site Buffer

ADEQ Wells

- HBGL Exceedence
- Secondary MCL Exceedence
- MCL Exceedence
- No Exceedence

Well Numbers

23051	ADEQ
55-623229	ADWR

ADWR Well Registry

- 599500

Geographic Features

- Streets
- Sections
- Townships
- D100100 Township/Range Label
- 07 Section Label

Registry Sites

- 1 Mile Buffer
- Registry Site Boundary

Other Water Quality Sites

- LUST Buffer
- RCRA Buffer

N

0 0.3 0.6 Miles

4/26/2004

ARIZONA DEPARTMENT OF WATER RESOURCES

Information provided is preliminary and subject to revision. It may not represent the full extent of known water quality concerns.

☐ 55Update

Review Sheet for Notices of Intention (NOI) to Drill or Abandon Wells (Updated 07/24/2003)

Well Owner Name Greenfield Land Development Date 4/20/04
Well Location A(22-5)36CCC Well Registration Number: 55-203241

☐ Permission has been granted to drill, deepen, replace, modify or abandon the well indicated on the attached NOI.

☒ Permission has been granted to drill or abandon the well indicated on the attached NOI.
However, special well construction or abandonment requirements may apply since the proposed well is located near or within the boundary of a groundwater contamination site. See attached special requirements or visit the ADWR "WQARF" homepage on the ADWR website at http://www.water.az.gov/ for further information on "Special well drilling requirements for wells located within areas of groundwater contamination". Please be aware that groundwater produced from the proposed well may not meet applicable federal, state, county or local water quality standards.
The checked special well drilling requirements apply to the indicated well (see attachments):
✓ Standard Special Requirements (applies to contamination areas not covered by site-specific requirements)
____ Pinal Creek Special Requirements
____ Yuma Marine Corps Air Station Special Requirements
____ Well Abandonment Handbook (see Standard Method or Alternatives 2 or 3)

☐ Permission has not been granted to drill or abandon the well indicated on the attached NOI for the following reasons(s):

☐ Insufficient filing fee submitted*. Your check for $____ is being returned to you. You must resubmit this review sheet, the attached NOI form (with any changes indicated below) and a check for the appropriate fee, which is $_____.

*NOI filing fees were increased on May 7, 2003. The appropriate filing fee for a well located within an AMA or INA is $150. For a well not located within an AMA or INA, the fee is $50 if the well will be used solely for domestic purposes and will have a pump with a maximum capacity of not more than 35 gallons per minute. Otherwise the fee is $150.

☐ County or local health official endorsement and approval is required but was not provided.

☐ Insufficient information to determine if well meets 100-foot setback requirement. Well owner must sign and return the attached certification form if well meets 100-foot minimum set-back requirement.

☐ Incomplete or incorrect well location information.

☐ Incomplete or incorrect well owner information.

WQARF

☐ Land owner permission to drill letter is required.

☐ Proposed well is located within 100 feet of a septic system, sewer disposal area, landfill, hazardous waste materials or petroleum storage area or tank.

☐ Well driller information incomplete.

SPECIAL REQUIREMENTS

☐ Well driller is not currently licensed with ADWR and/or the Registrar of Contractors.

☐ Well construction information is incomplete, you must include design pump capacity (if applicable), well depth, well diameter and type of casing (if applicable).

☐ Well abandonment information is incomplete, you must include information on proposed well abandonment design (see ADWR Well Abandonment Handbook)

☐ Well owner or landowner information and/or signature incomplete or incorrect.

☐ Variance request has not been granted. Explanation:_____

☐ Other_____

If permission to drill or abandon the specified well has not been granted, please correct all indicated errors and/or deficiencies and resubmit the corrected NOI form, this review sheet, and any attachments (if applicable) to ADWR. Unless stated above, no additional fees are required to resubmit this NOI. Be sure to submit all necessary information with your corrected NOI. The original NOI file will not be reviewed when ADWR reviews your corrected NOI. You must resubmit all the required information within 60 days, or you will need to file a new NOI with a new fee. Note: If you do not have the necessary information or need help, please contact your driller/consultant.

Mail resubmittals to: ADWR NOI-Resubmittals
PO Box 458
Phoenix Arizona 85001-0458

Appendix F

Data Collected During the 48-Hour Aquifer Test at Well Bell-3

Date	Time	Elapsed Time min	Depth to Water	Drawdown	Specific Capacity	Totalizer	Flow GPM	Flow Between Meas GPM	Timed Flow	Notes
06/28/04	1200	0	1597.12	0.00	0.000	30300	0.0		0	Start 48-hour aquifer test, pump Hertz set at 49.0.
	1201	1	1622.00	24.88						
	1202	2	1663.50	66.38						
	1203	3	1690.00	92.88						
	1208	8	1778.00	180.88						
	1209	9	1789.50	192.38						
	1210	10	1798.00	200.88						
	1211	11	1812.00	214.88						
	1212	12	1821.00	223.88						
	1213	13	1832.00	234.88						
	1214	14	1842.00	244.88						
	1215	15	1850.00	252.88						
	1220	20	1890.00	292.88						
	1225	25	1919.00	321.88						
	1230	30	1944.00	346.88						1230: static water level (swl) in well A is 115.20.
	1240	40	1989.00	391.88						
	1250	50	2003.00	405.88						
	1300	60	2019.80	422.68	0.173	34700	73.3	73.3	73	1305: check flow in 50 gal drum at 44 sec = 68 gpm.
	1315	75	2040.30	443.18	0.171	36000	76.0		74	1308: increase pump Hertz to 49.5.
	1330	90	2057.50	460.38						1323: swl in well A is 115.10.
	1345	105	2067.00	469.88						1340: drum check at 41 sec = 73 gpm.
	1400	120	2073.00	475.88	0.152	39000	72.5	71.7		1404: increase pump Hertz to 50.
	1415	135	2085.60	488.48						1425: drum check at 42 sec = 71 gpm.
	1430	150	2094.00	496.88						
	1500	180	2102.80	505.68	0.144	43400	72.8	73.3	74	1510: swl in well A is 114.90.
	1530	210	2107.00	509.88	0.143	45600	72.9	73.3	74	1533: drum check at 41 sec = 73 gpm.
	1600	240	2109.80	512.68	0.142	47800	72.9	73.3	74	1610: drum check at 42 sec = 71 gpm.
	1630	270	2112.50	515.38	0.142	50000	73.0	73.3	74	
	1700	300	2113.50	516.38	0.141	52100	72.7	70.0	74	1710: swl in well A is 114.90.
	1730	330	2114.50	517.38	0.141	54300	72.7	73.3	73	
	1800	360	2115.50	518.38	0.140	56400	72.5	70.0	73	
	1830	390	2117.00	519.88	0.140	58700	72.8	76.7	74	
	1900	420	2117.95	520.83	0.139	60800	72.6	70.0	74	
	1930	450	2118.55	521.43	0.139	63000	72.7	73.3	74	1935: swl in well A is 114.90.
	2000	480	2119.30	522.18	0.139	65200	72.7	73.3	74	

Data Collected During the 48-Hour Aquifer Test at Well Bell-3

Date	Time	Elapsed Time min	Depth to Water	Drawdown	Specific Capacity	Totalizer	Flow GPM	Flow Between Meas GPM	Timed Flow	Notes
	2030	510	2119.85	522.73	0.139	67300	72.5	70.0	73	
	2100	540	2120.40	523.28	0.139	69500	72.6	73.3	74	
	2130	570	2121.00	523.88	0.139	71700	72.6	73.3	73	
	2200	600	2121.30	524.18	0.139	73900	72.7	73.3	74	
	2230	630	2122.00	524.88	0.138	76000	72.5	70.0	74	
	2300	660	2122.70	525.58	0.138	78100	72.4	70.0	74	
	2330	690	2123.20	526.08	0.138	80400	72.6	76.7	74	
06/29/04	0000	720	2123.60	526.48	0.138	82500	72.5	70.0	74	
	0030	750	2124.20	527.08	0.137	84600	72.4	70.0	72	
	0100	780	2124.70	527.58	0.137	86800	72.4	73.3	73	
	0130	810	2125.10	527.98	0.137	89000	72.5	73.3	73	
	0200	840	2125.50	528.38	0.137	91100	72.4	70.0	74	
	0230	870	2125.90	528.78	0.137	93300	72.4	73.3	74	
	0300	900	2126.20	529.08	0.137	95500	72.4	73.3	74	
	0330	930	2126.50	529.38	0.137	97700	72.5	73.3	73	
	0400	960	2126.80	529.68	0.137	99800	72.4	70.0	74	
	0430	990	2127.10	529.98	0.137	102000	72.4	73.3	73	
	0500	1020	2127.50	530.38	0.136	104100	72.4	70.0	74	
	0530	1050	2127.80	530.68	0.136	106300	72.4	73.3	74	
	0600	1080	2128.10	530.98	0.136	108500	72.4	73.3	73	
	0630	1110	2128.20	531.08	0.136	110700	72.4	73.3	74	
	0700	1140	2128.60	531.48	0.136	112800	72.4	70.0	73	
	0730	1170	2128.60	531.48	0.136	115000	72.4	73.3	74	
	0800	1200	2128.60	531.48	0.136	117100	72.3	70.0	74	
	0830	1230	2128.60	531.48	0.136	119300	72.4	73.3	73	
	0900	1260	2129.00	531.88	0.136	121400	72.3	70.0	73	
	0930	1290	2129.00	531.88	0.136	123600	72.3	73.3	73	
	1000	1320	2129.30	532.18	0.136	125800	72.3	73.3	73	
	1030	1350	2129.40	532.28	0.136	127900	72.3	70.0	73	
	1100	1380	2129.50	532.38	0.136	130100	72.3	73.3	73	
	1130	1410	2129.60	532.48	0.136	132300	72.3	73.3	73	1140: swl in well A is 115.05.
	1200	1440	2129.70	532.58	0.136	134400	72.3	70.0	73	
	1330	1530	2129.90	532.78	0.136	140900	72.3	72.2	74	
	1400	1560	2130.00	532.88	0.136	143100	72.3	73.3	74	
	1430	1590	2130.10	532.98	0.136	145300	72.3	73.3	73	1435: swl in well A is 114.70.

Data Collected During the 48-Hour Aquifer Test at Well Bell-3

Date	Time	Elapsed Time min	Depth to Water	Drawdown	Specific Capacity	Totalizer	Flow GPM	Flow Between Meas GPM	Timed Flow	Notes
	1500	1620	2130.30	533.18	0.136	147400	72.3	73.3	73	
	1530	1650	2130.30	533.18	0.136	149600	72.3	70.0	73	
	1600	1680	2130.40	533.28	0.136	151700	72.3	73.3	73	
	1630	1710	2130.40	533.28	0.136	154000	72.3	70.0	73	
	1730	1770	2130.40	533.28	0.136	158200	72.3	76.7	73	1756: swl in well A is 114.70.
	1800	1800	2130.40	533.28	0.135	160300	72.2	70.0	73	
	1830	1830	2130.40	533.28	0.135	162500	72.2	70.0	73	
	1900	1860	2130.40	533.28	0.135	164700	72.3	73.3	73	
	2000	1920	2130.50	533.38	0.135	169000	72.2	73.3	73	
	2030	1950	2130.80	533.68	0.135	171100	72.2	70.0	73	
	2100	1980	2130.60	533.48	0.135	173400	72.3	76.7	73	
	2130	2010	2130.60	533.48	0.135	175500	72.2	70.0	73	
	2200	2040	2130.90	533.78	0.135	177700	72.3	73.3	73	
	2230	2070	2131.30	534.18	0.135	179800	72.2	70.0	73	
	2300	2100	2131.30	534.18	0.135	182000	72.2	73.3	73	
	2330	2130	2131.30	534.18	0.135	184200	72.3	73.3	73	
06/30/04	0000	2160	2131.30	534.18	0.135	186400	72.3	73.3	73	
	0030	2190	2131.50	534.38	0.135	188500	72.2	70.0	73	
	0100	2220	2131.70	534.58	0.135	190700	72.3	73.3	73	
	0130	2250	2131.80	534.68	0.135	192800	72.2	70.0	73	
	0200	2280	2131.90	534.78	0.135	195000	72.2	73.3	73	
	0230	2310	2132.00	534.88	0.135	197100	72.2	70.0	73	0235: swl in well A is 115.05.
	0300	2340	2132.10	534.98	0.135	199300	72.2	73.3	73	
	0330	2370	2132.10	534.98	0.135	201500	72.2	73.3	73	
	0400	2400	2131.30	534.18	0.135	203600	72.2	70.0	73	
	0430	2430	2132.30	535.18	0.135	205800	72.2	73.3	73	
	0500	2460	2132.50	535.38	0.135	208000	72.2	73.3	73	
	0530	2490	2132.50	535.38	0.135	210200	72.2	73.3	72	
	0600	2520	2132.70	535.58	0.135	212300	72.2	70.0	73	
	0630	2550	2132.80	535.68	0.135	214400	72.2	70.0	72	
	0700	2580	2133.00	535.88	0.135	216600	72.2	73.3	73	
	0730	2610	2133.00	535.88	0.135	218800	72.2	73.3	73	
	0800	2640	2133.10	535.98	0.135	221000	72.2	73.3	73	
	0830	2670	2133.20	536.08	0.135	223100	72.2	70.0	73	
	0900	2700	2133.30	536.18	0.135	225200	72.2	70.0	73	

Data Collected During the 48-Hour Aquifer Test at Well Bell-3

Date	Time	Elapsed Time min	Depth to Water	Drawdown	Specific Capacity	Totalizer	Flow GPM	Flow Between Meas GPM	Timed Flow	Notes
	0930	2730	2133.50	536.38	0.135	227400	72.2	73.3	73	
	1030	2790	2133.50	536.38	0.135	231700	72.2	71.7	73	1055: swl in well A is 115.05.
	1100	2820	2133.50	536.38	0.135	233900	72.2	73.3	73	
	1130	2850	2133.60	536.48	0.135	236000	72.2	70.0	73	
	1200	2880	2133.60	536.48	0.135	238200	72.2	73.3	73	End 48-hour aquifer test

Property Well Site Evaluation

and

Surface Geophysical Survey

Prepared for:

Greenfield Land Development
721 East San Pedro
Gilbert, Arizona 85234

Prepared by:

HydroSystems, Inc.
1220 S. Park Lane, Suite 5
Tempe, AZ 85281
P: 480-517-9050 F: 480-517-9049
e-mail: info@hydrosystems-inc.com

April 8, 2004

HydroSystems Inc.
1220 S. Park Lane, Suite 5 Tempe, AZ 85281
Telephone: 480-517-9050 Fax: 480-517-9049

Principals
Gary G. Small
Roxanne Small

Business Manager
Peggy Olsen

Team HSI
Sheila Ehlers
Katherine Geiger
Tomas Goode
Denise Grimes
Isaac McCowan
Miles McGinnis
Marla Mikaelian
Phil Paski

April 8, 2004

Mr. Lonnie McCleve
Greenfield Land Development
721 East San Pedro
Gilbert, Arizona 85234

Subject: Bellemont Property Well Site Evaluation and Surface Geophysical Survey

Dear Lonnie:

The Greenfield Land Development retained the services of the S3 Team, under the coordination efforts of Dennis Sundie, to perform a well site evaluation at the Bellemont Truck Stop facility referenced herein as the Bellemont property. HydroSystems, Inc. and Zonge Engineering & Research Organization, Inc. are please to transmit the results of the well site evaluation and surface geophysical services according to: 1) *Professional Services Agreement – Water Supply Evaluation Bellemont Area Scope of Services (January 12, 2004) and 2) Amendment No. 2 to Professional Services Agreement (February 16, 2004)*. This letter serves as the final report for completion of the contract services. Attached with this letter you will find supporting information from which the well siting conclusions have been made. For your review convenience, this letter is arranged in an executive summary format. Figures referenced throughout the letter text are included at the end of the document.

