

NEW APPLICATION



0000075208

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

AUG 02 2007

AZ CORP COMMISSION
DOCKET CONTROL

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COMMISSIONERS

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

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
BACA FLOAT WATER COMPANY FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE
OF CONVENIENCE AND NECESSITY FOR
SEWER SERVICE.

DOCKET NO. WS-01678A-07-0459
**APPLICATION FOR EXTENSION
OF CERTIFICATE OF
CONVENIENCE AND NECESSITY**

Baca Float Water Company ("Baca Float" or the "Company"), an Arizona public service corporation, submits this Application requesting an order to approve the extension of its existing Certificate of Convenience and Necessity ("CC&N") for sewer service to include an area within Section 6, Township 21 South, Range 13 East, Santa Cruz County, Arizona, as more particularly described below. This area is currently located within Arizona-American Water Company's water CC&N, and Arizona-American Water Company will be the water provider. In support of this Application, Baca Float states as follows:

1. Baca Float is an existing public service corporation engaged in providing water and sewer service for public purposes within portions of Santa Cruz County, Arizona. The Company's management contact is:

Gary Brasher
Baca Float Water Company
Two Tubac Road
P.O. Box 1536
Tubac, Arizona 85646
Phone: (520) 398-2506
Email: aliso4@aol.com

2. Rosalino F. Vega is Baca Float's operator certified by the Arizona Department of Environmental Quality ("ADEQ") to operate the sewer system. His business address is P.O. Box 1536, Tubac, Arizona 85646, and operator number is 02235.

Snell & Wilmer

LLP
LAW OFFICES
One Arizona Center, 40 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

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1 3. All data requests or other requests for information should be directed to Mr. Brasher
2 and Baca Float's attorneys. The contact information for the Company's attorneys is as follows:

3 Jeffrey W. Crockett
4 Marcie A. Shuman
5 SNELL & WILMER L.L.P.
6 One Arizona Center
7 400 East Van Buren Street
8 Phoenix, Arizona 85004-2202
9 Phone: (602) 382-6000
10 Facsimile: (602) 382-6070
11 E-mail: jcrockett@swlaw.com
12 E-mail: mshuman@swlaw.com

13 4. Tubac 40, LLC ("Tubac 40") has requested that Baca Float extend sewer utility
14 service to its property located within Section 6, Township 21 South, Range 13 East. A copy of
15 Tubac 40's letter of request for service to Baca Float is attached at Exhibit 1. Baca Float only
16 requests an extension of its CC&N where it has a request for service. As such, the legal
17 description for the area covered by this Application and the Tubac 40 property are the same and is
18 attached at Exhibit 2 (the "Extension Area").

19 5. The Extension Area includes approximately 40 acres and is close in proximity to Baca
20 Float's existing CC&N. A map showing the boundaries of the Company's existing CC&N is
21 attached at Exhibit 3. The map of the tentative plat for the Extension Area is attached at Exhibit
22 4.

23 6. The Extension Area is not within the limits of any city or town, and is within Santa
24 Cruz County. The Development is located within the boundaries of Baca Float's present Santa
25 Cruz County franchise, so no extension of the county franchise is necessary.

26 7. A Certificate of Good Standing for Baca Float is attached at Exhibit 5.

27 8. A copy of Baca Float's Corporate Resolution authorizing the extension is attached at
28 Exhibit 6.

 9. Baca Float's unaudited balance sheet and profit and loss statement for the 12-month
period ending December 31, 2006 for both water and sewer service is attached at Exhibit 7.

 10. A copy of Baca Float's most recent Annual Report (2006) is attached at Exhibit 8.

 11. Baca Float is current on its property taxes.

12. The estimated number of new customers to be served in each of the first five years of sewer service to the Extension Area is:

Year	New Units (Connections)	Residential Customers (at an estimated 2.5 per unit/connection)
1	10	25
2	20	50
3	25	62.5
4	25	62.5
5	6	15
Total	86	215

13. Baca Float's estimated annual operating revenues and operating expenses for the first five years of operation in the Extension Area are:

Year	Total Revenue	Total Expenses	Net Profit
1	\$4,200	\$12,200	\$(8,000)
2	\$12,600	\$15,144	\$(2,544)
3	\$23,100	\$21,543	\$1,557
4	\$33,600	\$27,943	\$5,657
5	\$36,120	\$34,343	\$1,777

14. The expenses for new plant in the Extension Area by year for each of the next five years are:

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Year	Plant Cost Projection
1	\$100,000
2	\$240,000
3	\$240,000
4	\$0
5	\$0
Total	\$580,000

The plant cost projection above includes design and permitting costs in year one and sewer treatment system construction costs in years two and three.

15. The proposed sewer treatment system for the Extension Area comprises of a constructed sub-surface wetland treatment system with sub-surface trench disposal. The wetland treatment facility will be designed with a treatment capacity of approximately 19,000 gallons per day. Primary treatment is provided by a multi-compartment solids settling tank with a liquid capacity of about 30,000 gallons. The solids settling tank allows for the anaerobic digestion of the solids. About twice per year, sludge would be removed and hauled to an off-site wastewater treatment facility by a certified septic hauler. The solids-settling tank is planned to be constructed in the ground with approximately four feet exposed above ground. The solids-settling tank is sealed from the atmosphere and a seven foot block screening wall is planned. The sewer treatment system will meet permit requirements established by ADEQ.

The sub-surface wetland treatment system will consist of two shallow, lined, level basins filled with about two feet of gravel and covered with about three inches of clean mulch or straw. Wetland plants such as cattail and bulrush are planted in the gravel layer. The wastewater flows within the gravel layer and is design not to reach the surface of the gravel. The mulch layer acts as a biofilter to remove odors and provides carbon to the wetland for denitrification. The wetland and the solids-settling tank will require approximately one acre, not including the required 25-

1 foot setback.

2 16. The treated effluent from the wetland would be disposed of through a system of
3 disposal trenches (leach field). The size of the leach field depends on the properties of the native
4 soils. Preliminary design estimates that the primary leach field area would require about 0.5
5 acres. A leach field reserve area equal in size to the primary leach field must also be set aside for
6 future use if needed.

7 17. The construction of the sewer treatment system needed to serve the Extension Area
8 will be financed through main extension agreements between Baca Float and developers.

