

ORIGINAL



0000082589

LAWRENCE V. ROBERTSON, JR.
ATTORNEY AT LAW

JRL

P. O. BOX 1448
TUBAC, ARIZONA 85646

OF COUNSEL TO
MUNGER CHADWICK, P.L.C.

(520) 398-0411
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EMAIL: TUBACLAWYER@AOL.COM
Arizona Corporation Commission

ADMITTED TO PRACTICE IN:
ARIZONA, COLORADO, MONTANA,
NEVADA, TEXAS, WYOMING,
DISTRICT OF COLUMBIA

DOCKETED

March 13, 2008

MAR 14 2008

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

DOCKETED BY *nr*

RECEIVED
2008 MAR 14 A 9:36
AZ CORP COMMISSION
DOCKET CONTROL

Re: Sahuarita Water Company, L.L.C.
Docket No. W-03718A-07-0687

To Whom It May Concern:

Enclosed for filing in the above-referenced docket are fourteen (14) copies of Sahuarita Water Company, L.L.C.'s Response to the ACC Staff's January 14, 2008 Insufficiency Letter. The original is being mailed to Vickie Wallace.

Thank you for your assistance. Please advise me if you have any questions.

Sincerely,

Angela R. Trujillo
Secretary
Lawrence V. Robertson, Jr.

LAWRENCE V. ROBERTSON, JR.
ATTORNEY AT LAW

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ADMITTED TO PRACTICE IN:
ARIZONA, COLORADO, MONTANA,
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DISTRICT OF COLUMBIA
AZ CORP. DOCKET CONTROL

March 13, 2008

Vickie Wallace
Chief, Consumer Services & Special Projects
Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: Sahuarita Water Company, L.L.C.
CC&N Extension Application
Docket No. W-03718A-07-0687

Dear Ms. Wallace:

This letter and the enclosed information are in response to your January 14, 2008 Insufficiency Letter to me, and are also a follow-up to the January 30, 2008 meeting at the Commission's offices in Phoenix among representatives of the Commission's Staff and Sahuarita Water Company, L.L.C. ("SWC") discussing the Insufficiency Letter. For your convenience, the information discussed below and the enclosed information are organized using the same numbering sequence set forth in your January 14, 2008 letter.

Item No. 1

Enclosed are copies of the following information, as prepared and provided to me by WestLand Resources, Inc. ("WestLand").

- 1) A map which depicts the contemplated water utility system infrastructure which will be constructed in SWC's proposed CC&N extension area during the first five (5) years of system development in that area. As representatives of SWC indicated during the January 30, 2008 meeting, because of the development timeline associated with the Mission Peaks project, there will not be any water system construction and associated customer growth during 2008 and 2009. Accordingly, 2010 represents the first year in the "preliminary construction plan for the next five years" which you have requested, and 2014 represents the fifth year.

- 2) An Opinion of Probable Construction Cost ("OPCC") for the first five (5) years of actual construction activity. As you will note, the OPCC is organized into the following information categories for calendar years 2010 through 2014: (i) Item Description; (ii) Unit; (iii) Quantity; (iv) Unit Price; (v) Amount and (vi) Remarks. In that regard, page 7 of 7 indicates that the total currently estimated cost of facilities for the first five (5) years of construction is \$21,750,875.
- 3) A projection of water customer additions by year and class of service or category of use during the first five (5) years of customer additions in the extended CC&N area. As you will note, and consistent with subparagraph 1) above, no new customer growth is projected to occur within the proposed CC&N area during 2008 and 2009. In addition, as indicated during the January 30, 2008 meeting, no new school customer additions are shown for the proposed CC&N extension area until 2014, because the Sahuarita Unified School District ("SUSD") facilities which are to be immediately connected to SWC's existing system are already located in SWC's existing CC&N. Accordingly, the Application filed on December 14, 2007 will be amended shortly to request that SUSD's acreage within The Town of Sahuarita be deleted from SWC's proposed CC&N Extension.
- 4) A color-coded map which depicts in three (3) phases the development pattern which is projected for the Mission Peaks project.
- 5) A color-coded map which depicts in three (3) phases the overall development pattern which is projected for the entire proposed CC&N extension area, which includes (i) Mission Peaks, (ii) Sahuarita Mission and (iii) Arizona State Land Department acreage.

Item No. 2

Based upon our understanding of the results of the January 30, 2008 meeting, SWC believes that the information enclosed in connection with subparagraph 3) of Item No. 1 is responsive to your Item No. 2 request. If not, please let me know, and in what manner it is not responsive.

Item No. 3

Based upon our understanding of the results of the January 30, 2008 meeting, SWC believes that the information enclosed in connection with subparagraph 2) of Item No. 1 is responsive to your Item No. 3 request. If not, please let me know, and in what manner it is not responsive.

Ms. Vickie Wallace
March 13, 2008
Page 3 of 4

Item No. 4

Enclosed are copies of a January 7, 2008 letter from Mark Seamans (SWC's General Manager) to Dorothy Hains, and a January 16, 2008 letter (with attachments) from Mark Seamans to me which should provide the information you seek in connection with SWC's plan to deal with such arsenic concentration as may exist in its production wells. In the event you find that the combined information set forth in these two letters (and attachments) upon that subject is not sufficient for your purposes, please let me know. However, based upon the discussion which occurred at the January 30, 2008 meeting, SWC believes that it is responsive to the Insufficiency Letter request.

Item No. 5

Enclosed is a copy of the July 23, 2001 Well Site Lease Agreement between The Town of Sahuarita and SWC (formerly known as Rancho Sahuarita Water Company, L.L.C.). As Mark Seamans explained during the January 30, 2008 meeting, SWC is in the process of developing a new production well which will substantially reduce its need for the well (#14) which is the subject of the Well Site Lease as a source of supply for SWC's future water system operations.

Item No. 6

Page 2 of the aforesaid enclosed copy of Mark Seamans' January 16, 2008 letter to me contains information which is intended to be responsive to this specific information request. This subject was also discussed during the January 30, 2008 meeting. Accordingly, SWC believes that this enclosure and the discussion which occurred at the aforesaid meeting should be responsive. However, if you should conclude you need further information, please let me know.

Item No. 7

Either Pima County Wastewater Management or The Town of Sahuarita will be providing wastewater services in the proposed CC&N extension areas. A determination has not as yet been made between those two (2) jurisdictional entities as to which will be the provider of wastewater services.