Purpose of Project

The Bellemont property is approximately 10 miles west of Flagstaff in the community of Bellemont, Arizona located in the southwest corner of Township 22 North, Range 5 East, of Section 36 *(Figure 1)*. Access to the property is from Exit 185, north of Interstate 40 (I-40). Over the years water needs for the Bellemont property have been supplied from three shallow wells. As the owners continued development of the property, two additional deep wells were constructed to meet the increased water demand. Completion of the deep wells, however, did not meet the expected water needs of the development due to their low groundwater yield. The current water delivery is estimated at 70 gallons per minute (GPM). The planned development requires an additional 130 gpm. Although surface fracture trace methods were used to locate the two deep wells on the property, apparently the wells did not gain access to the fracture system at depth. The purpose of the current project included using the controlled source audio-frequency magnetotelluric (CSAMT) surface geophysical survey method to determine the subsurface geologic structure beneath the Bellemont property. Available surface geologic mapping indicates that a structure identified as the Bellemont fault is concealed at the surface, but extends in a northeasterly direction under the subject property (Thorestenson and Beard, 1997; Wilkinson, 2000). Depending on the fractured characteristics of the faulted rock, the Bellemont fault offers the potential for groundwater production. A recently completed well for Camp Navajo reportedly has developed groundwater from this same structure.

Scope of Services

The contracted services for this project are between Greenfield Land Development and HydroSystems, Inc (HSI) with Zonge Engineering & Research Organization (Zonge) as a sub-contractor to HSI. For this project, HSI's responsibilities included: project coordination, communication, and administration; background data acquisition; access and right-of-way permits, assistance with initial field crew mobilization; data evaluation; and well site recommendations based on the hydrogeology of the area. Zonge's responsibilities consisted of: conducting the CSAMT survey; geophysical data interpretation; preparation of maps and cross-sections; and identification of subsurface structural features used for developing well site recommendations. HSI and Zonge conducted field activities and data analysis for the property in January and March 2004.

Hydrogeologic Setting

Prior to commencing field services for the surface geophysical survey, HSI accessed available hydrogeologic information from the Arizona Department of Water Resources (ADWR), Northern Arizona University (NAU), U.S. Geological Survey (USGS) and local well drillers. Information from published reports, unpublished well records, and personal communication helped HSI and Zonge to develop an understanding of the subsurface conditions to conduct the field work and assist with interpreting the data relative to developing groundwater resources from fractured rock in this part of northern Arizona. Prior to discussing the field activities and subsequent well siting results, a brief description of the regional and local hydrogeologic conditions is necessary.

Regional Geology

The Bellemont property is located near the southern extent of the Colorado Plateau physiographic province in northern Arizona. The San Francisco volcanic field lays northeast of Bellemont. Several cinder cones are easily recognized surrounding the area. A thick sequence of predominantly Paleozoic sedimentary rocks underlays this area with a relatively thin cover of Cenozoic volcanic rocks and alluvium on the ground surface (Thorstenson and Beard, 1997). Local well logs record the main components of the stratigraphic units, from top to bottom, as: alluvium, volcanic rock, Kaibab Formation, Toroweap Formation, Coconino Sandstone, Schnebly Hill Formation, and Supai Formation. The Red Wall Limestone underlays the Supai Formation, but it is not considered as a target unit for developing groundwater at this time. According to surface mapping performed by Thorstenson and Beard (1997) and Ulrich, et al. (1984), faults have been located and mapped in the area. These faults are significant structural features for developing groundwater from fractured areas of the underlaying sedimentary units.

Local Hydrogeologic Conditions

Surface mapping in close proximity to the Bellemont property indicates that tertiary basalt is exposed on the ground surface. A regional scale (1:250,000) map prepared by Ulrich, (1984) identified a fault that crosses I-40 east of the interchange trending in a northeasterly direction. Subsequent surface mapping prepared at a larger scale (1:50,000) by Thorstenson and Beard (1997) identified the same structure as the Ulrich (1984) map, where the position of the fault is shown in greater detail. According to this mapping, the fault is exposed at the surface south of I-40. Apparently the fault is concealed under the Bellemont property, but

extends in a northeasterly direction towards Wing Mountain where it is exposed at the ground surface at some places. In a thesis prepared by Wilkenson (2000) this fault is identified as the Bellemont fault. This fault is a significant structure as related to the potential for developing groundwater resources from fractured rock. The location of the Belemont fault is shown on *Figure 1*.

Five wells drilled on the Bellemont property receive groundwater from a shallow aquifer referenced as the Wild Bill Hill aquifer (Wilkinson, 2000). The primary source of groundwater within this system is localized recharge to the Wild Bill Hill basalt. The Wild Bill Hill is a perched aquifer of limited aerial extent. Groundwater is estimated to recharge this system from Bellemont Flat (north of the property) and to the west from the Eastern Plateau. Well logs indicate that this aquifer is bowl-shaped and the Camp Navajo clay acts as the lower confining layer. Groundwater discharge from the aquifer occurs from water production wells, spring flow, and leakage from the aquifer. Pumping of groundwater from this limited aquifer has been observed to cause interference between well sites. In 1996 it was reported that a well on the Bellemont property had a one horsepower pump motor replaced with a five horsepower pump motor. This increased the production rate of the well from 14 to 34 gpm which resulted in impacts to wells operated by the Bellemont Water Company (BWC) by lowering water production rates (Wilkinson, 2000). The BWC wells are estimated at a distance of between 1,500 and 2,500 feet from the Bellemont property shallow wells. Most of the BWC wells pump groundwater from the Wild Bill Hill aquifer. In a newspaper article that appeared in the Arizona Daily Sun (Tucker, 2002), the BWC had to temporarily stop selling water from its standpipes due to the prolonged drought conditions experienced in the state over the last several years. Because of impacts like this, it is evident that the Wild Bill Hill aquifer represents a very limited water resource. Increased development in the area will only exacerbate impacts to the Wild Bill Hill aquifer.

According to available records, a total of seven wells have been drilled on the Bellemont property. The locations of the wells are shown on *Figure 2*. Five of the wells are shallow, accessing groundwater from the Wild Bill Hill aquifer. Water production from wells A, B, C, and D are estimated at 7 gpm, 12, gpm, 10, and 5 gpm, respectively (Bill Myers, 2004). Well E has recently been completed and the water production rate is unknown at this time. Drillers logs for these wells indicate penetration of clay, gravel, boulders, and volcanic rocks. The depths of the wells range from 65 to 300 feet.

Two deep wells have been drilled on the subject property to access groundwater from the Coconino Sandstone. The well labeled as Bell-1 was completed on April 25, 2003. The log records a total depth of 2,440 feet and a static water level of 1,550 feet below land surface. The USGS log of the well shows that groundwater is found in the Coconino Sandstone. The log also indicates that this well penetrated the upper portion of the Supai Formation at a depth of 1,995 feet. Bell-1 is reported to produce approximately 14 gpm. Well Bell-2 was completed on September 22, 2003 having a total depth of 2,100 feet. The static water level in Bell-2 is 1,542 feet below land surface. The drillers log shows penetration of the upper portion of the Supai Formation near 1,990 feet. Water production from Bell-2 is estimated at 18 gpm.

In April 2003 Beeman Drilling Company successfully completed a deep well for Camp Navajo. The well was drilled to 2,084 feet. The depth to the static water level was recorded at 1,583 feet. Information from the Arizona Army National Guard reported that pump testing of the Camp Navajo well produced 300 gpm. The permanent pump installed in the well was designed to pump 175 gpm and currently discharges 115 gpm (Annis, 2004). The Camp

Navajo well was carefully located to obtain groundwater from the Bellemont fault in the Coconino Sandstone. The Bellemont fault is exposed at the surface on portions of Camp Navajo. The Bellemont fault strikes northeasterly towards the subject property, but it is not exposed at the land surface. The location of the fault is shown on *Figure 1*. Because of the success of the recently completed Camp Navajo well, the owners of the Bellemont property requested assistance from the USGS to locate the next deep well on the subject property. The USGS provided guidance, but the well (Bell-2) did not encounter the Bellemont fault. The owners of the Bellemont property contacted the City of Flagstaff to discuss the possible application of a CSAMT surface geophysical survey for locating deep wells under fracture conditions. HSI and Zonge completed a well siting study for the City of Flagstaff in July 2003, which led to the drilling and testing of the Rio Well site for the City.

CSAMT Surface Geophysical Survey

The CSAMT method is a frequency-based, electromagnetic sounding technique that uses a remote synchronous signal source. The electromagnetic signal is generated by a large, grounded dipole using frequencies in the range of less than 1 hertz (Hz) up to about 8,000 Hz. (A dipole is a pair of electrodes connected by insulated conducting wire, which is used to either generate or detect an electrical voltage.) Measurements of the components of the electric and magnetic field (E and M, respectively), made along linear arrays of stations, are used to calculate the resistivity structure of the earth. The depth of investigation for CSAMT depends on frequency and on subsurface resistivity. In general, lower frequencies and higher ground resistivity allow a greater depth of investigation. Calculated resistivity values from CSAMT data relate to electrical/magnetic properties of the geology. Primary factors affecting resistivities include rock or sediment porosity, pore fluids, and the presence of certain mineral assemblages. For hydrological investigations, CSAMT data can provide critical information about geologic structure, lithology, water table depth and trends, and pore fluid salinity trends.

CSAMT has been used for petroleum and mineral applications for many years. Since the early 1980's CSAMT has gained acceptance for groundwater investigations on a limited basis. In 2001, HSI and Zonge performed a basin-wide CSAMT survey in southern Nevada to locate well sites and estimate the configuration of the groundwater basin. Additional applications of this technology have been successfully used by HSI and Zonge for well siting studies and groundwater investigations for the City of Flagstaff, Town of Payson, Lake Havasu City, and private entities.

Data Acquisition

Data acquisition for the Bellemont property occurred as two separate field mobilization activities. From January 14 through January 16, 2004 Zonge mobilized a four-person geophysical field crew and equipment to conduct the first CSAMT survey. The first survey consisted of five lines of data covering approximately 4,200 line-feet with a station spacing (electric-field dipole length) of 100 feet. HSI assisted with the placement of the individual survey lines and transmitter locations. The two transmitter dipole locations for the survey are shown on *Figure 1*. The transmitter sites provide the electromagnetic (EM) signal source to conduct the survey. Transmitter #1, located approximately 5 miles southeast of the survey area provided the EM source for Lines 4 and 5 and Transmitter #2, installed about 5 miles north of the survey, provided the EM source for Lines 1, 2, and 3 (also lines 6, 7, and 8). On March 15 and 16, 2004, HSI and Zonge conducted a second CSAMT survey on the property consisting

of three lines identified as 6, 7, and 8. These provided an additional 2,100 line-feet of data. The lines for the survey are shown on *Figure 2*.

The CSAMT data were gathered in sets (or 'spreads') of 7 stations each (8 receiver electrodes). At each line spread, the measured data included electric-field dipoles approximately parallel to the transmitting dipole plus the horizontal magnetic field perpendicular to the electric-field dipoles. At each set-up, the transmitter generated a square-wave signal at discrete frequencies from 1 Hz to 8192 Hz in binary increments (i.e., 1, 2, 4, 8, 16, 32 Hz, etc.). At all frequencies, the receiver recorded the received electric field and magnetic field magnitude and phase components, as well as the data at the odd harmonics (3rd, 5th, 7th) of the transmitted frequencies, providing a very large data set for modeling purposes. Passive radio-frequency (RF) filters were used to minimize possible problems in the data due to RF transmissions from the Flagstaff area. Ground locations and elevations were recorded for each station and at the transmitters using a Trimble Pathfinder GPS system. During the field activities, the crew chief sent the data in electronic format to Zonge's Tucson office for processing the next day. This procedure provided a check to measurements collected in the field and allowed a continuous flow of information for evaluating subsurface structural trends or anomalies.

Modeling

Zonge's 2-D smooth-model inversion program, SCS2D, is a robust method for converting the raw CSAMT data (measured resistivity and phase as a function of frequency) to profiles of resistivity versus depth. Cagniard apparent resistivities and impedance-phase data for each station are used to determine the parameters of a layered earth model. Layer thicknesses are fixed by calculating source-field penetration depths for each frequency. Layer resistivities are then adjusted iteratively until the model CSAMT response is as close as possible to the observed data. The algorithm for calculating the CSAMT response of a layered model includes the effects of finite transmitter-receiver separation and a three-dimensional source field. The 2-D inversion program models far-field processes only, and in the case of the Bellemont survey, only frequencies down to 64 Hz were used for 2-D modeling, yielding a maximum effective depth of investigation of about 2,000-2,500 feet. 64 Hz was chosen as the optimum cutoff value on a per line basis, based on analysis of the raw amplitude and phase data.

For comparison purposes, the data were also modeled using Zonge's 1-D inversion program, SCSINV. The 1-D inversion results differ somewhat from the 2-D inversions; however, it is instructive to analyze both sets of models. Unlike the 2-D inversion process, the 1-D inversion process attempts to utilize all measured frequencies (in this case from 8,192 Hz down to 1 Hz). Hence, the 1-D models sometimes do a better job resolving resistivities at depth than 2-D models, if the 2-D models are unable to utilize the lower frequency raw data due to far-field limitations. However, a limitation of 1-D modeling is that the 'best-fit' resistivity vs. depth profile is computed for individual stations only which often leads to a laterally discontinuous, unrealistic subsurface model. The 2-D inversion process computes a smooth, best-fit model that is itself 2-D in nature and utilizes all the data from the model profile line. This usually generates a more geologically reasonable subsurface model. It is important to point out that mathematical inversion, by its nature, generates non-unique solutions, and results must be interpreted with caution. Control data and geologic reasonability must always be considered when interpreting inversion models.

