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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

MIKE GLEASON - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

MAY 25 2007

DOCKETED BY nr

IN THE MATTER OF THE APPLICATION
OF ARIZONA WATER COMPANY, AN
ARIZONA CORPORATION, TO EXTEND
ITS EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY AT
CASA GRANDE, PINAL COUNTY,
ARIZONA

DOCKET NO. W-01445A-07-0291

AMENDMENT TO APPLICATION TO
EXTEND EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
INCLUDE ADDITIONAL TERRITORY

On May 14, 2007 ARIZONA WATER COMPANY, an Arizona corporation, ("AWC") filed an Application (the "Application") in this docket to extend its existing Certificate of Convenience and Necessity ("CC&N") for its Casa Grande system. AWC now amends the Application as follows:

1. The areas that AWC seeks to add to its CC&N were described in Exhibit 1 to the Application and shown in Exhibit 2 thereto. AWC has now received three additional requests for service, which are described below, and, for that reason is now amending the Application by filing revised Exhibits 1 and 2, both of which are attached, and both of which replace in their entirety Exhibits 1 and 2 as filed with the Application.

1 2. In addition to the requests for service and inclusion of property in AWC's
2 CC&N included in Exhibit 3 to the Application, AWC has now received
3 additional requests to provide water service to, and include property within
4 its CC&N. Copies of letters from Haugen Development, JWStansel &
5 Associates (on behalf of John Kai, owner of AVRA Plantation), and Jeffrey
6 and Charles Levinson, respectively, are each attached as Exhibit 3 to this
7 amendment and supplement Exhibit 3 to the application.
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10 3. The names and addresses of the owners of the property described in
11 Exhibit 1 to the Application were shown in Exhibit 4 to the Application. A
12 revised property owners list is attached hereto as Exhibit 4, and replaces
13 Exhibit 4 to the Application in its entirety. In addition, the public notice
14 attached to the Application as Exhibit 5 will be mailed to each of the
15 property owners.
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18 4. Copies of the main extension agreements between AWC and the
19 developers of Shreeve 110 and Casa Grande Mountain Ranch were
20 attached as Exhibit 12 to the Application. AWC is now amending and
21 supplementing Exhibit 12 to add copies of main extension agreements
22 between AWC and Haugen Development, AVRA Plantations, Inc., and
23 Jeffrey Levinson, each of which is attached hereto and marked as Exhibit
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RESPECTFULLY SUBMITTED this 25th day of May 2007.

ARIZONA WATER COMPANY

By: Robert W. Geake
Robert W. Geake
Vice President and General Counsel
ARIZONA WATER COMPANY
Post Office Box 29006
Phoenix, Arizona 85038-9006

1 Original and thirteen (13) copies of the foregoing filed this 25th day of May 2007 with:

2 Docket Control Division
3 Arizona Corporation Commission
4 1200 West Washington Street
5 Phoenix, Arizona 85007

6 A copy of the foregoing was mailed this 25th day of May 2007 to:

7 Christopher Kempley, Chief Counsel
8 Legal Division
9 Arizona Corporation Commission
10 1200 West Washington Street
11 Phoenix, Arizona 85007

12 Ernest G. Johnson
13 Director, Utilities Division
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17 By: Robert W. Gale

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EXHIBIT 1

CC&N This Application
Revised

PARCEL ONE

A parcel of land lying within and being a portion of the Northwest quarter of Section 5, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

The Northwest quarter of Section 5, EXCEPT the East half of the East half of the West half of the East half of the Northwest quarter of said Section 5; And EXCEPT the East half of the East half of the Northwest quarter of said Section 5.

PARCEL TWO

A portion of the Northwest quarter of Section 23, Township 7 South, Range 6 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

Commencing at the Northwest corner of said Section 23;
Thence South 89°36'00" East, along the North line of the Northwest quarter, a distance of 976.00 feet;
Thence South 14°20'26" East, a distance of 271.53 feet to the True Point of Beginning;
Thence South 89°36'00" East, a distance of 1594.92 feet;
Thence South 00°09'56" West, a distance of 1072.26 feet;
Thence North 89°49'34" West, a distance of 1315.83 feet;
Thence North 14°20'28" West, a distance of 1114.11 feet to the True Point of Beginning;

Together with:

A portion of Section 23 and Section 14 of Township 7 South, Range 6 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

Commencing at the Northwest corner of said Section 23 also being the Southwest corner of Section 14;
Thence South 89°36'00" East, along the common line of Sections 23 and 14, a distance of 976.00 feet to the True Point of Beginning;
Thence South 14°20'26" East, a distance of 271.53 feet;
Thence South 89°36'00" East, a distance of 1594.92 feet;
Thence North 00°09'58" East, a distance of 262.60 feet to the North quarter corner of said Section 23, also being the South quarter corner of Section 14;
Thence North 00°08'37" West, a distance of 651.64 feet;
Thence North 89°36'00" West, a distance of 1826.65 feet;
Thence South 14°12'46" East, a distance of 673.39 feet to the True Point of Beginning;

Together with:

A portion of the West half of Section 14, Township 7 South, Range 6 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

Commencing at the North quarter corner of said Section 14;
Thence South 00°08'37" East, along the North-South Mid-Section line, a distance of 3288.53 feet to the True Point of Beginning;
Thence continuing South 00°08'37" East, a distance of 1363.76 feet;
Thence North 89°36'00" West, a distance of 1826.65 feet;
Thence North 00°01'53" West, a distance of 1350.00 feet;
Thence North 89°58'07" East, a distance of 1823.93 feet to the True Point of Beginning;

Together with:

A portion of the West half of Section 14, Township 7 South, Range 6 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

Commencing at the North quarter corner of said Section 14;
Thence South 00°08'37" East, along the North-South Mid-Section line, a distance of 1992.28 feet to the True Point of Beginning;
Thence continuing South 00°08'37" East, a distance of 1296.26 feet;
Thence South 89°58'07" West, a distance of 2334.93 feet;
Thence North 00°13'18" West, a distance of 1314.58 feet;
Thence South 89°34'57" East, a distance of 2336.82 feet to the True Point of Beginning;

Together with:

A portion of the West half of Section 14, Township 7 South, Range 6 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

Commencing at the North quarter corner of said Section 14;
Thence South 00°08'37" East, along the North-South Mid-Section line, a distance of 967.30 feet to the True Point of Beginning;
Thence continuing South 00°08'37" East, a distance of 1024.98 feet;
Thence North 89°34'57" West, a distance of 2336.82 feet;
Thence North 00°13'18" West, a distance of 1025.00 feet;
Thence South 89°34'57" East, a distance of 2338.22 feet to the True Point of Beginning;

Together with:

A portion of the West half of Section 14, Township 7 South, Range 6 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

Commencing at the North quarter corner of said Section 14 and the True Point of Beginning;
Thence South $00^{\circ}08'37''$ East, along the North-South Mid-Section line, a distance of 967.30 feet;
Thence North $89^{\circ}34'57''$ West, a distance of 2338.22 feet;
Thence North $00^{\circ}13'17''$ West, a distance of 967.31 feet to a point on the North line of said Section 14;
Thence South $89^{\circ}34'57''$ East, along the North line of Section 14, a distance of 2339.54 feet to the True Point of Beginning.

PARCEL THREE

The Northwest quarter of the Northeast quarter of Section 20, Township 8 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

