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December 27, 2006

Arizona Corporation Commission

2006 DEC 29 A 11: 19

DOCKETED

AZ CORP COMMISSION
DOCUMENT CONTROL

DEC 29 2006

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

DOCKETED BY	
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RE: W-03067A-04-0652, W-02298A-04-0652, W-03067A-04-0445 and W-03067A-04-0444
Decision No. 67577

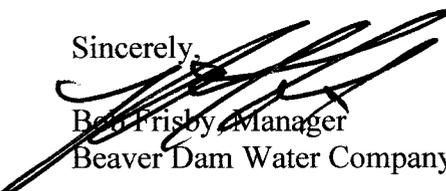
Whereas, January 10, 2006 Beaver Dam Water Company requested an extension until well construction could be completed and that a report showing the arsenic level of the well for the Shadow Ridge Subdivision.

Enclosed find copies:

1. ADEQ SOURCE APPROVAL (Shadow Ridge well 55-808721)
Please note that the Arsenic level 0.0030 meets the new EPA guidelines.
2. ADWR Water Adequacy 100 year water supply December 4, 2006
3. ACC approved line extension agreement 8/29/06

Beaver Dam Water Company believes that the forgoing documents should complete all required orders of decision No. 67577.

Sincerely,


Bob Frisby, Manager
Beaver Dam Water Company

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
DRINKING WATER SOURCE APPROVAL FORM
SAMPLES TO BE TAKEN AT SOURCE ONLY

Beaver Dam Water (Shadow Ridge)

System ID

System Name

05/23/06

07:20

(24 hr Clock)

Sample date

Sample time

ADEQ Project Number

55-808721

Well ID Number

NEW SYSTEM YES NO

Surface Water Intake ID Number

NEW P.O.E. YES NO

Robert Frisby

928-347-5000

Owner/Contact Person Name

Owner/Contact Person Phone Number

SAMPLE TYPE

Compliance Monitoring

SAMPLE COLLECTION POINT/ID

Point of Entry# _____

This form is to be filled out completely and ALL pages submitted together. If more than one laboratory participated in the analyses, 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 (5415b-2)
1110 WEST WASHINGTON STREET, PHOENIX, AZ 85007**

ARIZONA DEPARTMENT OF WATER RESOURCES

Office of Assured and Adequate Water Supply

3550 North Central Avenue, Phoenix, Arizona 85012

Telephone 602 771-8500

Fax 602 771-8689



Janet Napolitano
Governor

Herbert R. Guenther
Director

December 4, 2006

Mr. Roy Tanney
Arizona Department of Real Estate
2910 N. 44th Street
Phoenix, Arizona 85018

Water Report 224022110000

Subdivision Name: Shadow Ridge, Phase 1

Owner: Millennia Investment Corporation, a Utah corporation

Number of lots: 67

County: Mohave

Township 39 N Range 16 W Section 21

Water provided by: Beaver Dam Water

Water Type: Groundwater

Current water depth: 418.3

Estimated 100-year depth: 581 - 860

Current decline rate: 1ft/yr

Basin: Virgin River

Dear Mr. Tanney:

Pursuant to A.R.S. § 45-108, the Department of Water Resources has reviewed the available information pertaining to the water supply for the above-referenced subdivision. This letter constitutes the Department's report on the subdivisions water supply as required by A.R.S. § 45-108(A).

Adequacy of the 100-year water supply was reviewed by the Department with regard to physical, legal and continuous availability, water quality, and financial capability. Information available to the Department indicates that the applicant has satisfied the adequate water supply requirements as set forth in A.A.C. R12-15-701 *et seq.* Therefore, the Department of Water Resources finds the water supply to be adequate to meet the subdivision's projected needs. Any material change to the subdivision plat or its water supply plans may invalidate this decision. See A.A.C. R12-15-708.

This letter is being forwarded to your office as required by A.R.S. § 45-108. This law requires the developer to hold the recordation of the subdivision's plat until receipt of the Department's report on the subdivision's water supply. By copy of this report, the Mohave County Recorder is being officially notified of the developer's compliance with the law. Because of the possibility that a future court proceeding could result in a legal determination that water withdrawn from wells in this area is surface water, the Department recommends that your office include the following statement in all promotional material and contracts for sale of lots in the subdivision:

"Pursuant to A.R.S. § 45-108 and A.A.C. R12-15-701 *et seq.*, the Department has determined that the water supply for the Shadow Ridge subdivision is adequate, i.e. that the water supply is physically, continuously and legally available to satisfy the subdivision's annual estimated water demand, that the water supply is of suitable water quality, and that the applicant has demonstrated the financial capability to construct adequate delivery, storage and treatment works. However, the legal availability of the water withdrawn from wells in this area may be the subject of court action in the future as part of a determination of surface water rights. Whether future court action will have an effect on the legal availability of the water supply for the proposed subdivision cannot be determined at this time."

Pg. 2

December 4, 2006

Water Report

Shadow Ridge subdivision

If you have any questions, please contact Steve Rascona at (602) 771-8500.

Sincerely,

A handwritten signature in cursive script that reads "Sandra Fabritz-Whitney". The signature is written in black ink and is positioned above the printed name.

Sandra Fabritz-Whitney

Assistant Director

Water Management Division

cc: Mohave County Planning and Zoning
Mohave County Recorder
Phylip J. Leslie
Rosemary Lopez, Office of Assured and Adequate Water Supply

WATER FACILITIES EXTENSION AGREEMENT

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

RECITALS:

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

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

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

COVENANTS AND AGREEMENTS:

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

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

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

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

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

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

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

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

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

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

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

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

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

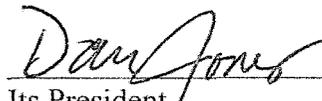
11. **Successors and Assigned.** This Agreement may be assigned by either of the parties provided that the assignee agrees in writing to be bound by and fully perform all of the assignor's duties and obligations hereunder. This Agreement and all terms and conditions contained herein shall be binding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

DEVELOPER:

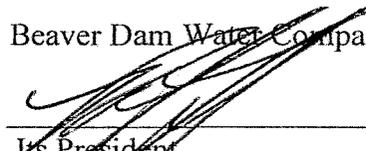
COMPANY:

Millennia Investment Corp

Beaver Dam Water Company



Its President



Its President

Date Approved: 8-29-06

Decision No. _____

Arizona Corporation Commission

By: Bradley S. Monton