9 18. The estimated starting date for construction of facilities is June 1, 2008, and
10 completion is anticipated by March 1, 2009.

11 19. Baca Float is currently in compliance with all regulatory requirements applicable to its
12 provision of sewer service in Arizona, including all applicable orders, rules and regulations of the
13 Commission and ADEQ.

14 20. All appropriate permits for the development within the Extension Area will be
15 obtained from ADEQ. ADEQ will issue various approvals to construct concerning facilities to
16 serve the Extension Area, which will be provided to the Commission as soon as they are issued.

17 21. An application for a Type 4 General Permit (i.e., less than 24,000 gallons per day) will
18 be filed with ADEQ in lieu of seeking an amendment to the Areawide Water Quality
19 Management Plan, or 208 Plan. A 208 Consistency Review Form will be included as part of the
20 Type 4 General Permit application. The Southeastern Arizona Governments Organization
21 ("SEAGO") and Santa Cruz County has agreed to provide letters that will be submitted with the
22 208 Consistency Review Form stating that the Tubac 40 sewer treatment system is consistent
23 with the SEAGO regional water quality management goals established in its 208 Plan.

24 22. Notice of this Application will be published in a newspaper of general circulation as
25 required by the Commission. Proof of publication will be filed with the Commission.

26 23. This Application is in the public interest and should be granted. There is a present
27 need for sewer service in the Extension Area. Baca Float is in the best position to extend and
28 provide sewer service to the area covered under this Application, because there is no other sewer

1 provider in proximity to the Tubac 40 property, and expansion of service will benefit existing
2 customers by allowing the cost of providing sewer service to be spread over a larger customer
3 base, as well as achieving greater economies of scale.

4 WHEREFORE, Baca Float Water Company respectfully requests the following:

5 A. That the Commission schedule a hearing, if necessary, for this Application;

6 B. That the Commission enter an order approving the extension of Baca Float Water
7 Company's sewer CC&N to include the Extension Area requested in the Application as legally
8 described in Exhibit 2; and

9 C. That the Commission grant such other and further relief as may be appropriate
10 under the circumstances.

11 DATED this 2nd day of August, 2007.

12 SNELL & WILMER L.L.P.

13
14 By 

15 Jeffrey W. Crockett
16 Marcie A. Shuman
17 One Arizona Center
400 E. Van Buren
Phoenix, AZ 85004-2202
Attorneys for Baca Float Water Company

18 ORIGINAL and thirteen (13) copies filed
19 this 2nd day of August, 2007 with

20 Docket Control Division
21 Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

22
23 

24 1968268.5

LIST OF EXHIBITS

- Exhibit 1:** Tubac 40 LLC's letter of request for service to Baca Float
- Exhibit 2:** Extension area legal description
- Exhibit 3:** Map of Baca Float's existing sewer CC&N
- Exhibit 4:** Map of tentative plat for the extension area
- Exhibit 5:** Baca Float's certificate of good standing
- Exhibit 6:** Baca Float's corporate resolution
- Exhibit 7:** Baca Float's unaudited balance sheet and P&L statement for 12-month period ending December 31, 2006
- Exhibit 8:** Baca Float's 2006 annual report

EXHIBIT 1

RECEIVED

MAR 28 2007

Tubac 40, LLC
3950 S. Camino Del Heroe
Green Valley, AZ. 85614

SNELL & WILMER

Gary Brasher
BacaFloat
P.O. Box 1536
Tubac, AZ. 85646

To Whom It May Concern:

Tubac 40, LLC formally requests sewer service from Baca Float.

Sincerely,



David W. Grounds
Tubac 40, LLC

EXHIBIT 2

2006-15176
Page 1 of 4
Requested By: LAWYERS TITLE-HOGALES
SUZANNE SAINZ, RECORDER
SANTA CRUZ COUNTY, ARIZONA
09-20-2006 03:05 PM Recording Fee \$14.00

RECORDING REQUESTED BY
Lawyers Title of Insurance Corporation

When recorded mail to:
Tubac 40 LLC
3950 S. Camino del Heroe
Green Valley, AZ 85614

Escrow No. 01416517- A14

SPECIAL WARRANTY DEED

For the consideration of Ten Dollars, and other valuable considerations, I or we,

L&G International Investments, Inc., an Arizona corporation, Jorge Yanez y Asociados and
Marimand, L.L.C., an Arizona limited liability company, Partners of Three Flags Joint Venture,
an Arizona Joint Venture,

do hereby convey to

Tubac 40, LLC, an Arizona limited liability company,

the following real property situated in Santa Cruz County, Arizona:

See Exhibit "A" attached hereto and made a part hereof.

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of
way, encumbrances, liens covenants, conditions, restrictions, obligations and liabilities as may appear of
record.

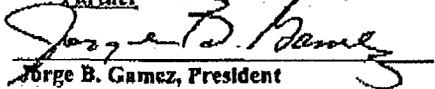
And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the
Grantor herein, and other, subject to the matters set forth.

Dated: September 20, 2006.

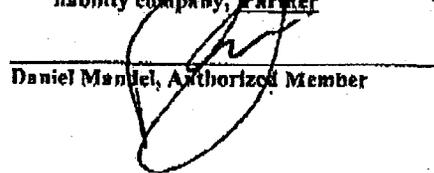
GRANTORS:

Three Flags Joint Venture, an Arizona Joint Venture

by: L&G International Investments, Inc.,
Partner


Jorge B. Gamez, President

by: Marimand, L.L.C. an Arizona limited
liability company, Partner


Daniel Mandel, Authorized Member

Special Warranty
September 20, 2006
Page 2

Jorge Yanez y Asociados, Partner

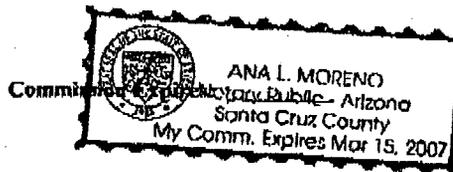
Cecilia R. de Yanez
Cecilia R. de Yanez, individually and as
Personal Representative of the Estate of
Jorge Yanez Franco, deceased, Associate
Jorge B. Gamez
by Jorge B. Gamez, her Attorney in Fact

María Eugenia Davalos Contreras
María Eugenia Davalos Contreras,
Jorge B. Gamez
by Jorge B. Gamez, her Attorney in Fact