Item No. 8

It is SWC's understanding that (i) on February 15, 2008, Kristen Whatley of WestLand emailed revised legal descriptions for the proposed CC&N extension area to Barbara Wells of the Utilities Division Staff, and (ii) on March 3, 2008, Barbara Wells advised Kristen Whatley by email that the revised legal description was "...perfect and can be filed as an amended legal description" for the Mission Peaks and Arizona State Land Department acreage, respectively, within the proposed CC&N extension area. Accordingly, enclosed are the revised legal descriptions for the aforesaid acreage, together with the aforesaid email exchanges between Kristen Whatley and Barbara Wells. In that regard, as indicated in Kristen Whatley's February

Ms. Vickie Wallace

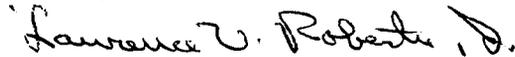
March 13, 2008

Page 4 of 4

15, 2008 email to Barbara Wells, apparently the legal description for the Sahuarita Mission portion of the proposed CC&N extension did not require any revision.

SWC and I believe that the foregoing discussion and the enclosed information should be fully responsive to the requests set forth in your January 14, 2008 Insufficiency Letter. If it is not, or if you have any questions, please let me know. Within the next two to three weeks, I will be filing an amendment to the December 14, 2007 Application, which will (i) delete SUSD's acreage within The Town of Sahuarita from the proposed CC&N extension, and (ii) request that the existing CC&N be reissued to SWC in order to reflect the recent change in name from Rancho Sahuarita Water Company, L.L.C. to Sahuarita Water Company, L.L.C.

Sincerely,



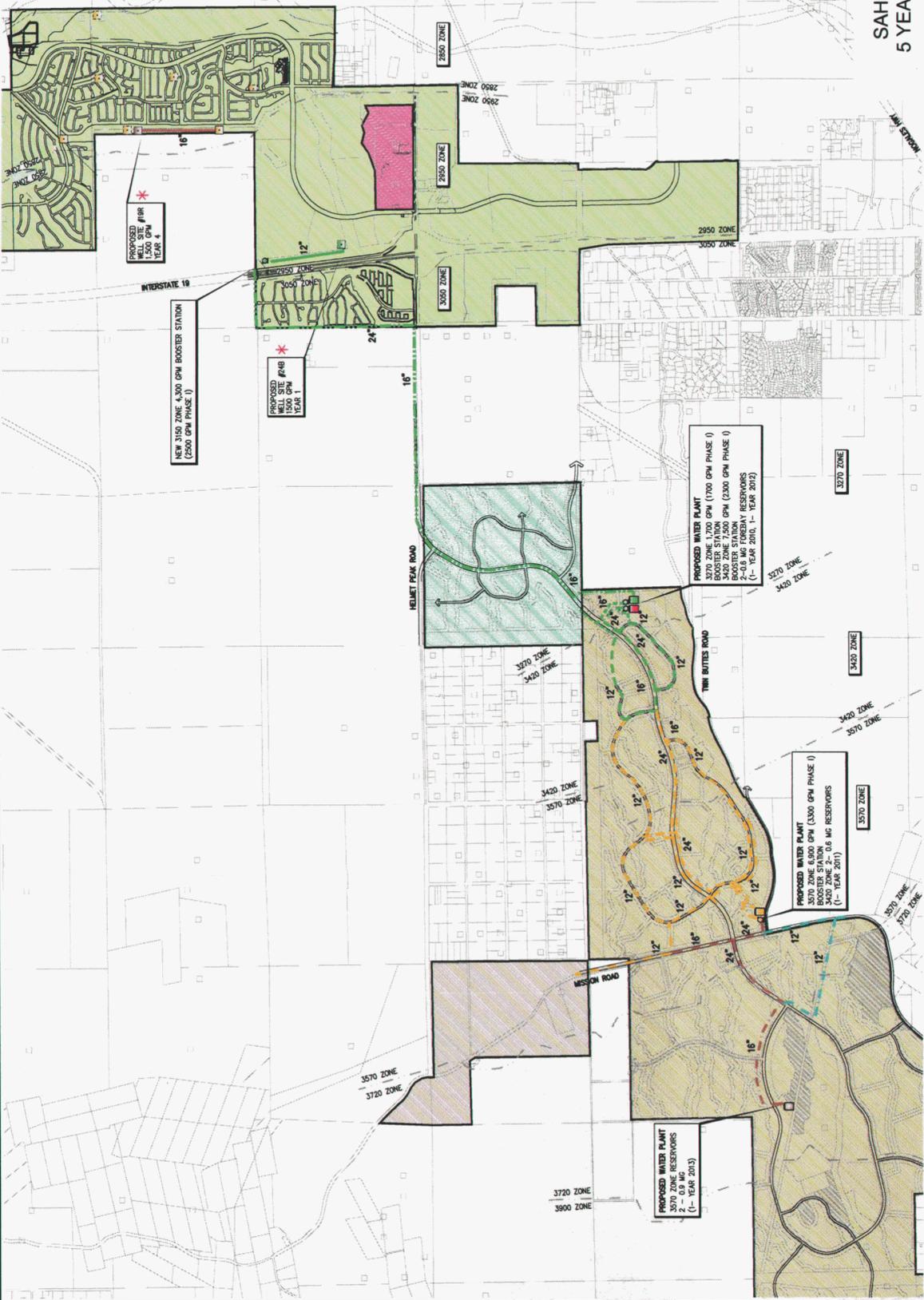
Lawrence V. Robertson, Jr.

cc: Docket Control
Del Smith
Dorothy Hains
Barbara Wells
Robin Mitchell
Lyn Farmer
WestLand Resources
Sahuarita Water Company

Item No. 1
(Paragraph 1)



- LEGEND**
- EXISTING SAHUARITA WATER COMPANY
 - MISSION PEAKS
 - SAHUARITA SCHOOL SITE
 - SAHUARITA MISSION
 - MISSION PEAKS STATE LAND
 - YEAR 1
 - YEAR 2
 - YEAR 3
 - YEAR 4
 - YEAR 5
 - 3150 ZONE
 - 3270 ZONE
 - 3400 ZONE
 - 3570 ZONE
 - WELL COLLECTION SYSTEM
 - ZONE BOUNDARY
 - WELL SITE
 - BOOSTER STATION
 - RESERVOIR
 - WELLS WITH UNKNOWN WATER QUALITY



**SAHUARITA WATER CO.
5 YEAR INFRASTRUCTURE
PROJECTION**

November 6, 2007

Westland Resources, Inc.
 4000 E. 89th Avenue
 Aurora, CO 80014
 Telephone: 303.687.8712