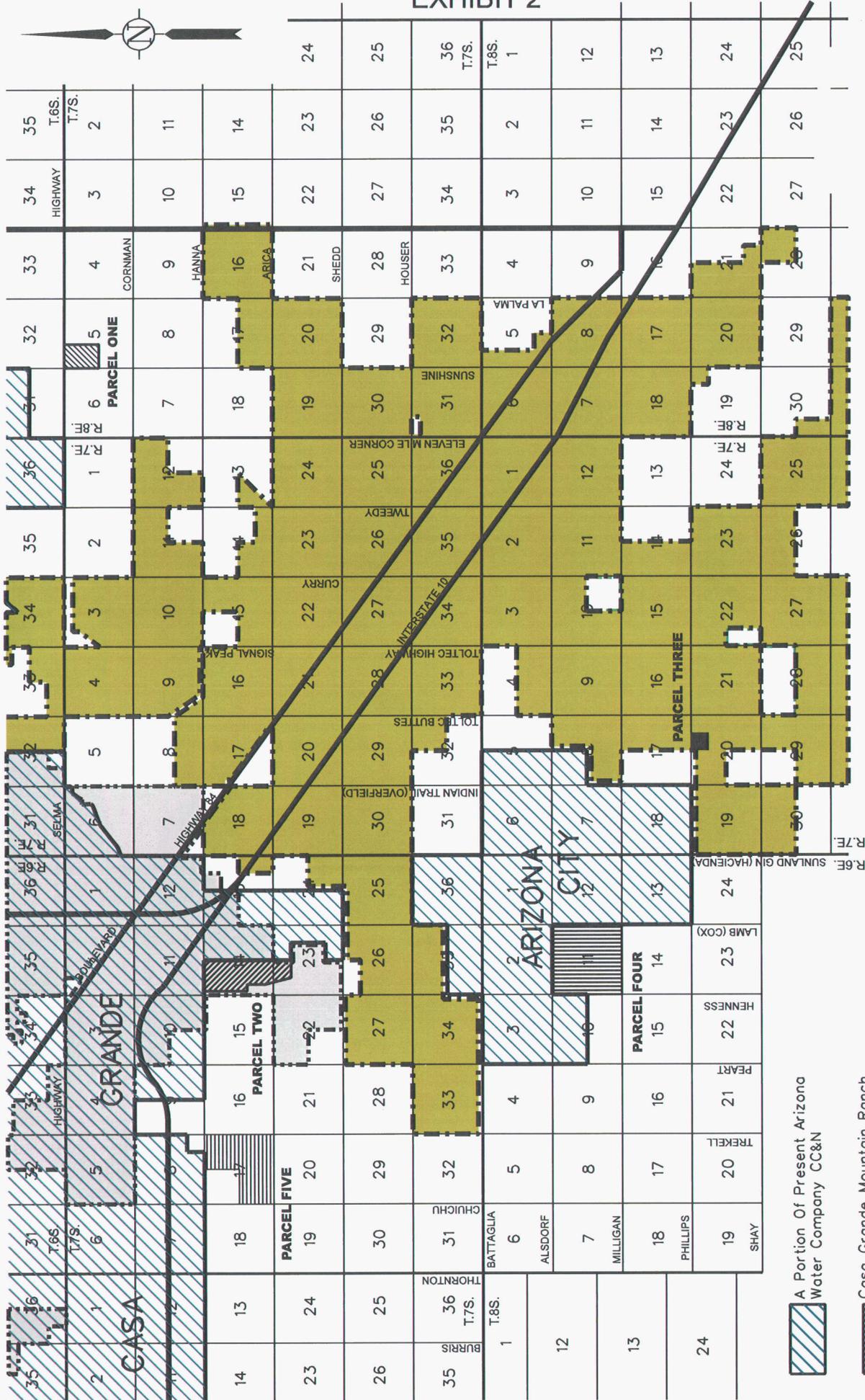
PARCEL FOUR

Section 11 of Township 8 South, Range 6 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

PARCEL FIVE

The East half and the Southwest quarter of Section 17, Township 7 South, Range 6 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXHIBIT 2



ARIZONA WATER COMPANY

DESCRIPTION:
 CC&N Application to Include Portions In T.7S.,R.8E.,T.7S.,R.6E.
 And T.8S.,R.7E. Of The G.S.R.B.&M. Pinal County, Az.

LOCATION:
CASA GRANDE

DATE: 05.21.2007
 SCALE: 1" = 2 Miles
 DRAWN BY: CB

A Portion Of Present Arizona Water Company CC&N

Casa Grande Mountain Ranch (305.63 Acres) Parcel Two

Shreeve 110 (110 Acres) Parcel One

Levison Property (40 Acres) Parcel Three

Avra Plantation (640 Acres) Parcel Four

Haugen Development (480 Acres) Parcel Five

A Portion Of The Casa Grande City Limits

A Portion Of Eloy City Limits

EXHIBIT 3

January 12, 2007

Mike Whitehead
Vice President, Engineering
Arizona Water Company
P.O. Box 29006
Phoenix, Arizona 85038-9006

Re: Extension Of CC&N for Haugen Development, Casa Grande, AZ.

Dear Mr. Whitehead,

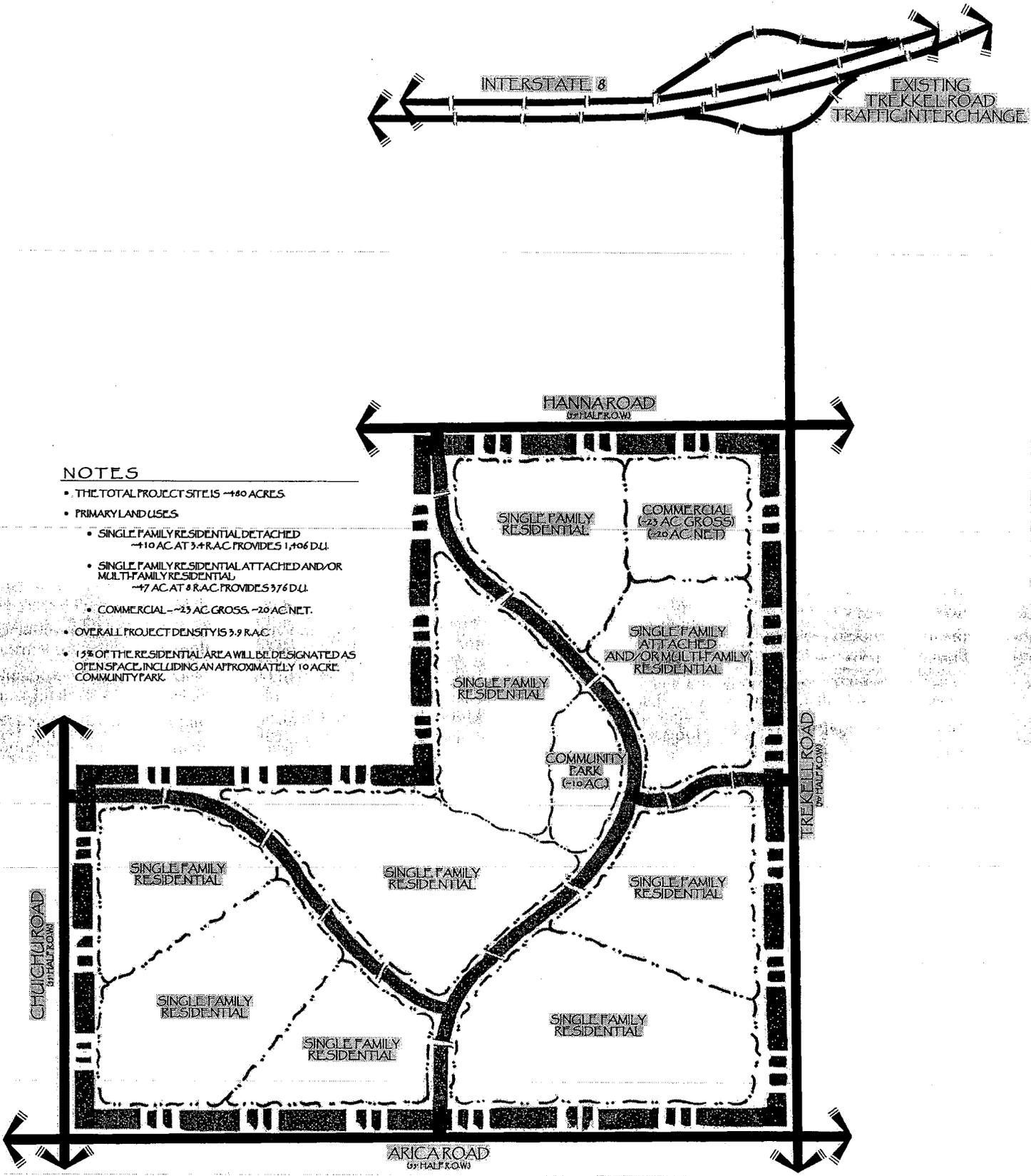
Haugen Development requests to be included in your next application to extend its Certificate of Convenience and Necessity in or near Casa Grande, Arizona with the Arizona Corporation Commission to include an overall area of 480 acres, which is more accurately described in Attachment 'A' and depicted on the map as Attachment 'B', both attached hereto. Please notify us when you have been issued a Procedural Order on this extension.

Sincerely,



Dave Blouin,
Project Manager

EXHIBIT 3,
ATTACHMENT 'A'



NOTES

- THE TOTAL PROJECT SITE IS ~140 ACRES.
- PRIMARY LAND USES
 - SINGLE FAMILY RESIDENTIAL DETACHED
~10 AC AT 3.4 R.A.C. PROVIDES 1,406 D.U.
 - SINGLE FAMILY RESIDENTIAL ATTACHED AND/OR MULTIFAMILY RESIDENTIAL
~47 AC AT 8 R.A.C. PROVIDES 376 D.U.
 - COMMERCIAL ~23 AC GROSS ~20 AC NET.
- OVERALL PROJECT DENSITY IS 3.9 R.A.C.
- 15% OF THE RESIDENTIAL AREA WILL BE DESIGNATED AS OPEN SPACE, INCLUDING AN APPROXIMATELY 10 ACRE COMMUNITY PARK.



