

ORIGINAL



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Beaver Dam Water Company
P.O. Box 550
Beaver Dam, Arizona 86432

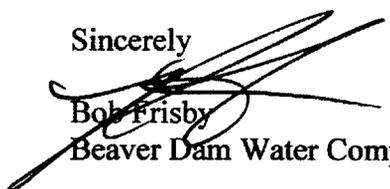
September 17, 2007

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, Arizona 85007

RE: Beaver Dam Water Company - Application of Certificate of CC&N to Provide
Wastewater Service. Docket No. SW-03067A-06-0397.

Enclosed find Objection to Staff Report

Sincerely


Bob Frisby
Beaver Dam Water Company

Arizona Corporation Commission
DOCKETED

OCT -2 2007

DOCKETED BY	nr
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AZ CORP COMMISSION
DOCKET CONTROL

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RECEIVED

**Beaver Dam Water Company
Docket NO.-03067A-06-0397**

OBJECTION TO STAFF RECOMMENDATIONS

**APPLICATION FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY TO PROVIDE
WASTEWATER SERVICE**

OBJECTION TO STAFF MEMORANDUM SEPTEMBER 7, 2007

Beaver Dam Water Company takes exception to portions of the Staff report as follows:

Introduction

“Beaver Dam serves approximately 300 water customers” The Staff report does not include that Beaver Dam Water has five commercial customers two of them have single family residents Beaver Dam Resort and Desert Skies RV Park. The Beaver Dam Resort consists of 200 single family homes (2 bedrooms, 2 baths) with a master meter and the Desert Skies has 155 homes (2 bedrooms, 1 bath) which total 655 water customers.

Revenues, Expenses, Rate Base, Capital Structure and Rate of Return

“The Company proposes to acquire the entire wastewater infrastructure for the CC&N via a line extension with the Developers. However, Staff recommends that the Company be required to make an equity investment in securing the plant needed to service the CC&N area. Staff typically recommends a capital structure of approximately 70% equity to 30% advances /contributions in new CC&N application. With the Company having exclusive rights to provide services to the area of the CC&N, Staff’s adjustment to the Company’s proposed plant in service reflects the goal of insuring economic foundation”

for the company and secure wastewater service for customers in the CC&N area”.

Staff correctly points out **Conclusion and Recommendations** “*The Beaver Dam Water Company has successfully operated a water system which is in compliance with both ADEQ and the Commission. There is a need for a wastewater service within a portion of its water service area as evidenced by the request for service. Staff believes that Beaver Dam Water Company is a fit and proper entity to provide utility wastewater service*”.

The Staff's report does not point out that Beaver Dam Water Company has been operating in compliance since December 1, 1987 (ACC Decision No 55788) nearly 20 years without a complaint. We have purchased/acquired 6 water companies in the area that were out of compliance and in 2005 secured a loan from W.I.F.A. along with some line extensions, ADEQ approval and ACC approval connected what was at one time 6 different private water systems in to one. In March of 2002 (ACC Decision No 64662) extended it's CC&N to a portion of land near the Nevada border where water was being purveyed by Virgin Valley Water District (a political entity of the State of Nevada). The Virgin Valley Water District did not have a CC&N, was out of compliance with ADEQ and did not pay any tax to the State or the County for operating in Arizona. Beaver Dam had a five year agreement to construct a water delivery system independent of Nevada. Approval of Construction form ADEQ for these improvements was issued in July of this year. Also, Bob Frisby was the developer of the Beaver Dam Golf Resort which included a 200 home subdivision, regulation golf course, 40 room hotel and restaurant. I have since sold all of the entities and for the last 5 years have put all my efforts in making the Beaver Dam Water Company successful. We need a wastewater provider in the area to help the Water Company continue to grow. Beaver Dam Water Company's history, experience, commitment to this area should speak for itself. We would ask the Commission to approve this application on the same terms as our Water Facilities Extension Agreement:

Bradley G. Morton of the Arizona Corporation Commission approved a **Water Facilities Extension Agreement** August 29, 2006 between the Millennia Investment Corp. and the Beaver Dam Water Company wherein Millennia Investment Corp was to make water infrastructure improvements of \$1,187,397.00 (enclosed attachment “A”). The infrastructure has been completed and conveyed to Beaver Dam Water Company water improvements totaling \$1,169,637.60 (enclosed attachment “B”).