Modeled Data Quality

Data quality is deemed good to excellent for Lines 2 through 5. Evidence includes very good raw data repeatability, low standard errors, and excellent agreement of resistivity model depth sections at the line intersections. On Line 1, noise from unavoidable cultural features, including a powerline, is the suspected cause of poor data quality. The 2-D inversion model is more sensitive to noise in that scatter from station to station degrades the inversion model, hence the loss of resolution at fairly shallow depths on the west part of the Line-1 model. The 1-D model for Line 1 provides a better subsurface representation, in this case.

Data from a total of 3 stations were omitted due to either unacceptable noise levels or mis-wired electrodes. Omitted stations include stations 350 and 650 on Line 3 (mis-wired during data collection), and station 650 on Line 5 (noisy possibly due to high contact resistance). Deleting these stations is not problematic, however, as the modeling procedure, especially 2-D modeling, does a good job of interpolating through small data gaps.

Horizontal resolution of CSAMT data is based on the size of the measured dipoles and is, for this survey, 100 feet. Vertical resolution is, in general, about 5 to 20% of the depth. Due to the goals of this particular survey (deep resolution to 3,000 feet if possible), 2-D models were generated to about 2,800 foot depth. Note, however, that on the 2-D models, resolution is poor below depths of about 2,000 feet. Lack of very deep resolution is due primarily to the limitations imposed by the necessary choice of 64 Hz as the far-field cutoff frequency. The 1-D models do a better job of resolving resistivities in the deep section (2,000-3,000 foot depth range), in this case.

Survey Results

The modeled data are presented as several cross-sections (Figures 3-18). In all the figures, resistivity values are shown in units of ohm-meters, with warm colors (oranges, reds) indicating low resistivity (conductive materials) and cool colors (greens, blues) indicating high resistivity (resistive materials). Each line is discussed below. The data in this narrative represents information from the 1-D inversion models. In some cases, however, the 2-D model inversions are referenced when applicable. The reason for selecting the 1-D model is based mostly on the depth. As mentioned, the 1-D model does a better job of modeling deeper conditions.

Line 1

Line 1 extends west to east and is approximately 700 feet in length (*Figure 3)*. As indicated, one of the deep wells, Bell-2 is located about 20 feet from the east end of Line 1 near station 700. According to the CSAMT data, Bell-2 penetrates moderately high resistive material. This could serve as a possible explanation for the low water productivity of Bell-2. The lithologic log is included as a reference on the *Figure 3*. At station 350 lower resistive values indicate the location of a subsurface structure. This structure is interpreted as part of the Bellemont fault. It is also interesting to note that shallow wells A and B (*Figure 2*) are close to Line 1 near stations 500, and 200, respectively. The lower resistive values most likely indicate the presence of the perched Wild Bill Hill aquifer on the Bellemont property. From the data, this perched aquifer appears to be very limited in depth. The 2-D model of Line 1 (*Figure 4*) could not be used to estimate any characteristics of the perched system due to local cultural interferences as previously discussed.

Line 2

Line 2 extends west to east and is approximately 700 feet in length (*Figure 5)*. Line 2 was intended as an extension of Line 1 during the field survey. Line 2 had to be offset from Line 1 due to powerlines and roadways accessing the subject property. Line 2 does not indicate suitable locations for a well. *Figure 6* shows the 2-D model results.

Line 3

Line 3 extends west to east and is approximately 1,400 feet in length (*Figure 7)*. This line is located on U.S. Forest Service land adjacent to the north boundary of the Bellemont property. Data from Line 3 indicates the presence of a structure which is most likely the Bellemont fault, which was also indicated on Line 1. The fault is positioned between stations 450 and 650. At the noted intersection with Line 4 (top of data plot) the lower resistive values appear to define part of the perched Wild Bill Hill aquifer. *Figure 8* presents the 2-D model with better resolution of the shallow aquifer. Because of the 2-D model limitations, the presence of the Bellemont fault is difficult to differentiate.

Line 4

Line 4 extends south to north and is approximately 700 feet in length (*Figure 9)*. The 1-D model does not indicate the presence of a fault. Well D is located on Line 4 near station 300. This is a shallow well and both the 1-D models and 2-D models (*Figure 10*) show lower resistive values indicative of the perched Wild Bill Hill aquifer.

Line 5

Line 5 extends south to north and is approximately 700 feet in length (*Figure 11)*. According to the 1-D model, this line does not indicate a suitable location for a well. It is interesting to note, however, the position of deep well Bell-1. This well is located approximately 125 feet west of Line 5. The well is close to station 300. As indicated on the 1-D model shown on *Figure 11*, Bell-1 is drilled in moderately high resistive material. This may explain the low water productivity of Bell-1. The 2-D model only alludes to the possible presence of the Wild Bill Hill aquifer in this area (*Figure 12*).

Line 6

Line 6 extends west to east and is approximately 700 feet in length (*Figure 13)*. The 1-D model indicates an area having deep low resistivity values between stations 450 and 550. The position of the Bellemont fault is not as clearly defined from the data collected on Line 6 when compared to the other lines. The steep gradient near station 250 is consistent with the gradient expressed on the other west to east lines cross-sections relative to the subsurface structural change in the area. The 2-D model shows the shallow Wild Bill Hill aquifer in this area (*Figure 14*).

Line 7

Line 7 extends west to east and is approximately 700 feet in length (*Figure 15)*. The 1-D model shows a steep downward gradient from stations 350 to 650 indicating the possible location of the Bellemont fault on Line 7. The center of this structural feature is estimated closer to station 450. The steep gradients are consistent with data collected from the other west

to east cross-section lines. The 1-D and 2-D models show the shallow Wild Bill Hill aquifer in this area on *Figure 15 and Figure 16*, respectively.

Line 8

Line 8 extends west to east and is approximately 700 feet in length (*Figure 17)*. The 1-D model shows steep downward gradients from stations 450 to 650. As indicated, the position of the fault appears to be closer to the east end of the cross-section near station 600. The 1-D and 2-D models show the shallow Wild Bill Hill aquifer in this area (*Figure 18*).

Conclusion

Results from conducting the CSAMT surface geophysical survey on the Bellemont property indicate the presence of the Bellemont fault on Lines 1, 3, 6, 7, and 8. When comparing the 1-D models, Lines 1, 3, and 7 *(Figures 3, 7, and 15)* provide the most consistent representation of this structural feature having steep downward gradients and low resistivity values. The estimated position of the fault is shown on *Figure 2*. The fault trends in a northeasterly direction, in agreement with studies conducted in the area by other researchers. Based upon the CSAMT survey, supported by hydrogeologic information supplied from public and private entities, the proposed site for drilling a deep well should be in close proximity to Line 1 station 350. Data collected from the other CSAMT survey lines add support to this conclusion where resistivity values are observed to decrease from north to south on the Bellemont property. A decrease in resistivity is an indicator that the structural feature may offer the potential for groundwater development.

The data collected from this study needs to be confirmed by drilling and aquifer testing. Although it is believed that the presence of the Bellemont fault has been correctly identified, the groundwater production capability of the host rock cannot be determined at this time. When comparing the data with the two deep wells already drilled on the Bellemont property, it appears that both Bell-1 and Bell-2 encountered higher resistive material at depth with commensurate low groundwater production capabilities.

Recommendations

As a measure to assist with additional groundwater development for the Bellemont property, the following recommendations are offered.

- According to the CSAMT data, the Bellemont fault extends in almost a vertical position under the property. During well construction, the selected driller needs to verify that the drill hole is straight without significant deviation. Based on a 2,200 foot deep borehole, the vertical deviation should not exceed 25 feet off center.
- It is suggested that the drill hole be taken to a depth of 2,200 feet.
- A complete suite of geophysical logs should be performed on the open borehole.
- The services of a technical consultant should be retained to prepare a set of technical specifications and perform oversight services for the drilling and pump testing.

It has been our pleasure to provide the Greenfield Land Development with consulting services for this project. HSI is ready to assist Greenfield Land Development as the technical

consultant for subsequent phases of this project. If you should require additional information or other hydrogeologic services, please feel free to contact us at 480-517-9050.

Sincerely,

Gary G. Small, P.G.

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FIGURES

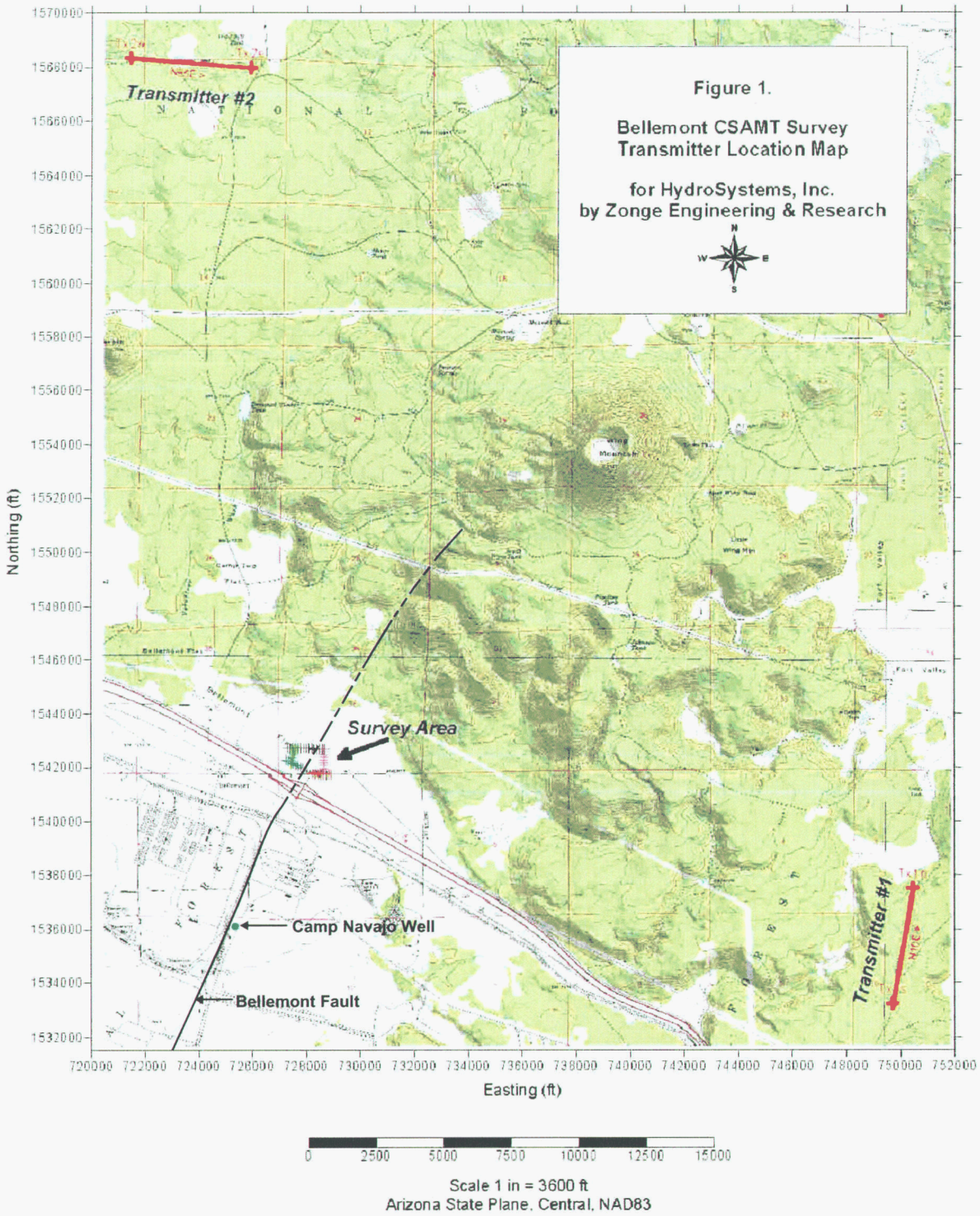
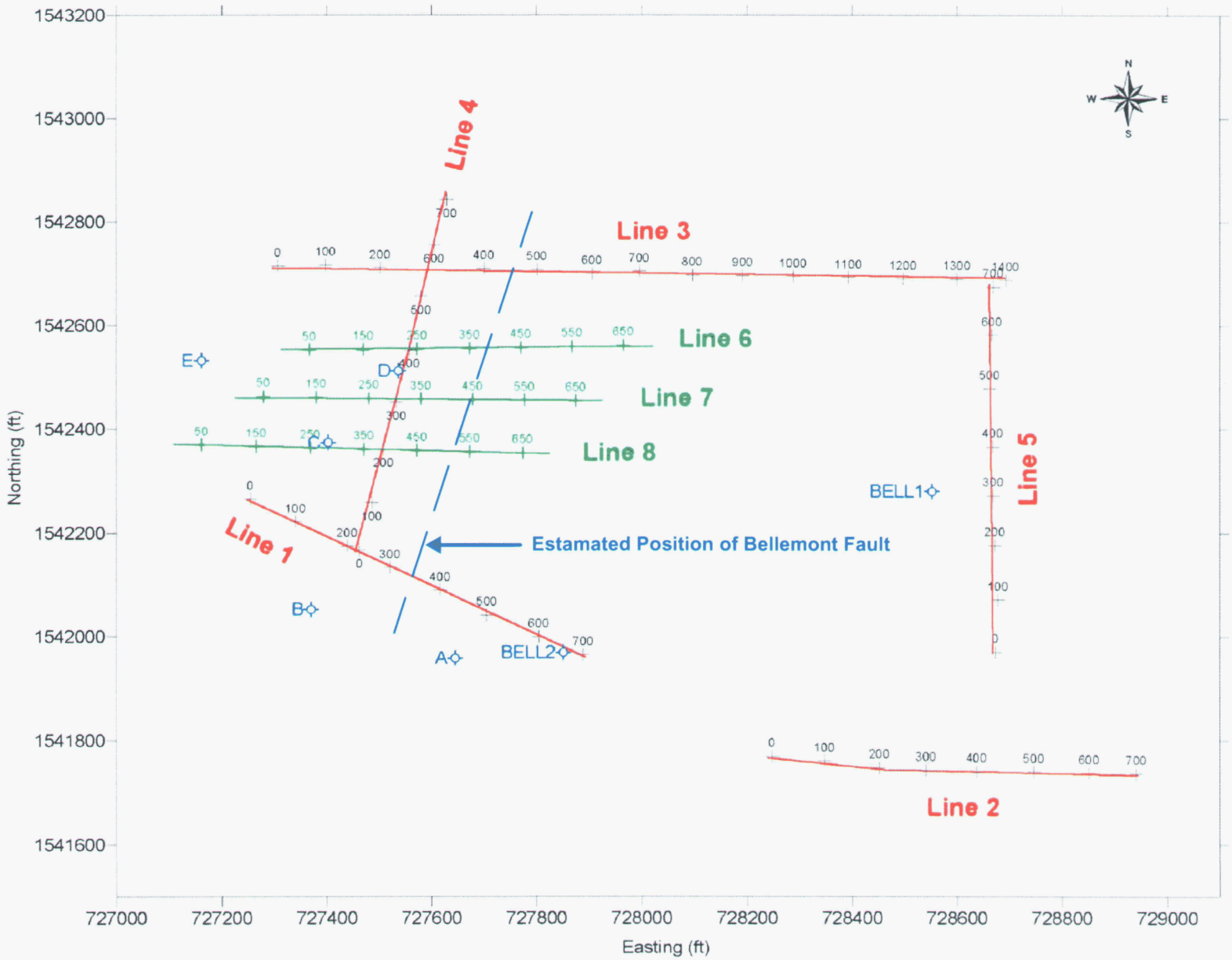


