

Snell & Wilmer
L.L.P.
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2002 FEB 22 P 3: 35

AZ CORP COMMISSION
DOCUMENT CONTROL

February 22, 2002



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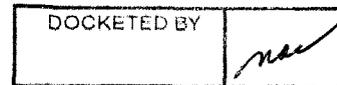
HAND-DELIVERED

Ms. Nancy Cole, Supervisor
Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

Arizona Corporation Commission

DOCKETED

FEB 22 2002



Re: *In the Matter of the Application of Arizona Utility Supply & Services, LLC, for a Certificate of Convenience and Necessity to Provide Sewer Service to Portions of Pinal County, Arizona (Docket Nos. SW-04002A-01-0228 and WS-02987A-01-0295(Consolidated))*

Dear Nancy:

On December 28, 2001, the Arizona Corporation Commission issued Decision No. 64288 granting a certificate of convenience and necessity to Arizona Utility Supply & Services, LLC ("AZUSS") to provide sewer service in Pinal County, Arizona. In that decision, AZUSS was required to satisfy certain conditions set forth in Findings of Fact ("FOF") Nos. 77, 78, 82 and 83. On January 24, 2002, AZUSS filed copies of its Pinal County sewer franchises with Docket Control in compliance with one of the conditions contained in FOF 77.¹ In addition, AZUSS filed a copy of its sewer tariff in full compliance with FOF 78.

Enclosed with this letter are twelve copies of a February 15, 2002, letter from Michael J. Traubert of the Arizona Department of Environmental Quality (Compliance Section, Water Quality Division) to Maurice Lee of AZUSS. In that letter, Mr. Traubert states as follows:

ADEQ has reviewed your response letter and is satisfied that the Cambria WWTF has been properly accounted for in Section 208 Plan requirements as it applies to Pinal County. Please regard this letter as such assurance the ADEQ regards the question of Cambria WWTF Section 208 compliance as resolved.

¹The original franchise was issued March 21, 2001, and recorded with the Pinal County Recorder as No. 2001-016379. The franchise was subsequently amended on May 9, 2001, and recorded with the Pinal County Recorder as No. 2001-021507.

Ms. Nancy Cole
Docket Control
February 22, 2002
Page 2

This letter evidences AZUSS' satisfaction of the condition set forth in FOF 77 that AZUSS file a copy of its approved 208 plan.

In addition, enclosed are twelve copies of AZUSS' check no. 11041 in the amount of \$183,467.00 made payable to Madison Diversified which refunds all amounts previously received from Madison by AZUSS. The \$183,467.00 paid by Madison Diversified is documented in an April 19, 2001, letter from Maurice Lee of AZUSS to Jim Lee and Harry Redmond of Madison Diversified, twelve copies of which are enclosed. Also enclosed are twelve copies of the February 20, 2002, transmittal letter from Mr. Lee to Messrs. Lee and Redmond, along with twelve copies of the FedEx international air waybill which evidences the transmittal of the check. This refund by AZUSS fully satisfies the condition contained in FOF 82.

Finally, enclosed are twelve copies of the Bill of Sale dated February 21, 2002, evidencing the sale and transfer of the Ocotillo Links Wastewater Treatment System from Links Ocotillo Homeowners' Association to AZUSS. The Bill of Sale is being recorded, and a copy of bearing the recording information will be filed with Docket Control once it has been received. The filing of the Bill of Sale partially satisfies one of the conditions contained in FOF 83. For your information, contemporaneous with the filing of this compliance filing, AZUSS has filed a request with the Commission for a 90-day extension of the time periods contained in FOF 83.

Please file this letter and the accompanying items in the above-captioned docket. As always, if you have any questions regarding this compliance filing, please contact me at the direct line listed above.

Very truly yours,

SNELL & WILMER



Jeffrey W. Crockett

JWC:gdb
cc (with enclosures): Marc Stern
Jim Fisher
Pat Williams
Maury Lee

Enclosures



Jane Dee Hull
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

3033 North Central Avenue • Phoenix, Arizona 85012-2809
(602) 207-2300 • www.adeq.state.az.us



Jacqueline E. Schafer
Director

February 15, 2002

RECEIVED

FEB 19 2002

SNELL & WILMER

Mr. Maurice Lee, Manager
Arizona Utility Supply & Services, LLC
4545 East Shea Blvd. Suite 164
Phoenix, Arizona 85028

Re: Cambria WWTF (Links Estates System Expansion)
Cambria ID No. 15249
Links Estates WWTF APP No. 102976

Dear Mr. Lee:

The Arizona Department of Environmental Quality is in receipt of a January 25, 2002 response letter on behalf of Arizona Utility Supply Services L. L.C. from Mr. George Tsiolis, Esq., of Snell & Wilmer, L.L.P., in answer to ADEQ's letter of August 10, 2001, from Mr. Reza Azizi, which inquired as to the compliance status of the Cambria WWTF with Section 208 Certified Areawide Water Quality Management Plan requirements.

