

**NEW APPLICATION**

**ORIGINAL North Mohave Valley Co**



0000075091

PRESIDENT • FRANK L. LANDON, P.E.

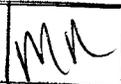
P.O. BOX 22495  
BULLHEAD CITY, ARIZONA 86439-2495 • (928) 763-5655

W-02259A-07-0434

July 20, 2007

Arizona Corporation Commission  
**DOCKETED**

JUL 23 2007

DOCKETED BY  

**RECEIVED**  
2007 JUL 23 P 1:44  
AZ CORP COMMISSION  
DOCKET CONTROL

Docket Control  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85707

Attached is an application by North Mohave Valley Corporation for an extension of certificate of convenience and necessity. Please see Exhibit "A", a narrative explaining in detail the purpose for and the reasons behind the application.

Your earliest response to our request will be appreciated.

North Mohave Valley Corp.

  
John McCormick  
Secretary-Treasurer/Manager

Attachment – Exhibit "A"

Fn:ccnextensionrequest

RE CC&N extension request for sections 16, 28, and 33. Township 21N, Range 21W.

All three of these sections are in the city limits of Bullhead City. Sections 16 and 28 are also in the BHC conservation district service area. (see area map immediately behind this narrative) BHC has been deemed adequate by ADWR. This means that the City will issue the adequacy statement for platted subdivisions. Section 33 is in the Mohave Water Conservancy District. Subdivisions in this district get their adequacy statement from ADWR.

Each of the three sections are contiguous to our existing CC&N and we have transmission lines in place to service these areas.

Section 16 is on the north boundary of Desert Canyon at Sun Ridge, which we are currently serving. There are two owners, each of which owns 320 acres. Both (see letters) have expressed their interest in being included in this CC&N. We have 12" and 8" transmission mains on the SE corner of the section and a 12" main at the south ¼ corner of section 16. El Toro Grande will receive preliminary approval at the June P&Z meeting and the subsequent City Council session later in June.

Section 28 is owned by the State of Arizona. The City of BHC has plans to extend Landon Drive through this section within the next 3 years. This should open up this section to development. While this time frame is longer than the ACC might prefer for issuing a CC&N, this would give our company the time for design work to insure our system will have the ROW necessary to provide a comprehensive design with the certainty that this section will be in our CC&N area. If section 33 is added to our CC&N, our service area would surround section 28.

Presently for section 28, we have transmission lines on the North ¼ corner, the SW corner and the E ¼ corner that enable our company to efficiently service that section as it develops.

Section 33 borders section 28 on the south. We have transmission lines in several locations on 33's west boundary from the existing subdivisions North Fork of Laughlin Ranch and Talon Pointe which our company is currently serving. We also have service agreements in place for both 1/2s. Tank and lift station sites have been identified on both plats to meet their demands. These sites will be dedicated to the Water Company upon recordation of the final plat. In 1997 NMWC had made an application extension for section 33. The project planned at that time did not materialize and the extension expired. This could be considered a reapplication. Decision no. 57989.

To my knowledge, there are no large water use facilities, such as golf courses and aquatic centers, planned in any of these tracts. Landscaping will comply with the City's landscape ordinance requiring low water use plants and Xeriscaping techniques.

Sections 33 and 16 will be all single family residences. Section 16 will feature lots with one acre minimums, with a building pad of 10,000 sq feet (est.). Section 28 will be primarily single family but will have a mix of 40 acres commercial and 82 acres of multiple family to go with the 678 home sites. A final plan has not been formatted.