Figure 1.
Bellemont CSAMT Survey
Transmitter Location Map
for HydroSystems, Inc.
by Zonge Engineering & Research
Transmitter #2
Transmitter #1
Survey Area
Camp Navajo Well
Bellemont Fault
Northing (ft)
Easting (ft)
1570000
1568000
1566000
1564000
1562000
1560000
1558000
1556000
1554000
1552000
1550000
1548000
1546000
1544000
1542000
1540000
1538000
1536000
1534000
1532000
720000 722000 724000 726000 728000 730000 732000 734000 736000 738000 740000 742000 744000 746000 748000 750000 752000
0 2500 5000 7500 10000 12500 15000
Scale 1 in = 3600 ft
Arizona State Plane, Central, NAD83
Fault Exposed at Surface
Fault Concealed or Uncertain

Figure 2. Bellemont CSAMT Survey



Zonge Job0404
for HydroSystems, Inc.

0 ft 100 ft 200 ft 300 ft 400 ft 500 ft

AZ State Plane Central, NAD83

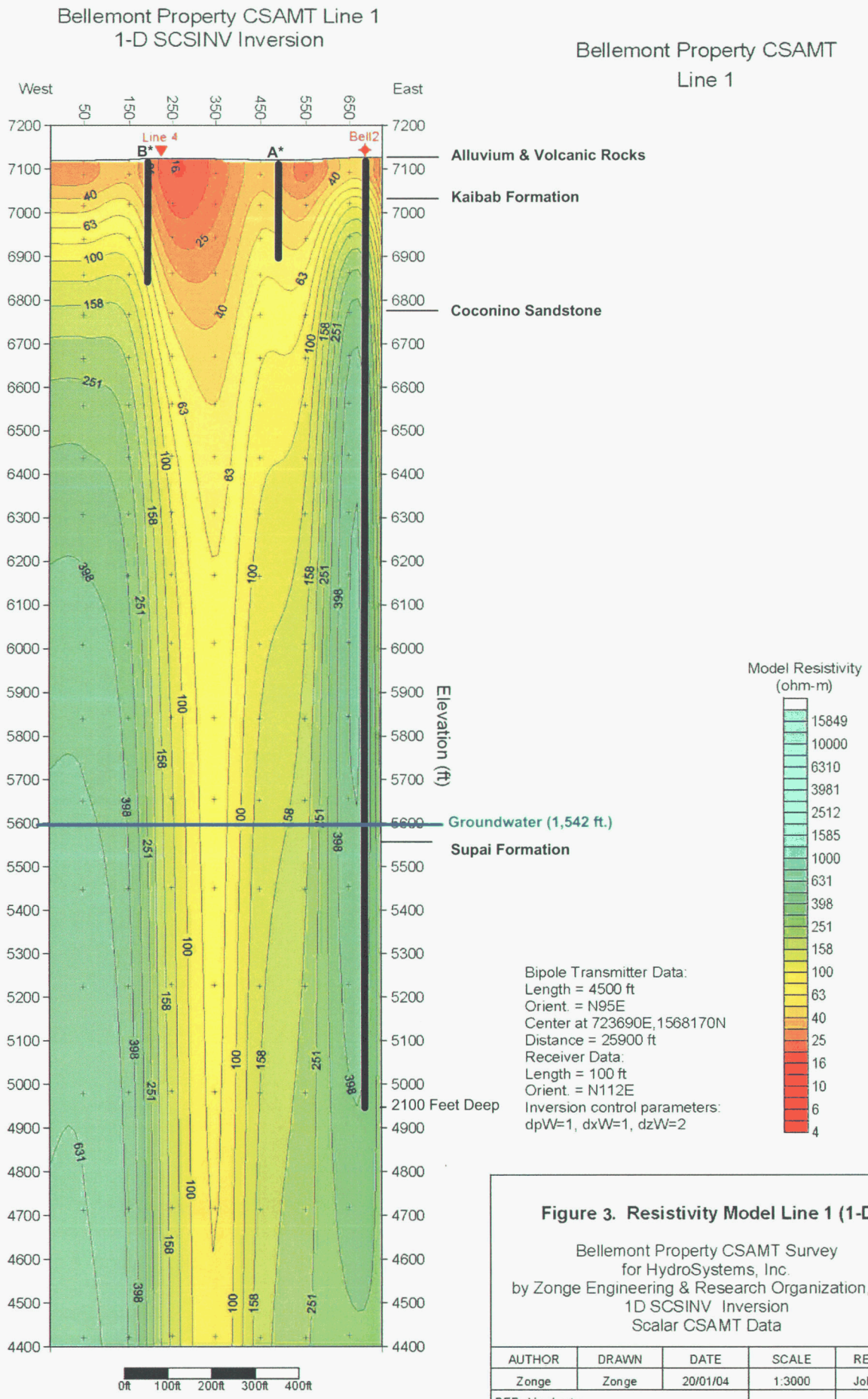
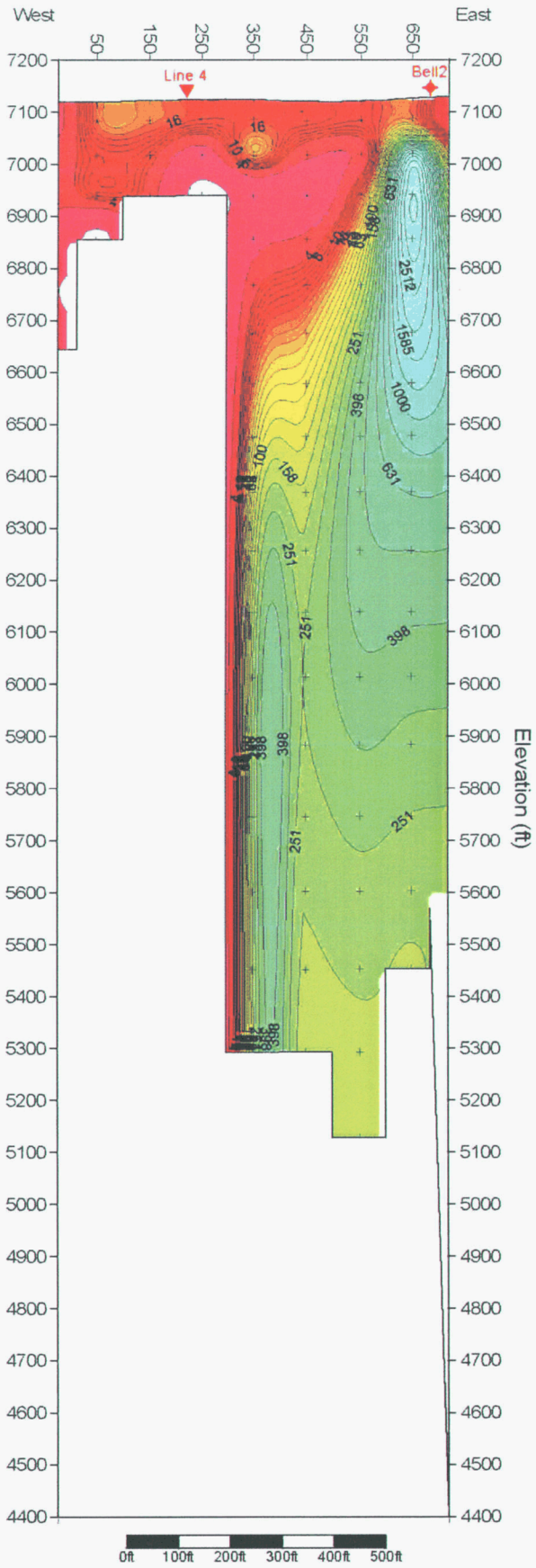


Figure 3. Resistivity Model Line 1 (1-D)

Bellemont Property CSAMT Survey
for HydroSystems, Inc.
by Zonge Engineering & Research Organization, Inc.
1D SCSINV Inversion
Scalar CSAMT Data

AUTHOR	DRAWN	DATE	SCALE	REPORT
Zonge	Zonge	20/01/04	1:3000	Job 0404
REF: Line1.mtm				

Bellemont Property CSAMT Line 1
2-D SCS2D Inversion



Bipole Transmitter Data:
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Orient. = N95E
Center at 723690E,1568170N
Distance = 25900 ft
Receiver Data:
Length = 100 ft
Orient. = N112E
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Layer Defs: 75, x1.05, #22

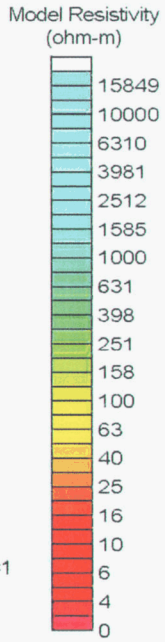

Figure 4. Resistivity Model Line 1 (2-D)

Bellemont Property CSAMT Survey
for HydroSystems, Inc.
by Zonge Engineering & Research Organization, Inc.
2D Smooth-Model Inversion
Scalar Far-field CSAMT Data

AUTHOR	DRAWN	DATE	SCALE	REPORT
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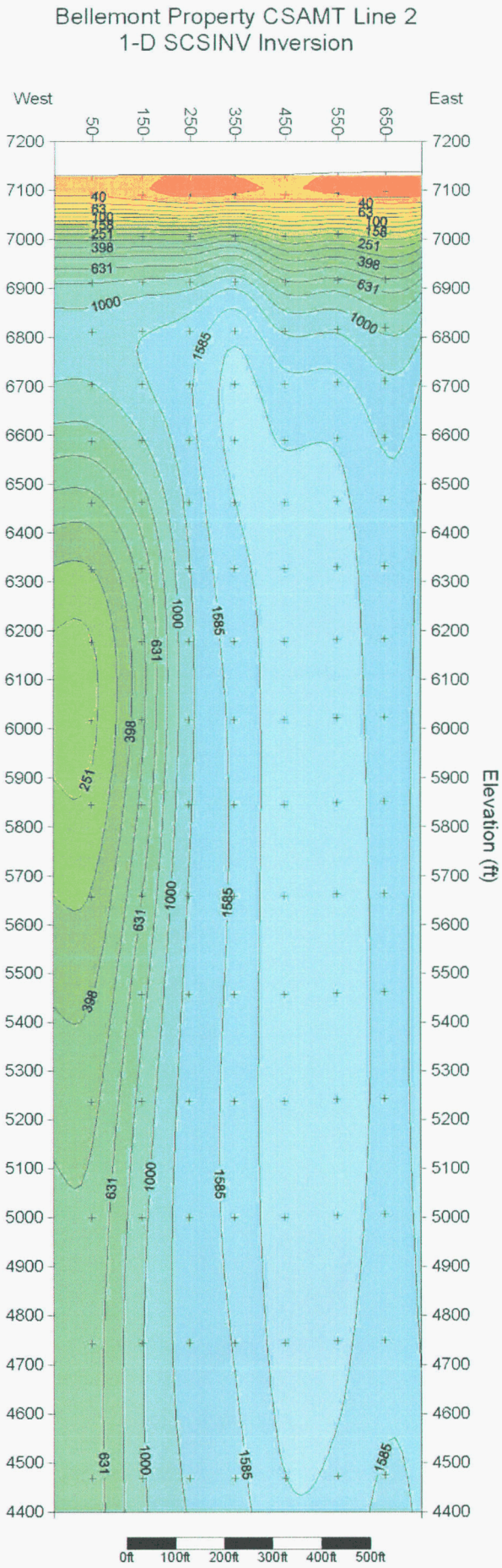
REF: Line1.mtm				



Model Resistivity
(ohm-m)

15849
10000
6310
3981
2512
1585
1000
631
398
251
158
100
63
40
25
16
10
6
4

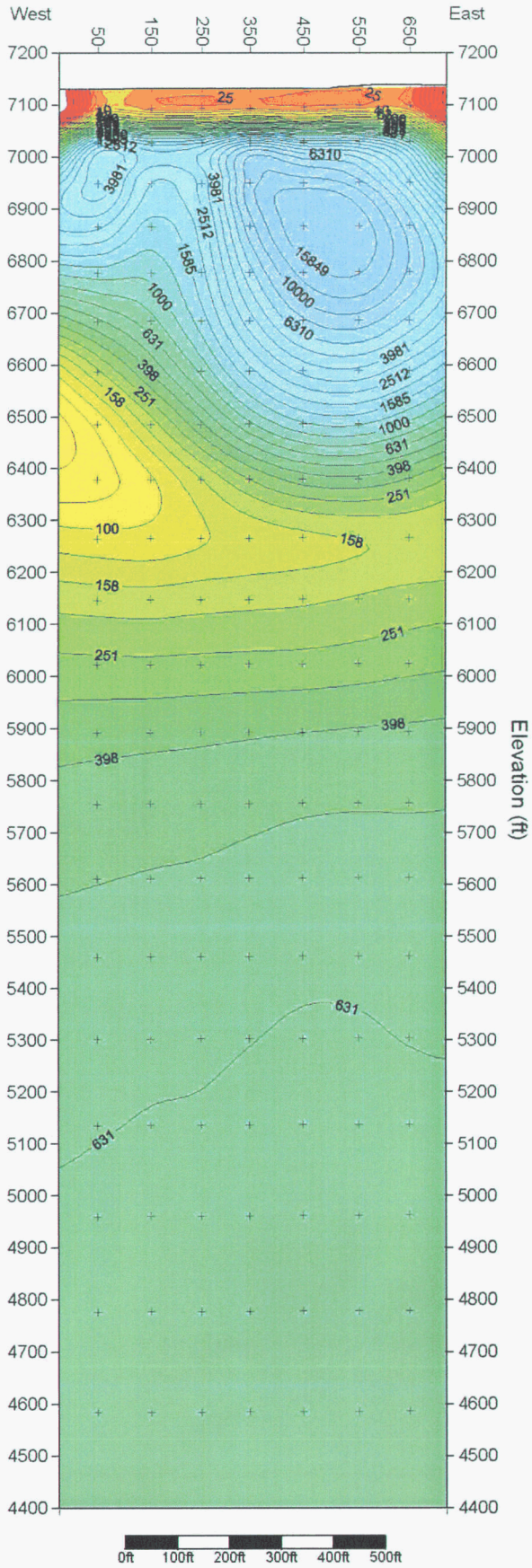
Bipole Transmitter Data:
Length = 4500 ft
Orient. = N95E
Center at 723690E,1568170N
Distance = 26700 ft
Receiver Data:
Length = 100 ft
Orient. = N92E