PROJECT 377 5 Year Infrastructure Projection - Mission Peaks - 5 Year Infrastructure System Expansion & 2017 Peak Study

Item No. 1
(Paragraph 2)

OPINION OF PROBABLE CONSTRUCTION COST

Project Name: Sahuarita Water Company CC&N Expansion

Project No. 217.132 A 8000

Location: Sections 16,19, 20, 21, and 30, Township 17 South, Range 13 East,
Section 13, Township 17 South, Range 12 East

Description: Water System Infrastructure Requirements – 1st 5 years

Prepared by: K LW

Date: 2/15/08

Checked by: M FT

Date: 2/15/08

Client: Sahuarita Water Company, LLC

Item No.	Item Description	Unit	Quantity	Unit Price	Amount	Remarks
	2008 – No growth				\$0	
	2009 – No growth				\$0	
	Year 1 (2010)					
1	24-inch 3150 Zone water main (DIP)	LF	7,200	\$175	\$900,000	Includes valving, air releases, fittings, and corrosion protection. From 3150 Zone Booster to Helmet Peak Rd.
2	16-inch 3150 Zone water main	LF	14,400	\$120	\$1,728,000	Includes valving, air releases, fittings, and corrosion protection. From Helmet Peak Rd. to forebay reservoir.
3	0.6 MG forebay reservoir	LS	1	\$600,000	\$600,000	Located in Mission Peaks, Assumes 2,250 gpm fire flow requirement for 3270 Zone Phase I. Cost includes site work, block wall and piping.
4	2,500 gpm 3150 Zone Booster Station (Phase 1)	LS	1	\$525,000	\$525,000	Located at existing 2850 Zone reservoir site. Cost includes electrical and telemetry.
5	New 1,500-gpm well	LS	1	\$1,100,000	\$1,100,000	Well 24B drilling and equipping, site work, block wall, and piping. Assumes rotary drilling. Assumes no water treatment necessary.
6	12-inch well transmission main	LF	3,000	\$80	\$240,000	Well collection main from Well 24B to 2850 Zone Reservoir site.

OPINION OF PROBABLE CONSTRUCTION COST

Item No.	Item Description	Unit	Quantity	Unit Price	Amount	Remarks
7	1,700 gpm 3270 Zone Booster Station	LS	1	\$425,000	\$425,000	Located at forebay reservoir site. Assumes 1,000 gpm fire flow requirement for 3270 Zone. Cost includes electrical, telemetry, and portable back-up generator.

OPINION OF PROBABLE CONSTRUCTION COST

8	2,300 gpm 3420 Zone Booster Station	LS	1	\$525,000	\$525,000	Located at forebay reservoir site. Assumes 1,750 gpm fire flow requirement for 3420 Zone. Cost includes electrical and telemetry.
9	16-inch 3270 Zone water main	LF	2,160	\$120	\$259,200	Includes valving, air releases, and fittings. Spine Main only.
10	12-inch 3420 Zone water main	LF	8,400	\$80	\$672,000	Includes valving, air releases, and fittings. Spine Main only.
11	24-inch 3420 Zone water main (DIP)	LF	4,700	\$175	\$822,500	Includes valving, air releases, fittings, and corrosion protection. From 3420 Zone Booster to proposed 3420 Zone reservoir site.
	Subtotal				\$7,796,700	
	25% Engineering, Contingencies, Inspection & Permits				\$1,949,175	
	Total Year 1				\$9,745,875	Assumes no additional water treatment is necessary

Note: All costs exclude rock excavation, property and easement acquisition, and 3-phase electrical requirements. All costs in 2007 dollars.

OPINION OF PROBABLE CONSTRUCTION COST

Project Name: Sahuarita Water Company CC&N Expansion

Project No.: 217.132 A 8000

Location: Sections 16, 19, 20, 21, and 30, Township 17 South, Range 13 East,
Section 13, Township 17 South, Range 12 East

Description: Water System Infrastructure Requirements - 1st 5 years

Prepared by: KLRW

Date: 2/15/08

Checked by: MFT

Date: 2/15/08

Client: Sahuarita Water Company, LLC

Item No.	Item Description	Unit	Quantity	Unit Price	Amount	Remarks
Year 2 (2011)						
1	0.6 MG 3420 Zone Reservoir	LS	1	\$600,000	\$600,000	Located in Mission Peaks, Assumes 1,750 gpm fire flow requirement for 3420 Zone. Cost includes site work, block wall and piping.
2	3,300 gpm 3570 Zone Booster Station	LS	1	\$600,000	\$600,000	Located at 3420 Zone reservoir site. Assumes 2,250 gpm fire flow requirement for 3570 Zone. Cost includes electrical and telemetry.
2	12-inch 3570 Zone water main	LF	19,800	\$80	\$1,584,000	Includes valving, air releases, and fittings. Spine Main only.
3	24-inch 3420 Zone water main (DIP)	LF	8,400	\$175	\$1,470,000	Includes valving, air releases, fittings, and corrosion protection. From 3420 Zone Booster to proposed 3420 Zone reservoir site.
4	12-inch 3420 Zone water main	LF	7,200	\$80	\$576,000	Includes valving, air releases, and fittings. Spine Main only.
	Subtotal				\$4,830,000	
	25% Engineering, Contingencies, Inspection & Permits				\$1,207,500	
	Total Year 2				\$6,037,500	

Note: All costs exclude rock excavation, property and easement acquisition, and 3-phase electrical requirements. All costs in 2007 dollars.

OPINION OF PROBABLE CONSTRUCTION COST

Project Name: Sahuarita Water Company CC&N Expansion
Project No.: 217.132 A 8000
Location: Sections 16, 19, 20, 21, and 30, Township 17 South, Range 13 East, Section 13, Township 17 South, Range 12 East
Description: Water System Infrastructure Requirements -- 1st 5 years

Prepared by: K.L.W
Checked by: MFT
Date: 2/15/08
Date: 2/15/08

Client: Sahuarita Water Company, LLC

Item No.	Item Description	Unit	Quantity	Unit Price	Amount	Remarks
	Year 3 (2012)					
1	0.6 MG Forebay reservoir	LS	1	\$600,000	\$600,000	Located in Mission Peaks, Assumes 2,250 gpm fire flow requirement for 3270 Zone. Cost includes site work, block wall and piping.
	25% Engineering, Contingencies, Inspection & Permits				\$150,000	
	Total Year 3				\$750,000	

Note: All costs exclude rock excavation, property and easement acquisition, and 3-phase electrical requirements. All costs in 2007 dollars.