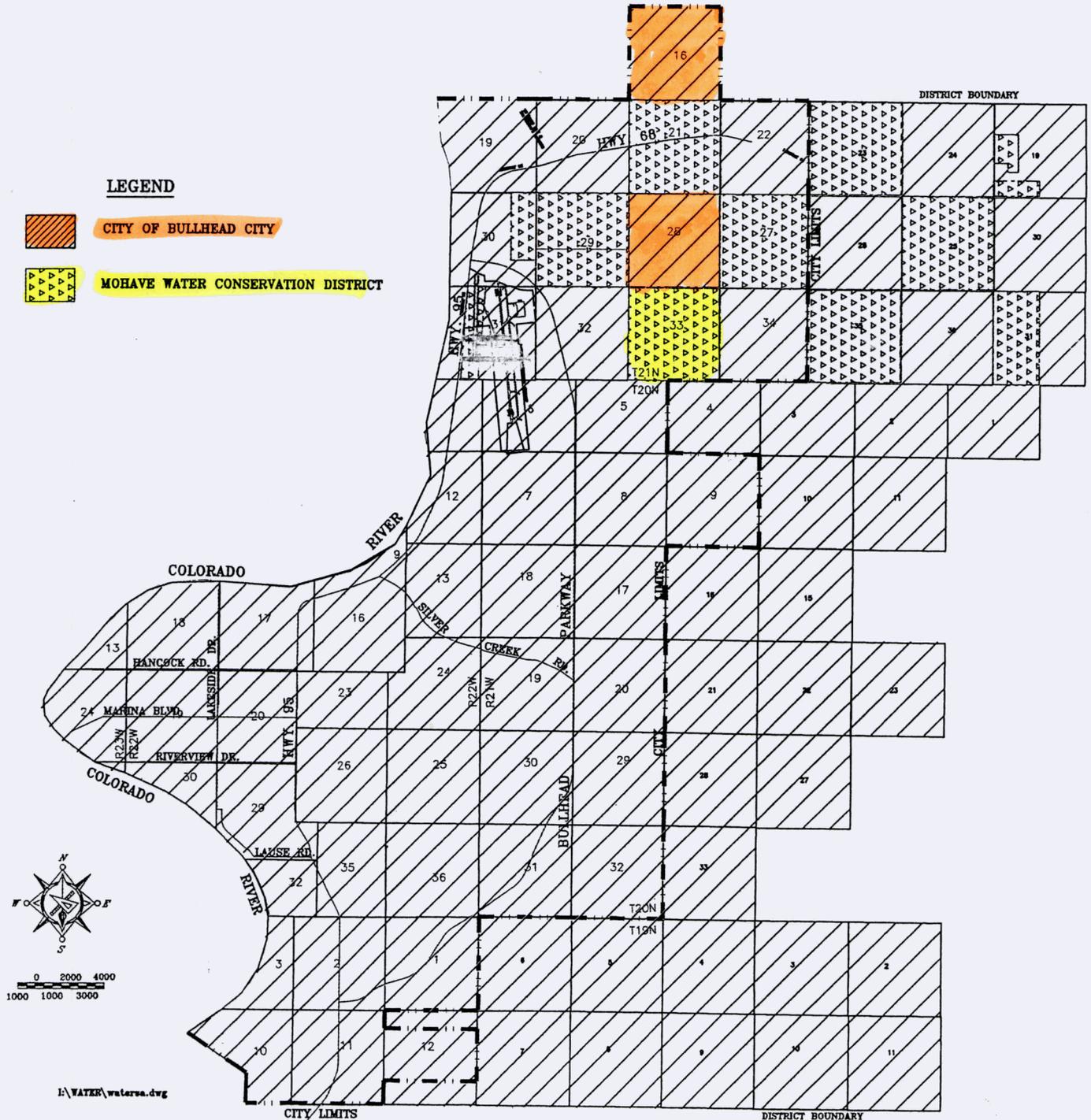
Section 16 will have approximately 196 one acre +/-lots with pads from 4500 to 10,000 sq ft and 90 patio home sites. The RioVista tract in the N1/2 of 33, 770 lots. The Big Horn tract in the S1/2 33, 720 lots.

Sewer services will be provided for all three sections by the City of Bullhead City.

# BULLHEAD CITY BUREAU OF RECLAMATION

## WATER CONTRACT AREAS

Figure 1



# North Mohave Valley Corp.

PRESIDENT • FRANK L. LONDON, P.E.

P.O. BOX 22495  
BULLHEAD CITY, ARIZONA 86439-2495 • (928) 763-5655

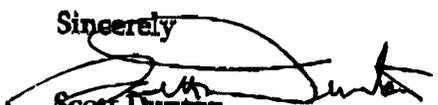
May 14, 2007

Arizona Corporation Commission  
Re: 320 acre ownership in section 16, Township 21 N, R 21 W.

We request that our property be included in the extension of the CC&N request by the North Mohave Valley Corp.

Please feel free to call me at 928-753-1314 if you have any questions regarding this request

Sincerely



Scott Dunton

# North Mohave Valley Corp.

PRESIDENT • FRANK L. LANDON, P.E.

P.O. BOX 22495  
BULLHEAD CITY, ARIZONA 86439-2495 • (928) 763-5655

May 16, 2007

Arizona Corporation Commission

Re: 320 acre ownership in section 16, Township 21 N, R 21 W.

We request that our property be included in the extension of the CC&N request by the North Mohave Valley Corp.

Please feel free to call me at 928-754-2552 if you have any questions regarding this request

Sincerely



Larry Synagoga  
Authorized Agent

**ARIZONA CORPORATION COMMISSION**

**APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVENIENCE AND  
NECESSITY**

**WATER AND/OR SEWER**

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

North Mohave Valley Corporation

---

PO Box 22495, Bullhead City, AZ 86439-2495

---

Phone - 928-763-5655

---

B. The name, address and telephone number of management contact is:

John McCormick

---

c/o North Mohave Valley Corporation

---

PO Box 22495

---

Bullhead City, AZ 86439-2495 Phone 928-763-5655

---

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

Douglas L. Wall

---

c/o North Mohave Valley Corporation

---

PO Box 22495

---

Bullhead City, AZ 86439-2495 Phone - cell 928-542-0629

---

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

Terrence S. Leek

---

126 N. Marina Street

---

Prescott, AZ 86301 Phone 928-778-7700

---

E. Attach the following documents that apply to you:

1. Certificate of Good Standing (if corporation) See attached

2. Corporate Resolution Authorizing this application (if required by the corporation's Articles of Incorporation) N/A

F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted. Legal description of the area requested is found on Attachment B

G. Attach a detailed map using the form provided as attachment B. Shade and outline the area requested. Also indicate the present certificated area by using different colors.  
See attached

H. Attach a current balance sheet and profit and loss statement.  
See attached

I. Provide the following information:

1. Indicate the estimated number of customers, by class, to be served in the new area in each of the next five years:

**Residential:**

First Year 110 Second Year 245 Third Year 414 Fourth Year 537

Fifth Year 674

**Commercial:** N/A

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_

Fifth Year \_\_\_\_\_

**Industrial:** N/A

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_

Fifth Year \_\_\_\_\_

**Irrigation:** N/A

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_

Fifth Year \_\_\_\_\_

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**

**CERTIFICATE OF GOOD STANDING**

To all to whom these presents shall come, greeting:

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

**\*\*\*NORTH MOHAVE VALLEY CORPORATION\*\*\***

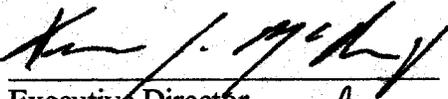
a domestic corporation organized under the laws of the State of Arizona, did incorporate on February 4, 1974.