State of Arizona) ss:
County of Santa Cruz

On 9/20, 2006, before me personally appeared Jorge B. Gamez, President of L&G International Investments, Inc., Partner of Three Flags Joint Venture Arizona Joint Venture, whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document and who acknowledged that he/she signed the above/attached document in his or her authorized capacity (ies)

(Seal)

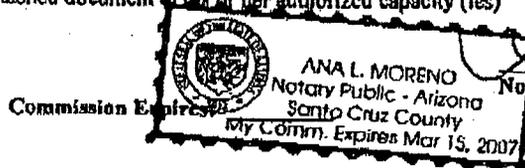


Ana L. Moreno
Notary Public

State of Arizona) ss:
County of Santa Cruz

On 9/20, 2006, before me personally appeared Jorge B. Gamez, Attorney in Fact for Cecilia R. de Yanez, individually and as Personal Representative of the Estate of Jorge Yanez Franco, deceased, Associates of Jorge Yanez y Asociados, Partner of Three Flags Joint Venture Arizona Joint Venture, whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document and who acknowledged that he/she signed the above/attached document in his or her authorized capacity (ies)

(Seal)



Ana L. Moreno
Notary Public

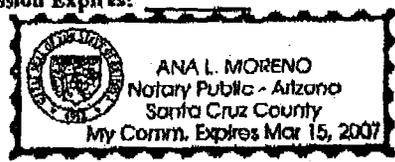
State of Arizona) ss:
County of Santa Cruz

On 9/20, 2006, before me personally appeared Jorge B. Gomez, as Attorney in Fact for Maria Eugenia Davalos Contreras, Associate of Jorge Yanez y Asociados, Partner of Three Flags Joint Venture an Arizona Joint Venture, whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document and who acknowledged that he/she signed the above/attached document in his or her authorized capacity (ies)

(Seal)

Ana L. Moreno
Notary Public

Commission Expires:



State of Arizona) ss:
County of Santa Cruz

On 9/20, 2006, before me personally appeared Daniel Mandel, Authorized Member of Marimand, L.L.C., an Arizona limited liability company, Partner of Three Flags Joint Venture, an Arizona Joint Venture, whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document and who acknowledged that he/she signed the above/attached document in his or her authorized capacity (ies)

(Seal)

Ana L. Moreno
Notary Public

Commission Expires:

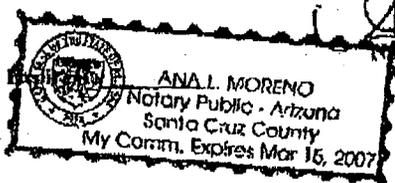


Exhibit A

All that part of the Southwest quarter of Section 6, Township 21 South, Range 13 East, Gila and Salt River Base and Meridian, Santa Cruz County, Arizona, described as follows:

Beginning at the West quarter corner of said Section 6,

Thence South 00 degrees 36 minutes 03 seconds East, along the West line of said Section, 1389.43 feet;

Thence North 88 degrees 48 minutes 08 seconds East parallel with the North line of said Southwest quarter, 1669.09 feet to a point in the West right-of-way line of the Tucson Nogales Highway;

Thence North 08 degrees 55 minutes 18 seconds West, along right-of-way North line, 1402.08 feet to a point in the North line of said Southwest quarter;

Thence South 88 degrees 48 minutes 08 seconds West, along said North line, 1466.18 feet to the POINT OF BEGINNING.

EXCEPT all coal and other minerals as reserved in the Patent from the United States of America.

AND EXCEPT the following described property:

Those portions of Lot 6 and of the East Half of the Southwest quarter (E1/2 SW1/4) of Section 6, Township 21 South, Range 13 East, Gila and Salt River Base and Meridian, Santa Cruz County, Arizona, as described in that Deed dated November 14, 1972, and recorded December 1, 1972, in Docket 151 at Page 272, records of said County, which lies Easterly of the following described line:

Commencing at the Southwest corner of said Section 6;

Thence North 89 degrees 11 minutes 50 seconds East, along the South line thereof, a distance of 1842.15 feet;

Thence North 08 degrees 27 minutes 50 seconds West, 1100.89 feet;

Thence South 81 degrees 32 minutes 10 seconds West, 185.00 feet to THE POINT OF BEGINNING;

Thence North 08 degrees 27 minutes 50 seconds West, 565.00 feet;

Thence South 81 degrees 32 minutes 10 seconds West, 150.00 feet;

Thence North 08 degrees 27 minutes 50 seconds West, 175.00 feet;

Thence South 81 degrees 32 minutes 10 Seconds West, 150.00 feet;

Thence North 08 degrees 27 minutes 50 seconds West, 350.00 feet;

Thence North 81 degrees 32 minutes 10 seconds East, 300.00 feet;

Thence North 08 degrees 27 minutes 50 seconds West, 1000.00 feet to THE POINT OF ENDING.

A.P.N 112-09-058

A handwritten signature in black ink, appearing to be 'D. S.', is written over the text 'A.P.N 112-09-058'.