Millennia Investment Corp. is not only providing water, wastewater infrastructure for this area but is building a Fire Station for the area (attachment “C”).

We have attached a **Wastewater Performa Income Statement** that reflects those same terms as our Water Facilities Extension Agreement between Beaver Dam Water Company and Millennia Investment Corp (attachment “D”). The Performa does not provide any income from other projects around the proposed CC&N which could improve the cash flow and the amount of refund to Millennia Investment Corp. Also, find enclosed a find letter form Dan Jones President, Millennia Investment Corp. (attachment “E”)

Beaver Dam Water believes that our nearly 20 year efforts to provide quality water service to our customers is not *typical*. We also believe our efforts over the years should demonstrate our *goal of insuring economic foundation for the company*. We believe that the Commission can rely on us for the same dependable service for secure wastewater service.

ATTACHMENT A

WATER FACILITIES EXTENSION AGREEMENT

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

RECITALS:

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

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

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

COVENANTS AND AGREEMENTS:

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

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

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

COVENANTS AND AGREEMENTS:

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

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

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

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

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

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

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

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

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

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

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

DEVELOPER:

COMPANY:

Millennia Investment Corp

Beaver Dam Water Company

Dan Jones
Its President

[Signature]
Its President

Date Approved

8-29-06

Decision No.

Arizona Corporation Commission

By: *Bradley B. Monton*

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

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

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

DEVELOPER:

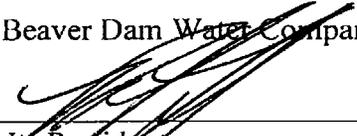
COMPANY:

Millennia Investment Corp

Beaver Dam Water Company



Its President



Its President

Date Ag.

8-29-06

Decision

Arizona Commission on

By: Bradley B. Monton

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

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

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

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

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

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COMPANY:
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P.O. Box 550
Beaver Dam, AZ 86432

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

Exhibit "C" 10A2

Project Name: Shadow Ridge Subdivision, Phase 1 ENGINEERS ESTIMATE

Project No. DS 56.14.05
 Date 11/10/06
 By: R W
 Checked By: RSE

Item No.	Quantity	Units	Description	Amount	Cost
1	1	Lump	Mobilization	\$ 25,000.00	\$ 25,000.00
2	44,000	C.Y.	Excavation	\$ 2.50	\$ 110,000.00
3	30,500	C.Y.	Embarkment	\$ 1.75	\$ 53,375.00
4	20	Each	48" Concrete Manholes	\$ 4,780.00	\$ 95,760.00
5	1918	L.F.	16" PVC Sewer Pipe, ASTM 3034, SDR 35	\$ 40.00	\$ 76,720.00
6	400	L.F.	12" PVC Sewer Pipe, ASTM 3034, SDR 35	\$ 44.80	\$ 17,920.00
7	1078	L.F.	10" PVC Sewer Pipe, ASTM 3034, SDR 35	\$ 42.80	\$ 45,938.40
8	4100	L.F.	8" PVC Sewer Pipe, ASTM 3034, SDR 35	\$ 12.00	\$ 49,200.00
9	1	Each	6" San. Sewer Cleanout	\$ 176.00	\$ 176.00
10	2	Each	6" San. Sewer Cap	\$ 50.00	\$ 100.00
11	68	Each	4" PVC Sewer Service Lateral, ASTM 3034, SDR 35	\$ 6.00	\$ 408.00
12	20	L.F.	14" Water Main, AWWA C-900	\$ 18.00	\$ 360.00
13	4314	L.F.	12" Water Main, AWWA C-900	\$ 18.00	\$ 77,652.00
14	3420	L.F.	8" Water Main, AWWA C-900	\$ 10.00	\$ 34,200.00
15	484	L.F.	4" Water Main, AWWA C-900	\$ 7.50	\$ 3,630.00
16	1	Each	12" x 12" x 12" Tee w/ Thrust Block	\$ 250.00	\$ 250.00
17	2	Each	12" x 12" x 6" Tee w/ Thrust Block	\$ 200.00	\$ 400.00
18	3	Each	12" Gate Valve w/ Valve Box and Lids	\$ 850.00	\$ 2,550.00
19	9	Each	6" x 6" x 6" Tee w/ Thrust Block	\$ 450.00	\$ 4,050.00
20	20	Each	6" Gate Valve w/ Valve Box and Lids	\$ 450.00	\$ 9,000.00
21	1	Each	6" Cross w/ Thrust Block	\$ 450.00	\$ 450.00
22	4	Each	6" Cap w/ Thrust Block	\$ 500.00	\$ 2,000.00
23	1	Each	60 deg. D. I. Elbow w/ Flanges	\$ 800.00	\$ 800.00
24	9	Each	22.5 deg. Elbow w/ Thrust Block	\$ 250.00	\$ 2,250.00
25	4	Each	11.25 deg. Elbow w/ Thrust Block	\$ 250.00	\$ 1,000.00
26	2	Each	6" x 4" Reducer	\$ 150.00	\$ 300.00
27	2	Each	22.5 deg. Elbow w/ Thrust Block	\$ 150.00	\$ 300.00
28	3	Each	4" Cap w/ Thrust Block	\$ 150.00	\$ 450.00
29	3477	L.F.	1 1/2" PVC Water Line	\$ 5.00	\$ 17,385.00
30	68	Each	Services Laterals including saddle, corp stop, cap, exclude meter and meter base	\$ 400.00	\$ 27,200.00
31	4	Each	Std. Fire Hydrant w/ Tee Valve, Complete	\$ 1,500.00	\$ 6,000.00
32	8,620	L.F.	24" Conc. Curb and Gutter	\$ 6.50	\$ 56,030.00
33	8770	Ton	Type II Gravel Base Course	\$ 10.98	\$ 95,798.00
34	20,370	Sq. Yds	2 1/2" Asphaltic Concrete Hot Mix	\$ 5.40	\$ 109,998.00