HAUGEN PROPERTY

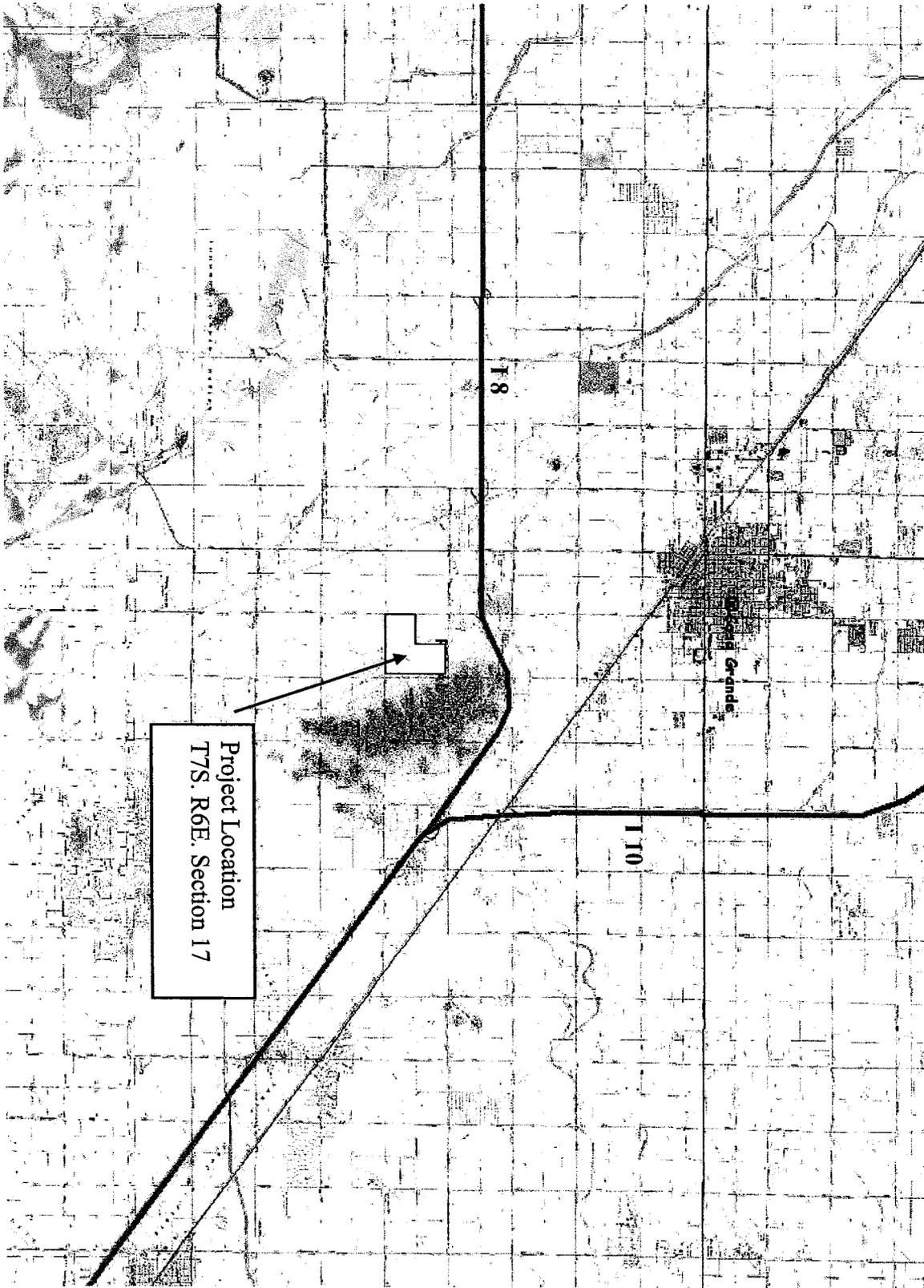
Conceptual Land Use Plan

Pinal County, Arizona

WLB NO. 109049-A-001
DATE: 12.14.06

L:\109049\Landuse Plan\Landuse Plan DWG Plotted: Dec 15, 2006

EXHIBIT 3
ATTACHMENT 'B'



JW Stansel & Associates

PLANNING
7880 VIA BONITA

ARCHITECTURE
SCOTTSDALE, ARIZONA 85258

ENGINEERING
(602) 991-2986
480

August 17, 2006

Mr. Michael Whitehead
Vice President, Engineering
Arizona Water Company
P.O. Box 29006
Phoenix, Arizona 85038-9006

Re: Extension of CC&N for AVRA Plantation

Dear Mr. Whitehead,

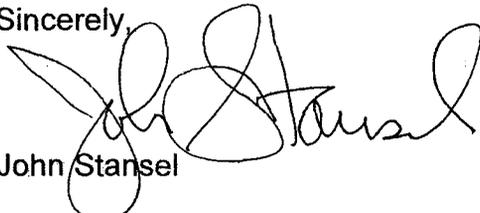
On behalf of John Kai, owner of AVRA Plantation I respectfully request his property to be included in your next application to extend its Certificate of Convenience and Necessity in Pinal County, Arizona with the Arizona Corporation Commission. AVRA Plantation includes all of Section 11, T8S, R6E in Pinal County and contains 640 acres. The Pinal County Assessor No, is 511-44-09005.

I have included a copy of an aerial photo that indicates the location of the property, adjacent Arizona City and your present Certificated area.

I have also enclosed a letter of authorization from Mr. Kai.

Please notify me when you have been issued a Procedural Order on this extension.

Sincerely,



John Stansel

cc John Kai



EXHIBIT 3

AVRA PLANTATIONS, INC.
2305 W. RUTHRAUFF ROAD
TUCSON, ARIZONA 85705
TELE: (520) 791-2409
FAX: (520) 888-0642

August 10, 2006

To Whom It May Concern:

RE: Authorization

Avra Plantations, Inc. has retained John Stansel of JW Stansel and Associates to carry out Planning Services for Section 11, Township 8S, Range 6E in Pinal County Arizona . Mr. Stansel is authorized on our behalf to obtain public records, prepare maps and plans for the future development of Section 11.

Mr. Stansel is also authorized on our behalf, to carry out correspondence and to file Applications and reports to public and governmental agencies relating to the development of Section 11.

Sincerely,



John Kai
Owner

EXHIBIT 3

March 22, 2006

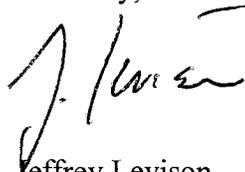
Mike Whitehead
Vice President, Engineering
Arizona Water Company
P.O. Box 29006
Phoenix, Arizona 85038-9006

Re: Extension of CC&N for, Jeffrey Levison, Eloy, AZ.

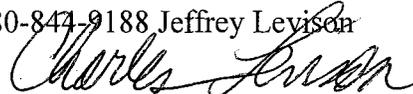
Dear Mr. Whitehead,

Jeffrey Levison and Charles Levison request to be included in your next application to extend its Certificate of Convenience and Necessity in or near Eloy, Pinal County, Arizona with the Arizona Corporation Commission to include an overall area of 40.75 acres, which is more accurately described as AMD ELOY VALLEY WEST LOT 54, Section 20, T8S, R7E, Bk 1, Pg 139-142 and depicted on the map as Attachment 'A', attached hereto. Please notify us when you have been issued a Procedural Order on this extension.

Sincerely,



Jeffrey Levison
5319 E. Mitchell Dr.
Phoenix, AZ 85018
602-840-2813 Dr. Charles Levison
480-847-9188 Jeffrey Levison



HELEN LEVISON



SEC. 20 TN.08S RG.07E

408-23
6/6

ELOY VALLEY WEST
BK. 1(SUR) - PG. 139

SEE MAP 408-23 5/6

AREA CODE
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SPECIAL DISTRICTS
00000
00000

THIS MAP IS FOR TAX PURPOSES ONLY.
THIS OFFICE WILL NOT ASSUME LIABILITY FOR
REPRESENTATION, MEASUREMENTS OR ACREAGE.

THE ORIGINAL PLAT OF THIS SUBDIVISION IS
ON FILE WITH THE PINAL COUNTY RECORDERS
OFFICE. FOR COMPLETE INFORMATION OF PLAT
AND CC&R & CALL (520) 868-7100.