OPINION OF PROBABLE CONSTRUCTION COST

Project Name: Sahuarita Water Company CC&N Expansion

Project No.: 217.132 A 8000

Location: Sections 16, 19, 20, 21, and 30, Township 17 South, Range 13 East,
Section 13, Township 17 South, Range 12 East

Description: Water System Infrastructure Requirements – 1st 5 years

Prepared by: K LW

Date: 2/15/08

Checked by: M FT

Date: 2/15/08

Client: Sahuarita Water Company, LLC

Item No.	Item Description	Unit	Quantity	Unit Price	Amount	Remarks
Year 4 (2013)						
1	New 1500-gpm well	LS	1	\$1,100,000	\$1,100,000	Includes site work, block wall, and onsite piping, Well No. 19R, assumes rotary drilling. Assumes no water treatment necessary.
2	16-inch well transmission main	LF	2,900	\$120	\$348,000	Well collection main from Well 19R to Well 21.
3	24-inch 3570 Zone water main	LF	3,600	\$175	\$630,000	Includes valving, air releases, and fittings. Spine Main only.
4	16-inch 3570 Zone water main	LF	6,000	\$120	\$720,000	Includes valving, air releases, and fittings. Spine Main only.
5	0.9 MG 3570 Zone Reservoir	LS	1	\$800,000	\$800,000	
	Subtotal				\$3,598,000	
	25% Engineering, Contingencies, Inspection & Permits				\$899,500	
	Total Year 4				\$4,497,500	Assumes no additional water treatment is necessary

Note: All costs exclude rock excavation, property and easement acquisition, and 3-phase electrical requirements. All costs in 2007 dollars.

OPINION OF PROBABLE CONSTRUCTION COST

Project Name: Sahuarita Water Company CC&N Expansion

Project No.: 217.132 A 8000

Location: Sections 16, 19, 20, 21, and 30, Township 17 South, Range 13 East,
Section 13, Township 17 South, Range 12 East

Description: Water System Infrastructure Requirements – 1st 5 years

Prepared by: K LW

Date: 2/15/08

Checked by: M FT

Date: 2/15/08

Client: Sahuarita Water Company, LLC

Item No.	Item Description	Unit	Quantity	Unit Price	Amount	Remarks
	Year 5 (2014)					
1	12-inch 3570 Zone water main	LF	7,200	\$80	\$576,000	Includes valving, air releases, and fittings. Spine Main only.
	25% Engineering, Contingencies, Inspection & Permits				\$144,000	
	Total Year 5				\$720,000	
	Total Cost 1st 5 years				\$21,750,875	

Note: All costs exclude rock excavation, property and easement acquisition, and 3-phase electrical requirements. All costs in 2007 dollars.

Item No. 1
(Paragraph 3)

Sahuarita Water Company CC&N Extension 5-yr Summary

2/15/2008

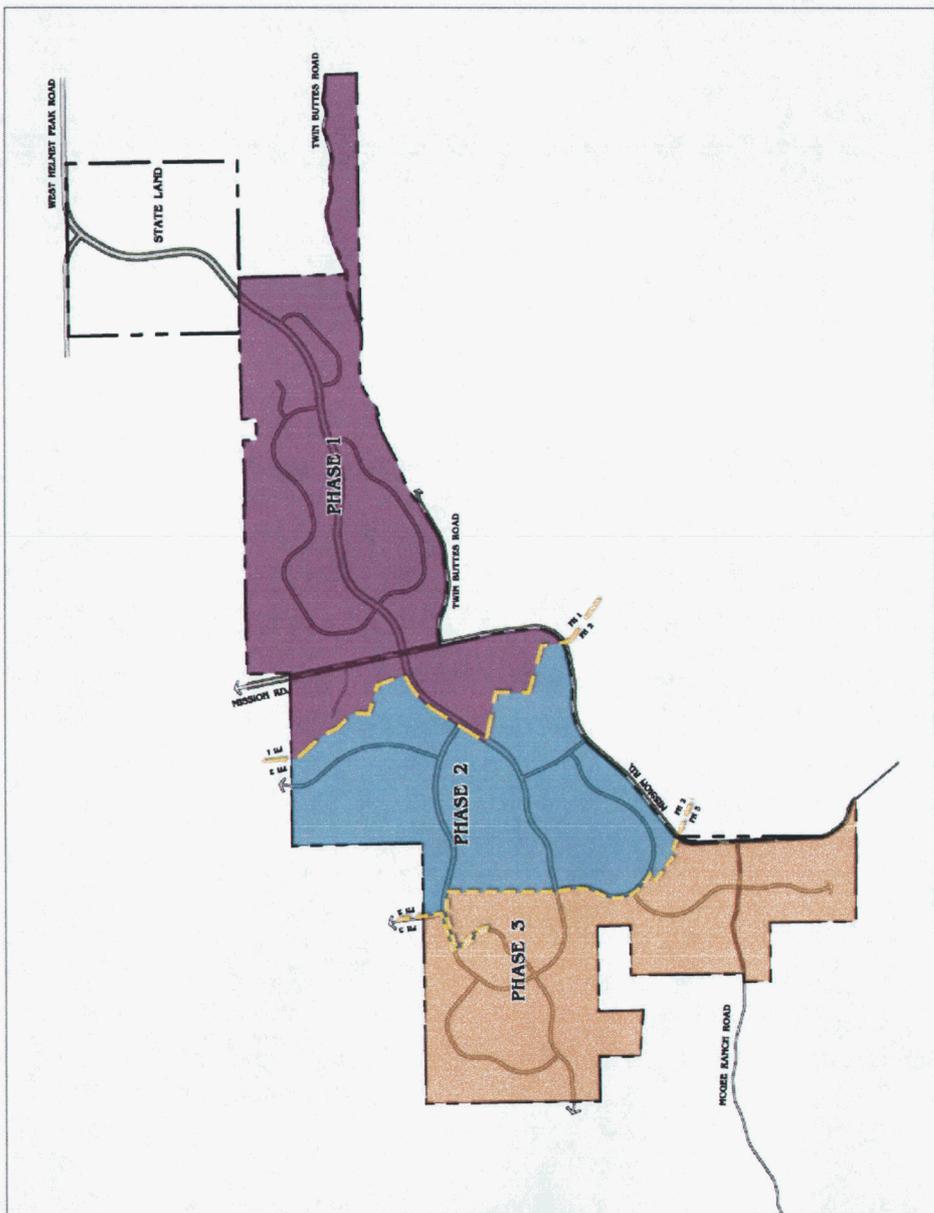
Year	Residential				Non-Residential				Notes
	Single Family units	Multi Family Units	Active Adult Units	Population	Commerical (sq. ft.)	High School students	Elementary School students	ADD (gallons)	
2008	0	0	0	0	0	-	-	-	
2009	0	0	0	0	0	-	-	-	No Expansion
2010	100	174	100	781	30,000	-	-	82,854	
2011	640	174	300	2,599	60,000	-	-	286,434	Phase 1 of
2012	1,430	174	600	5,272	90,000	-	-	584,064	Expansion
2013	2,495	600	900	9,497	120,000	-	-	1,036,215	Area
2014	3,335	1,000	1,361	13,354	150,000	-	1,287	1,481,148	2010-2014