Exhibit "C" 1082

Project Name: Shadow Ridge Subdivision, Phase 1 ENGINEERS ESTIMATE

Project No. DS 56.14.05
 Date 11/10/06
 By: R W
 Checked By: RSE

Item No.	Quantity	Units	Description	Amount	Cost
1	1	Lump	Mobilization	\$ 25,000.00	\$ 25,000.00
2	44,000	C.Y.	Excavation	\$ 2.39	\$ 103,160.00
3	30,500	C.Y.	Embankment	\$ 1.75	\$ 53,375.00
4	20	Each	48" Concrete Manholes	\$ 4,388.00	\$ 87,760.00
5	1918	L.F.	18" PVC Sewer Pipe, ASTM 3034, SDR 35	\$ 14.00	\$ 26,852.00
6	400	L.F.	12" PVC Sewer Pipe, ASTM 3034, SDR 35	\$ 14.00	\$ 5,600.00
7	1078	L.F.	10" PVC Sewer Pipe, ASTM 3034, SDR 35	\$ 14.00	\$ 15,092.00
8	4100	L.F.	8" PVC Sewer Pipe, ASTM 3034, SDR 35	\$ 14.00	\$ 57,400.00
9	1	Each	6" San. Sewer Cleanout	\$ 426.00	\$ 426.00
10	2	Each	6" San. Sewer Cap	\$ 86.00	\$ 172.00
11	86	Each	4" PVC Sewer Service Lateral, ASTM 3034, SDR 35	\$ 6.00	\$ 516.00
12	20	L.F.	14" Water Main, AWWA C-900	\$ 18.00	\$ 360.00
13	4314	L.F.	12" Water Main, AWWA C-900	\$ 16.00	\$ 69,024.00
14	3420	L.F.	8" Water Main, AWWA C-900	\$ 10.00	\$ 34,200.00
15	484	L.F.	4" Water Main, AWWA C-90	\$ 7.50	\$ 3,630.00
16	1	Each	12" x 12" x 12" Tee w/ Thrust Block	\$ 260.00	\$ 260.00
17	2	Each	12" x 12" x 6" Tee w/ Thrust Block	\$ 200.00	\$ 400.00
18	3	Each	12" Gate Valve w/ Valve Box and Lids	\$ 860.00	\$ 2,580.00
19	9	Each	6" x 6" x 6" Tee w/ Thrust Block	\$ 460.00	\$ 4,140.00
20	20	Each	6" Gate Valve w/ Valve Box and Lids	\$ 460.00	\$ 9,200.00
21	1	Each	6" Cross w/ Thrust Block	\$ 460.00	\$ 460.00
22	4	Each	6" Cap w/ Thrust Block	\$ 600.00	\$ 2,400.00
23	1	Each	60 deg. D. I. Elbow w/ Fittings	\$ 800.00	\$ 800.00
24	9	Each	22.5 deg. Elbow w/ Thrust Block	\$ 260.00	\$ 2,340.00
25	4	Each	11.25 deg. Elbow w/ Thrust Block	\$ 260.00	\$ 1,040.00
26	2	Each	6" x 4" Reducer	\$ 160.00	\$ 320.00
27	2	Each	22.5 deg. Elbow w/ Thrust Block	\$ 160.00	\$ 320.00
28	3	Each	4" Cap w/ Thrust Block	\$ 160.00	\$ 480.00
29	3477	L.F.	1 1/2" PVC Water Line	\$ 6.00	\$ 20,862.00
30	68	Each	Service Laterals including saddle, corp stop, cap, exclude meter and meter base	\$ 400.00	\$ 27,200.00
31	4	Each	Std. Fire Hydrant w/ Tee, Valve, Complete	\$ 1,500.00	\$ 6,000.00
32	8,620	L.F.	24" Conc. Curb and Gutter	\$ 0.60	\$ 5,172.00
33	8770	Ton	Type II Gravel Base Course	\$ 10.80	\$ 94,716.00
34	20,370	Sq. Yds	2 1/2" Asphaltic Concrete Hot Mix	\$ 5.40	\$ 110,198.00