SEE MAP 408-01

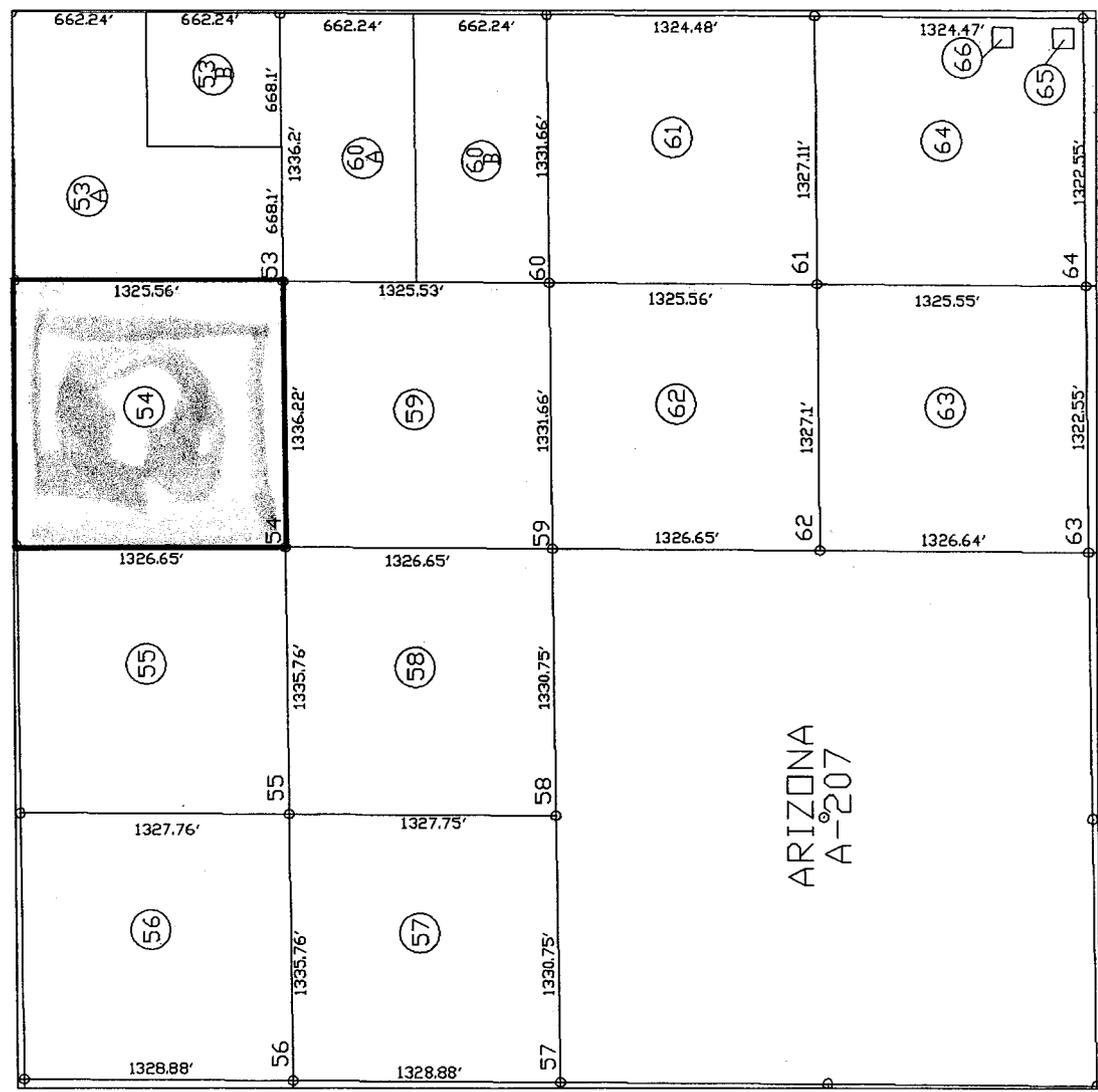
EXHIBIT 3



SCALE: 1" = 600'

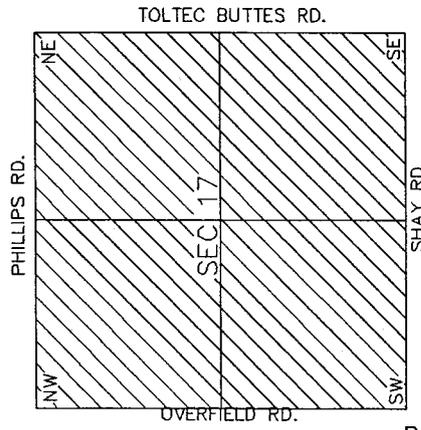
2-26-2003

SEE MAP 408-01



SEE MAP 408-01

VICINITY MAP



PINAL COUNTY ASSESSORS MAP

EXHIBIT 4

Property Owners List Revised

401-48-004E
All State Associates of Pinal XIII, LLC
21050 North Pima Road
Scottsdale, Arizona 85255

511-19-006b
511-19-006C
511-19-006d
511-19-006E
511-19-006F
511-36-001b
City of Casa Grande
300 East 4th Street
Casa Grande, Arizona 85222

408-23-054
Jeffrey Levison
5319 East Mitchell Drive
Phoenix, Arizona 85018

511-44-090
Avra Plantation
2305 West Ruthrauff
Tucson, Arizona 85705

511-19-007A
511-19-007d
511-19-007E
511-19-007F
511-19-007G
Vern W. Haugen
9701 East Happy Valley Road
Scottsdale, Arizona 85255

EXHIBIT 12



ARIZONA WATER COMPANY

AGREEMENT FOR
EXTENSION OF
WATER FACILITIES

APPLICANT: Haugen Development
Name

Contract No	
W/A No	

9701 E. Happy Valley Road, Lot 19
Address

Scottsdale Arizona 85255
City and State Zip Code

DATE OF AGREEMENT: March 7, 2007

DATE OF COST ESTIMATE: (Attachment "A"): March 7, 2007 WATER SYSTEM: Casa Grande

WATER FACILITIES: Offsite Water Distribution System to serve Haugen Development (APN 511-19-007A, 007D, 007E, 007F & 007G) as per drawing (Attachment "B").

REFUNDABLE ADVANCE FOR CONSTRUCTION:	<u>Install 3,540 LF of 12" DIP & related fittings</u>	\$	<u>226,048</u>
NON-REFUNDABLE CONTRIBUTION IN AID OF CONSTRUCTION:			
		AGREEMENT TOTAL	\$ <u>226,048</u>
		LESS: COST OF CONSTRUCTION	<u>212,400</u>
		BALANCE DUE	\$ <u>13,648</u>

THIS AGREEMENT is made and entered into by and between ARIZONA WATER COMPANY, an Arizona corporation, (hereinafter called the "Company"), and the Applicant named above. In consideration of the services to be performed by the Company and the sums of money to be paid by the Applicant, in accordance with the related Cost Estimate, it is agreed as follows: (SEE ADDENDUM, ATTACHED HERETO)

- The Company will construct, or will arrange for the construction of the Water Facilities as described above.
- The Applicant will pay to the Company upon signing this Agreement the Total shown above, receipt of which is hereby acknowledged by the Company. The Total shown above to be paid by the Applicant to the Company is the Company's estimated cost of construction of the Water Facilities. The Company will determine and inform the Applicant of the actual cost of construction within sixty (60) days after the completion of construction or the Company's receipt of all invoices and charges related to the construction. If the actual cost of construction is less than the Total amount paid, the Company will refund the difference to the Applicant; conversely, if the actual cost of construction is more than the Total amount paid, the Applicant shall pay the difference to the Company within sixty (60) days of receipt of an invoice from the Company. However, if the actual cost is more than five percent (5%) greater than the Total amount paid, the Applicant 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. The Company and the Applicant further agree that the amount subject to refund pursuant to paragraph 3 of this Agreement shall be the refundable portion of the Company's actual cost of construction. Information about the actual cost of construction will be attached to this Agreement and forwarded to the Applicant.
- Refunds of any Advance for Construction shall be made as follows: Each year for a period of 10 years the Company shall pay to the Applicant or the Applicant's assignee or successor in interest, provided the Company has first received written notice and evidence of such assignment or succession and approved of same, an amount equal to 10 percent of the total gross annual revenue received by the Company from water sales to each bona fide Applicant whose service line is directly connected to pipelines installed pursuant to this Agreement. Refunds shall be made by the Company on or before August 31 of each year, covering any water revenues received during the preceding July 1 to June 30 period. Any balance remaining subject to refund at the end of the 10-year period shall become non-refundable. Aggregate refunds shall in no event exceed the total of the refundable Advance for Construction received from the Applicant. No interest shall be paid by the Company on any amounts paid hereunder.
- All Water Facilities installed under this Agreement shall be the sole property of the Company, and the Applicant shall have no right, title or interest in or to any such facilities.
- The size, design, type and quality of materials and of the system, location and manner of installation, shall be specified by the Company and shall comply with requirements of the Arizona Corporation Commission or other public agencies having authority therein.
- The Applicant agrees to furnish to the Company adequate and recordable easements and required surveying necessary to serve each parcel or lot within the Applicant's subdivision, tract, development, or project.
- The Applicant agrees that all easements and rights-of-way shall be free of obstacles which may interfere with the construction of the Company's Water Facilities. If the Applicant's subdivision, tract, development, or project involves road construction, all roads and drainageways will be brought to grade by the Applicant prior to the commencement of the installation of the Company's Water Facilities. No pavement or curbs shall be installed prior to completion of all Water Facilities. If any street, road, alley or drainageway is installed at a different grade or location after the beginning of the installation of Water Facilities, the Applicant shall bear all costs incurred by the Company to relocate the Water Facilities as a result of said facilities having improper cover or location. Such costs shall be non-refundable.
- The Applicant agrees to pay to the Company any additional costs incurred as a result of design changes made or caused by the Applicant or its employees, agents, servants, contractors or subcontractors, the Arizona Department of Environmental Quality, the Arizona Corporation Commission, any county health department or other public agency under whose jurisdiction the subject construction may fall, or anticipated or un-anticipated changes in existing Company facilities, due to any work associated with this subdivision, tract, development or project which causes said facilities to have improper cover or location.
- This Agreement shall be binding upon and for the benefit of the successors and assigns of the Company and the Applicant. No assignment or transfer of this Agreement by the Applicant shall be binding upon the Company or create any rights in the assignee until such assignment or transfer is approved and accepted in writing by the Company.
- This Agreement, and all rights and obligations hereunder, including those regarding water service to the Applicant, are subject to the Arizona Corporation Commission's "Rules and Regulations" and the Company's tariff schedule TC-243, "Terms and Conditions for the Provision of Water Service."