ADEQ has reviewed your response letter and is satisfied that the Cambria WWTF has been properly accounted for in Section 208 Plan requirements as it applies to Pinal County. Please regard this letter as such assurance the ADEQ regards the question of Cambria WWTF Section 208 compliance as resolved.

Should you have further questions on this matter, please call me at (602) 207-4525

Sincerely,

Michael J. Traubert, Manager
Compliance Section
Water Quality Division

cc: Karen Smith, Director, Water Quality Division, ADEQ
Linda Taunt, Manager, Hydrological Support & Assessment, ADEQ
Richard Bark, Gallagher & Kennedy Attorneys at Law
George Tsiolis, Snell & Wilmer, L.L.P.

Northern Regional Office
1515 East Cedar Avenue • Suite F • Flagstaff, AZ 86004
(520) 779-0313

Southern Regional Office
400 West Congress Street • Suite 433 • Tucson, AZ 85701
(520) 628-6733

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Arizona Utility Supply & Services, LLC

4545 E. Shea Blvd., #164 Phoenix, AZ 85028
(602) 923-9134 FAX (602) 923-9142

February 20, 2002

Mr. Jim Lee
Mr. Harry Redmond
Madison Diversified
115-988 Beach Ave.
Vancouver, British Columbia
Canada V6Z-2N9

**RE: Sewer Assessment Fee \$183,467.00
271 Lot subdivision so. Of Ocotillo Rd. & Vineyard
Pinal County, AZ**

Dear Mr. Lee, Mr. Redmond:

On December 28, 2001, we were awarded the "Certificate of Convenience and Necessity" (CC&N) by the Arizona Corporation Commission for the area that includes the above captioned subdivision per Decision No. 64288. Per that decision, we are required to refund the \$183,467.00 to Madison Diversified.

Enclosed herewith is payment in the amount of \$183,467.00 per that requirement.

Please call should you have any questions.

Very truly yours,
ARIZONA UTILITY SUPPLY & SERVICES, LLC



Maurice Lee,
Manager

cc: Jeffery Crockett, Atty.
Snell & Wilmer

ARIZONA UTILITY SUPPLY & SERVICES, LLC

4545 E. SHEA BLVD., SUITE 164
PHOENIX, AZ 85028
(602) 923-9134

COPY

11041

DATE February 20, 2002

91-2-1221

PAY
TO THE
ORDER OF

Madison Diversified

183,467.00

One hundred eighty three thousand, four hundred sixty seven Dollars and 00/100

DOLLARS

Security Features
Included.
Details on Back.



Bank One, NA
Phoenix, Arizona 85073
www.bankone.com

FOR Sewer Assessment Refund

M. ...

⑈011041⑈ ⑆122100024⑆

22745193⑈

FedEx International Air Waybill

Express For all international shipments

From *Phoenix* Please print and print here
 Date *02/20/02* Sender's FedEx Account Number

Sender's Name *Maurice Lee* Phone *(602)923-9134*

Company *Arizona Utility Supply & Services, LLC*

Address *4545 E. Shea Blvd., #164*

City *Phoenix* State *Arizona*

Country *USA* ZIP Postal Code *85028*

Your Internal Billing Reference
First 24 characters will appear on invoice.