Project Name: Shadow Ridge Subdivision, Phase 1

ENGINEERS ESTIMATE

Project No. DS 56.14.05

Date _____
By: _____
Checked By: _____

35	1	Each	Culinary Water Well, 500,000 Gal. Water Storage Tank, Pump House Complete	\$ 870,800.00	\$ 870,800.00
36	1	Each	Wastewater Treatment Facility Complete	\$ 437,818.00	\$ 437,818.00
TOTAL					

TOTAL W/PAID

\$ 1,187,397.00

Project Name: Shadow Ridge Subdivision, Phase 1

ENGINEERS ESTIMATE

Project No. DS 56.14.05

Date _____

By: _____

Checked By: _____

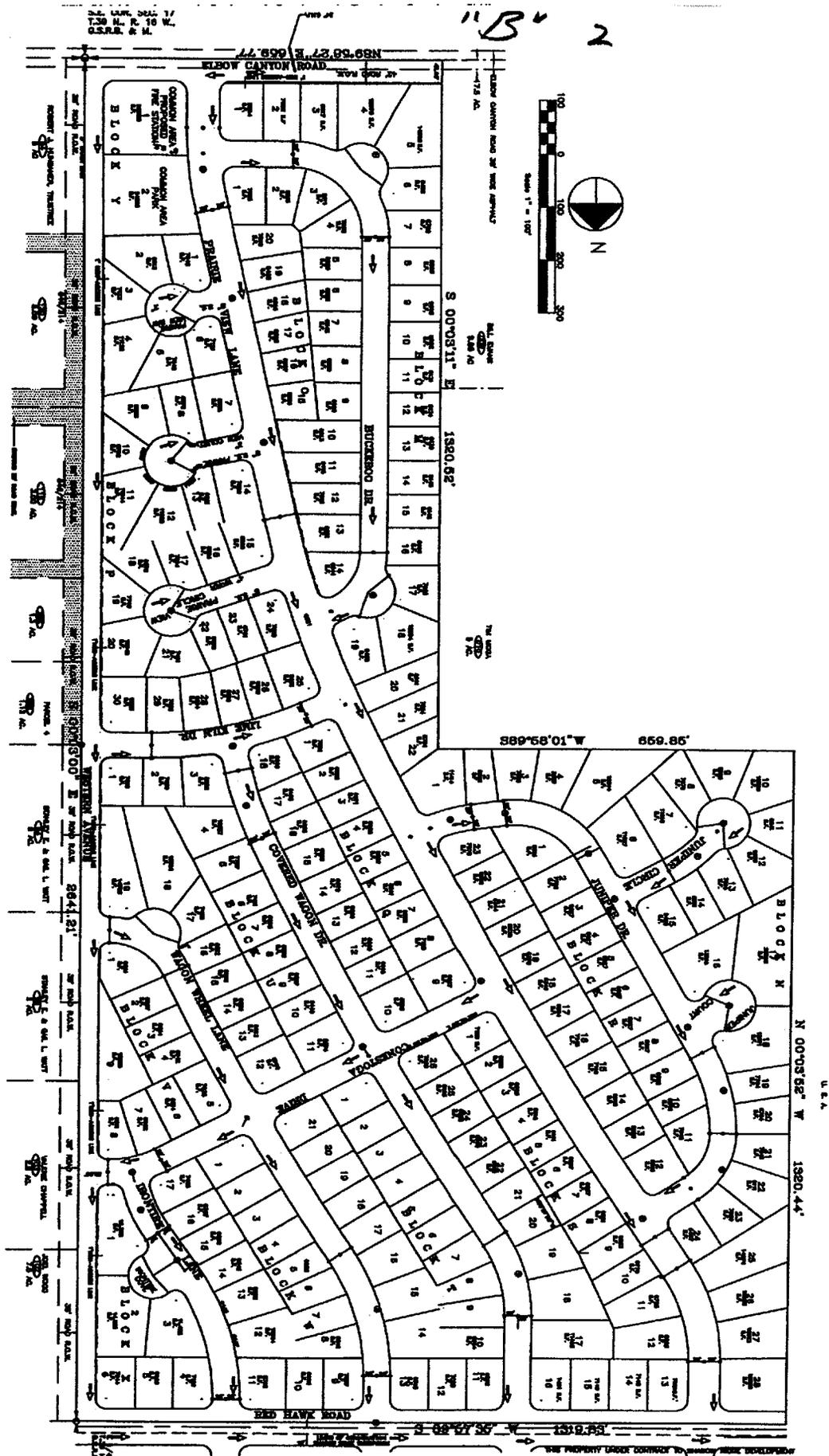
35	1	Each	Culinary Water Well, 500,000 Gal. Water Storage Tank, Pump House Complete	\$ 870,800.00	\$ 870,800.00
36	1	Each	Wastewater Treatment Facility Complete	\$ 437,816.00	\$ 437,816.00
TOTAL					\$ 1,308,616.00