ARIZONA WATER COMPANY
Company
By: [Signature]
Title: ENGINEERING TECHNICIAN
AFH

Haugen Development
Applicant
By: [Signature]
Title: _____

EXHIBIT 12

AGREEMENT FOR EXTENSION OF WATER FACILITIES

This Addendum to Agreement for Extension of Water Facilities (the "Agreement") is made and entered into as of the 7th day of March, 2007, by and between Arizona Water Company ("Company") and Haugen Development ("Applicant") for the extension of water service and facilities to serve the Haugen Development (APN 511-19-007A, 007D, 007E, 007F & 007G) (the "Subdivision").

The Agreement is hereby modified and amended by mutual agreement of the parties in the following particulars:

1. Section 1 of the Agreement is revised to read as follows:

Applicant will arrange for and bear the cost of construction of the offsite water distribution system to serve the Subdivision, which includes approximately 3,540 LF of 12" DIP with related fittings, (collectively, the "Water Facilities") in accordance with plans and specifications reviewed and approved by the Company, and in accordance with the Company's current Construction Specifications & Standard Specification Drawings. Upon final acceptance by the Company, Applicant shall thereafter transfer and convey the Water Facilities to the Company by Bill of Sale, together with a perpetual easement for the maintenance thereof, both documents to be prepared and approved by the Company. Applicant shall furnish any document pertaining to ownership and title as may be requested by Company including documents which evidence or confirm transfer of possession to Company, and good and merchantable title free and clear of liens, or which contain provisions for satisfaction of liens by Applicant. All risk or loss of the water facilities shall be with the Applicant until written acceptance by the Company, or any portions thereof. Applicant shall repair or cause to be repaired promptly, and at no cost to Company, all damage to the Water Facilities caused by Applicant's construction operations until all construction in development for Applicant has been completed. Applicant acknowledges that Company has the right to, and may in the future; connect its existing or future water systems to the Water Facilities.

2. Section 2 of the Agreement is deleted in its entirety.
3. Section 8 of the Agreement is revised to provide that the Applicant shall pay any additional costs incurred as the result of design changes made or caused by any of the persons or entities named therein and shall hold Company harmless therefrom.
4. It is further agreed that the Applicant will advise all contractors asked to bid the construction of the Water Facilities that Applicant will assign to the Company the duty of inspecting the installation of the Water Facilities for compliance with the Company's current Construction Specifications & Standard Specification Drawings, as referenced in Section 1 of this Addendum. If requested by Company, Applicant shall "oversize" the Water Facilities as specified by Company. Company shall reimburse Applicant for the differential in material prices of the oversized pipe and appurtenances, versus the material prices of the pipe and appurtenances as specified by the Company in the approved plans.

EXHIBIT 12

The Applicant agrees to require the contractor which will be installing the Water Facilities to arrange for and attend a pre-construction conference with the Company's Division Manager at least two weeks prior to commencing construction of the Water Facilities. Applicant shall obtain from the Company a signed Commencement Notice before construction of the Water Facilities begins. Applicant's contractor shall comply with the Company's inspection and testing requirements for Water Facilities. Applicant shall give Company adequate notice when the Water Facilities are ready for inspection and testing.

The Company specifically reserves the right to withhold final acceptance of the Water Facilities unless said facilities have been constructed in accordance with the approved plans and specifications and are satisfactory to Company upon inspection and testing. Applicant agrees that it will promptly correct all material defects and deficiencies in construction, materials and workmanship upon request by Company made subsequent to inspection by Company and for one year following Company's written final acceptance of the Water Facilities in accordance with the terms of this Agreement.

Applicant hereby assumes the entire responsibility and liability for injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence or willful acts or omissions of Applicant, its agent, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith. Accordingly, Applicant will indemnify and hold harmless the Company, its officers, directors, agents and employees from and against claims or expenses, including penalties and assessments and attorneys' fees to which they or any of them may be subjected by reason of such injury, death, loss, claim, penalty, assessment or damage caused by the active or passive negligence or willful acts or omissions of Applicant, its agents, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith: and in case any suit or other proceeding shall be brought on account thereof, Applicant will assume the defense at Applicant's own expense and will pay all judgements rendered therein. In connection therewith, the Applicant shall maintain in full force and effect insurance at no less than the following minimum amounts:

WORKER'S COMPENSATION

In accordance with requirements of the laws of the State of Arizona.

COMPREHENSIVE GENERAL LIABILITY
(Including contractual liability covering death, bodily injury and property damage)

Combined single limit of not less than \$1,000,000 for each occurrence.

AUTOMOTIVE LIABILITY
(Including owned, non-owned and hired vehicles)

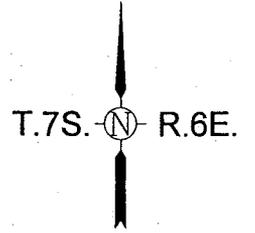
Combined single limit of not less than \$1,000,000 for each occurrence.

Such insurance shall name the Company, its officers, agents, and employees as additional insured and be primary for all purposes.

The Company will at all times have the right to require that all of such insurance be placed with insurance companies that are satisfactory to it. The Applicant shall file with the Company a

EXHIBIT 12

Attachment "B"



OFFSITE WATER DISTRIBUTION SYSTEM TO SERVE
HAUGEN DEVELOPMENT (APN 511-19-007A, 007D, 007E, 007F & 007G)

(CORNMAN RD ALIGNMENT)