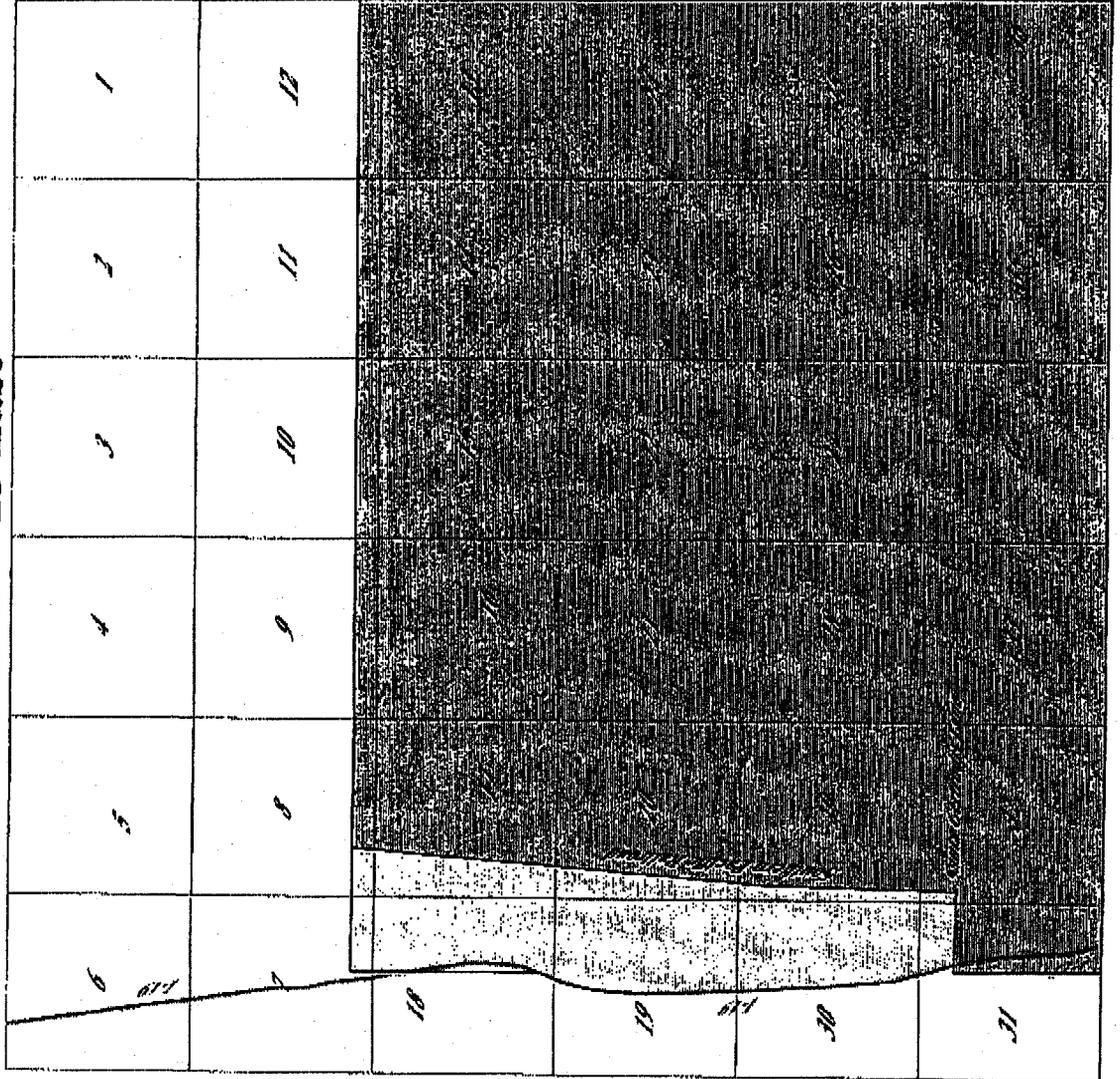
EXHIBIT 3

Map No. 5

COUNTY Santa Cruz

RANGE 13 East

TOWNSHIP 21 South



WS-1678 (1)
Baca Float Water Company, Inc.



WS-2676 (6)
Rio Rico Utilities, Inc.

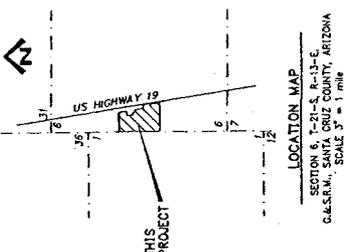
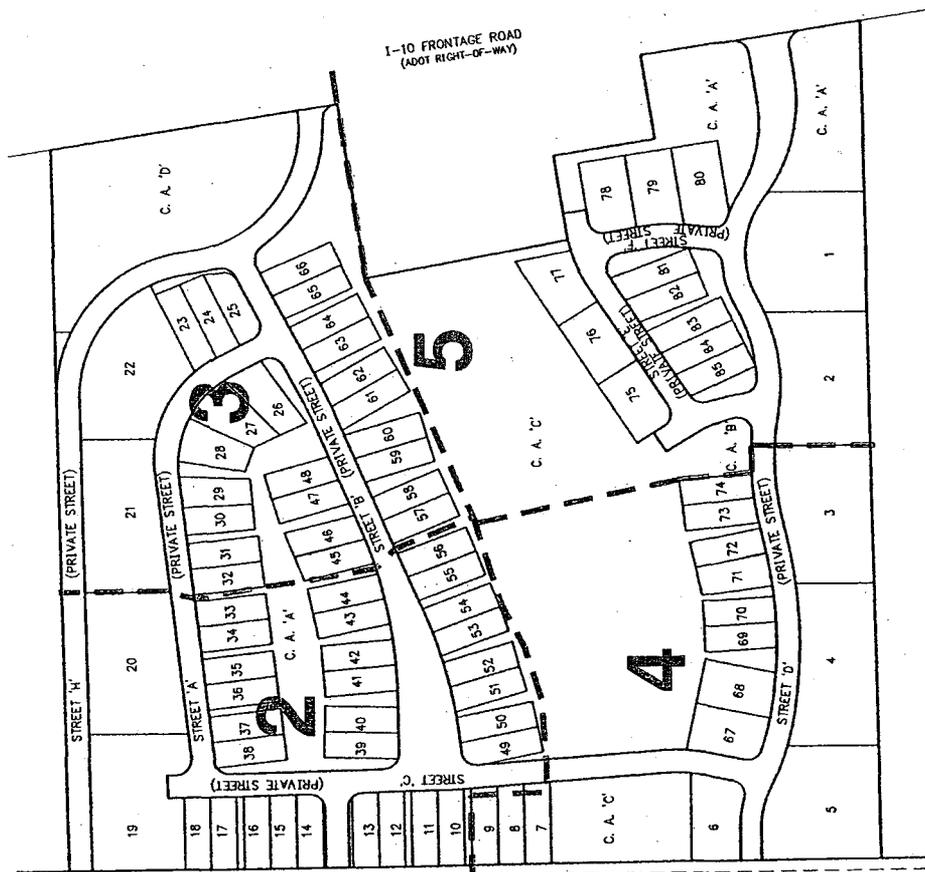
EXHIBIT 4

GENERAL NOTES:

1. THE GROSS AREA OF THIS SUBDIVISION IS 40.7 ACRES.
2. THE PROPOSED USE OF THIS PLAT IS RESIDENTIAL AS IS PERMITTED IN ACCORDANCE WITH ARTICLE 9 OF THE SANTA CRUZ COUNTY ZONING AND DEVELOPMENT CODE.
3. EXISTING ZONING IS 0R.
4. THE TOTAL NUMBER OF NEW RESIDENTIAL UNITS IS 84.
5. TOTAL MILES OF NEW PUBLIC STREETS IS 0.
6. TOTAL MILES OF PRIVATE STREETS IS 1.45.
7. ALL WATER ACCESS WILL BE PROVIDED TO ALL LOTS WITHIN THIS SUBDIVISION.
8. THE PROJECT WILL BE A DRY LOT SUBDIVISION.
9. THE I-10 FRONTAGE ROAD IS THE NEAREST PAVED ACCESS MAINTAINED BY A.D.O.T. WHICH SERVES THIS SUBDIVISION.
10. THIS PROJECT WILL BE SERVED BY AN ON-SITE TREATMENT FACILITY. PRIOR TO THE ISSUANCE OF ANY BUILDING PERMITS, AN APPROVED FINAL PLAN SHALL BE SUBMITTED FOR THIS PROJECT.
11. CONSTRUCTION EASEMENTS FOR ROADWAY SLOPES WILL BE PROVIDED WHERE NECESSARY.
12. RIGHTS OF WAY OR EASEMENTS BEING DEDICATED BY THE FINAL PLAT WILL BE NOTED AS SUCH.
13. PRIVATE STREETS SERVING AS COLLECTORS WILL BE DESIGNED TO ACCOMMODATE THE 80-40 DESIGN VEHICLE AT 20 MPH.
14. THE OWNER GUARANTEES THAT THERE WILL BE NO FURTHER SUBDIVIDING, LOT SPLITTING OR LOT LINE ADJUSTMENTS WITHOUT THE WRITTEN APPROVAL OF THE BOARD OF SUPERVISORS.
15. ALL DRAINAGEWAYS SHOWN AND LABELED AS SUCH ON THIS PLAN, WHICH ARE ADJACENT TO THIS DEVELOPMENT SHALL BE CONSTRUCTED TO MINIMUM SANTA CRUZ COUNTY STANDARDS.
16. ALL PUBLIC AND PRIVATE ROADS AND DRAINAGE EASEMENTS ON OR ADJACENT TO THIS DEVELOPMENT SHALL BE CONSTRUCTED TO MINIMUM SANTA CRUZ COUNTY STANDARDS.
17. ALL REQUIRED PARKING WILL BE OFF STREET, ON-SITE.
18. LANDSCAPING FOR EACH LOT WILL BE DONE IN ACCORDANCE WITH THE MINIMUM SANTA CRUZ COUNTY REQUIREMENTS. LANDSCAPING FOR COMMON AREAS SHALL BE SUBMITTED TO SANTA CRUZ COUNTY FOR BUILDING PERMITS.
19. BASIS OF BEARINGS BEARING FROM THE SE CORNER OF SECTION 1, T.29S., R.13E., G. & S. R. N. W. 35, RIZE TO THE EAST 1/4 CORNER SAID BEARING BEING N 00°30'00" W.
20. ALL HOMES AND THEIR ATTACHMENTS SHALL HAVE A RESIDENTIAL FIRE DISTRICT.
21. A HOMEOWNER ASSOCIATION WILL BE PERMITTED TO ACCEPT RESPONSIBILITY FOR MAINTENANCE, CONTROL, SAFETY AND LIABILITY OF PRIVATE DRAINAGE STRUCTURES, DRAINAGE EASEMENTS AND COMMON AREA A (PRIVATE STREETS).

TENTATIVE PLAT
FOR
TUBAC 40

LOTS 1 THROUGH 85 AND C.A. A, B, C, D, & E



LOCATION MAP
SECTION 6, T-29S., R-13E.,
G.A.S.R.M., SANTA CRUZ COUNTY, ARIZONA
SCALE 1" = 1 MILE

LEGEND

- 29 LOT NUMBER
- TOPO CONTOUR
- TOPO INDEX & CONTOUR
- SUBDIVISION BOUNDARY LINE
- LOT LINE / RIGHT-OF-WAY LINE
- EASEMENT LINE
- FLOODPLAIN LINE
- BRASS CAP SURVEY MONUMENT TO BE SET BY AN R.L.S. (BY FINAL PLAT)

SHEET INDEX NUMBER
3



TENTATIVE PLAT
FOR
TUBAC 40

LOTS 1 THROUGH 85 AND
C.A. A (OPEN SPACE), B (COMMUNITY
CENTER), C (DRAINAGE), D
(TREATMENT FACILITY), AND E
(PRIVATE STREETS)
A PORTION OF THE SOUTHWEST QUARTER OF
SECTION 6, T-29S., R-13E., G. & S. R. N.
SANTA CRUZ COUNTY, ARIZONA

SHEET INDEX
COVER
1
2-5 PLAN/DETAILS

PROJECT OVERVIEW
SCALE: 1" = 100'

OWNER
TUBAC 40, LLC
3950 S. CAMINO DEL HEROE
SAN JOSE, CALIFORNIA 95134
(408) 448-7748
ATTN: DAVID GROUND

P S O M A S

805 E. Market Road, Suite 110
Tucson, AZ 85719
(520) 292-2300 (520) 292-1280 (FAX)
www.psomass.com
208 Lic. 50971-03-74

EXHIBIT 5

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

*****BACA FLOAT WATER CO., INC.*****

a domestic corporation organized under the laws of the State of Arizona, did incorporate on December 1, 1959.

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 20th Day of March, 2007, A. D.



Executive Director

By _____

EXHIBIT 6

1

ACTION BY UNANIMOUS WRITTEN CONSENT
OF THE BOARD OF DIRECTORS
OF BACA FLOAT WATER CO., INC.
IN LIEU OF SPECIAL MEETING

June 1, 2007

Pursuant to Section 10-821 of the Arizona Revised Statutes, the undersigned, being all of the directors of Baca Float Water Co., Inc., an Arizona corporation (the "Corporation), do hereby unanimously consent to the adoption of the following resolutions without the formality of convening a special meeting of the Board of Directors, for and as the actions of the Corporation, as of the date set forth above:

WHEREAS, the Board of Directors, after careful consideration, has determined that is in the best interest of the Corporation to submit to the Arizona Corporation Commission, an Application for Extension of Certificate of Convenience and Necessity ("CC&N), in substantially the form attached to this Unanimous Consent as **Exhibit A** (the "Application"), pursuant to which the Corporation will provide sewer service to the additional service area;

WHEREAS, each member of the Board has received and reviewed a draft of the Application;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Corporation approves the terms and conditions of the Application, as set forth in substantially the form attached as **Exhibit A** hereto, and authorizes, empowers and directs Gary Brasher (the "Designated Officer"), to execute and deliver the Application on behalf of the Corporation;

RESOLVED FURTHER, that the Designated Officer is authorized, in the name and on behalf of this Corporation, to execute and deliver such other and further applications, documents, agreements, or instruments, and to do or cause to be done all such other and further acts and things, as they may deem necessary or appropriate to accomplish the purpose of receiving an Order from the Arizona Corporation Commission granting such Extension of the CC&N;

RESOLVED FURTHER, that any actions taken by the Designated Officer or any of them prior to the adoption of these resolutions which are within the authority conferred be, and they hereby are, ratified, confirmed, and approved.