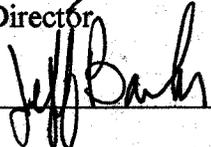
I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report,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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 15th Day of May, 2007, A. D.



  
Executive Director

By 

**ATTACHMENT "B"**

Mohave	16, 28, 33	21N	21W
<b>COUNTY</b>	<b>SECTION</b>	<b>TOWNSHIP</b>	<b>RANGE</b>

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

**Type or Print Description Here:**

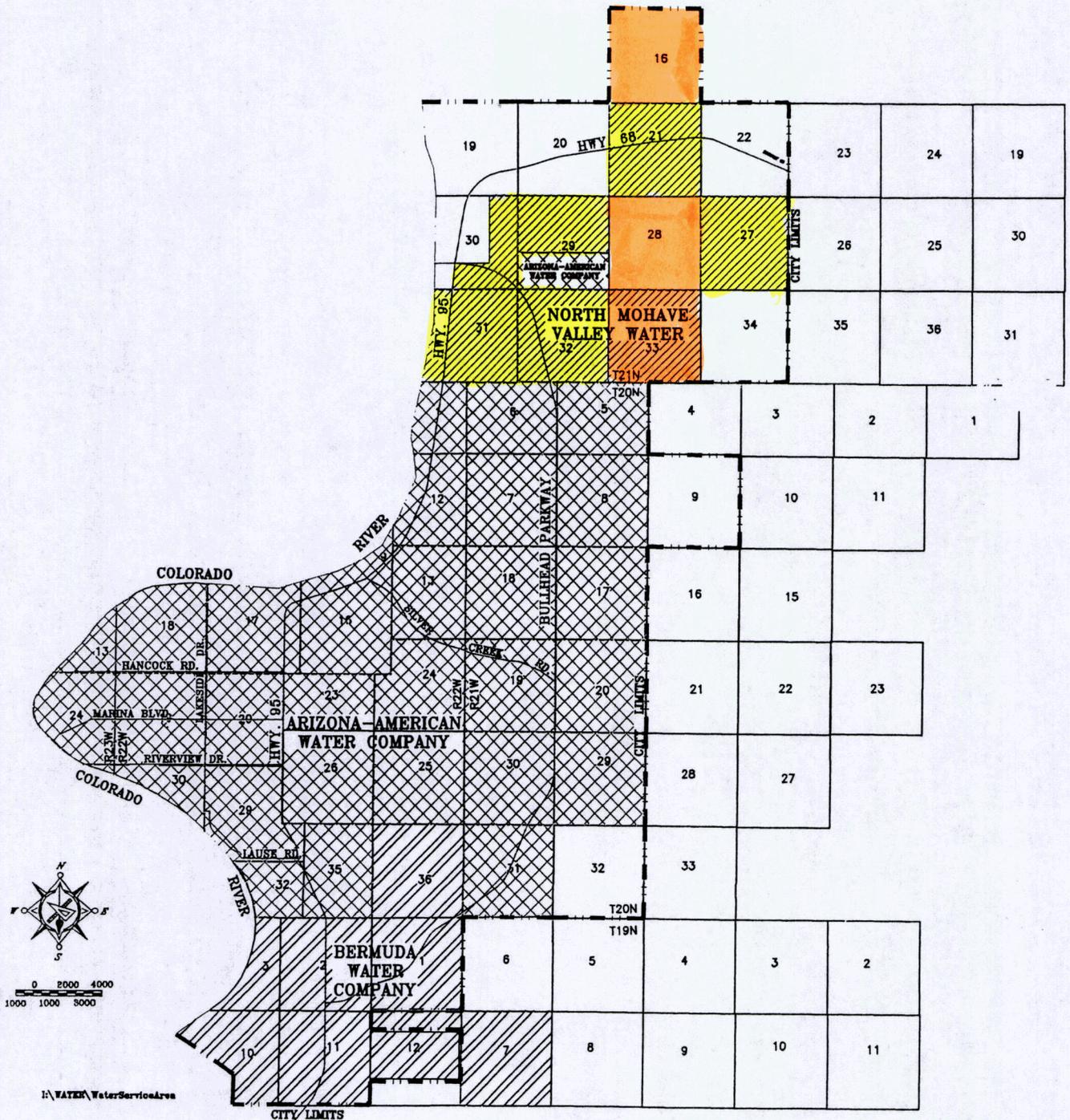
Orange = area requested

Yellow = present certificated area

Addendum to Attachment B  
 Mohave County  
 Township 21N  
 Range 21W  
 Requested Area - Sections 16, 28 and 33