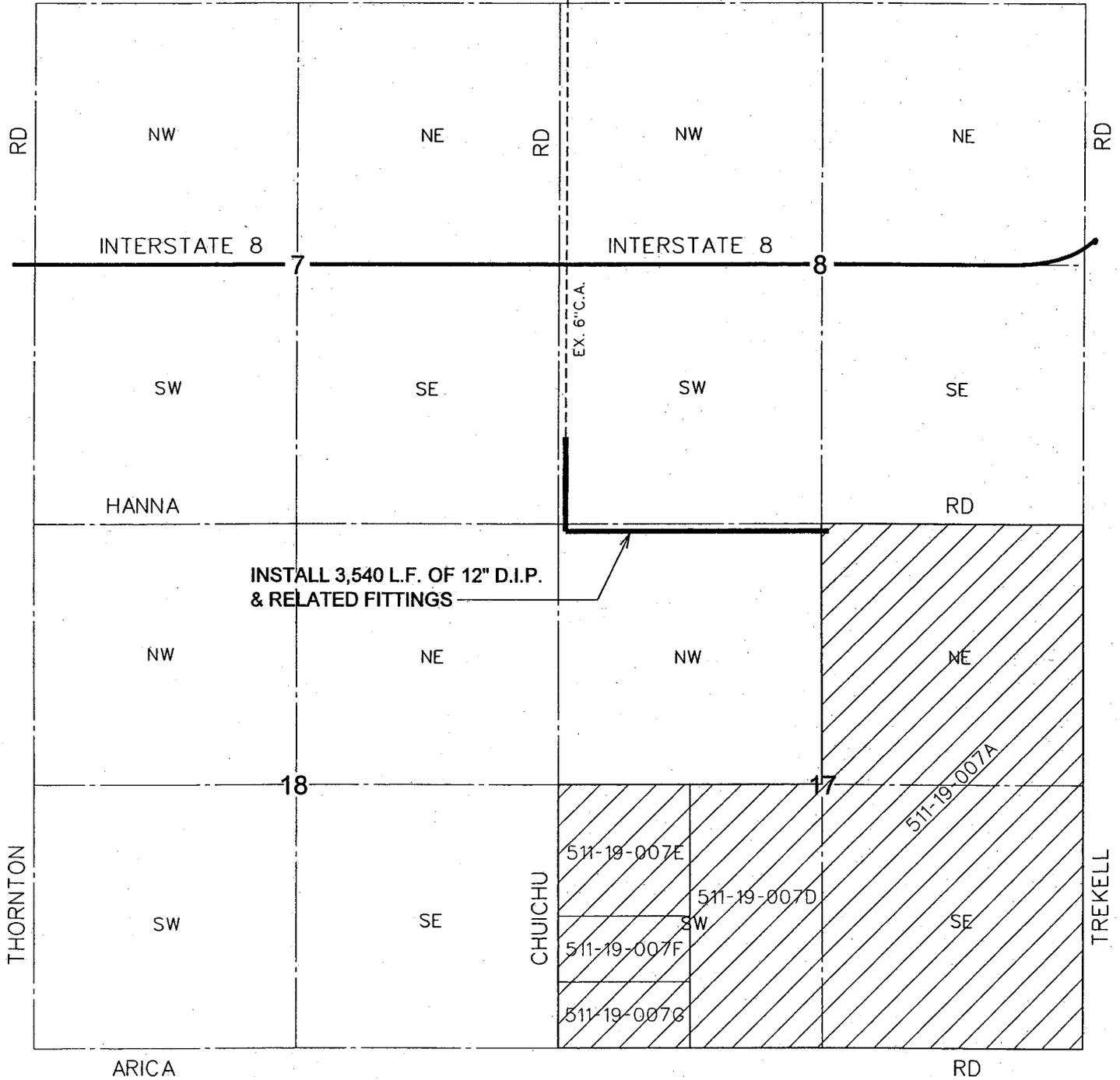


EXHIBIT 12



ARIZONA WATER COMPANY

AGREEMENT FOR EXTENSION OF WATER FACILITIES

APPLICANT: AVRA Plantations, Inc
Name
2305 W. Ruthrauff Road
Address
Tucson Arizona 85705
City and State Zip Code

Contract No.
W.A. No.

DATE OF AGREEMENT: March 7, 2007

DATE OF COST ESTIMATE: (Attachment "A"): March 7, 2007 WATER SYSTEM: Casa Grande

WATER FACILITIES: Offsite Water Distribution System to serve AVRA Plantations, Inc (APN 511-44-090) as per drawing (Attachment "B").

Table with 2 columns: Description and Amount. Rows include REFUNDABLE ADVANCE FOR CONSTRUCTION (\$168,766), NON-REFUNDABLE CONTRIBUTION IN AID OF CONSTRUCTION, AGREEMENT TOTAL (\$168,766), LESS: COST OF CONSTRUCTION (158,400), and BALANCE DUE (\$10,366).

THIS AGREEMENT is made and entered into by and between ARIZONA WATER COMPANY, an Arizona corporation, (hereinafter called the "Company"), and the Applicant named above. In consideration of the services to be performed by the Company and the sums of money to be paid by the Applicant, in accordance with the related Cost Estimate, it is agreed as follows: (SEE ADDENDUM, ATTACHED HERETO)

- 1. The Company will construct, or will arrange for the construction of the Water Facilities as described above.
2. The Applicant will pay to the Company upon signing this Agreement the Total shown above, receipt of which is hereby acknowledged by the Company.
3. Refunds of any Advance for Construction shall be made as follows: Each year for a period of 10 years the Company shall pay to the Applicant or the Applicant's assignee or successor in interest, provided the Company has first received written notice and evidence of such assignment or succession and approved of same, an amount equal to 10 percent of the total gross annual revenue received by the Company from water sales to each bona fide Applicant whose service line is directly connected to pipelines installed pursuant to this Agreement.
4. All Water Facilities installed under this Agreement shall be the sole property of the Company, and the Applicant shall have no right, title or interest in or to any such facilities.
5. The size, design, type and quality of materials and of the system, location and manner of installation, shall be specified by the Company and shall comply with requirements of the Arizona Corporation Commission or other public agencies having authority therein.
6. The Applicant agrees to furnish to the Company adequate and recordable easements and required surveying necessary to serve each parcel or lot within the Applicant's subdivision, tract, development, or project.
7. The Applicant agrees that all easements and rights-of-way shall be free of obstacles which may interfere with the construction of the Company's Water Facilities.
8. The Applicant agrees to pay to the Company any additional costs incurred as a result of design changes made or caused by the Applicant or its employees, agents, servants, contractors or subcontractors, the Arizona Department of Environmental Quality, the Arizona Corporation Commission, any county health department or other public agency under whose jurisdiction the subject construction may fall, or anticipated or un-anticipated changes in existing Company facilities, due to any work associated with this subdivision, tract, development or project which causes said facilities to have improper cover or location.
9. This Agreement shall be binding upon and for the benefit of the successors and assigns of the Company and the Applicant. No assignment or transfer of this Agreement by the Applicant shall be binding upon the Company or create any rights in the assignee until such assignment or transfer is approved and accepted in writing by the Company.
10. This Agreement, and all rights and obligations hereunder, including those regarding water service to the Applicant, are subject to the Arizona Corporation Commission's "Rules and Regulations" and the Company's tariff schedule TC-243, "Terms and Conditions for the Provision of Water Service."

ARIZONA WATER COMPANY
Company
By: Miguel Nunez
Title: VI - ENGINEERING
AFH

AVRA Plantations, Inc
Applicant
By: [Signature]
Title: AGENT

EXHIBIT 12

AGREEMENT FOR EXTENSION
OF WATER FACILITIES

This Addendum to Agreement for Extension of Water Facilities (the "Agreement") is made and entered into as of the 7th day of March, 2007, by and between Arizona Water Company ("Company") and AVRA Plantations, Inc ("Applicant") for the extension of water service and facilities to serve AVRA Plantations, Inc (APN 511-44-090) (the "Subdivision").

The Agreement is hereby modified and amended by mutual agreement of the parties in the following particulars:

1. Section 1 of the Agreement is revised to read as follows:

Applicant will arrange for and bear the cost of construction of the offsite water distribution system to serve the Subdivision, which includes approximately 2,640 LF of 12" DIP with related fittings, (collectively, the "Water Facilities") in accordance with plans and specifications reviewed and approved by the Company, and in accordance with the Company's current Construction Specifications & Standard Specification Drawings. Upon final acceptance by the Company, Applicant shall thereafter transfer and convey the Water Facilities to the Company by Bill of Sale, together with a perpetual easement for the maintenance thereof, both documents to be prepared and approved by the Company. Applicant shall furnish any document pertaining to ownership and title as may be requested by Company including documents which evidence or confirm transfer of possession to Company, and good and merchantable title free and clear of liens, or which contain provisions for satisfaction of liens by Applicant. All risk or loss of the water facilities shall be with the Applicant until written acceptance by the Company, or any portions thereof. Applicant shall repair or cause to be repaired promptly, and at no cost to Company, all damage to the Water Facilities caused by Applicant's construction operations until all construction in development for Applicant has been completed. Applicant acknowledges that Company has the right to, and may in the future; connect its existing or future water systems to the Water Facilities.

2. Section 2 of the Agreement is deleted in its entirety.

3. Section 8 of the Agreement is revised to provide that the Applicant shall pay any additional costs incurred as the result of design changes made or caused by any of the persons or entities named therein and shall hold Company harmless therefrom.

4. It is further agreed that the Applicant will advise all contractors asked to bid the construction of the Water Facilities that Applicant will assign to the Company the duty of inspecting the installation of the Water Facilities for compliance with the Company's current Construction Specifications & Standard Specification Drawings, as referenced in Section 1 of this Addendum. If requested by Company, Applicant shall "oversize" the Water Facilities as specified by Company. Company shall reimburse Applicant for the differential in material prices of the oversized pipe and appurtenances, versus the material prices of the pipe and appurtenances as specified by the Company in the approved plans.

The Applicant agrees to require the contractor which will be installing the Water Facilities to arrange for and attend a pre-construction conference with the Company's Division Manager at least two weeks prior to commencing construction of the Water Facilities. Applicant shall obtain from the Company a signed Commencement Notice before construction of the Water Facilities begins. Applicant's contractor shall comply with the Company's inspection and testing requirements for Water Facilities. Applicant shall give Company adequate notice when the Water Facilities are ready for inspection and testing.

The Company specifically reserves the right to withhold final acceptance of the Water Facilities unless said facilities have been constructed in accordance with the approved plans and specifications and are satisfactory to Company upon inspection and testing. Applicant agrees that it will promptly correct all material defects and deficiencies in construction, materials and workmanship upon request by Company made subsequent to inspection by Company and for one year following Company's written final acceptance of the Water Facilities in accordance with the terms of this Agreement.

Applicant hereby assumes the entire responsibility and liability for injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence or willful acts or omissions of Applicant, its agent, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith. Accordingly, Applicant will indemnify and hold harmless the Company, its officers, directors, agents and employees from and against claims or expenses, including penalties and assessments and attorneys' fees to which they or any of them may be subjected by reason of such injury, death, loss, claim, penalty, assessment or damage caused by the active or passive negligence or willful acts or omissions of Applicant, its agents, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith: and in case any suit or other proceeding shall be brought on account thereof, Applicant will assume the defense at Applicant's own expense and will pay all judgements rendered therein. In connection therewith, the Applicant shall maintain in full force and effect insurance at no less than the following minimum amounts:

WORKER'S COMPENSATION

In accordance with requirements of the laws of the State of Arizona.