Figure 5. Resistivity Model Line 2 (1-D)

Bellemont Property CSAMT Survey
for HydroSystems, Inc.
by Zonge Engineering & Research Organization, Inc.
1D SCSINV Inversion
Scalar CSAMT Data

AUTHOR	DRAWN	DATE	SCALE	REPORT
Zonge	Zonge	16/01/04	1:3000	Job 0404
REF: line2.mtm				

Bellemont Property CSAMT Line 2
2-D SCS2D Inversion



Model Resistivity
(ohm-m)

15849
10000
6310
3981
2512
1585
1000
631
398
251
158
100
63
40
25
16
10
6
4

Bipole Transmitter Data:
Length = 4500 ft
Orient. = N95E
Center at 723690E,1568170N
Distance = 26700 ft
Receiver Data:
Length = 100 ft
Orient. = N92E
Inversion control parameters:
ResSmth=0.5, dpW=0.1, dxW=1, dzW=1
LFF= 64 Hz
Layer Defs: 75, x1.05, #22

Figure 6. Resistivity Model Line 2 (2-D)

Bellemont Property CSAMT Survey
for HydroSystems, Inc.
by Zonge Engineering & Research Organization, Inc.
2D Smooth-Model Inversion
Scalar Far-field CSAMT Data

AUTHOR	DRAWN	DATE	SCALE	REPORT
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REF: line2.mtm				

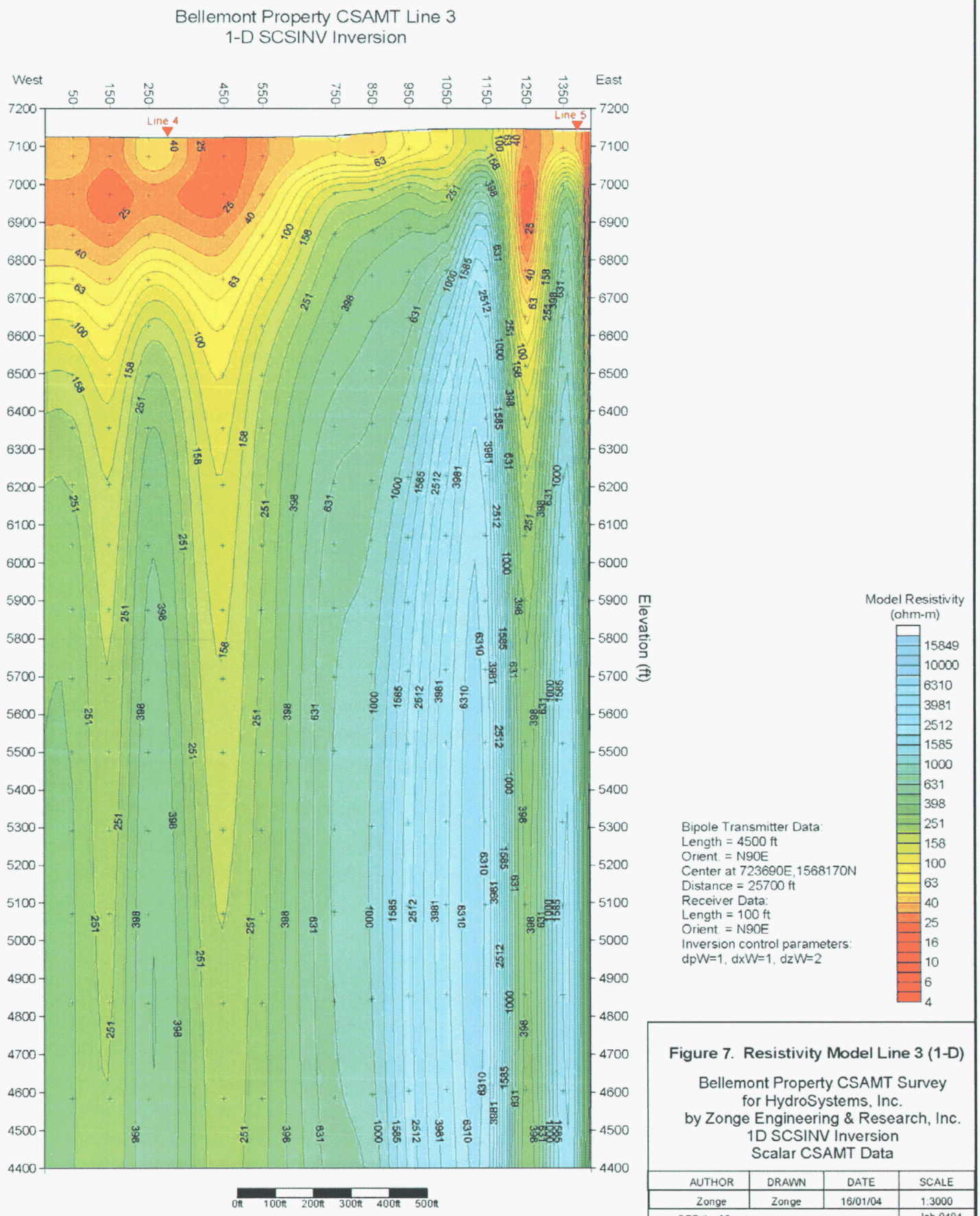

Figure 7. Resistivity Model Line 3 (1-D)

Bellemont Property CSAMT Survey
for HydroSystems, Inc.
by Zonge Engineering & Research, Inc.
1D SCSINV Inversion
Scalar CSAMT Data

AUTHOR	DRAWN	DATE	SCALE
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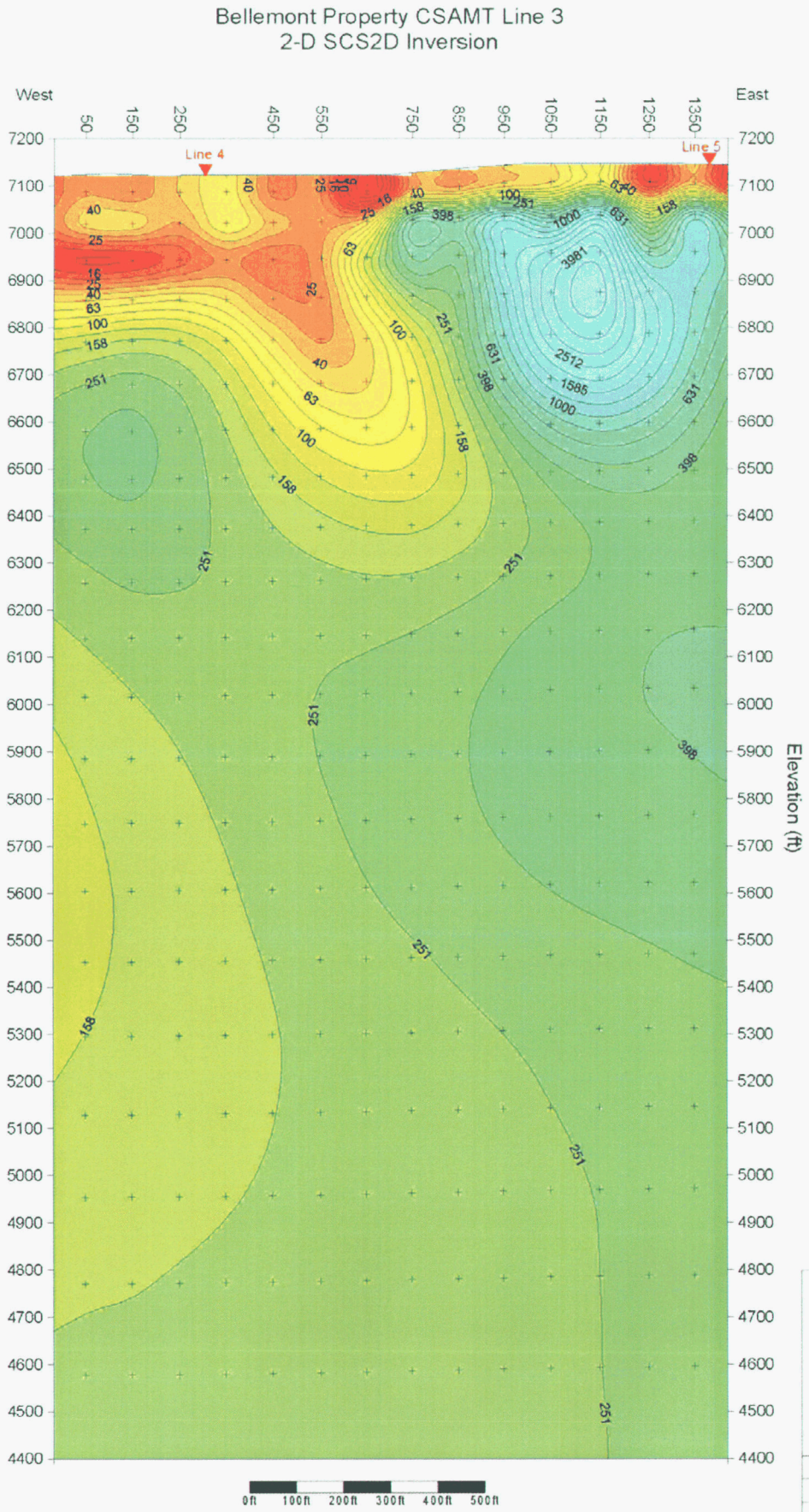
REF:line3fix.mtm			Job 0404



Bipole Transmitter Data:
Length = 4500 ft
Orient. = N95E
Center at 723690E,1568170N
Distance = 25700 ft
Receiver Data:
Length = 100 ft
Orient. = N90E
Inversion control parameters:
ResSmth=0.5, dpW=0.1,
dxW=1, dzW=1
LFF 64 Hz
Layer Defs: 75, x1.05, #22

Model Resistivity (ohm-m)

15849, 10000, 6310, 3981, 2512, 1585, 1000, 631, 398, 251, 158, 100, 63, 40, 25, 16, 10, 6, 4

Figure 8. Resistivity Model Line 3 (2-D)

Bellemont Property CSAMT Survey
for HydroSystems, Inc.
by Zonge Engineering & Research, Inc.
2D Smooth-Model Inversion
Scalar Far-field CSAMT Data