Yellow = Present certificated area

Orange = area requested



## North Mohave Valley Corp.

## Balance Sheet

As of June 30, 2007

	Jun 30, 07
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
133 · Cash in Bank - Payroll	4,876.36
134 · Cash in Bank-Mohave State Bank	3,879.27
135 · Money Market A/C - MSB	2,125.90
<b>Total Checking/Savings</b>	<b>10,881.53</b>
<b>Other Current Assets</b>	
141 · Accounts Receivable	123,946.49
142 · Prepaid Expense	5,733.37
151 · Inventory - Material Supplies	12,499.90
<b>Total Other Current Assets</b>	<b>142,179.76</b>
<b>Total Current Assets</b>	<b>153,061.29</b>
<b>Fixed Assets</b>	
108 · Accumulated Depreciation	-2,788,369.42
303 · Land	9,700.00
<b>304 · Structures &amp; Improvements</b>	
Original Cost	65,179.73
304 · Structures & Improvements - Other	17,462.50
<b>Total 304 · Structures &amp; Improvements</b>	<b>82,642.23</b>
<b>305 · Tanks</b>	
Original Cost	589,093.32
305 · Tanks - Other	461,893.53
<b>Total 305 · Tanks</b>	<b>1,050,986.85</b>
<b>307 · Wells</b>	
Original Cost	325,045.01
307 · Wells - Other	195,537.53
<b>Total 307 · Wells</b>	<b>520,582.54</b>
<b>311 · Pumps</b>	
Original Cost	222,765.00
311 · Pumps - Other	25,133.54
<b>Total 311 · Pumps</b>	<b>247,898.54</b>
<b>320 · Water Treatment Equipment</b>	
Original Cost	47,595.32
<b>Total 320 · Water Treatment Equipment</b>	<b>47,595.32</b>
<b>331 · Main Lines</b>	
Original Cost	3,944,191.87
331 · Main Lines - Other	1,271,633.08
<b>Total 331 · Main Lines</b>	<b>5,215,824.95</b>
<b>333 · Service Lines</b>	
Original Cost	78,730.59
333 · Service Lines - Other	46,550.00
<b>Total 333 · Service Lines</b>	<b>125,280.59</b>
<b>334 · Meters</b>	
Original Cost	133,714.79
334 · Meters - Other	354,874.58
<b>Total 334 · Meters</b>	<b>488,589.37</b>
<b>335 · Hydrants</b>	
Original Cost	231,884.06
335 · Hydrants - Other	49,750.00
<b>Total 335 · Hydrants</b>	<b>281,634.06</b>

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Accrual Basis

## North Mohave Valley Corp.

## Balance Sheet

As of June 30, 2007

	<u>Jun 30, 07</u>
337 · Trucks and Equipment	
Original Cost	51,288.24
337 · Trucks and Equipment - Other	60,834.03
	<hr/>
Total 337 · Trucks and Equipment	112,122.27
338 · Computer System	
Original Cost	74,740.59
338 · Computer System - Other	96,855.09
	<hr/>
Total 338 · Computer System	171,595.68
339 · Leasehold Improvements	
Original Cost	1,104.00
339 · Leasehold Improvements - Other	-1,104.00
	<hr/>
Total 339 · Leasehold Improvements	0.00
340 · Office Equipment	
Original Cost	9,547.46
340 · Office Equipment - Other	8,749.72
	<hr/>
Total 340 · Office Equipment	18,297.18
343 · Tools	
Original Cost	15,952.72
343 · Tools - Other	17,191.94
	<hr/>
Total 343 · Tools	33,144.66
<b>Total Fixed Assets</b>	<b>5,617,524.82</b>
<b>Other Assets</b>	
192 · Note Receivable - M. Cope	611.44
193 · WIFA Debt Reserve - Loan #2	9,966.60
399 · Construction in Progress	295,937.36
	<hr/>
<b>Total Other Assets</b>	<b>306,515.40</b>
<b>TOTAL ASSETS</b>	<b><u>6,077,101.51</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 · *Accounts Payable	13,023.21
	<hr/>
<b>Total Accounts Payable</b>	13,023.21
<b>Other Current Liabilities</b>	
<b>2100 · Payroll Liabilities</b>	
241.1 · Federal Withholding Payable	1,248.00
241.2 · State Withholding Payable	2,308.35
241.3 · FICA Tax Payable	1,009.91
	<hr/>
<b>Total 2100 · Payroll Liabilities</b>	4,566.26
<b>2200 · Sales Tax Payable</b>	
240 · Sales Tax Payable	18,411.79
241 · Impost Fees	10,946.99
	<hr/>
<b>Total 2200 · Sales Tax Payable</b>	29,358.78
<b>236.12 · Income Taxes Payable</b>	46.00
	<hr/>
<b>Total Other Current Liabilities</b>	33,971.04
	<hr/>
<b>Total Current Liabilities</b>	<b>46,994.25</b>

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Accrual Basis

North Mohave Valley Corp.

Balance Sheet

As of June 30, 2007

	<u>Jun 30, 07</u>
<b>Long Term Liabilities</b>	
225 · WIFA - LOAN #2	218,076.23
234 · Meter & Service Line Advances	119,211.26
235 · Customer Security Deposits	38,260.00
252 · Advances for Construction	1,761,331.88
283 · Deferred Income Taxes	104,036.00
<b>Total Long Term Liabilities</b>	<u>2,240,915.37</u>
<b>Total Liabilities</b>	2,287,909.62
<b>Equity</b>	
201 · Common Stock	103,128.00
201.1 · Non-Voting Common Stock	17,722.00
201.2 · Treasury Stock	-1,083.00
201.3 · Acquisition of Treasury Stock	18,632.94
204.1 · A.P.I.C. - Laughlin	241,725.03
205.1 · Capital - J.L. McCormick III	203,890.61
205.10 · Capital - J.L. McCormick II	252,358.15
205.11 · Capital - Warren Landon	342,309.72
205.12 · Capital - Frank Landon	342,309.68
205.2 · Capital - Campbell Family Trust	342,309.69
205.3 · Capital - Robert Aberle	7,037.15
205.4 · Capital - Erwin R. Johnson	41,421.09
205.5 · Capital - Joseph McCormick	13,815.31
205.6 · Capital - Robert McCormick	69,311.42
205.7 · Capital - Paul McCormick	20,826.59
205.8 · Capital - Steve McCormick	203,890.60
205.9 · Capital - Thomas McCormick	216,268.56
206 · Contributions in Aid of Const.	2,073,173.06
206.1 · Accum. Amort. - C.I.A.C.	-674,453.40
3900 · Retained Earnings	-105,464.39
Net Income	60,063.08
<b>Total Equity</b>	<u>3,789,191.89</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>6,077,101.51</u></u>