COMPREHENSIVE GENERAL LIABILITY

(Including contractual liability covering death, bodily injury and property damage)

Combined single limit of not less than \$1,000,000 for each occurrence.

AUTOMOTIVE LIABILITY

(Including owned, non-owned and hired vehicles)

Combined single limit of not less than \$1,000,000 for each occurrence.

Such insurance shall name the Company, its officers, agents, and employees as additional insured and be primary for all purposes.

The Company will at all times have the right to require that all of such insurance be placed with insurance companies that are satisfactory to it. The Applicant shall file with the Company a

EXHIBIT 12

certificate evidencing that each policy of insurance for the above coverages in the minimum amounts specified has been purchased and is in good standing.

Such certificate shall provide that notice be given to the Company at least thirty (30) days prior to cancellation or material change in the form of such policies or any of them. Such certificates shall be kept on file by the Company and the Company must have current certificates on file, or a certificate must accompany any bid proposal, before that proposal will be accepted by the Company.

It is agreed that the Company is not an agent for Applicant and shall not incur any costs or expenses on behalf of Applicant and that Applicant is not an agent for the Company and shall not incur any costs or expenses on behalf of the Company.

5. Applicant shall, within 60 days of operational acceptance of Water Facilities by Company, furnish Company with: (a) copies of all bills, invoices and other statements of expenses incurred by Applicant covering all of the costs of materials, equipment, supplies, construction and installation of the Water Facilities; (b) lien waivers and releases from contractors, subcontractors and vendors for materials, equipment, supplies and construction included in the Water Facilities; (c) receipts, specifying exact amount of payments in full by Applicant to all contractors, subcontractors and vendors for all materials, equipment, supplies, labor and other costs of construction of the Water Facilities; and, (d) 4-mil mylar "as-built" drawings certified as to correctness by an engineer registered in the State of Arizona and showing the locations, materials, sizes and pertinent construction details for Water Facilities.

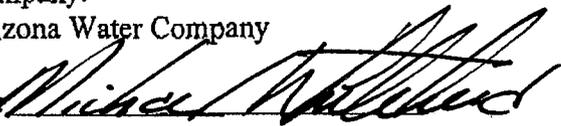
6. Upon final acceptance, Company will provide water service to the Subdivision in accordance with the rates, charges and conditions set forth in the tariffs of Company as filed with the Arizona Corporation Commission. Those rates are subject to change from time to time upon action by the Commission.

7. Applicant agrees that the completion of the Water Facilities will be timed so as to enable Company to provide water service to the Subdivision as such service is requested.

Except as set forth herein, and except as necessary to give effect hereto, the Agreement remains in full force and effect and is unmodified.

Company:
Arizona Water Company

By:



Applicant:
AVRA Plantations, Inc.

By:

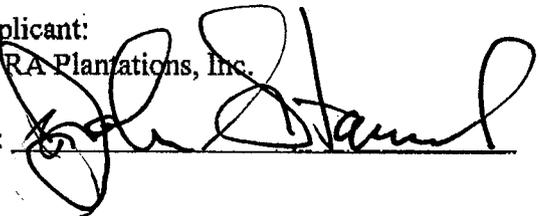
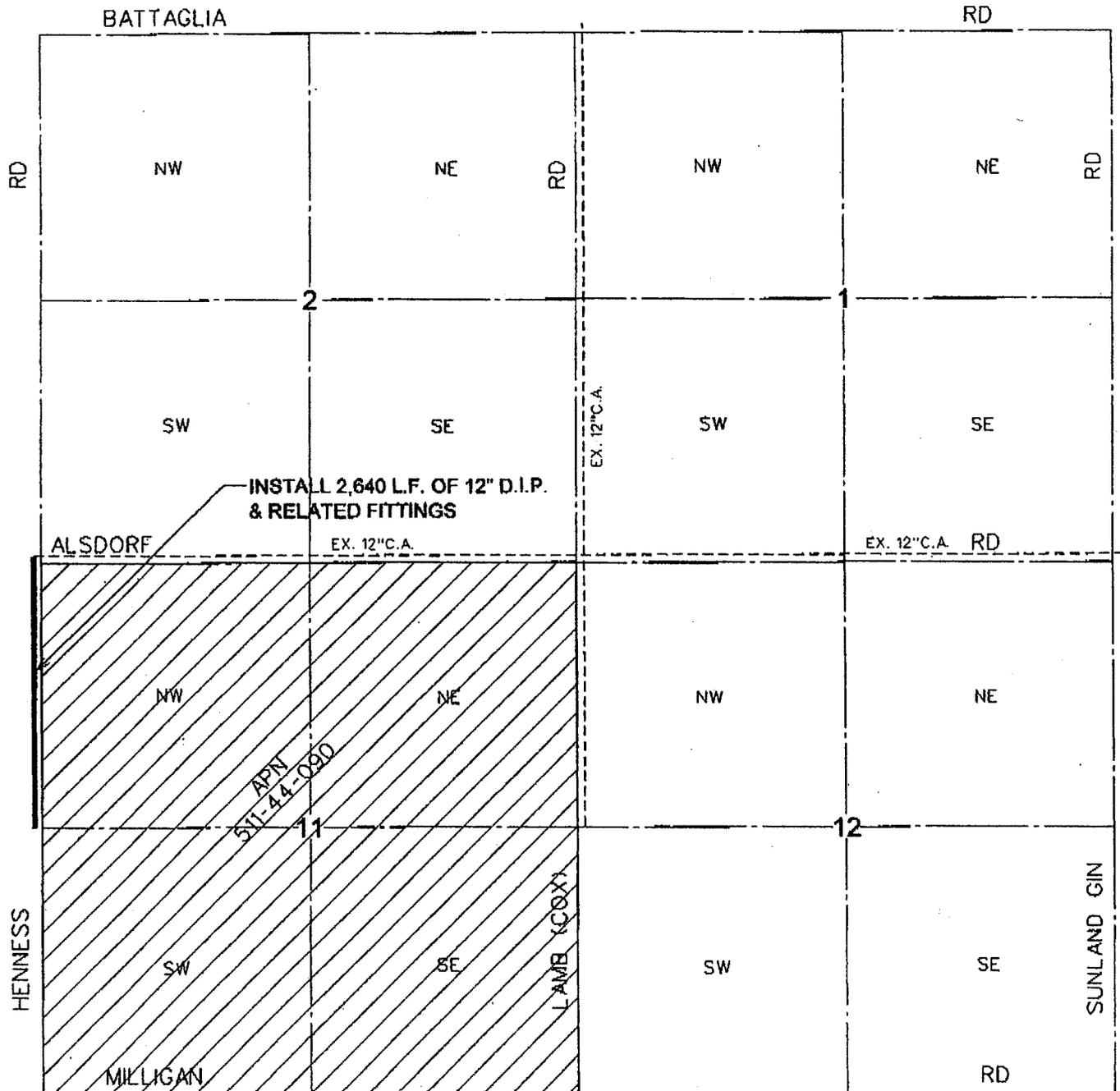


EXHIBIT 12

Attachment "B"

T.8S. R.6E.

OFFSITE WATER DISTRIBUTION SYSTEM TO SERVE
AVRA PLANTATION, INC. (APN 511-44-090)





ARIZONA WATER COMPANY

AGREEMENT FOR EXTENSION OF WATER FACILITIES

APPLICANT: Jeffrey A. Levison
Name
5319 E. Mitchell Drive
Address
Phoenix Arizona 85018
City and State Zip Code

Contract No.
W/A No.

DATE OF AGREEMENT: March 6, 2007

DATE OF COST ESTIMATE: (Attachment "A"): March 6, 2007 WATER SYSTEM: Casa Grande

WATER FACILITIES: Offsite Water Distribution System to serve the Levison Property (APN 408-23-054) as per drawing (Attachment "B").

Table with 2 columns: Description and Amount. Rows include REFUNDABLE ADVANCE FOR CONSTRUCTION (\$509,912), NON-REFUNDABLE CONTRIBUTION IN AID OF CONSTRUCTION, AGREEMENT TOTAL (\$509,912), LESS: COST OF CONSTRUCTION (480,000), and BALANCE DUE (\$29,912).