Numbers are cumulative

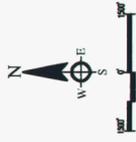
Item No. 1
(Paragraph 4)

LEGEND

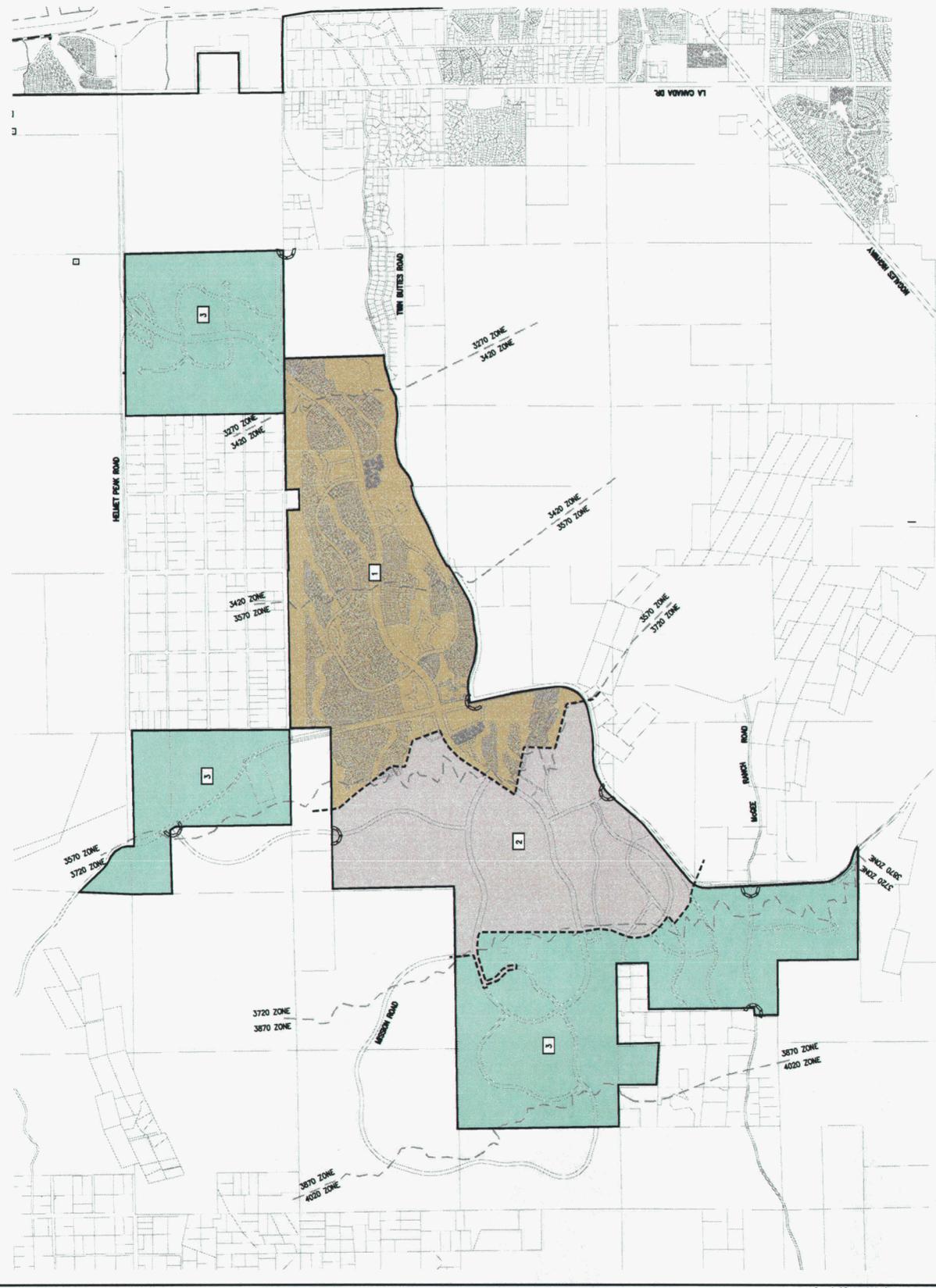
- Phase 1
- Phase 2
- Phase 3
- Phasing Line



Item No. 1
(Paragraph 5)



LEGEND
PHASE 1
PHASE 2
PHASE 3
PHASE LINE



SAHUARITA WATER COMPANY CC & N EXPANSION MAP

MARCH 13, 2008

Westland Resources, Inc.
Engineering and Environmental Consultants
10000 N. 10th Street, Suite 1000
Phoenix, AZ 85020
Tel: 602.977.1000 Fax: 602.977.1001

Item No. 4

Sahuarita Water Company



January 7, 2008

Dorothy Hains, P.E.
Utilities Division, ACC

Re: Email request for Data on 01-03-08

Dear Dorothy,

With reference to your January 3, 2008 email inquiry pertaining to Sahuarita Water Company's (SWC) arsenic reduction plan, SWC's approach to date has been to focus on developing additional sources of supply which are below the allowed arsenic concentration level. In that regard, in 2007 SWC completed an extensive exploration of new source water to mitigate the need for arsenic treatment. SWC has identified several new source locations and believes that, through proper well design, arsenic levels can be maintained below the current MCL of 10 ppb.

In particular, SWC will begin drilling a 3rd production well, SWC Well 23, in January 2008, which as designed, will "blank off" those zones with elevated arsenic. By using this technique, our engineers believe that this well will produce water at a projected capacity of 1500 gpm and stay below the Arsenic level of 10 ppb.

The reference in your January 3, 2008 email to a sample that was close to the 10 ppb MCL pertains to Well 14. Recognizing the level was close to the allowed MCL, SWC is planning to rehabilitate that well and reduce the pumping capacity as soon as Well 23 becomes operational. The anticipated time line to begin work on Well 14 is the 4th quarter 2008. In that regard, SWC plans to undertake a spinner log study of the well, find the arsenic producing zones, engineer a design to "blank off" the arsenic zones, rehabilitate the well and return it to service at a reduced rate.