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07/17/07

Accrual Basis

**North Mohave Valley Corp.**

**Profit & Loss**

January through June 2007

	<u>Jan - Jun 07</u>
<b>Income</b>	
<b>Other Revenue</b>	
419 · Interest Income	2,975.38
473 · Wage Expense Reimbursement	2,400.00
475 · Acct. Establishment/Misc. Fees	6,662.47
476 · Other Income	2,200.00
<b>Total Other Revenue</b>	<u>14,237.85</u>
<b>Revenue from Sales</b>	
461 · Water Sales - Residential	393,658.66
462 · Water Sales - Commercial	92,158.00
463 · Water Sales - Non Metered	70.40
464 · Water Sales - Metered Const.	22,554.40
465 · Sales Adjustments	-1,159.03
<b>Total Revenue from Sales</b>	<u>507,282.43</u>
<b>Total Income</b>	521,520.28
<b>Expense</b>	
<b>Operational Expenses</b>	
601 · Salaries - Field	66,277.09
602 · Salaries - Office	40,399.63
603 · Management Fee	29,584.50
604 · 401K Contributions	2,773.45
605 · Depreciation	125,942.94
605.1 · CIAC Amortization	-31,097.58
607 · Insurance - General	7,080.35
608 · Engineering	3,097.40
609 · Rent	6,285.42
610 · Office Expense	9,027.59
611 · Repairs and Maintenance	21,697.72
613 · Contract Labor	1,725.16
614 · Vehicle Expense	4,722.58
615 · Payroll Tax Expense	7,067.15
616 · Telephone	4,685.48
617 · Donations	150.00
618 · Water Sampling	3,930.00
619 · Dues and Subscriptions	1,947.97
620 · Misc. Taxes, Licenses & Fees	5,677.76
622 · Electric	65,015.52
624 · Accounting Fees	2,525.00
627 · Materials & Supplies	661.69
629 · Insurance-Group Medical	6,660.00
630 · Bad Debts	412.48
632 · Consulting Fees	5,000.00
634 · Director Fees	36,000.00
6560 · Payroll Expenses	0.00
<b>Total Operational Expenses</b>	<u>427,249.30</u>
<b>Other Expense</b>	
621 · Interest	6,907.90
<b>Total Other Expense</b>	<u>6,907.90</u>
<b>Tax Expense</b>	
699 · Income Tax Expense	27,300.00
<b>Total Tax Expense</b>	<u>27,300.00</u>
<b>Total Expense</b>	<u>461,457.20</u>
<b>Net Income</b>	<u><u>60,063.08</u></u>

Other: (specify) N/A

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

2. (WATER ONLY) Indicate the projected annual water consumption, in gallons, for each of the customer classes in the new area for each of the next five years:

**Residential:**

First Year 19,800,000 Second Year 44,100,000 Third Year 74,520,000  
Fourth Year 96,660,000 Fifth Year 121,320,000

**Commercial:** N/A

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

**Industrial:** N/A

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

**Irrigation:** N/A

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_  
Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

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

First Year 55,176 Second Year 122,892 Third Year 207,662  
Fourth Year 269,359 Fifth Year 338,078

- **Complete Attachment "D" (Water Use Data Sheet) for the past 13 months**

**ATTACHMENT "D"**

**WATER USE DATA SHEET**

<b>NAME OF COMPANY</b> _____ →	NORTH MOHAVE VALLEY CORPORATION
<b>ADEQ Public Water System No.</b> _____ →	08-068

<b>MONTH/YEAR (Last 13 Months)</b>	<b><u>NUMBER OF CUSTOMERS</u></b>	<b>GALLONS SOLD (Thousands)</b>
6/07	1933	29,509
5/07	1925	25,428
4/07	1925	23,354
3/07	1924	23,450
2/07	1915	19,616
1/07	1892	21,258
12/06	1883	19,988
11/06	1881	24,108
10/06	1859	24,438
9/06	1852	32,245
8/06	1836	34,410
7/06	1831	28,934
6/06	1818	34,482

<b>STORAGE TANK CAPACITY (Gallons)</b>	<b>NUMBER OF EACH</b>	<b>ARIZONA DEPT. OF WATER RESOURCES WELL I.D. NUMBER</b>	<b>WELL PRODUCTION (Gallons per Minute)</b>
300,000	5	55-608740	128
500,000	2	55-608741	145
		55-620581	125
		55-507876	105
		55-507875	95
		55-805519	100
		55-519603	150
		55-589061	440

<b>Other Water Sources in Gallons per Minute</b> →	<b><u>GPM</u></b> Non-applicable
<b>Fire Hydrants on System</b> →	<b>Yes</b> <b>No</b>
<b>Total Water Pumped Last 13 Months (Gallons in Thousands)</b> →	367,190

4. Indicate the total estimated annual operating expenses attributable to the new area for each of the next five years:

First Year 50,762 Second Year 113,061 Third Year 191,049

Fourth Year 247,810 Fifth Year 311,032

J. Total estimated cost to construct utility facilities to serve customers in the requested area:

\$2,400,000 ± using \$1000 per customer

K. Explain method of financing utility facilities (see paragraph 8 of instructions)

Line extension agreements with offsite and on-site contributions

L. Estimated starting and completion date of construction of utility facilities:

Starting date Fall 2008 Completion date Fall 2010

M. Attach the following permits:

1. Franchise from either the City or County for the area requested.

Attached

2. Arizona Department of Environmental Quality or designee's approval to construct facilities.

To be late filed as they are received from ADEQ

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

See attached

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

Not Applicable

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

Not Applicable

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

None applied for as of the date of this application.