To Recipient's Name *Jim Lee* Phone *1-800=633-8013*

Company *Madison Diversified*

Address *115-988 Beach Ave.*

City *Vancouver* State *British Columbia*

Country *Canada* ZIP Postal Code *V6Z-2N9*

Recipient's Tax I.D. number for Customs purposes
e.g., GST/RFC/NAT/VEIN, or as locally required

Shipment Information FedEx Only: Use where if goods are not in Fed. Circulation and provide C.I. ALL shipments can be subject to Customs charges.[†]

Total Packages *1* Shipper's Load and Count/SLAC
 Total Weight *2.45* lbs. kg DIM in. cm

Commodity Description REQUIRED	Harmonized Code	Country of Manufacture	Value for Customs REQUIRED
<i>Business documents paper Documents</i>		<i>USA</i>	<i>1.00</i>

S. Export Only: Check One
 No SED required, value \$2500 or less per Schedule B Commodity number
 SED attached (provide export license no. and exp. date or license exception symbol, w/ECCN if applicable)
 Total Declared Value for Carriage
 Total Value for Customs (Specify Currency)

Not all services and options are available to all destinations. **Sender's**

5 Express Package Service

FedEx Intl. Priority FedEx Intl. First
Available to select locations. Higher rates apply.
 _____ FedEx Intl. Economy
FedEx Envelope and FedEx Pak rate not available

Packages up to 150 lbs. / 68 kg
For packages over 150 lbs. (68 kg), use the FedEx Expanded Service Intl. Air Waybill.

NEW
 FedEx Intl. Extra Hours
Available for select locations

6 Packaging

FedEx Envelope FedEx Pak Other Pkg.
Includes FedEx Box, FedEx Tube, and customer pkg.

These unique brown boxes with special pricing are provided by FedEx for FedEx Intl. Priority and FedEx Intl. Extra Hours only.

FedEx 10kg Box FedEx 25kg Box

7 Special Handling

HOLD at FedEx Location SATURDAY Delivery
Available to select locations. Available for FedEx Intl. Priority only

Shipper must check / tick:
 This shipment does not contain Dangerous Goods.
Dangerous Goods cannot be shipped using this Air Waybill.

8a Payment Bill transportation charges to:

Sender Acct. No. in Section 1 will be billed. Recipient Third Party Cash / Check / Cheque Credit Card
FedEx Use Only

FedEx Acct. No. / Credit Card No. / Other No. / Exp. Date
4427426010034779 2/05 2015

8b Payment Bill duties and taxes to:

[†]FedEx cannot estimate Customs charges.

Sender Acct. No. in Section 1 will be billed. Recipient Third Party
 FedEx Acct. No.:

9 Required Signature

Use of this Air Waybill constitutes your agreement to the Conditions of Contract on the back of this Air Waybill, and you represent that this shipment does not require a U.S. State Department License. Certain international treaties, including the Warsaw Convention, may apply to this shipment and limit our liability for damage, loss, or delay, as described in the Conditions of Contract.

WARNING: These commodities, technology, or software were exported from the United States in accordance with Export Administration Regulations. Diversion contrary to U.S. law prohibited.

Sender's Signature: *Maurice Lee* Date Executed: *2/21/02*
This is not authorization to deliver this shipment without a recipient signature.

For Completion Instructions, see back of fifth page.

FedEx Tracking Number

8298 8458 2889

Form I.D. No.

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AZUSS
Arizona Utility Supply & Services, LLC

4545 E. Shea Blvd. #164 Phoenix, AZ 85028
(602) 923-9134 FAX (602) 923-9142

April 19, 2001

Mr. Jim Lee
Mr. Harry Redmond
Madison Diversified
115-988 Beach Ave.
Vancouver, British Columbia
V6Z-2N9

RE: Sewer Assessment Fee \$183,467.00
271 Lot subdivision so. Of Ocotillo Rd. & Vineyard
Pinal County, Arizona

Dear Mr. Lee, Mr. Redmond:

In accordance with our conversations in reference to the sewer assessment fee to be paid to Arizona Utility Supply & Services, LLC, it is mutually agreed that Madison Diversified will place the amount of \$183,467.00 in escrow to be disbursed to American Fiberglass and Arizona Utility Supply & Services, LLC on the following amounts and schedule:

May 1, 2001	Arizona Utility Supply & Services, LLC	\$31,717.00
May 1, 2001	American Fiberglass	\$35,437.50
June 1, 2001	American Fiberglass	\$35,437.50
July 1, 2001	American Fiberglass	\$35,437.50
Aug. 1, 2001	American fiberglass	\$35,437.50
Aug. 1, 2001	Arizona Utility Supply & Services, LLC	\$10,000.00
	Total	\$183,467.00

Payment to American Fiberglass shall be made upon receipt of invoice from American Fiberglass with a notarized certification of work and product completed by American fiberglass.