By a separate transmittal, I will complete the Water Use Data Sheet you electronically sent me on January 3, 2008.

At the suggestion of SWC's attorney Larry Robertson, please make all future requests for information in the form of a written request. This will enable SWC to fully and accurately answer those requests.

Corporate Office: 4549 E Ft Lowell Rd. Tucson, AZ 85712 Ph. (520) 299-8766 Fax: (520) 529-3137

Field Office: c/o Rancho Resort, 15900 S. Rancho Resort Blvd., P.O. Box 1520, Sahuarita, AZ 85629-0530
Ph. (520) 399-1105 Fax (520) 399-1095

Respectfully,

Mark J Seamans, General Manager
Sahuarita Water Company

cc: Cort Chafant, SVP, Sahuarita Water Company
Lawrence V. Robertson, Jr.

Corporate Office: 4549 E Ft Lowell Rd. Tucson, AZ 85712 Ph. (520) 299-8766 Fax: (520) 529-3137

Field Office: c/o Rancho Resort, 15900 S. Rancho Resort Blvd., P.O. Box 1520, Sahuarita, AZ 85629-0530
Ph. (520) 399-1105 Fax (520) 399-1095

Sahuarita Water Company



January 16, 2008

Lawrence V. Robertson, Jr
PO Box 1448
Tubac, AZ 85646

RE: Insufficiency Letter from ACC Dated January 14, 2008
ACC docket # W-03718A-07-0687

Larry,

Regarding the above mentioned letter, I will respond to items 4-5-6 of the letter.

Item #4

Request to provide ADEQ acceptance of SWC's arsenic resolution plan.

Response – The levels indicated in the 2006 Annual Report were from data collected in the 2004 Monitoring Assistance Program (MAP) sampling cycle, coordinated and sampled by ADEQ. 2004 was the first first year of the last three year sample round. 2007 began the current cycle. The 2007 MAP analysis indicated the highest level of arsenic was 9.9 parts per billion (ppb), just below the EPA maximum contaminant level (mcl). The 2007 result was not allowed to be reported in the 2006 annual report but is in the ADEQ database. The full sample report is attached.

In reference to the arsenic reduction plan, there was a response generated to Dorothy Hains in the form of a letter to an informal telephone call to me on 1-03-08 and subsequent email request on the same date. The response letter was sent back to Dorothy on 1-07-08 (attached). Since the well was so close, yet not over the MCL, SWC has completed an extensive exploratory well program in 2007 to identify future well sources to mitigate arsenic through engineered well design. A complete breakdown of "the plan" is in the response letter

Item #5

Request to provide the well lease for the largest production well leased from the Town of Sahuarita

Response – While Well #14, the leased well, is in fact currently critical to the production capacity of SWC, a new well is being drilled at this time to add more capacity to the system. Once completed in late summer 2008, reliance on well #14 will be greatly reduced. A copy of the lease is attached as requested.

Corporate Office: 4549 E Ft Lowell Rd. Tucson, AZ 85712 Ph. (520) 299-8766 Fax: (520) 529-3137

Field Office: c/o Rancho Resort, 15900 S. Rancho Resort Blvd., P.O. Box 1520, Sahuarita, AZ 85629-0530
Ph. (520) 399-1105 Fax (520) 399-1095

Item #6

Request for Company plan to supply lake water once leased well is phased out.

Response – Well #14, the leased well, will *NOT* be phased out for several reasons. 1) Well 14 is not owned by SWC and therefore, removal from the system will have to be negotiated with TOS, 2) Well #14 has associated Type 1 water rights that, according to the lease, would have to be made up by the SWC by drilling another well on Type 1 land and there is no location to do that, 3) Well #14 will produce a reduced amount of water to be used by SWC.

The plan for well #14 is to reduce the capacity of the well to pump enough water to meet the Type 1 demands of the lake and other Type 1 lands (ROW, Lake Park and the Waste Water Plant) held by the Town. The plan is spelled out in the letter to the ACC referenced above.

I hope these responses meet the requests in the Insufficiency Letter. If you require any further information, please don't hesitate to contact me.

Regards,

Mark J Seamans, General Manager
Sahuarita Water Company

Corporate Office: 4549 E Ft Lowell Rd. Tucson, AZ 85712 Ph. (520) 299-8766 Fax: (520) 529-3137

Field Office: c/o Rancho Resort, 15900 S. Rancho Resort Blvd., P.O. Box 1520, Sahuarita, AZ 85629-0530
Ph. (520) 399-1105 Fax (520) 399-1095

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
DRINKING WATER INORGANIC CHEMICAL ANALYSIS REPORT
 SAMPLES TO BE TAKEN AT P.O.E ONLY

RECEIVED

APR 02 2007

[10312]
 System ID

RANCHO SAHUARITA WC

System Name

[02/08/07] [7:57] (24 hr clock)
 Sample date Sample time

MARK SEAMANS

Owner/Contact Person

520-399-1105

Owner/Contact Phone Number

Owner/Contact Fax Number

SAMPLE TYPE

Compliance Monitoring

SAMPLE COLLECTION POINT/ID

Point of Entry# [002]

POE002 - Well 14

SAMPLING SITE ID

FOR MCL OR COMPOSITE LEVEL EXCEEDANCE

[_____]

Original Violation Specimen Number

SAMPLE TYPE

CONFIRMATION

CONFIRMATION COMPOSITE

INORGANIC CHEMICAL ANALYSIS

>>> TO BE FILLED OUT BY THE LABORATORY PERSONNEL <<<

Analysis Method	MCL Value	Reporting Limit	Contaminant Name	Cont. Code	Analysis Run Date	Result	Exceeds MCL	Exceeds Reporting Limit
200.8	0.01	0.01	Arsenic	1005	02/14/07	0.0099	---	---
200.8	2	2	Barium	1010	02/14/07	0.0330	---	---
200.8	0.005	0.005	Cadmium	1015	02/14/07	<0.0020	---	---
200.8	0.1	0.1	Chromium	1020	02/14/07	<0.0050	---	---
300.0	4.0	2.0	Fluoride	1025	02/24/07	0.91	---	---
245.1	0.002	0.002	Mercury	1035			---	---
353.2	10	5	Nitrate (as N)	1040	02/12/07	1.70	---	---
SM4500NO2B	1	0.5	Nitrite (as N)	1041	2/9/07 11:00	<0.02	---	---
200.8	0.05	0.05	Selenium	1045	02/14/07	<0.0020	---	---
200.8	0.006	0.006	Antimony	1074	02/15/07	<0.0020	---	---
200.8	0.004	0.004	Beryllium	1075	02/14/07	<0.0005	---	---
SM4500CN CE	0.2	0.2	Cyanide	1024			---	---
200.8	NO MCL		Nickel*	1036	02/14/07	<0.0050	---	---
200.8	0.002	0.002	Thallium	1085	02/14/07	<0.0005	---	---
200.7	NO MCL		Sodium*	1052			---	---

>>>>LABORATORY INFORMATION<<<<

To be filled out by laboratory personnel

SPECIMEN NUMBER

[0702803-011]

MAP 2007

Lab ID Number AZ 0133 Name: [TRANSWEST GEOCHEM, INC.]