F-5

LAW OFFICES OF  
LEEK & GURTLER

TERRENCE S. LEEK  
CHARLES W. GURTLER, JR.  
JAMIE KELLEY  
ROBERT J. MEYERS

1971 HIGHWAY 95  
POST OFFICE BOX 1105  
BULLHEAD CITY, ARIZONA 86430  
(602) 763-2531  
FAX: (602) 763-4434

115 SOUTH 48TH STREET  
TEMPE, ARIZONA 85281  
(602) 966-9167  
FAX: (602) 966-9795

May 8, 1990

City of Bullhead City  
Paul Lenkowsky  
City Attorney  
P. O. Box 1048  
Bullhead City, Arizona 86430

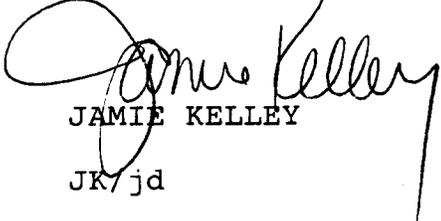
Re: City Ordinance No. 90-326

Dear Paul:

Enclosed herewith please find a copy of City Ordinance No. 90-326 with the executed original of Attachment A from North Mohave Valley Water Company.

Very truly yours,

LEEK & GURTLER



JAMIE KELLEY

JK/jd

Enclosures

cc: North Mohave Valley Water Company

ORDINANCE NO. 90-326

AN ORDINANCE OF THE CITY OF BULLHEAD CITY, ARIZONA, GRANTING TO NORTH MOHAVE VALLEY WATER COMPANY, ITS LEGAL REPRESENTATIVES, SUCCESSORS, LESSEES AND ASSIGNS, CERTAIN POWERS, LICENSES, RIGHTS-OF-WAY, PRIVILEGES AND FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN IN BULLHEAD CITY, MOHAVE COUNTY, ARIZONA, AS NOW OR HEREAFTER CONSTITUTED, A SYSTEM FOR THE COLLECTION AND TRANSMISSION OF WATER FOR ALL PURPOSES FOR WHICH SUCH WATER MAY BE USED, INTO, OUT OF AND THROUGH SAID MUNICIPALITY, AND FOR THE DISTRIBUTION AND SALE OF SUCH POTABLE WATER TO SAID MUNICIPALITY, ITS INHABITANTS AND OTHERS, INCLUDING CUSTOMERS INSIDE, BEYOND AND OUTSIDE THE LIMITS OF SAID MUNICIPALITY; AND TO USE THE STREETS, AVENUES, EASEMENTS, RIGHTS-OF-WAY, ALLEYS, HIGHWAYS, SIDEWALKS, BRIDGES AND OTHER STRUCTURES AND PLACES AND PUBLIC GROUNDS IN SAID MUNICIPALITY FOR A PERIOD OF TWENTY-FIVE (25) YEARS; AND PRESCRIBING IN CONNECTION THEREWITH CERTAIN RIGHTS, DUTIES, TERMS AND CONDITIONS HEREIN MENTIONED; AND PROVIDING FOR THE PAYMENT OF SAID MUNICIPALITY OF A PERCENTAGE OF CERTAIN REVENUES OF GRANTEE FROM ITS OPERATIONS THEREIN; AND DECLARING AN EMERGENCY.

BE IT ORDAINED by the Mayor and City Council of the City of Bullhead City, Arizona, as follows:

Section 1: That the City of Bullhead City, a municipal corporation in Mohave County, Arizona, hereinafter called the "City", hereby grants to and vests in North Mohave Valley Water Company, a corporation, duly authorized to transact within the State a public service business as an water utility, hereinafter called the "Company", a franchise with the right to operate a system for the collection, transmission, distribution and sale of potable water for all purposes for which such water may be used, in the City, as now or hereafter constituted, and the authority, license, power and privilege to construct, extend, maintain, repair, replace, operate and remove or otherwise establish and operate in said City, works or systems and plants to collect, transmit, distribute, sell, convey or otherwise establish, conduct, serve, supply or furnish the inhabitants of said City and others, and to the City whenever it may desire to contract therefor, potable water for all purposes for which such water may be used, and the Company is hereby granted passage, right-of-way and the right to occupy and use in any lawful way during the life of this franchise each and any and all

streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, bridges and other structures and places and public grounds of said City, on, above and beneath the surface of the same, as said streets, avenues, rights-of-way, alleys, highways, sidewalks, bridges and other structures and places and public grounds now exist or may be hereafter extended, for every and any such service, use, effect and lawful purpose as herein mentioned.