The amount of \$183,467.00 in certified funds shall be placed in escrow and disbursed by:

Arizona Escrows (Attention: Don Graham, Pres.)
3700 N. 24th Street, Ste. 130
Phoenix, AZ 85016
(602) 956-2629

Funds shall be placed in an interest bearing account with the interest to pay for administrative and disbursement cost. Any surpluses and/or deficiencies shall be paid to or by Madison Diversified. Arizona Utility Supply & Services, LLC shall net the amount of \$183,467.00 regardless of any other cost as required by Madison Diversified.

Agreed to:

Agreed to:

1/5/ Date _____ 1/5/ Date 4/19/01
For Madison Diversified For Arizona Utility Supply & Services, LLC

Accepted:

J.B. [Signature] Date 7/24/01
For American fiberglass

When recorded return to:

Jeffrey W. Crockett, Esq.
Snell & Wilmer
One Arizona Center
Phoenix, Arizona 85004-2202
Phone: (602) 382-6234

BILL OF SALE

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, LINKS OCOTILLO HOMEOWNERS' ASSOCIATION, an Arizona non-profit corporation ("Transferor"), does hereby sell, transfer, convey assign and deliver to ARIZONA UTILITY SUPPLY & SERVICES, L.L.C., an Arizona limited liability company ("Transferee"), its successors and assigns, all of Transferor's right, title and interest in and to those certain assets described on Attachment "A" and depicted on Attachment "B" which attachments are attached hereto and incorporated herein by this reference (collectively, the "Transferred Assets").

Transferor represents and warrants to Transferee as follows:

1. Transferor has legal title to the Transferred Assets;
2. There are no security interests, liens, pledges, judgments or other encumbrances upon or affecting Transferor's legal title to the Transferred Assets;
3. Transferor has the legal right and power to sell, transfer and convey the Transferred Assets to Transferee without the consent of any third party; and
4. There are no outstanding and/or unpaid tax liabilities of any kind by any taxing authority affecting the Transferred Assets.

From time to time after execution of this Bill of Sale, Transferor shall execute and deliver to Transferee such instruments of sale, transfer, conveyance, assignment and delivery, and such consents, assurances, powers of attorney and/or other instruments as may be reasonably requested by Transferee in order to vest in Transferee all right, title and interest of Transferor in and to the Transferred Assets and otherwise in order to carry out the purpose and intent of this Bill of Sale.

IN WITNESS WHEREOF, Transferor has executed this Bill of Sale effective as of February 21, 2002.

OCOTILLO HOMEOWNERS' ASSOCIATION,
an Arizona non-profit corporation

By: Stephen A. Kohner
Stephen A. Kohner, Manager

Agreed and Accepted:

ARIZONA UTILITY SUPPLY & SERVICES,
L.L.C., an Arizona limited liability company

By: Maurice Lee
Maurice Lee, Authorized Member

NOTARIZATIONS

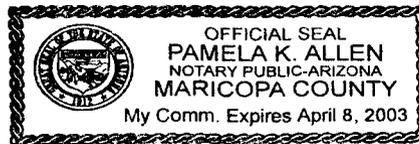
STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 21st day of February, 2002, by Stephen A. Kohner, the Manager of Ocotillo Homeowners' Association, an Arizona non-profit corporation, on behalf thereof.

Pamela K. Allen
Notary Public

My commission expires:

April 8, 2003



STATE OF ARIZONA)
)
COUNTY OF MARICOPA) ss.

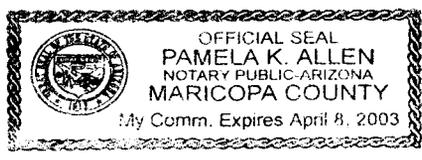
The foregoing instrument was acknowledged before me this 21st day of February, 2002, by Maurice Lee, Authorized Member of Arizona Utility Supply & Services, L.L.C., an Arizona limited liability company, on behalf thereof.