RESOLVED FURTHER, that this consent may be executed by facsimile and, upon such execution, shall have the same force and affect as an original.

IN WITNESS WHEREOF, this Action by Written Consent has been executed effective as of the date set forth above.

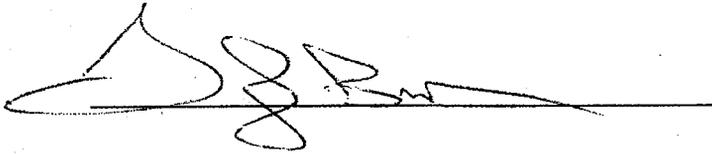
A handwritten signature in black ink, appearing to be "D. J. B.", is written over a horizontal line. The signature is stylized and somewhat cursive.

EXHIBIT 7

Baca Float Water Company, Inc.
Balance Sheet
As of December 31, 2006

	<u>Dec 31, 06</u>
ASSETS	
Current Assets	
Checking/Savings	
0300 - Bank of the West 368010930	125.62
Total Checking/Savings	<u>125.62</u>
Accounts Receivable	
1000 - Accounts Receivable	682.50
Total Accounts Receivable	<u>682.50</u>
Other Current Assets	
Deposit for Plaza Lease	1,906.72
Total Other Current Assets	<u>1,906.72</u>
Total Current Assets	<u>2,714.84</u>
Fixed Assets	
3010 - Software	2,642.50
3375 - Office FF&E	3,827.13
3400 - Land	2,167.00
3600 - WATER ASSETS	
3000 - AdEdge Treatment System	136,896.86
3100 - Physical Plant	22,419.15
3200 - Equipment	280,237.01
3250 - Accumulated Depreciation	-8,300.00
3300 - Meters	31,901.85
3610 - Transmission Lines	180,559.34
3620 - Wells	116,345.17
3625 - Well Yard Building	10,553.71
3630 - Storage	70,000.00
3600 - WATER ASSETS - Other	7,912.77
Total 3600 - WATER ASSETS	<u>848,525.86</u>
3700 - WASTEWATER ASSETS	
3710 - Septic Tanks, Lines, Etc	399,916.17
3720 - Treatment Plant	298,702.62
Total 3700 - WASTEWATER ASSETS	<u>698,618.79</u>
Total Fixed Assets	<u>1,555,781.28</u>
TOTAL ASSETS	<u><u>1,558,496.12</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2200 - Sales Tax Payable	2,563.72
Total Other Current Liabilities	<u>2,563.72</u>
Total Current Liabilities	2,563.72
Long Term Liabilities	
4700 - Advance Aid in Constr - BFLD	726,831.61
4701 - Un-Depreciable Assets	1,054,620.40
Total Long Term Liabilities	<u>1,781,452.01</u>
Total Liabilities	1,784,015.73
Equity	
1110 - Retained Earnings	-463,426.09
3500 - Paid in Capital	247,202.38
3550 - Common Stock	15,120.00
Net Income	-24,415.90
Total Equity	<u>-225,519.61</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,558,496.12</u></u>

0

Baca Float Water Company, Inc.

Profit & Loss

January through December 2006

Jan - Dec 06

Ordinary Income/Expense

Income

5700 · Sewer Income	63,159.78
5800 · Water Income	85,744.50
5940 · Hookup Fees	56,296.66
6000 · Misc. Income	62,577.09

Total Income 267,778.03

Gross Profit 267,778.03

Expense

Back Flow Inspections	1,022.80
6010 · Salaries and Wages	169,721.05
6110 · Automobile & Vehicle Expenses	122.78
6120 · Bank Service Charges	51.51
6135 · Cleaning	266.10
6138 · Contract Services	629.90
6140 · Contributions	810.00
6150 · Purchased Power	11,240.81
6155 · Depreciation Expense	1,756.00
6165 · Education - Seminars, etc.	1,511.98
6168 · Engineering	13,150.00
6170 · Equipment Rental	48.75
6175 · Fees, Dues & Subscriptions	285.65
6180 · Chemicals	2,384.28
6200 · Repairs and Maintenance	23,543.99
6228 · Landscaping	129.77
6240 · Miscellaneous	106.97
6241 · Office Supplies & Expense	2,574.29
6245 · Permits & Fees	4,111.58
6250 · Postage and Delivery	236.28
6260 · Printing and Reproduction	54.91
6300 · Outside Services	22,468.25
6336 · Taxes	2,484.57
6340 · Telephone	2,480.90
6350 · Water Testing	622.00
6410 · Rents	23,827.10
6500 · Transportation Expenses	326.95
6570 · Insurance - General Liability	4,334.47
6590 · Insurance - Health / Dental	1,685.30

Total Expense 291,988.94

Net Ordinary Income -24,210.91

Other Income/Expense

Other Income

7005 · Other Income -204.99

Total Other Income -204.99

Net Other Income -204.99

Net Income -24,415.90

EXHIBIT 8

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

WS-01678A

Baca Float Water Company - Water Division
P.O. Box 1536
Tubac, AZ 85646

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Baca Float Water Co., Inc – Water Division

Mailing Address P.O. Box 1536
(Street)

Tubac AZ 85646
(City) (State) (Zip)

520-398-3177 520-398-2407 n/a
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address n/a

Local Office Mailing Address same as above
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) **Fax No. (Include Area Code)** **Pager/Cell No. (Include Area Code)**

Email Address n/a

MANAGEMENT INFORMATION

Management Contact: Richard Lockwood Manager
(Name) (Title)