Section 2: The Company is hereby authorized, licensed and empowered to do any and all things necessary and proper to be done and performed in executing the powers and utilizing the privileges herein mentioned and granted by this franchise, provided the same do not unreasonably conflict with water or other pipes, sewers or other pre-existing underground installations, and that all work done in said streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, bridges or other grounds of said City by the Company shall be done with the utmost diligence and the least inconvenience to the public or individuals, and the Company shall, within a reasonable time, restore such streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, bridges and public grounds excavated by it to their original condition as nearly as practicable, subject to the reasonable approval of the City. The Company shall remove or relocate its lines and facilities as and when required by the City to accommodate right-of-way improvements for the public benefit; said removal or relocation shall be made at the sole expense of the Company, except where entitlement to reimbursement shall be provided by contract or law. In the event of such entitlement, reimbursement shall be made strictly in accordance therewith.

Section 3: Prior to commencing any work in a right-of-way the Company shall submit plans of work to be done to the Public Works Director for approval. Completed or "as built" blueprints will be submitted at project completion as required by the Public Works Director.

Section 4: Company property shall be constructed or installed in a right-of-way only at such locations and in such manner as shall be approved by the City or its agents acting in the exercise of reasonable discretion. Construction or installation of Company property in all other public places shall be subject to approval of a regulation by City or its agents.

Section 5: All installations made by Company shall be made in a safe substantial condition and maintained in such condition at all times. All of such installation of equipment shall be of a permanent nature, durable and appropriately placed so as not to interfere in any manner with the rights of the public or individual property owners and shall not interfere with the travel and use of public places by the public nor during the construction, repair and removal shall not obstruct nor impede traffic. The City reserves the right of reasonable regulation

of the erection and construction of any work by the Company and to reasonably designate where such works and construction shall be placed. The Company agrees when requested by the City to make minor changes in its equipment to conform to the reasonable necessary requirements within a reasonable time.

Company will be responsible to obtain all state and federal licenses and permits and will additionally be responsible for meeting all state, federal and local installation standards.

Section 6: The Company shall defend the City against all claims for injury to any person or property caused by the negligence of the Company in the construction or operation of its property, and in the event of a determination of liability shall indemnify the City. More particularly the Company, its successors and assigns, does hereby agree to indemnify and hold harmless the City, from any and all liability, claim, demand or judgment arising out of any injury to any person or property, as a result of the violation or failure on the part of the Company, its successors and assigns, to observe their proper duty or because of negligence in whole or in part arising out of construction, repair, extension, maintenance or operation of its equipment of any kind or character used in connection with this franchise.

Section 7: Company agrees that at all times during the existence of this franchise it will maintain in force, at its own expense, and file with the City, a general comprehensive liability insurance policy, in protection of City, its boards, commissions, officers, agents, employees and the public. The policy will be with a company authorized to do business in the State of Arizona, and in a form satisfactory to the Risk Manager, protecting the City and all persons against liability for loss or damages for personal injury, death and property damage occasioned by the operations of Company under this franchise, with minimum liability limits of \$1,000,000 for personal injury or death of any one occurrence, and \$1,000,000 for damages to property resulting from any one occurrence.

The policies mentioned in the foregoing paragraph shall name the city, its officers, boards, commissions, agents and employees as additional insured and shall contain a provision that a written notice of cancellation or reduction in coverage of said policy shall be delivered to the City fifteen (15) days in advance of the effective date thereof. If such insurance is provided in either case by a policy which also covers Company or any other entity or person than those above named, then such policy shall contain the standard cross-liability endorsement.

Section 8: The rates and charges to be charged by the Company for furnishing water service hereunder and the rules and regulations to be made and enforced by the Company for the conduct of its business shall be those from time to time on file and effective with the Arizona Corporation Commission applicable to such service.

Section 9: The Company shall have the right and privilege of assigning this franchise and all rights and privileges granted herein, and whenever the word "Company" appears herein, it shall be construed as applying to its successors, lessees and assigns.

Section 10: The Company, its successors, lessees and assigns, for and in consideration of the granting of this franchise and as rental for the occupation and use or easement over, upon and beneath the streets, avenues, easements, rights-of-way, highways, alleys, sidewalks, bridges and public grounds in said Company shall pay to the City, commencing with the first full billing period after the effective date of this franchise and continuing each year during all the time this provision shall remain in force and effect, a total aggregate sum of two percent (2%) of the gross receipts (excluding from gross receipts all sales taxes, gross revenue taxes or similar charges based upon gross receipts) of the Company, its successors, lessees and assigns, during such year, for water sold within the corporate limits of the City, subject to the limitations hereinafter stated; such gross receipts to consist of the total amount collected from users and consumers on account of water sold and consumed within the corporate limits of the City under the Company's rates in existence at the time, excepting therefrom, however, the gross receipts for water sold to industrial consumers under special contract, and the gross receipts for water sold to the City for its own use. The Company shall make such payments semi-annually on or before the last day of January and July in each such year while this provision shall remain in full force and effect. For the purpose of determining such revenue, the books of the Company shall at all reasonable times be subject to inspection by duly authorized municipal officials. Said payments shall be in lieu of any and all other franchise, license, privilege, instrument, occupation, excise or revenue taxes and all other exactions or charges (except general ad valorem property taxes, special assessments for local improvements, and except municipal privilege, sales or use taxes authorized by law and collected by the Company from users and consumers of water within the corporate limits of the City) upon the business, revenue, property, water lines, installations, water systems, conduits, storage tanks, pipes, fixtures or other appurtenances of the Company and all other property or equipment of the Company, or any part thereof, in said City during the term of this franchise; provided that anything to the contrary herein notwithstanding said payment shall continue only so long as said company is not prohibited from making the same by any lawful authority having jurisdiction in the premises, and so long as the City does not charge, levy or collect, or attempt to charge, levy or collect other franchise, license, privilege, occupation, excise or revenue taxes or other exactions or charges hereinabove mentioned, and if any lawful authority having jurisdiction in the premises hereafter prohibits said payment, or the City does levy, charge or collect or attempt to levy, charge or collect such other franchise, license, privilege, occupation, excise or

revenue taxes, or other exactions or charges, the obligation to make such payments hereinabove provided for shall forthwith cease.