TOTAL VALUE

\$ 1,187,397.00

PRELIMINARY PLAT - 60 ACRE PARCEL
 SHADOW RIDGE SUBDIVISION - NORTH PARCEL

TRACT NO. 3511



"B" 2

ATTACHMENT B

Bill Of Sale for Personal Property

STATE OF ARIZONA

COUNTY OF MOHAVE

Know all men by these presents:

That the maker, Millennia Investment Corp. (hereinafter referred to as "Seller"), of this instrument for and in consideration of the sum of \$10.00 Dollars in hand paid, at and before the delivery of these presents, the receipt whereof is hereby acknowledged; has bargained, sold, transferred, conveyed and delivered, and by these presents does bargain, sell, transfer, convey and deliver unto Beaver Dam Water Company, Inc. (Hereinafter referred to as "Buyer"), the following described property, to wit:

5 Acer parcel of land described in Exhibit "A"

Improvements as described in Exhibit "B"

TO HAVE AND TO HOLD the personal property above described, unto the said Buyer, their, heirs, executors, administrators and assigns, to their only proper use, benefit and behoove forever.

The Seller fully warrants their right and title to said property unto said Buyer, their heirs, executors, administrators and assigns.

IN WITNESS WHEREOF, Seller has hereunto set their hand and seal this 11th day of September 2007.

Agreed upon by:

MILLENNIA INVESTMENT CORPORATION



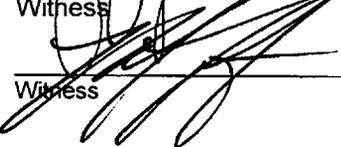
Dan Jones, President

Signed, sealed and delivered in the presence of:



Witness

_____ (Seal)



Witness

_____ (Seal)

Exhibit "A"

Recorded at Request of _____

at _____ M. Fee Paid \$ _____

by _____ Dep. Book _____ Page _____ Ref.: _____

Mail tax notice to _____ Address _____

QUIT-CLAIM DEED

MILLENNIA INVESTMENT CORPORATION, Grantor of SALT LAKE, County, State of UTAH, hereby QUIT-CLAIM to the BEAVER DAM WATER COMPANY, Grantee of BEAVER DAM, ARIZONA, for the sum of \$1.00 DOLLARS, and other valuable considerations, the following described tract of land in SCENIC, MOHAVE County, State of ARIZONA.

THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER (N1/2 NW1/4 SW1/4 SW1/4) OF SECTION 21, TOWNSHIP 39 NORTH, RANG 16 WEST OF THE GILA AND SALT RIVER BASE MERIDIAN. MOHAVE COUNTY, ARIZONA.

EXCEPT THE WEST 42 FEET THEREOF, AS DEDICATED TO MOHAVE COUNTY BY INSTRUMENT RECORDED IN BOOK 1810 OF OFFICIAL RECORDS, PAGE 847.

EXCEPT AN UNDIVIDED 1/2 INTEREST IN AND TO ALL OIL, GAS AND MINERAL RIGHTS, AS RESERVED IN INSTRUMENT RECORDED IN BOOK 98 OF DEEDS, PAGE 407.

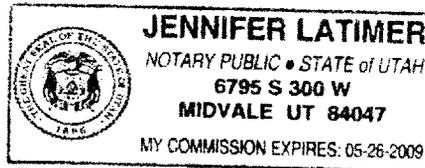
MILLENNIA INVESTMENT CORPORATION



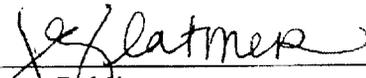
Dan Jones, President

WITNESS, the hands of said grantor, this 30 day of July, A.D. 2007.

STATE OF UTAH)
) ss
COUNTY OF SALT LAKE)



On the 30 day of July, A.D. 2007 personally appeared before me Dan Jones the signers of the within instrument, who duly acknowledged to me that they executed the same.

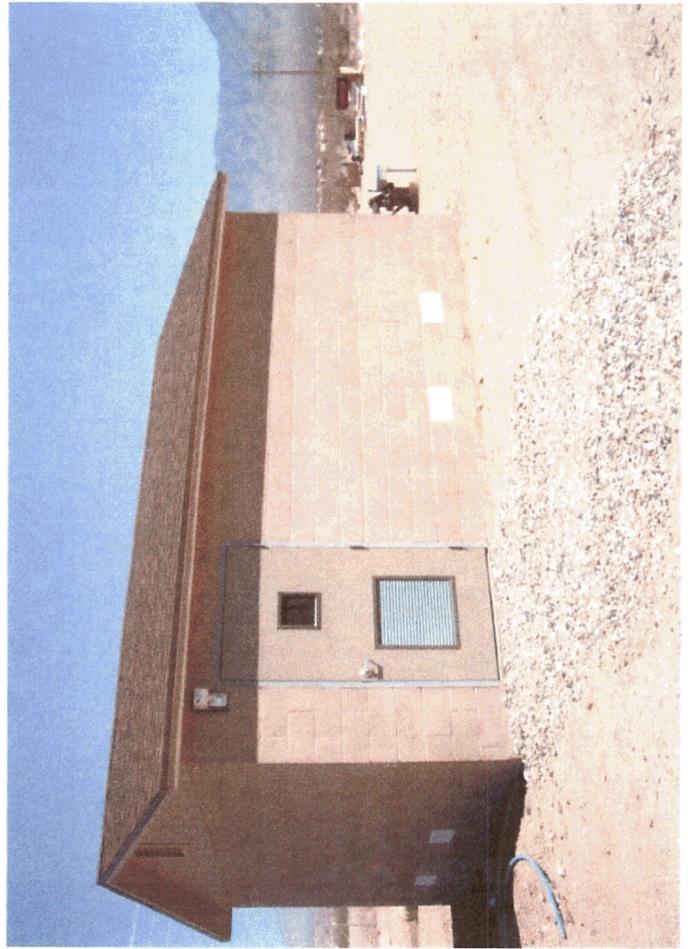


Notary Public

EXHIBIT "B"