AUTHOR	DRAWN	DATE	SCALE
Zonge	Zonge	16/01/04	1:3000
REF:line3fix.mtm			Job 0404

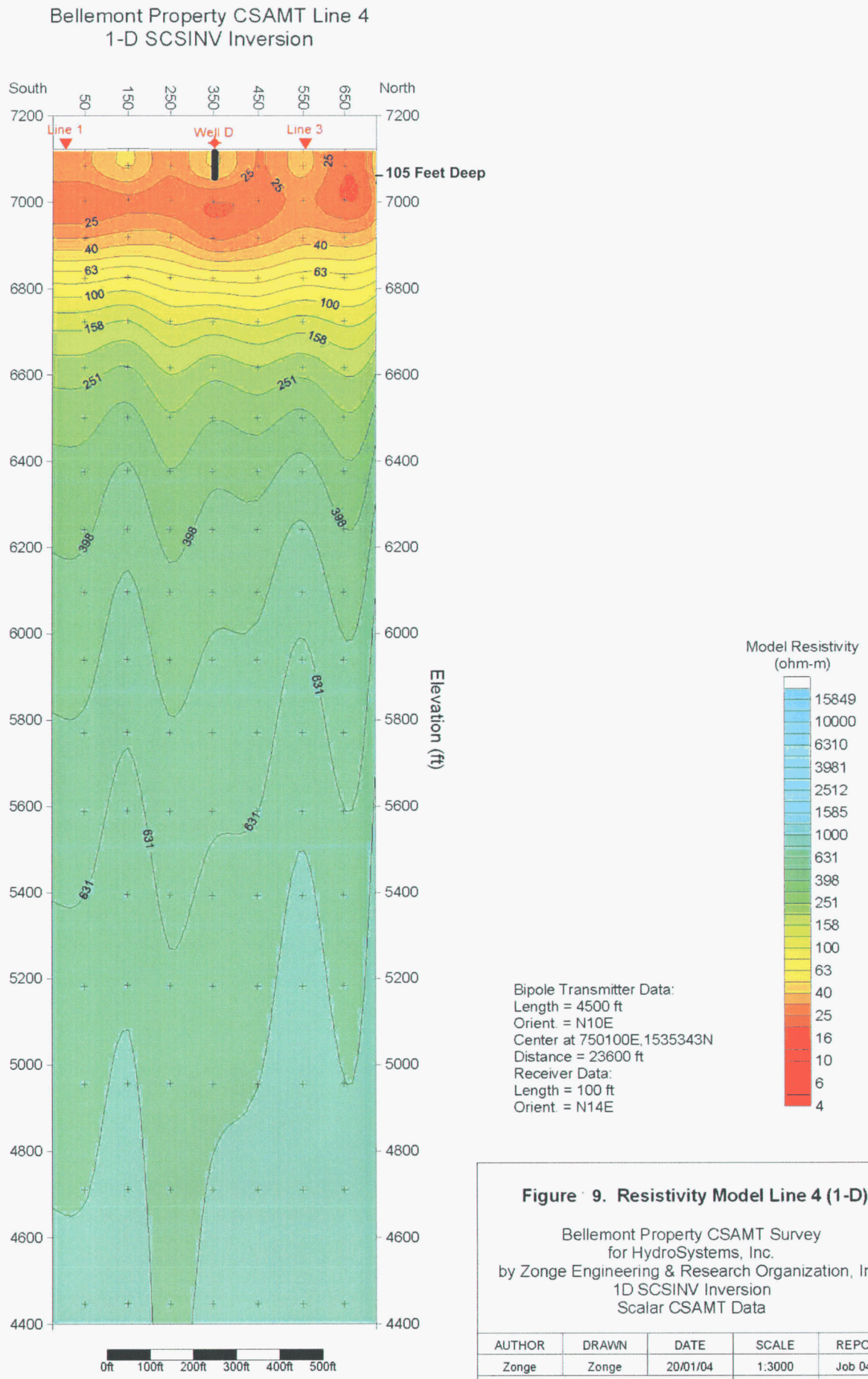
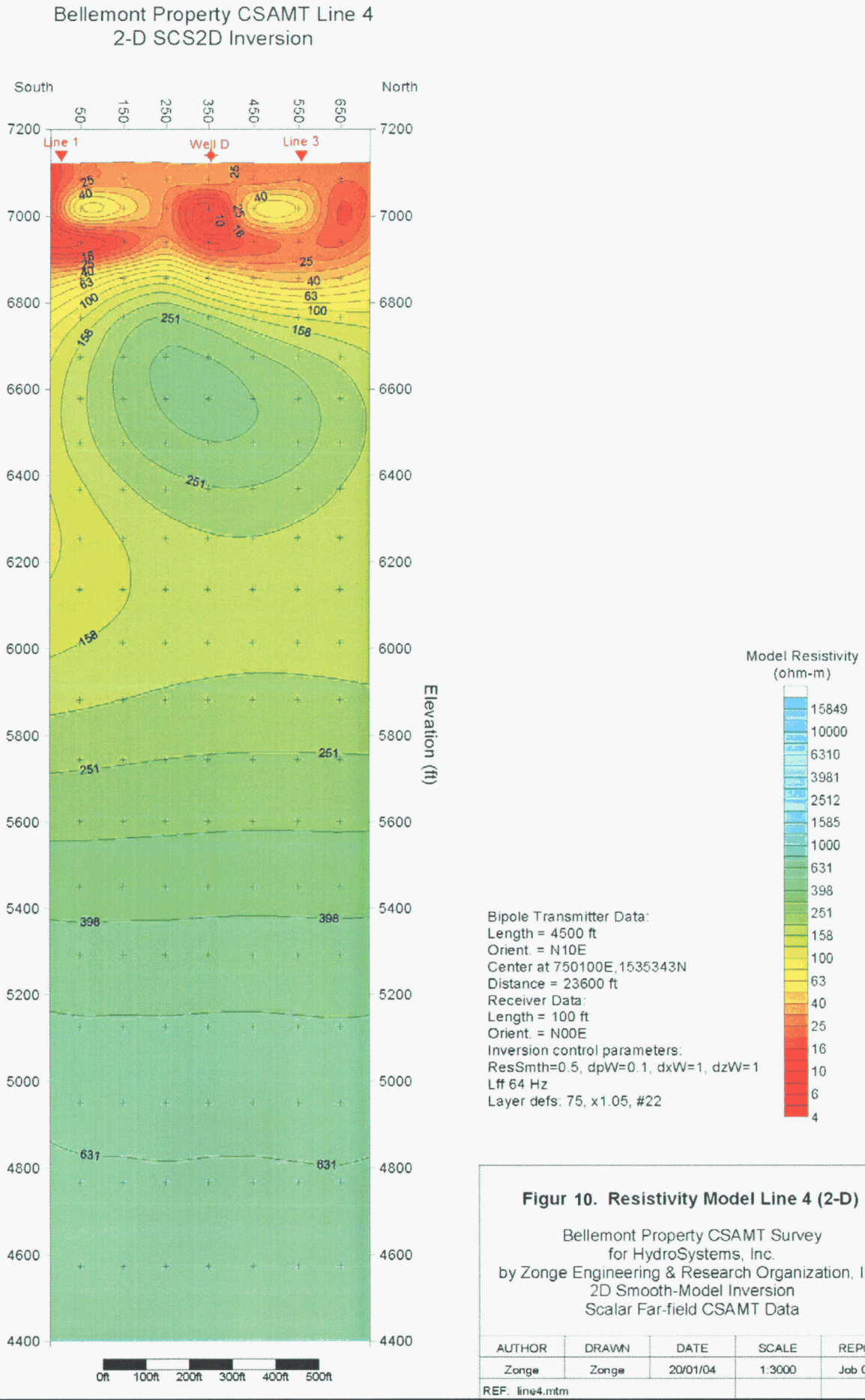


Figure 9. Resistivity Model Line 4 (1-D)

Bellemont Property CSAMT Survey
for HydroSystems, Inc.
by Zonge Engineering & Research Organization, Inc.
1D SCSINV Inversion
Scalar CSAMT Data

AUTHOR	DRAWN	DATE	SCALE	REPORT
Zonge	Zonge	20/01/04	1:3000	Job 0404
REF: line4.mtm				



Figur 10. Resistivity Model Line 4 (2-D)

Bellemont Property CSAMT Survey
for HydroSystems, Inc.
by Zonge Engineering & Research Organization, Inc.
2D Smooth-Model Inversion
Scalar Far-field CSAMT Data

AUTHOR	DRAWN	DATE	SCALE	REPORT
Zonge	Zonge	20/01/04	1:3000	Job 0404
REF: line4.mtm				

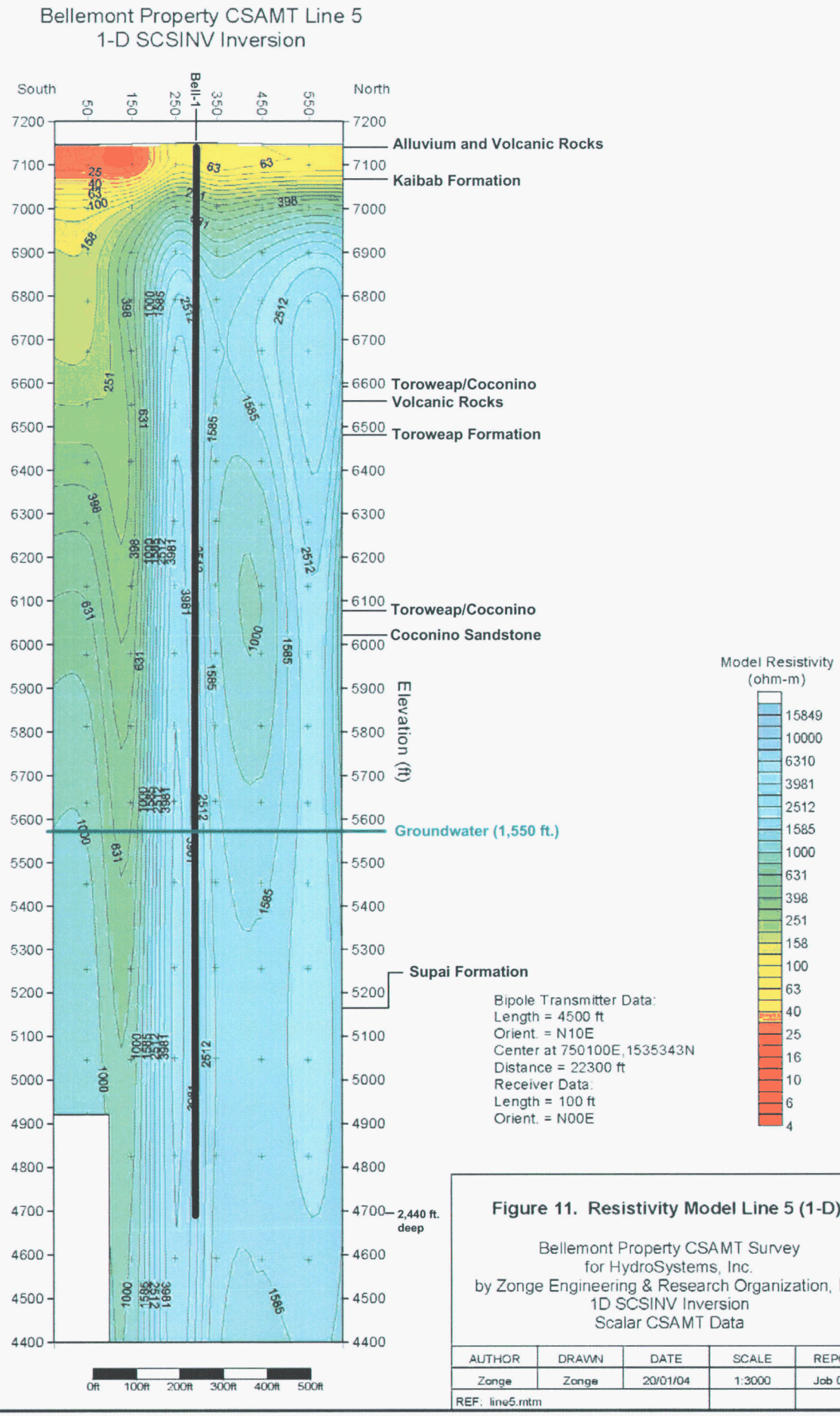
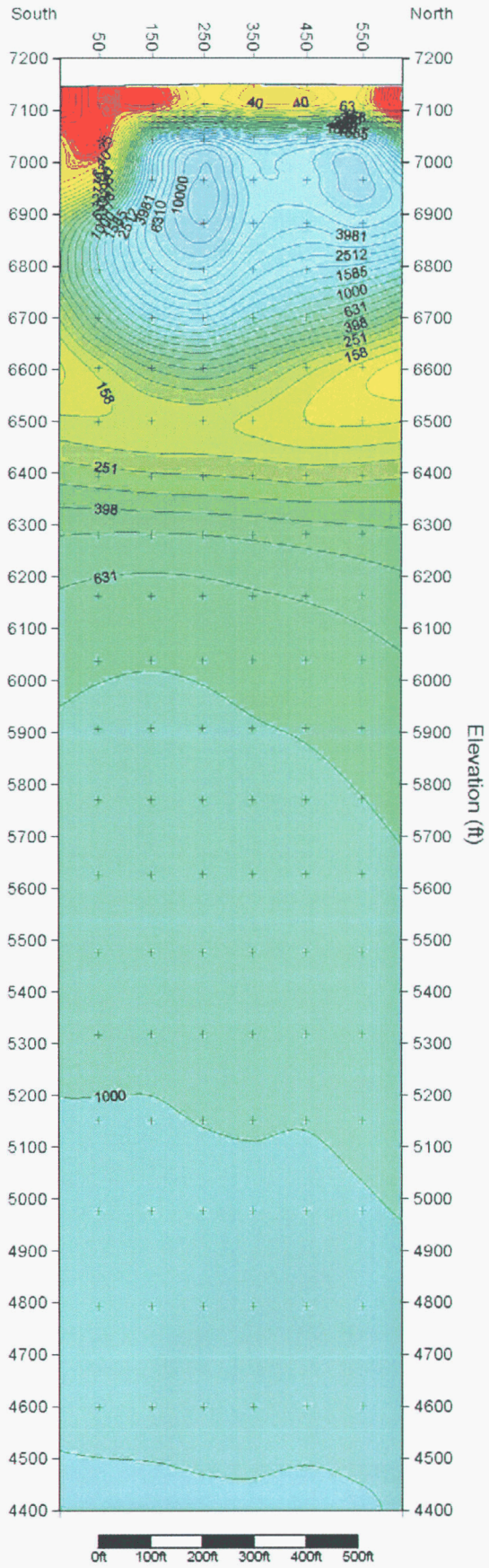


Figure 11. Resistivity Model Line 5 (1-D)

Bellemont Property CSAMT Survey
for HydroSystems, Inc.
by Zonge Engineering & Research Organization, Inc.
1D SCSINV Inversion
Scalar CSAMT Data

AUTHOR	DRAWN	DATE	SCALE	REPORT
Zonge	Zonge	20/01/04	1:3000	Job 0404
REF: line5.mtm				

Bellemont Property CSAMT Line 5
2-D SCS2D Inversion



Bipole Transmitter Data:
Length = 4500 ft
Orient. = N10E
Center at 750100E,1535343N
Distance = 22300 ft
Receiver Data:
Length = 100 ft
Orient. = N00E
Inversion control parameters:
ResSmth=0.5, dpW=0.1, dxW=1, dzW=1
Lff 64 Hz
Layer defs: 75, x1.05, #22

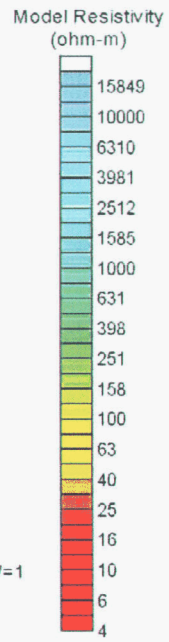


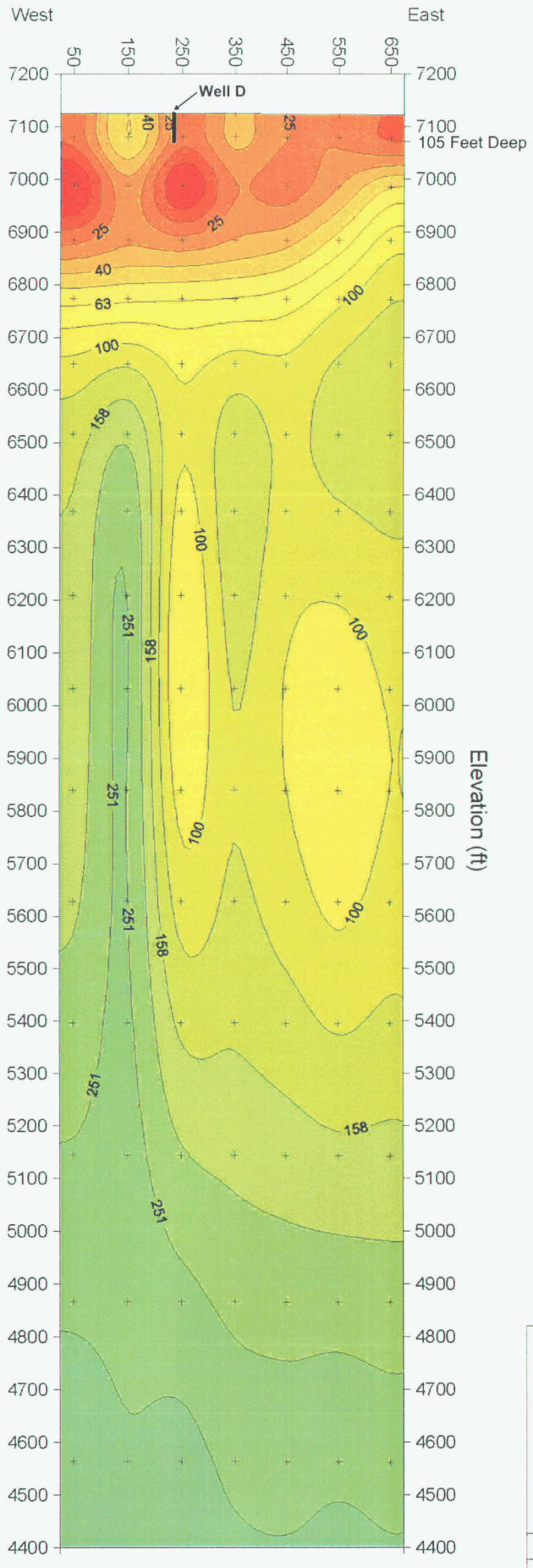
Figure 12. Resistivity Model Line 5 (2-D)