Section 11: This franchise shall be accepted by the Company in writing, which acceptance shall be filed with the City within sixty (60) days after the passage of this ordinance, and when so accepted, this ordinance shall be a contract duly executed by and between the City and the Company.

Section 12: If any section, paragraph, subdivision, clause, phrase or provision hereof shall be adjudged invalid or unconstitutional, the same shall not affect the validity hereof as a whole, or any part or provision other than the part so decided to be invalid or unconstitutional.

Section 13: This franchise shall continue in full force and effect for a period of twenty-five (25) years from the date of passage of this ordinance, however, the City may terminate this franchise in the event the City shall have found, after notice and hearing, that the Company has failed to comply with any material provisions of this ordinance or has failed to correct any failure after thirty (30) days written notice.

Section 14: All plant, system, pipelines, works, and all other physical property installed by the Company in accordance with the terms of this franchise shall be and remain the property of the Company, and upon expiration of this franchise or any extension or renewal thereof, the Company is hereby granted the right to enter upon the streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, bridges and other structures and places and public grounds of said City for the purpose of removing any and all such plant, system, pipelines, works and other property of the Company, at any time within six (6) months after termination of this franchise or any such extension or renewal thereof.

Section 15: The Company's service and extension policies shall show no preferential or discriminatory practices and shall be on file with the City Clerk.

Section 16: No person in the existing service area of Company shall be arbitrarily refused service provided, that Company shall not be required to provide service to any subscriber who does not pay the applicable connection fee or monthly service charge.

Section 17: This ordinance shall only become effective after its approval by a majority vote of the qualified electors of the city at a regular election or at a special election duly and regularly called by the City Council of the City of Bullhead City for that purpose.

WHEREAS, it is necessary for the preservation of the peace, health and safety of the City of Bullhead City, Arizona, an emergency is declared to exist, and this ordinance

shall become immediately operative and in force from and after the date of posting hereof.

PASSED AND ADOPTED by the Mayor and City Council of the City of Bullhead City, Arizona, this 3rd day of April, 1990.

APPROVED this 3rd day of April, 1990 by the affirmative vote of three-fourths of the members of the City Council of the City of Bullhead City, Arizona.

Bob Rogge  
Bob Rogge, Mayor

DATE: 4/4/90

ATTEST:

Dana E. Shilling  
Dana Shilling, City Clerk

APPROVED AS TO FORM:

Paul Lenkowsky  
Paul Lenkowsky, City Attorney

CERTIFICATION

THE FOREGOING INSTRUMENT IS A FULL, TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE.

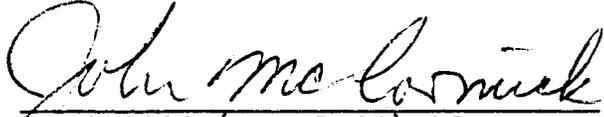
DATED: November 1 19 91

ATTEST: DANA E. SHILLING, CITY CLERK OF THE CITY OF BULLHEAD CITY, AZ

by: Barbara J. Stratton  
Deputy City Clerk

ATTACHMENT A

ACCEPTED WITHOUT CHANGE:



PERMITTEE (OR AGENT) OF  
NORTH MOHAVE VALLEY WATER COMPANY

ORDINANCE NO. 90-326

## John McCormick

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**From:** Edward Dietrich [edietrich@land.az.gov]  
**Sent:** Thursday, July 19, 2007 1:17 PM  
**To:** Jomreal\_jm@frontiernet.net  
**Subject:** Sec. 28, T 21 N, R 21 N

Dear Mr. McCormick:

This will confirm the Department's support of inclusion of the referenced parcel in the North Mohave Valley Corp.'s CC&N extension request to the ACC.

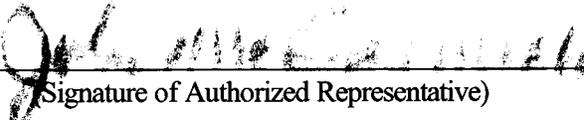
Should you have further questions, please advise.

Ed Dietrich

Edward W. Dietrich  
Project Manager  
Real Estate Division Planning Section  
Arizona State Land Dept.  
1616 West Adams  
Phoenix, Arizona 85007  
Phone 602-542-2653  
Fax 602-364-0406  
e-mail edietrich@land.az.gov

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

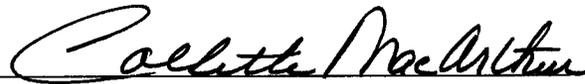
Developers will comply with the State of Arizona rules and regulations governing subdivision developments. Water adequacy statements will be issued by ADWR for areas within the Mohave Water Conservation District, and by the City of Bullhead City for areas within the City of Bullhead City Conservation District.

  
\_\_\_\_\_  
(Signature of Authorized Representative)

John McCormick  
\_\_\_\_\_  
(Print or Type Name Here)

Secretary-Treasurer  
\_\_\_\_\_  
(Title)

SUBSCRIBED AND SWORN to before me this 19<sup>th</sup> day of July, 2007

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires April 14, 2011