Comments: [_____]

Authorized Signature: [*R. Mosher*]

Date Public Water System Notified: [_____]

All units must be reported in milligrams per liter (mg/l)

*Unregulated contaminants

DWAR 2IN REVISED 2003

AMENDED REPORT

**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
DRINKING WATER INORGANIC CHEMICAL ANALYSIS REPORT
SAMPLES TO BE TAKEN AT P.O.E ONLY**

[10312] RANCHO SAHUARITA WC
System ID System Name

[02/08/07] [7:48] (24 hr clock) MARK SEAMANS
Sample date Sample time Owner/Contact Person

520-399-1105
Owner/Contact Fax Number Owner/Contact Phone Number

SAMPLE TYPE

Compliance Monitoring

SAMPLE COLLECTION POINT/ID

Point of Entry# [003]

POE003 Well 18

SAMPLING SITE ID

FOR MCL OR COMPOSITE LEVEL EXCEEDANCE

[_____]
Original Violation Specimen Number
SAMPLE TYPE
 CONFIRMATION
 CONFIRMATION COMPOSITE

*****INORGANIC CHEMICAL ANALYSIS*****

>>> TO BE FILLED OUT BY THE LABORATORY PERSONNEL <<<

Analysis Method	MCL Value	Reporting Limit	Contaminant Name	Cont. Code	Analysis Run Date	Result	Exceeds MCL	Exceeds Reporting Limit
200.8	0.01	0.01	Arsenic	1005	02/14/07	0.0061	—	—
200.8	2	2	Barium	1010	02/14/07	0.0378	—	—
200.8	0.005	0.005	Cadmium	1015	02/14/07	<0.0020	—	—
200.8	0.1	0.1	Chromium	1020	02/14/07	<0.0050	—	—
300.0	4.0	2.0	Fluoride	1025	02/24/07	<0.5	—	—
245.1	0.002	0.002	Mercury	1035			—	—
353.2	10	5	Nitrate (as N)	1040	02/12/07	1.20	—	—
SM4500NO2B	1	0.5	Nitrite (as N)	1041	2/9/07 11:00	<0.02	—	—
200.8	0.05	0.05	Selenium	1045	02/14/07	<0.0020	—	—
200.8	0.006	0.006	Antimony	1074	02/15/07	<0.0020	—	—
200.8	0.004	0.004	Beryllium	1075	02/14/07	<0.0005	—	—
SM4500CN CE	0.2	0.2	Cyanide	1024			—	—
200.8	NO MCL		Nickel*	1036	02/14/07	<0.0050	—	—
200.8	0.002	0.002	Thallium	1085	02/14/07	<0.0005	—	—
200.7	NO MCL		Sodium*	1052			—	—

>>>> LABORATORY INFORMATION <<<<

To be filled out by laboratory personnel

MAP 2007

SPECIMEN NUMBER

[0702803-021]

Lab ID Number AZ 0133 Name: [TRANSWEST GEOCHEM, INC.]

Comments: [_____]

Authorized Signature: [R. Mosher]

Date Public Water System Notified: [_____]

All units must be reported in milligrams per liter (mg/l)

*Unregulated contaminants

DWAR 2IN REVISED 2003

AMENDED REPORT

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
DRINKING WATER COMPOSITE INORGANIC CHEMICAL ANALYSIS REPORT

SAMPLES TO BE TAKEN AT P.O.E ONLY

	PWS	POE#	Sample Date/Time (24 hour clock)	System Name
#1	<u>10312</u>	<u>002</u>	<u>2/8/07 7:57</u> W-14	<u>RANCHO SAHUARITA WC</u>
#2	<u>10312</u>	<u>003</u>	<u>2/8/07 7:48</u> W-18	<u>RANCHO SAHUARITA WC</u>
#3	_____	_____	_____	_____
#4	_____	_____	_____	_____
#5	_____	_____	_____	_____

#1	<u>MARK SEAMANS</u>	<u>520-399-1105</u>	#4	_____
	Owner/Contact Person & Phone/Fax Number			Owner/Contact Person & Phone/Fax Number
#2	<u>MARK SEAMANS</u>	<u>520-399-1105</u>	#5	_____
	Owner/Contact Person & Phone/Fax Number			Owner/Contact Person & Phone/Fax Number
#3	_____			
	Owner/Contact Person & Phone/Fax Number			

COMPLIANCE SAMPLE TYPE

<3,300 Population >3,300 Population

INORGANIC CHEMICAL ANALYSIS

>>> TO BE FILLED OUT BY THE LABORATORY PERSONNEL <<<

Analysis Method	MCL Value	Reporting Limit	Contaminant Name	Cont. Code	Analysis Run Date	Result	Exceeds MCL	Exceeds Reporting Limit
200.8	0.01	0.002	Arsenic	1005	_____	_____	_____	_____
200.8	2	0.4	Barium	1010	_____	_____	_____	_____
200.8	0.005	0.001	Cadmium	1015	_____	_____	_____	_____
200.8	0.1	0.02	Chromium	1020	_____	_____	_____	_____
SM4500F-C	4.0	0.8	Fluoride	1025	_____	_____	_____	_____
245.1	0.002	0.0004	Mercury	1035	<u>02/16/07</u>	<u><0.0002</u>	_____	_____
300.0	10	2	Nitrate (as N)	1040	_____	_____	_____	_____
SM4500NO2B	1	0.2	Nitrite (as N)	1041	_____	_____	_____	_____
200.8	0.05	0.01	Selenium	1045	_____	_____	_____	_____
200.8	0.006	0.0012	Antimony	1074	_____	_____	_____	_____
200.8	0.004	0.0008	Beryllium	1075	_____	_____	_____	_____
SM4500CN CE	0.2	0.04	Cyanide	1024	<u>02/21/07</u>	<u><0.010</u>	_____	_____
200.8	NO MCL	_____	Nickel*	1036	_____	_____	_____	_____
200.8	0.002	0.0004	Thallium	1085	_____	_____	_____	_____
200.7	NO MCL	_____	Sodium*	1052	<u>02/20/07</u>	<u>55</u>	_____	_____

>>>> LABORATORY INFORMATION <<<<

To be filled out by laboratory personnel

MAP 2007

SPECIMEN NUMBER

0702803-03C

Lab ID Number AZ 0133 Name: TRANSWEST GEOCHEM, INC.