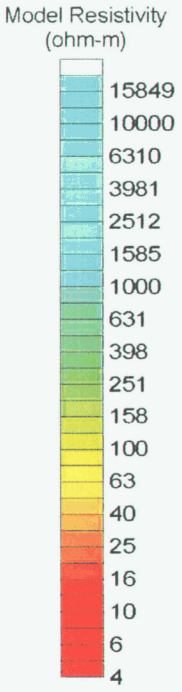
Bellemont Property CSAMT Survey
for HydroSystems, Inc.
by Zonge Engineering & Research Organization, Inc.
2D Smooth-Model Inversion
Scalar Far-field CSAMT Data

AUTHOR	DRAWN	DATE	SCALE	REPORT
Zonge	Zonge	20/01/04	1:3000	Job 0404
REF: line5.mtm				

Bellemont Property CSAMT Line 6
SCSINV 1-D Inversion

Bellemont Property CSAMT
Line 6





Bipole Transmitter Data:
Length = 4500 ft
Orient. = N85W
Center at 723690E,1568170N
Distance = 25900 ft
Receiver Data:
Length = 100 ft
Orient. = N90E
Inversion control parameters:
dpW=1, dxW=1, dzW=2

Figure 13

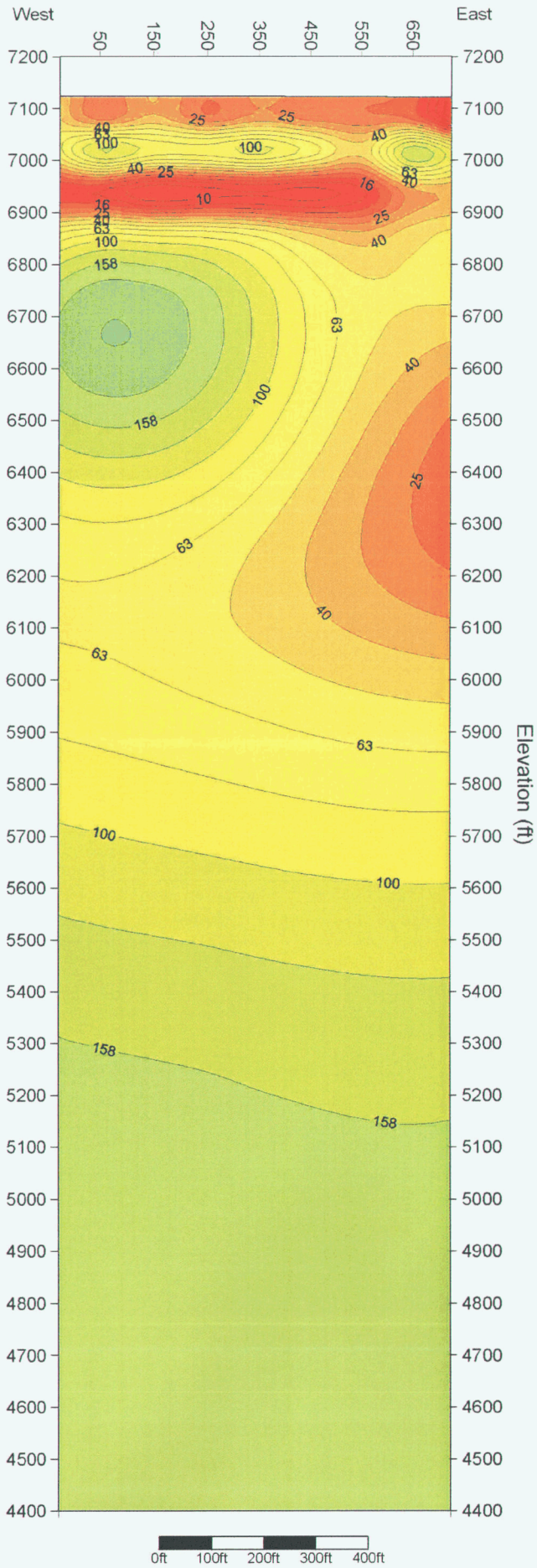
HSI
Bellemont Property CSAMT Line 6

1D Smooth-Model Inversion
Scalar CSAMT Data

AUTHOR	DRAWN	DATE	SCALE	REPORT
Zonge	Zonge	29/03/04	1:10000	Job 0404
REF: line6.m1d				

Bellemont Property CSAMT Line 6
2-D SCS2D Inversion

Bellemont Property CSAMT
Line 6



Model Resistivity
(ohm-m)

15849
10000
6310
3981
2512
1585
1000
631
398
251
158
100
63
40
25
16
10
6
4

Bipole Transmitter Data:
Length = 4500 ft
Orient. = N95E
Center at 723690E,1568170N
Distance = 25900 ft
Receiver Data:
Length = 100 ft
Orient. = N112E
Inversion control parameters:
ResSmth=0.5, dpW=0.1, dxW=1, dzW=1
Lff: 32 Hz
Layer Defs: 75, x1.05, #22

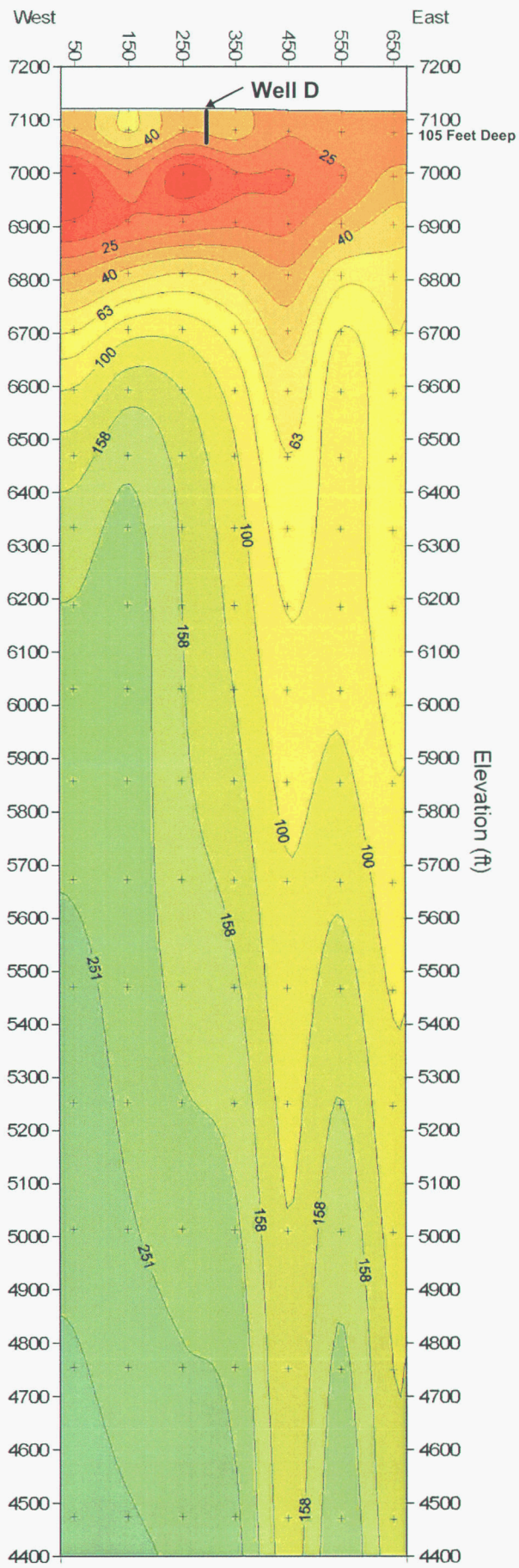
Figure 14

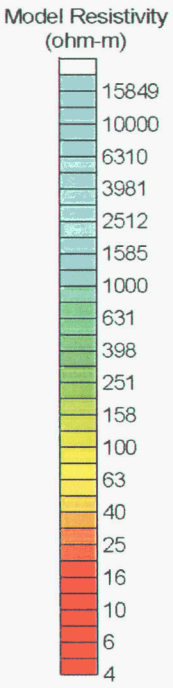
Bellemont Property CSAMT Line 6
for HydroSystems, Inc.
by Zonge Engineering
2D Smooth-Model Inversion
Scalar Far-field CSAMT Data

AUTHOR	DRAWN	DATE	SCALE	REPORT
Zonge	Zonge	16 Mar 2004	1:3000	Job 0404
REF: Line6.mtm				

Bellemont Property CSAMT Line 7
SCSINV 1-D Inversion

Bellemont Property CSAMT
Line 7





Bipole Transmitter Data:
Length = 4500 ft
Orient. = N85W
Center at 723690E,1568170N
Distance = 26000 ft
Receiver Data:
Length = 100 ft
Orient. = N90E
Inversion control parameters:
dpW=1, dxW=1, dzW=2

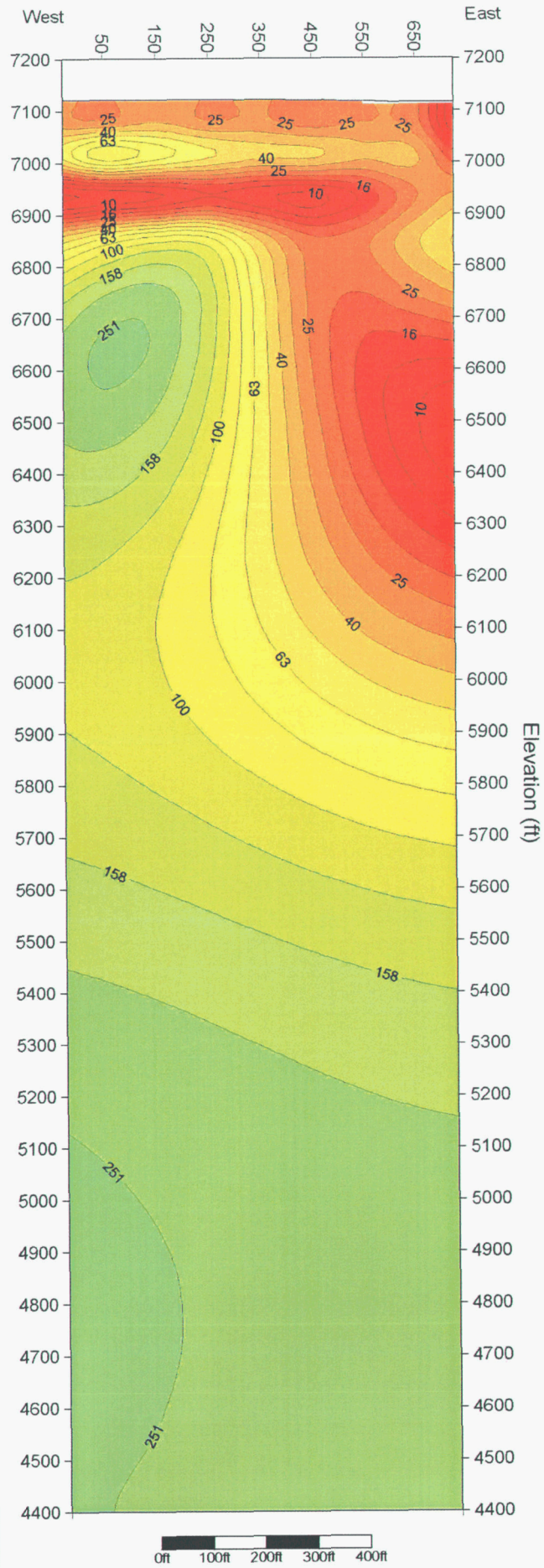
Figure 15
HSI
Bellemont Property CSAMT Line 7

1D Smooth-Model Inversion
Scalar CSAMT Data

AUTHOR	DRAWN	DATE	SCALE	REPORT
Zonge	Zonge	29/03/04	1:3000	Job 0404
REF: line7.m1d				

Bellemont Property CSAMT Line 7
2-D SCS2D Inversion

Bellemont Property CSAMT
Line 7



Model Resistivity
(ohm-m)

15849
10000
6310
3981
2512
1585
1000
631
398
251
158
100
63
40
25
16
10
6
4

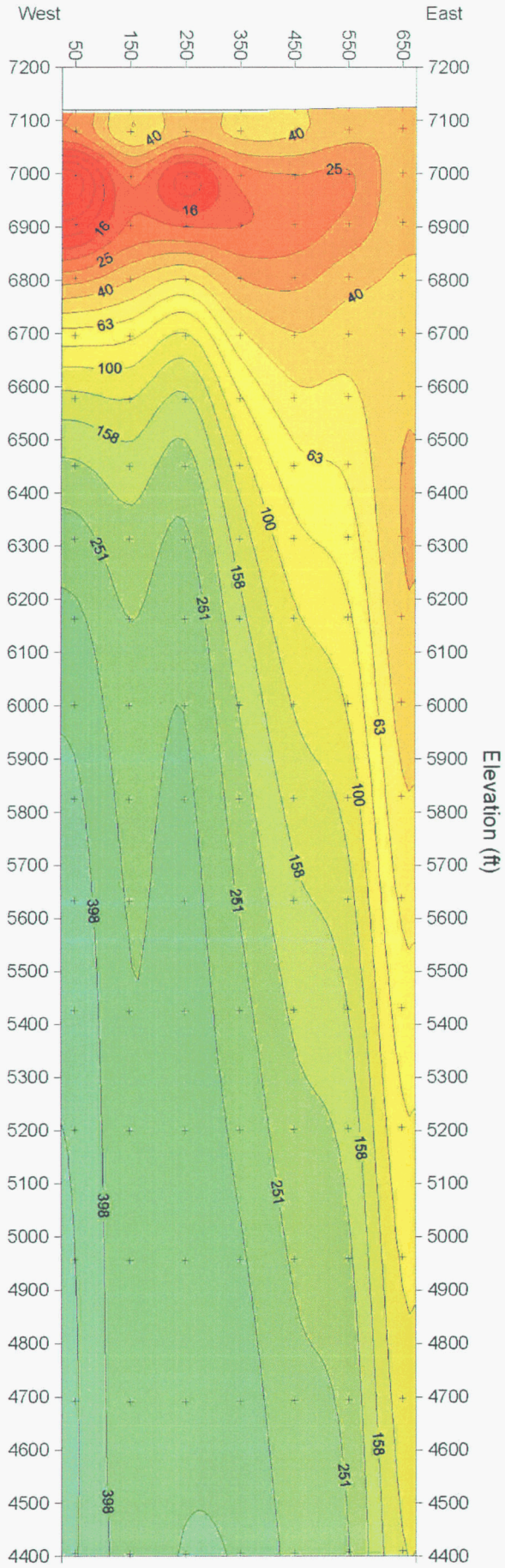
Bipole Transmitter Data:
Length = 4500 ft
Orient. = N95E
Center at 723690E,1568170N
Distance = 25900 ft
Receiver Data:
Length = 100 ft
Orient. = N112E
Inversion control parameters:
ResSmth=0.5, dpW=0.1, dxW=1, dzW=1
Lff: 32 Hz
Layer Defs: 75, x1.05, #22
(Moderate editing of midrange freqs)