WATER SUPPLY SYSTEM IMPROVEMENTS									
1	6" PVC AWWA C-900 DR-18 Pipe	L.F.	3,840	\$	19.51	\$	74,918.40		
2	6" FL Tee with Thrust Block	Ea.	7	\$	385.00	\$	2,695.00		
3	6" FL Cross with Thrust Block	Ea.	1	\$	425.00	\$	425.00		
4	Utility Trench	L.F.	6,400	\$	5.50	\$	35,200.00		
5	6" MJ 22 1/2° Bend with Grip Ring Restraints and Thrust Block	Ea.	4	\$	250.00	\$	1,000.00		
6	6" FLxMJ Res. Seat Gate Valve with Valve Box and Grip Ring Restraints	Ea.	17	\$	900.00	\$	15,300.00		
7	6" Cap with Grip Ring Restraints and Thrust Block	Ea.	3	\$	125.00	\$	375.00		
8	6" Fire Hydrants	Ea.	9	\$	2,475.00	\$	22,275.00		
9	6" MJ Plug with Grip Ring Restraints	Ea.	2	\$	125.00	\$	250.00		
10	8" PVC C-900 DR-18 Pipe	L.F.	519	\$	21.15	\$	10,976.85		
11	8" FLxMJ Res. Seat Gate Valve with Valve Box and Grip Ring Restraints	Ea.	2	\$	1,000.00	\$	2,000.00		
12	8"x24" Concrete Cut Off Wall	L.F.	450	\$	12.00	\$	5,400.00		
13	14" FLxMJ Coupling Adapter with Megalug Restraints	Ea.	10	\$	450.00	\$	4,500.00		
14	14" FLxMJ Butterfly Valve with Valve Box and Megalug Restraints	Ea.	3	\$	1,650.00	\$	4,950.00		
15	14" PVC C-900 DR-18 Pipe	L.F.	4,651	\$	34.25	\$	159,296.75		
16	14"x6" FL Tee with Thrust Block	Ea.	1	\$	450.00	\$	450.00		
17	14"x8" FL Tee with Thrust Block	Ea.	1	\$	450.00	\$	450.00		
18	14' Cap with 2" Valve, Valve Box and Megalug Restraints	Ea.	1	\$	450.00	\$	450.00		
19	14" FL Tee with Thrust Block	Ea.	2	\$	450.00	\$	900.00		
20	14" MJ 90° Bend with Megalug Restraints and Thrust Block	Ea.	1	\$	450.00	\$	450.00		
21	14"x10" FL Reducer	Ea.	1	\$	450.00	\$	450.00		

22	Blow Off Valves	Ea.	5	\$	900.00	\$	4,500.00	
23	10" FLXMJ Res. Sest Gate Valve with Valve Box and Grip Ring Restraints	Ea.	4	\$	1,000.00	\$	4,000.00	
24	10"x6" FL Tee with Thrust Block	Ea.	4	\$	385.00	\$	1,540.00	
25	10" FLXMJ Coupling Adapter with Grip Ring Restraint	Ea.	5	\$	325.00	\$	1,625.00	
26	10" PVC C-900 DR-18 Pipe	L.F.	1,351	\$	30.00	\$	40,530.00	
27	1" Service Line Connections	Ea.	77	\$	390.00	\$	30,030.00	
28	1" Polyethylene Service Line	L.F.	1,977	\$	10.00	\$	19,770.00	
29	1 1/2" PVC Pipe-Schedule 40-NSF Approved Complete	L.F.	3,657	\$	6.80	\$	24,867.60	
30	1 1/2" Ball Valve	Ea.	2	\$	100.00	\$	200.00	
	TOTAL COST					\$	469,774.60	
WATER TANK								
31	1 Million Gallon Water Tank	L.S.	1	\$	266,612.00	\$	266,612.00	
32	880' well 12" casing 100 HP submersible pump 350 GPM	L.S.	1	\$	354,661.00	\$	354,661.00	
33	Flex coupling	L.S.	1	\$	13,917.00	\$	13,917.00	
34	Water Tank Yard Piping	L.S.	1	\$	12,000.00	\$	12,000.00	
35	Well House	L.S.	1	\$	39,000.00	\$	39,000.00	
36	Well Controls and Telemetry	L.S.	1	\$	16,043.00	\$	16,043.00	
37	Cabin Link Fence	L.F.	1,980	\$	18.50	\$	36,630.00	
	TOTAL COST					\$	699,863.00	
TOTAL							\$	1,169,637.60



ATTACHMENT C

Beaver Dam/Littlefield Fire Dept

P.O. Box 579 – Beaver Dam, Arizona, 86432

Telephone: (928) 347-5114

Sept 7, 2007

To whom it may concern:

The Beaver Dam/Littlefield Fire District would like to express the importance of the Shadow Ridge Development. The Shadow Ridge Development was annexed into our fire district in April of 2007. The condition of the annexation was that the developer build a fire station in order for us to provide service. The fire board not only approved this but was excited due to the fact that Shadow Ridge would be the first place to provide fire hydrants in the Scenic area. As a board we would like to see this development built and operating as soon as possible for several reasons.