THIS AGREEMENT is made and entered into by and between ARIZONA WATER COMPANY, an Arizona corporation, (hereinafter called the "Company"), and the Applicant named above. In consideration of the services to be performed by the Company and the sums of money to be paid by the Applicant, in accordance with the related Cost Estimate, it is agreed as follows: (SEE ADDENDUM, ATTACHED HERETO)

- 1. The Company will construct, or will arrange for the construction of the Water Facilities as described above.
2. The Applicant will pay to the Company upon signing this Agreement the Total shown above, receipt of which is hereby acknowledged by the Company.
3. Refunds of any Advance for Construction shall be made as follows: Each year for a period of 10 years the Company shall pay to the Applicant or the Applicant's assignee or successor in interest, provided the Company has first received written notice and evidence of such assignment or succession and approved of same, an amount equal to 10 percent of the total gross annual revenue received by the Company from water sales to each bona fide Applicant whose service line is directly connected to pipelines installed pursuant to this Agreement.
4. All Water Facilities installed under this Agreement shall be the sole property of the Company, and the Applicant shall have no right, title or interest in or to any such facilities.
5. The size, design, type and quality of materials and of the system, location and manner of installation, shall be specified by the Company and shall comply with requirements of the Arizona Corporation Commission or other public agencies having authority therein.
6. The Applicant agrees to furnish to the Company adequate and recordable easements and required surveying necessary to serve each parcel or lot within the Applicant's subdivision, tract, development, or project.
7. The Applicant agrees that all easements and rights-of-way shall be free of obstacles which may interfere with the construction of the Company's Water Facilities.
8. The Applicant agrees to pay to the Company any additional costs incurred as a result of design changes made or caused by the Applicant or its employees, agents, servants, contractors or subcontractors, the Arizona Department of Environmental Quality, the Arizona Corporation Commission, any county health department or other public agency under whose jurisdiction the subject construction may fall, or anticipated or un-anticipated changes in existing Company facilities, due to any work associated with this subdivision, tract, development or project which causes said facilities to have improper cover or location.
9. This Agreement shall be binding upon and for the benefit of the successors and assigns of the Company and the Applicant. No assignment or transfer of this Agreement by the Applicant shall be binding upon the Company or create any rights in the assignee until such assignment or transfer is approved and accepted in writing by the Company.
10. This Agreement, and all rights and obligations hereunder, including those regarding water service to the Applicant, are subject to the Arizona Corporation Commission's "Rules and Regulations" and the Company's tariff schedule TC-243, "Terms and Conditions for the Provision of Water Service."

ARIZONA WATER COMPANY
Company

By: [Signature]
Title: ENGINEERING TECHNICIAN
AFH

Jeffrey A. Levison
Applicant

By: [Signature]
Title:

EXHIBIT 12

AGREEMENT FOR EXTENSION OF WATER FACILITIES

This Addendum to Agreement for Extension of Water Facilities (the "Agreement") is made and entered into as of the 6th day of March, 2007, by and between Arizona Water Company ("Company") and Jeffrey A. Levison ("Applicant") for the extension of water service and facilities to serve the Levison Property (APN 408-23-054) (the "Subdivision").

The Agreement is hereby modified and amended by mutual agreement of the parties in the following particulars:

1. Section 1 of the Agreement is revised to read as follows:

Applicant will arrange for and bear the cost of the construction of the offsite water distribution system to serve the Subdivision, which includes approximately 8,000 LF of 12" DIP with related fittings, (collectively, the "Water Facilities") in accordance with plans and specifications reviewed and approved by the Company, and in accordance with the Company's current Construction Specifications & Standard Specification Drawings. Upon final acceptance by the Company, Applicant shall thereafter transfer and convey the Water Facilities to the Company by Bill of Sale, together with a perpetual easement for the maintenance thereof, both documents to be prepared and approved by the Company. Applicant shall furnish any document pertaining to ownership and title as may be requested by Company including documents which evidence or confirm transfer of possession to Company, and good and merchantable title free and clear of liens, or which contain provisions for satisfaction of liens by Applicant. All risk or loss of the water facilities shall be with the Applicant until written acceptance by the Company, or any portions thereof. Applicant shall repair or cause to be repaired promptly, and at no cost to Company, all damage to the Water Facilities caused by Applicant's construction operations until all construction in development for Applicant has been completed. Applicant acknowledges that Company has the right to, and may in the future; connect its existing or future water systems to the Water Facilities.

2. Section 2 of the Agreement is deleted in its entirety.

3. Section 8 of the Agreement is revised to provide that the Applicant shall pay any additional costs incurred as the result of design changes made or caused by any of the persons or entities named therein and shall hold Company harmless therefrom.

4. It is further agreed that the Applicant will advise all contractors asked to bid the construction of the Water Facilities that Applicant will assign to the Company the duty of inspecting the installation of the Water Facilities for compliance with the Company's current Construction Specifications & Standard Specification Drawings, as referenced in Section 1 of this Addendum. If requested by Company, Applicant shall "oversize" the Water Facilities as specified by Company. Company shall reimburse Applicant for the differential in material prices of the oversized pipe and appurtenances, versus the material prices of the pipe and appurtenances as specified by the Company in the approved plans.

EXHIBIT 12

The Applicant agrees to require the contractor which will be installing the Water Facilities to arrange for and attend a pre-construction conference with the Company's Division Manager at least two weeks prior to commencing construction of the Water Facilities. Applicant shall obtain from the Company a signed Commencement Notice before construction of the Water Facilities begins. Applicant's contractor shall comply with the Company's inspection and testing requirements for Water Facilities. Applicant shall give Company adequate notice when the Water Facilities are ready for inspection and testing.

The Company specifically reserves the right to withhold final acceptance of the Water Facilities unless said facilities have been constructed in accordance with the approved plans and specifications and are satisfactory to Company upon inspection and testing. Applicant agrees that it will promptly correct all material defects and deficiencies in construction, materials and workmanship upon request by Company made subsequent to inspection by Company and for one year following Company's written final acceptance of the Water Facilities in accordance with the terms of this Agreement.

Applicant hereby assumes the entire responsibility and liability for injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence or willful acts or omissions of Applicant, its agent, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith. Accordingly, Applicant will indemnify and hold harmless the Company, its officers, directors, agents and employees from and against claims or expenses, including penalties and assessments and attorneys' fees to which they or any of them may be subjected by reason of such injury, death, loss, claim, penalty, assessment or damage caused by the active or passive negligence or willful acts or omissions of Applicant, its agents, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith; and in case any suit or other proceeding shall be brought on account thereof, Applicant will assume the defense at Applicant's own expense and will pay all judgements rendered therein. In connection therewith, the Applicant shall maintain in full force and effect insurance at no less than the following minimum amounts:

WORKER'S COMPENSATION

In accordance with requirements of the laws of the State of Arizona.

COMPREHENSIVE GENERAL LIABILITY
(Including contractual liability covering death, bodily injury and property damage)

Combined single limit of not less than \$1,000,000 for each occurrence.

AUTOMOTIVE LIABILITY
(Including owned, non-owned and hired vehicles)

Combined single limit of not less than \$1,000,000 for each occurrence.

Such insurance shall name the Company, its officers, agents, and employees as additional insured and be primary for all purposes.

The Company will at all times have the right to require that all of such insurance be placed with insurance companies that are satisfactory to it. The Applicant shall file with the Company a

EXHIBIT 12

certificate evidencing that each policy of insurance for the above coverages in the minimum amounts specified has been purchased and is in good standing.

Such certificate shall provide that notice be given to the Company at least thirty (30) days prior to cancellation or material change in the form of such policies or any of them. Such certificates shall be kept on file by the Company and the Company must have current certificates on file, or a certificate must accompany any bid proposal, before that proposal will be accepted by the Company.

It is agreed that the Company is not an agent for Applicant and shall not incur any costs or expenses on behalf of Applicant and that Applicant is not an agent for the Company and shall not incur any costs or expenses on behalf of the Company.

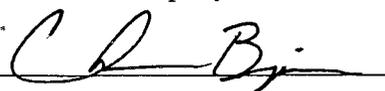
5. Applicant shall, within 60 days of operational acceptance of Water Facilities by Company, furnish Company with: (a) copies of all bills, invoices and other statements of expenses incurred by Applicant covering all of the costs of materials, equipment, supplies, construction and installation of the Water Facilities; (b) lien waivers and releases from contractors, subcontractors and vendors for materials, equipment, supplies and construction included in the Water Facilities; (c) receipts, specifying exact amount of payments in full by Applicant to all contractors, subcontractors and vendors for all materials, equipment, supplies, labor and other costs of construction of the Water Facilities; and, (d) 4-mil mylar "as-built" drawings certified as to correctness by an engineer registered in the State of Arizona and showing the locations, materials, sizes and pertinent construction details for Water Facilities.

6. Upon final acceptance, Company will provide water service to the Subdivision in accordance with the rates, charges and conditions set forth in the tariffs of Company as filed with the Arizona Corporation Commission. Those rates are subject to change from time to time upon action by the Commission.

7. Applicant agrees that the completion of the Water Facilities will be timed so as to enable Company to provide water service to the Subdivision as such service is requested.

Except as set forth herein, and except as necessary to give effect hereto, the Agreement remains in full force and effect and is unmodified.

Company:
Arizona Water Company

By: 

Applicant:
Jeffrey A. Levison

By: 