Figure 16

Bellemont Property CSAMT Line 7
for HydroSystems, Inc.
by Zonge Engineering
2D Smooth-Model Inversion
Scalar Far-field CSAMT Data

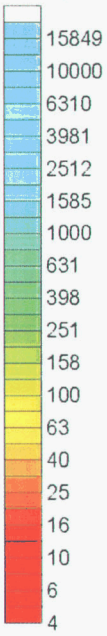
AUTHOR	DRAWN	DATE	SCALE	REPORT
Zonge	Zonge	16 Mar 2004	1:3000	Job 0404
REF: Line7.mtm				

Bellemont Property CSAMT Line 8
SCSINV 1-D Inversion



Bellemont Property CSAMT
Line 8

Model Resistivity
(ohm-m)



Bipole Transmitter Data:
Length = 4500 ft
Orient. = N85W
Center at 723690E,1568170N
Distance = 26000 ft
Receiver Data:
Length = 100 ft
Orient. = N90E
Inversion control parameters:
dpW=1, dxW=1, dzW=2

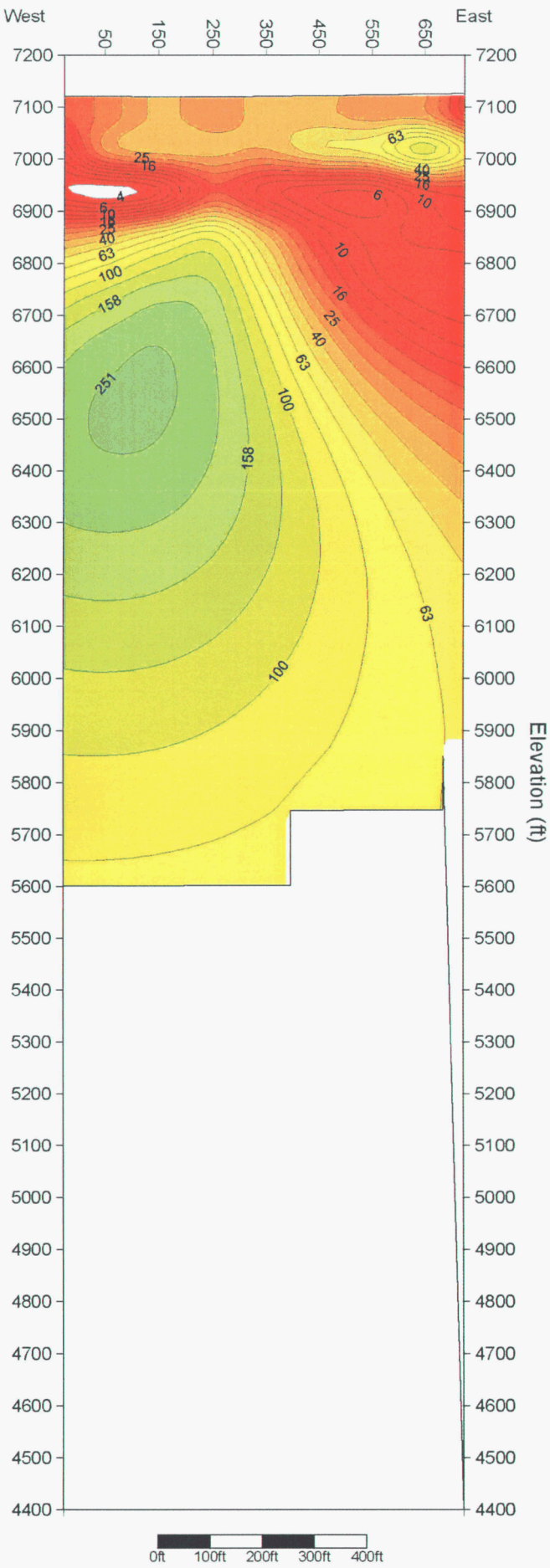
Figure 17
HSI
Bellemont Property CSAMT Line 8

1D Smooth-Model Inversion
Scalar CSAMT Data

AUTHOR	DRAWN	DATE	SCALE	REPORT
Zonge	Zonge	29/03/04	1:3000	Job 0404
REF: line8.m1d				

Bellemont Property CSAMT Line 8
2-D SCS2D Inversion

Bellemont Property CSAMT
Line 8



Model Resistivity
(ohm-m)

15849
10000
6310
3981
2512
1585
1000
631
398
251
158
100
63
40
25
16
10
6
4

Bipole Transmitter Data:
Length = 4500 ft
Orient. = N95E
Center at 723690E,1568170N
Distance = 25900 ft
Receiver Data:
Length = 100 ft
Orient. = N112E
Inversion control parameters:
ResSmth=0.5, dpW=0.1, dxW=1, dzW=1
Lff: 128 Hz
Layer Defs: 75, x1.05, #22
(edit around 1 Khz, stns 350+)

Figure 18

Bellemont Property CSAMT Line 8
for HydroSystems, Inc.
by Zonge Engineering
2D Smooth-Model Inversion
Scalar Far-field CSAMT Data

AUTHOR	DRAWN	DATE	SCALE	REPORT
Zonge	Zonge	16 Mar 2004	1:3000	Job 0404
REF: Line8.mtm				

Table 1A - Flagstaff Meadows
100-Year Projected
Supply Demand Information

Supply

Supply Sources	Quantity (gpm)	Annual Supply (AF/yr)	100-Year Supply (AF)
Well 1 and 2 (Deep Wells)	35	56.46	5645.53
Well 3 (Deep Well)	72	116.14	11613.65
Sub-Total Deep Well Supply	107	172.59	17259.18
Treated Effluent[1]	31.3	50.46	5046.43
Shallow Wells	44.0	70.97	7097.23
Total Supplies[2]	182.3	**294.03**	**29402.84**

[1]Equates to .66 of residential demand

Demand

Subdivision Name	No. of Lots	Approx Size of lots (sq.ft)	Total Acreage	Projected Water Demand Per Residential Lot (gpd)	Exterior Water Demand Per Residential Lot (gpd)	Projected Water Demand Per Subdivision (gpm)	Projected Water Demand Per Subdivision (gpd)	Residential Demand	Non-Residential Demands					Annual Demand for the Proposed Subdivision (af/yr)	100-Year Demand for the Proposed Subdivision (af)
								Projected Deep Well Water Demand Per Subdivision (af/yr)	Parks and Lakes served exclusively with Effluent (af/yr)	Commercial (af/yr)	Fire-station** (af/yr)	Truck Stop (af/yr)	Hotel (af/yr)		
Flagstaff Meadows Unit I (current)	91	7500	47	232	included in actual demand	14.7	21112.0	34.6	27.0			6.0	3.0	70.6	7056.3
Flagstaff Meadows Unit I (committed)	42	7500		232	included in actual demand	6.8	9744.0								
Flagstaff Meadows Unit II (committed)	87	7000	23	232	included in actual demand	14.0	20184.0	22.6						22.6	2260.9
Flagstaff Meadows Townhomes Unit I (committed)	105	3500	11	164	included in actual demand	12.0	17220.0	19.3						19.3	1928.9
Total[2]	325		81			47.4	68260.0	76.5	27.0	0.0		6.0	3.0	**112.5**	**11246.1**

EXHIBIT
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admitted

Table 1B - Flagstaff Meadows
100-Year Projected
Supply Demand Information

Supply

Supply Sources	Quantity (gpm)	Annual Supply (AF/yr)	100-Year Supply (AF)
Well 1 and 2 (Deep Wells)	35	56.5	5,645.5
Well 3 (Deep Well)	72	116.1	11,613.7
Sub-Total Deep Well Supply	107	172.6	17,259.2
Treated Effluent[1]	61.3	98.9	9,893.2
Shallow Wells	44.0	71.0	7,097.2
Total Supplies[2]	212.3	342.5	**34,249.7**

[1]Equates to .66 of residential demand per lot

Demand

Subdivision Name	No. of Lots	Approx Size of lots (sq.ft)	Total Acreage	Projected Water Demand Per Residential Lot (gpd)	Projected Water Demand Per Subdivision (gpm)	Projected Water Demand Per Subdivision (gpd)	Residential Demand: Projected Deep Well Water Demand Per Subdivision (af/yr)	Non-Residential Demands: Parks and Lakes served exclusively with Effluent (af/yr)	Commercial* (af/yr)	Fire-station** (af/yr)	Truck Stop (af/yr)	Hotel (af/yr)	Annual Demand for the Proposed Subdivision (af/yr)	100-Year Demand for the Proposed Subdivision (af)
Flagstaff Meadows Unit I (current)	91	7500	47	232	14.7	21112.0	34.6	27.0			6.0	3.0	70.6	7056.3
Flagstaff Meadows Unit I (committed)	42	7500		232	6.8	9744.0								
Flagstaff Meadows Unit II (committed)	87	7000	23	232	14.0	20184.0	22.6						22.6	2260.9
Flagstaff Meadows Unit III (committed)	120	6500	71	232	19.3	27840.0	31.2	18.0	19.0	1.0			69.2	6918.5
Flagstaff Meadows Townhomes Unit II (committed)	230	3500		164	26.2	37720.0	42.3						42.3	4225.2
Flagstaff Meadows Townhomes Unit I (committed)	105	3500	11	164	12.0	17220.0	19.3						19.3	1928.9
Total[2]	675		152		92.9	133820.0	149.9	45.0	29.0				**223.9**	**22389.8**

* Commercial property in Phase 3 has 10 acres. Assumes 1,700 gpd per acre

** Assumes 57 gpcd (10 occupants)

[2]Totals may include rounding errors

updated
10/12/04

A-10

ARIZONA DEPARTMENT OF WATER RESOURCES
Office of Assured and Adequate Water Supply
500 North Third Street, Phoenix, Arizona 85004
Telephone (602) 417-2465
Fax (602) 417-2467

JANET NAPOLITANO
Governor

HERB GUENTHER
Director

October 7, 2004

Lonnie McCleve
Greenfield Land Development, LLC
721 E. San Pedro
Gilbert, AZ 85234

RE: Application Status
Physical Availability Demonstration (ADWR #20-401341)
Utility Source LLC (Bellemont Water Co.)

Dear Mr. McCleve:

I am writing to you at your request to update you on the status of the pending Physical Availability Demonstration (PAD) for Utility Source LLC (formerly known as Bellemont Water Company) which is serving the development known as Flagstaff Meadows. The Department received the application on April 27, 2004. In order for the Department to issue the PAD the applicant must demonstrate the physical availability and water quality of the available water supply. A.A.C. R12-15-716(C).

The Department has calculated the current and committed demands associated with Flagstaff Meadows to be 109.46 acre-feet per year. In order to establish the current and committed demands the Department examined the lots associated with Flagstaff Meadows Unit I (133 lots), Flagstaff Meadows Unit II (87 lots), and Townhomes at Flagstaff Meadows Unit I (105 units), for a total of 325 dwelling units. The Department also reviewed the non-residential demands associated with the water system that included the park and lake within Flagstaff Meadows, and the Belmont Truck Center, with its associated hotel and restaurant. Please note that, pursuant to your request, the Department has not included Flagstaff Meadows Unit III or the Townhomes at Flagstaff Meadows Unit II in the demand calculation.

Although water is available, the water level at this location currently exceeds the standard depth-to-water limit of 1000 feet below ground surface (BGS), as set forth in A.A.C. R12-15-717(B)(1)(c). However, pursuant to A.A.C. R12-15-717(B)(1)(e), the Department may allow a lower depth-to-water level if groundwater is available at a lower depth *and* the applicant has demonstrated the financial capability to access the groundwater at the lower depth. With the completion of the newest deep well (Bellemont #3), the Department has determined that the applicant has demonstrated the financial capability to access the regional aquifer which is more than 1,000 feet BGS. As such, the Department has determined that 110 acre-feet of water per year will be physically available at this greater depth.

EXHIBIT
A-10

However, before the PAD may be issued, several questions regarding water quality must be answered. As you are aware, the above referenced water system is located less than one mile from the Navajo Army Depot Superfund site (Navajo site). As part of the review for water quality, the Department must not only review current conditions, but also take into account potential degradation of the water source over a 100-year period prior to issuing the PAD. As a result the Department is working with the Arizona Department of Environmental Quality (ADEQ) which regulates the water provider, and is the lead agency overseeing the investigation and remedial activities at the Navajo site. The Department is currently considering three possible courses of action which, depending upon the outcome, could allow the issuance of the PAD. One course of action is confirming that one of the existing deep supply wells for the water system is included within the sampling plan to be carried out at the Navajo site. The second is creating an on-going monitoring agreement between the provider, the Drinking Water Section, and WQARF Section at ADEQ, to monitor for the constituents of concern (COCs) at the Navajo site. And finally, the third option we are pursuing is asking the provider to conduct some baseline sampling for the COCs at the Navajo site, as well as sampling for Tritium and Carbon 14 to determine the age of the water supplying Bellemont #3. The Department will continue to work with the provider and ADEQ to bring about one of these solutions in the most expeditious manner in order to issue the complete PAD.

Please feel free to contact me if you have any further questions at (602) 417-2400.

Sincerely,

Douglas W. Dunham, Manager
Office of Assured and Adequate Water Supply

cc: Richard Sallquist, Attorney for Applicant
Steve Olea, ACC
Timothy Sabo, ACC
Roy Tanney, ADRE
Jeff Stuck, ADEQ
Raffi Karamian, ADEQ