*One - it is the only development or place within 8 miles that has proper fire flow and fire hydrants.

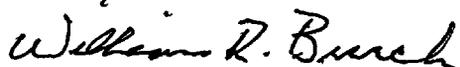
*Two - it will provide a fire station for not only the development but the 100's of residents that are there already. The closest fire truck right now is at least 8 miles away.

*Three - it will allow us to provide fire protection and medical emergency service at the west end of our district where as of now all stations are in the east end.

*Four - it is the first real development to take place in the area not only will it provide the benefits listed but will set the standard for new developments to come.

We are looking forward to the finish date of this project and if there is anything we can do to help the process move faster please let us know.

Sincerely



William R. Burch
Chairman of the Board
Beaver Dam/Littlefield Fire District

ATTACHMENT D

WASTEWATER
Proforma Income Statement

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Operating Revenue:					
Flat Rate Revenue	48,000	84,000	120,000	156,000	192,000
Measured Revenue	0	0	0	0	0
Established Charges	2,500	4,375	6,250	8,125	10,000
Other Operating Revenue	350	613	875	1,138	1,400
Total Operating Revenue	50,850	88,988	127,125	165,263	203,400
Operating Expenses:					
Operation and Maintenance	45,420	62,785	91,360	112,262	134,546
Depreciation	0	0	0	0	0
Property Taxes	3,000	3,500	4,000	4,500	5,000
Income Taxes	510	4,768	6,671	10,185	13,409
Total Operating Expenses	48,930	71,053	102,031	126,947	152,955
Operating Income/(Loss)	1,920	17,935	25,094	38,316	50,445
Less:					
Interest Income	0	0	0	0	0
Net Income	1,920	17,935	25,094	38,316	50,445
Number of Customers:					
Residential	100	175	250	325	400
Commercial	0	0	0	0	0
Total	100	175	250	325	400

	Year	Refund 10%	Advances Refunded	Cumm. Refunded
Refunds Back to Developer ——>	1	10	0	0
(10% after year 4)	2	10	0	0
	3	10	0	0
	4	10	0	0
	5	10	20,340	20,340
	6	10	20,340	40,680
	7	10	20,340	61,020
	8	10	20,340	81,360
	9	10	20,340	101,700
	10	10	20,340	122,040
	11	10	20,340	142,380
	12	10	20,340	162,720
	13	10	20,340	183,060
	14	10	20,340	203,400

WASTEWATER
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	2	10	0	0
	3	10	0	0
	4	10	0	0
	5	10	20,340	20,340
	6	10	20,340	40,680
	7	10	20,340	61,020
	8	10	20,340	81,360
	9	10	20,340	101,700
	10	10	20,340	122,040
	11	10	20,340	142,380
	12	10	20,340	162,720
	13	10	20,340	183,060
	14	10	20,340	203,400

ATTACHMENT E



September 13, 2007

TO WHOM IT MAY CONCERN:

RE: Shadow Ridge Wastewater Treatment Plant Mohave County, Arizona.

Please accept this letter as testimony regarding the plans of our company regarding the waste water treatment plant to be located in Scenic, Arizona.

We began development of approximately 600 residential lots in about 2002 in a development known as Shadow Ridge located in Scenic, Arizona. Through the advice of our Arizona attorney we set up a homeowner's association which included the association being the non-profit operators of a proposed waste water treatment plant. Our former engineer began the process of getting approval to build and operate this plant through ADEQ.

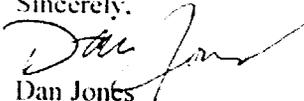
As we progressed in this process we were informed that we could not have a homeowner's association as the operator. Since we already had a line extension agreement with Beaver Dam Water Company for our water, we contacted them to see if they would be interested in being the operator of our wastewater plant under similar terms of the water line extension agreement. Beaver Dam Water Company agreed to apply to the ACC to get approval.

Pending approval from the ACC we have agreed to accept 10% of gross yearly revenues from the waste water plant for ten years beginning the fifth year of its operation in consideration of deeding the land and waste water plant to Beaver Dam Water Company.

Based on their experience and knowledge of utilities we really need them to be approved as the operator of this waste water plant.

I would also request the permission to testify at the upcoming hearing regarding Beaver Dam's acceptance as a waste water provider. Thank you.

Sincerely,



Dan Jones
President