P.O. Box 1536 Tubac AZ 85646
(Street) (City) (State) (Zip)

520-398-3177 520-398-9770 n/a
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address n/a

On Site Manager: Lino Vega
(Name)

P.O. Box 1536 Tubac AZ 85646
(Street) (City) (State) (Zip)

520-398-3177 520-398-9770 n/a
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address n/a

Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Jacqueline Brasher
 (Name)

Two Tubac Road Tubac AZ 85646
 (Street) (City) (State) (Zip)

520-398-2506 520-398-2407 n/a
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Michael Milroy – Snell & Wilmer
 (Name)

One Church Road Tucson AZ 85701
 (Street) (City) (State) (Zip)

520-882-1200 520-884-1294 n/a
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- Sole Proprietor (S)
- Partnership (P)
- Bankruptcy (B)
- Receivership (R)
- Other (Describe)
- C Corporation (C) (Other than Association/Co-op)
- Subchapter S Corporation (Z)
- Association/Co-op (A)
- Limited Liability Company

COUNTIES SERVED

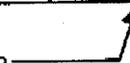
Check the box below for the county/ies in which you are certificated to provide service:

- APACHE
- GILA
- LA PAZ
- NAVAJO
- SANTA CRUZ
- STATEWIDE
- COCHISE
- GRAHAM
- MARICOPA
- PIMA
- YAVAPAI
- COCONINO
- GREENLEE
- MOHAVE
- PINAL
- YUMA

COMPANY NAME: Baca Float Water Company, Inc. Water & Sewer Division

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	2,167.00		2,167.00
304	Structures and Improvements	10,554.00	1,344.00	9,210.00
307	Wells and Springs	116,345.00		116,345.00
311	Pumping Equipment	22,419.00		22,419.00
320	Water Treatment Equipment	835,516.00		835,516.00
330	Distribution Reservoirs and Standpipes	70,000.00		70,000.00
331	Transmission and Distribution Mains	180,559.00		180,559.00
333	Services			
334	Meters and Meter Installations	31,902.00	2,490.00	29,412.00
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	288,150.00	3,902.00	284,248.00
340	Office Furniture and Equipment	3,827.00	564.00	3,263.00
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment (software)	2,643.00		2,643.00
348	Other Tangible Plant			
	TOTALS	1,564,082.00	8,300.00	1,555,782.00

This amount goes on the Balance Sheet Acct. No. 108 

COMPANY NAME: Baca Float Water Company, Inc. Water & Sewer Division

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	2,167.00		
304	Structures and Improvements	10,554.00	Various	283.00
307	Wells and Springs	116,345.00		
311	Pumping Equipment	22,419.00		
320	Water Treatment Equipment	835,516.00		
330	Distribution Reservoirs and Standpipes	70,000.00		
331	Transmission and Distribution Mains	180,559.00		
333	Services			
334	Meters and Meter Installations	31,902.00	Various	395.00
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	288,150.00	Various	514.00
340	Office Furniture and Equipment	3,827.00	Various	564.00
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	2,643.00		
348	Other Tangible Plant			
	TOTALS	1,564,082.00		1,756.00

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME: Baca Float Water Company, Inc. Water & Sewer Division
--

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 99,090.00	\$ 126.00
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	901.00	683.00
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		1,907.00
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 99,991.00	\$ 2,716.00
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,250,306.00	\$ 1,557,612.00
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(6,544.00)	(8,300.00)
121	Non-Utility Property	6,470.00	6,470.00
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 1,250,232.00	\$1,555,782.00
	TOTAL ASSETS	\$ 1,350,223.00	\$ 1,558,498.00

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME: Baca Float Water Company, Inc. Water & Sewer Division
--

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$ 1,875.00	\$ 2,564.00
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 1,875.00	\$ 2,564.00
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	494,832.00	726,833.00
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	1,054,620.00	1,054,620.00
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 1,549,452.00	\$ 1,781,452.00
	TOTAL LIABILITIES	\$ 1,551,327.00	\$ 1,784,017.00
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 15,120.00	\$ 15,120.00
211	Paid in Capital in Excess of Par Value	247,202.00	247,202.00
215	Retained Earnings	(463,426.00)	(487,841.00)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (201,104.00)	\$ (225,519.00)
	TOTAL LIABILITIES AND CAPITAL	\$ 1,350,223.00	\$1,558,498

COMPANY NAME: Baca Float Water Company, Inc. Water & Sewer Division

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$79,313.00	\$ 85,745.00
460	Unmetered Water Revenue		
474	Other Water Revenues	21,747.00	87,585.00
	TOTAL REVENUES	\$ 101,060.00	\$ 173,330.00
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 69,569.00	\$ 85,379.00
610	Purchased Water		
615	Purchased Power	5,928.00	5685.00
618	Chemicals	1,369.00	1795.00
620	Repairs and Maintenance	11,430.00	10,786.00
621	Office Supplies and Expense	862.00	1,808.00
630	Outside Services	47,060.00	24,212.00
635	Water Testing	2,318.00	622.00
641	Rents		11,880.00
650	Transportation Expenses	291.00	149.00
657	Insurance - General Liability	6,438.00	2167.00
659	Insurance - Health and Life	829.00	843.00
666	Regulatory Commission Expense - Rate Case	1,863.00	1,000.00
675	Miscellaneous Expense	4,083.00	3,004.00
403	Depreciation Expense	1,513.00	1,756.00
408	Taxes Other Than Income	112.00	
408.11	Property Taxes	2,022.00	1,208.00
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 155,677.00	\$ 152,294.00
	OPERATING INCOME/(LOSS)	\$ (54,617.00)	\$ 21,036.00
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ (54,617.00)	\$ 21,036.00

COMPANY NAME: Baca Float Water Co. Inc. Water Division	
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-558318	10	150	600	6	2	1997
55-558319	50	650	700	10	8	1997

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
		1	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
		7,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Baca Float Water Co. Inc. Water Division	
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	207
3/4	46
1	2
1 1/2	
2	16
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Baca Float Water Co. Inc. Water Division	
Name of System	ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	145	1195	1252	
FEBRUARY	153	1029	1088	
MARCH	165	1054	1125	
APRIL	171	1358	1502	
MAY	185	1367	1483	
JUNE	200	1621	1891	
JULY	208	1659	1838	
AUGUST	217	1589	1839	
SEPTEMBER	220	1488	1538	
OCTOBER	235	1215	1288	
NOVEMBER	253	1599	1692	
DECEMBER	271	2030	1885	
TOTALS →			18,421	