Pamela K Allen

Notary Public

My commission expires:

April 8, 2003



Crocketj\PHX1141722.1

ATTACHMENT "A"

ATTACHMENT A

The "Transferred Assets" as defined in the accompanying Bill of Sale dated February 21, 2002, consist of the following:

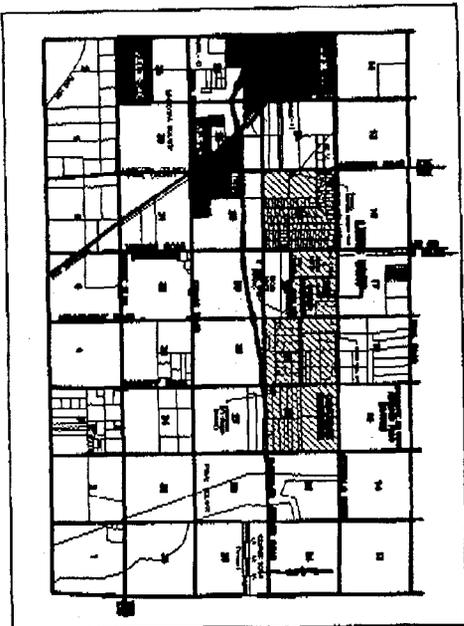
1. A Santec brand manufactured wastewater treatment system to treat 37,500 gallons-per-day of domestic sewage consisting of the following equipment and tanks:
 - Seven (7) flow equalization basins with flowmeters and 2-inch submersible pumps with control panel.
 - Four (4) fiberglass aeration tanks.
 - One (1) fiberglass clarifier.
 - One (1) fiberglass effluent holding tank without submersible pumps.
 - Seven (7) uplift continual processing sand filters with control panel.
 - One (1) ultraviolet (UV) disinfection unit in-line manufactured by Ideal UV Systems.
 - Seven (7) methane injection systems including building.
 - Two (2) positive displacement blowers with 10 horsepower motors and aeration system with control panel and air diffusers.
 - One (1) complete electrical system and service consisting of a 200 amp three-phase distribution panel manual transfer switch.
 - All other piping, equipment, electronics, wiring, tanks, measuring devices, pumps, motors, electrical panels, enclosures and other appurtenances associated with the Santec system.

2. Additional tanks and equipment consisting of the following:
 - Two (2) 34,000-gallon fiberglass aeration tanks.
 - Two (2) 15 foot diameter vertical fiberglass clarifiers (complete).
 - One (1) distribution box.
 - One (1) 8 foot diameter lift station with control panel.
 - Two (2) Meyers 10 HP, 240 V, 3-phase submersible pumps and related piping.
 - One (1) 36 KW standby generator with automatic transfer switch.
 - One (1) mixed liquor pump station with three submersible pumps and concrete structure.
 - One (1) effluent lift station with two submersible pumps with related piping and 2,600 feet of 6 " PVC piping to golf course.
 - All other equipment, facilities and supplies located at the Links Ocotillo wastewater treatment plant.
3. All receivables due on or after the date of the accompanying Bill of Sale associated with the operation of the Links Ocotillo wastewater treatment plant.
4. Permits and approvals as follows:
 - Aquifer Protection Permit No. 102976 issued by the Arizona Department of Environmental Quality.
5. All agreements, contracts and consents necessary to operate the Links Ocotillo wastewater treatment plant.

ATTACHMENT "B"

LINKS
 WASTEWATER TREATMENT PLANT
 EXPANSION
 TO
 150,000 GALLONS PER DAY
 QUEEN CREEK, AZ

- INDEX OF DRAWINGS
1. TITLE
 2. SPECIFICATIONS
 3. SPECIFICATIONS
 4. PROCESS FLOW DIAGRAM
 5. HYDRAULIC PROFILE
 6. SITE PLAN
 7. YARD PIPING DETAILS
 8. EXISTING AERATION BASIN NO. 1 AND 2
 9. EXISTING AERATION BASIN NO. 7
 10. EXISTING BASIN NO. 3, 4, 5, AND 6
 11. MIXED LIQUOR PUMP STATION/
EFFLUENT PUMP STATION/TEB PUMP
 12. EXISTING CLARIFIER DETAILS



VICINITY MAP



MOORE AND ASSOCIATES, INC.

ENGINEER • CIVIL • SURVEYOR

1000 N. CENTRAL AVENUE, SUITE 100
 PHOENIX, ARIZONA 85004

OWNER

THE LINKS AT
 OCCORLEO HIGHL.
 C/O STEVE KOSHER, MGR
 7902 N. BLACK CANYON HIGHWAY
 SUITE 100
 QUEEN CREEK, AZ 85091
 (602) 966-1240

APP PERMIT NO. P102976

OPERATOR

WARRANTEE USE, AECB CORP., NO. 1242
 ARIZONA UTILITY SUPPLY & SERVICES, LLC
 4545 E. SHEA BLVD. STE. 164
 PHOENIX, AZ 85008
 (602) 923-9134