What is the level of arsenic for each well on your system? _____ mg/l

(If more than one well, please list each separately.)
 55-558318: .014
 55-558319: .018

If system has fire hydrants, what is the fire flow requirement? 1,125 GPM for 4 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 Yes No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Baca Float Water Co. Inc. Water Division **YEAR ENDING 12/31/2006**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 1,208.00

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Santa Cruz
NAME (OWNER OR OFFICIAL) TITLE	Gary P. Brasher
COMPANY NAME	Boca Float Water Co. Water Division

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

SIGNATURE OF OWNER OR OFFICIAL
520-398-2506

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS DAY OF

COUNTY NAME	
MONTH	.20__

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES _____

COMPANY NAME: Baca Float Water Company, Inc. Water & Sewer Division **YEAR ENDING**
12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____ \$ 21,036.00
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____ \$ 21,036.00
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

Gary P. Brasher
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>Santa Cruz</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Gary P. Brasher</u>
COMPANY NAME <u>Baca Float Water Co. Water Division</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
<u>\$ 178,989.00</u>

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 5,659.00
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL
<u>520-398-2506</u>
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS **DAY OF**

(SEAL)

COUNTY NAME
MONTH <u>20</u>

MY COMMISSION EXPIRES _____

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Santa Cruz	
NAME (OWNER OR OFFICIAL) Gary P. Brasher	TITLE President
COMPANY NAME Best Float Water Co. Water Division	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 178,989.00

**THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 5,659.00
IN SALES TAXES BILLED, OR COLLECTED)**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

SIGNATURE OF OWNER OR OFFICIAL

520-398-2506

TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS [] DAY OF
(SEAL)**

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH	.20__

MY COMMISSION EXPIRES

X

SIGNATURE OF NOTARY PUBLIC

ARIZONA

2006 PROPERTY TAX NOTICE

PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	PRIMARY PROPERTY TAX
902-23-501 6	3501	8.3254	4.9114		795.58
					LESS STATE AID TO EDUCATION 0.00
					NET PRIMARY PROPERTY TAX 795.58
					SECONDARY PROPERTY TAX 412.62
					SPECIAL DISTRICT TAX 0.00
					TOTAL TAX DUE FOR 2006 1,208.20

	VALUE IN DOLLARS	ASSTMT %	ASSESSED VALUE	EXEMPTIONS	TAX RATE	NET ASSESSED
PRIMARY LAND, RIGHTS, ETC	1,181	24.5	286	0	8.3254	23.73
PRIMARY PERSONAL PROPERTY	37,839	24.5	9,271	0	8.3254	771.85
PRIMARY TOTALS	39,000		9,556	0		795.58
SECONDARY LAND	300	24.5	74	0	4.9114	3.62
SECONDARY BLDGS, ETC	861	24.5	211	0	4.9114	10.38
SEC. PERSONAL PROPERTY	37,839	24.5	9,271	0	4.2999	398.64
SECONDARY TOTALS	39,000		9,556	0		412.62

JURISDICTION	2006 TAXES	2005 TAXES
02000 SANTA CRUZ COUNTY	315.83	192.55
07035 SANTA CRUZ SD #35	628.81	381.73
11201 TUBAC FD	252.27	151.88
11900 FIRE DISTRICT ASSIST	9.55	5.75
15001 SANTA CRUZ COUNTY FC	1.74	1.03
02001 STATE SCHOOL TAX EQU	0.00	25.06
TOTALS	1,208.20	758.00

902-23-501 6
 0007580 01 AV 0.293 **AUTO T3 0 0794 85646-424141
 BACA FLOAT WATER CO INC
 GARY P BRASHER/PRESIDENT
 P O BOX 4241
 TUBAC AZ 85846-4241

PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2006. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2007. To pay taxes for the full year if the entire amount billed exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2006. Delinquent interest will be waived.

Make your check payable to and mail to:

Caesar Ramirez
 Santa Cruz County Treasurer
 2150 N Congress Dr
 Nogales AZ 85621-1091

PLEASE INCLUDE YOUR
 PARCEL NUMBER
 ON YOUR CHECK.

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
 AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

11833

BACA FLOAT WATER COMPANY INC

PO Box 1536
Tubac, AZ 85646
520-398-3177

BARRIOCONTROLLER@AOL.COM WWW.BARRIODETUBAC.COM

BANK OF THE WEST
180 West Continental Road #170
Green Valley, AZ 85614
91-564/1221

10/1/2006

PAY TO THE ORDER OF Caesar Ramirez Santa Cruz County Treasure

\$**1,208.20

One Thousand Two Hundred Eight and 20/100***** DOLLARS

Caesar Ramirez Santa Cruz County Treasure
2150 N. Congress Dr
Nogales AZ 85621-1091

Water

Richard Lopez

© 2005 INFILIT INC. # 205 1-888-433-8630

MEMO

⑈011833⑈

11832

BACA FLOAT WATER COMPANY INC

PO Box 1536
Tubac, AZ 85646
520-398-3177

BARRIOCONTROLLER@AOL.COM WWW.BARRIODETUBAC.COM

BANK OF THE WEST
180 West Continental Road #170
Green Valley, AZ 85614
91-564/1221

10/1/2006

PAY TO THE ORDER OF Caesar Ramirez Santa Cruz County Treasure

\$**1,014.10

One Thousand Fourteen and 10/100***** DOLLARS

Caesar Ramirez Santa Cruz County Treasure
2150 N. Congress Dr
Nogales AZ 85621-1091

Summer

Richard Lopez

© 2005 INFILIT INC. # 205 1-888-433-8630

MEMO

⑈011832⑈

284829752 9182 9182 01 18-12-86

10112006 2150 CREDITED TO PAYEE AEG
32881 0004 >11901331< PHX ULBX
90142669 JPMORGAN CHASE BANK NA
FT WORTH, TX

5240053661

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284829753 9182 9182 01 18-12-86

10112006 2150 CREDITED TO PAYEE AEG
32881 0005 >11901331< PHX ULBX
90142669 JPMORGAN CHASE BANK NA
FT WORTH, TX

5240053662

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ENCLOSURE

ENCLOSURE
X