Comments: Analyzed by Transwest Geochem, Phoenix, AZ.

Authorized Signature: R Mosher

Dates Public Water System(s) were notified: _____ #1 _____ #2 _____

#3 _____ #4 _____ #5 _____

All units must be reported in milligrams per liter (mg/l)

*Unregulated contaminants

DWAR 10 REVISED 2003

AMENDED REPORT

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
DRINKING WATER VOLATILE ORGANIC CHEMICAL ANALYSIS REPORT

SAMPLES TO BE TAKEN AT P.O.E. ONLY

[10312]
 System ID

RANCHO SAHUARITA WC
 System Name

[2/8/2007] [7:48] (24 hr clock)
 Sample date Sample Time

MARK SEAMANS
 Owner/Contact Person Name
520-399-1105
 Owner/Contact Person Phone Number

Owner/Contact Person Fax Number

SAMPLE TYPE

Compliance Monitoring

SAMPLE COLLECTION POINT

Point of Entry # 003
POE003 W-18

SAMPLE SITE ID

FOR MCL OR REPORTING LIMIT EXCEEDANCE

Original Violating Specimen Number

SAMPLE TYPE

CONFIRMATION MCL

CONFIRMATION COMPOSITE

VOLATILE ORGANIC CHEMICAL ANALYSIS

>>>To be filled out by laboratory personnel<<<

Analysis Method	MCL mg/L	Reporting Limit mg/L	Contaminant Name	Cont. Code	Analysis Run Date	Results*	Exceeds MCL	Exceeds Reporting Limit
<u>524.2</u>	0.007	0.0005	1,1-Dichloroethylene	2977	<u>02/13/07</u>	<u>< 0.0005</u>	—	—
<u>524.2</u>	0.2	0.0005	1,1,1-Trichloroethane	2981	<u>02/13/07</u>	<u>< 0.0005</u>	—	—
<u>524.2</u>	0.005	0.0005	1,1,2-Trichloroethane	2985	<u>02/13/07</u>	<u>< 0.0005</u>	—	—
<u>524.2</u>	0.005	0.0005	1,2-Dichloroethane	2980	<u>02/13/07</u>	<u>< 0.0005</u>	—	—
<u>524.2</u>	0.005	0.0005	1,2-Dichloropropane	2983	<u>02/13/07</u>	<u>< 0.0005</u>	—	—
<u>524.2</u>	0.005	0.0005	Benzene	2990	<u>02/13/07</u>	<u>< 0.0005</u>	—	—
<u>524.2</u>	0.005	0.0005	Carbon Tetrachloride	2982	<u>02/13/07</u>	<u>< 0.0005</u>	—	—
<u>524.2</u>	0.07	0.0005	cis-1,2-Dichloroethylene	2380	<u>02/13/07</u>	<u>< 0.0005</u>	—	—

>>>>>LABORATORY INFORMATION<<<<<

>>>To be filled out by laboratory personnel<<<

MAP 2007

SPECIMEN NUMBER

[0702803-02V]

Lab ID Number AZ 0133 Name: TRANSWEST GEOCHEM, INC.

Comments: ANALYZED BY TRANWEST GEOCHEM, PHOENIX, AZ.

Authorized Signature: R Mosher

Date Public Water System Notified: _____

* All units must be reported in milligrams per liter (mg/l)

DWAR 4: Revised 2003 with new total xylenes

AMENDED REPORT

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
DRINKING WATER VOLATILE ORGANIC CHEMICAL ANALYSIS REPORT

SAMPLES TO BE TAKEN AT P.O.E. ONLY

[10312] RANCHO SAHUARITA WC
 System ID System Name

[2/8/2007] [7:48] (24 hr clock)
 Sample date Sample time

***** VOLATILE ORGANIC CHEMICAL ANALYSIS *****

To be filled out by laboratory

Analysis Method	MCL mg/L	Reporting Limit mg/L	Contaminant Name	Cont. Code	Analysis Run Date	Results	Exceeds MCL	Exceeds Reporting Limit
524.2	0.7	0.0005	Ethylbenzene	2992	02/13/07	< 0.0005	—	—
524.2	0.1	0.0005	(mono)chlorobenzene	2989	02/13/07	< 0.0005	—	—
524.2	0.6	0.0005	o-Dichlorobenzene	2968	02/13/07	< 0.0005	—	—
524.2	0.075	0.0005	para-Dichlorobenzene	2969	02/13/07	< 0.0005	—	—
524.2	0.1	0.0005	Styrene	2996	02/13/07	< 0.0005	—	—
524.2	0.005	0.0005	Tetrachloroethylene	2987	02/13/07	< 0.0005	—	—
524.2	1	0.0005	Toluene	2991	02/13/07	< 0.0005	—	—
524.2	0.1	0.0005	trans-1,2-Dichloroethylene	2979	02/13/07	< 0.0005	—	—
524.2	0.005	0.0005	Trichloroethylene	2984	02/13/07	< 0.0005	—	—
524.2	0.002	0.0005	Vinyl Chloride	2976	02/13/07	< 0.0005	—	—
524.2	10	0.0015	Xylenes, total	2955	02/13/07	< 0.0015	—	—
524.2	0.07	0.0005	1,2,4-Trichlorobenzene	2378	02/13/07	< 0.0005	—	—
524.2	0.005	0.0005	Dichloromethane	2964	02/13/07	< 0.0005	—	—

>>>>LABORATORY INFORMATION<<<<<

>>>To be filled out by laboratory personnel<<<

MAP 2007

0702803-02V
 SPECIMEN NUMBER
 Lab ID Number AZ0133
 Comments:

Name: TRANSWEST GEOCHEM, INC.
ANALYZED BY TRANWEST GEOCHEM, PHOENIX, AZ.

Authorized Signature: R Masher
 Date Public Water System Notified: _____

* All units must be reported in milligrams per liter (mg/l)

DWAR 4: Revised 2003 with new total xylenes

AMENDED REPORT

Arizona Department of Environmental Quality
Drinking Water Additional Radiochemical Analysis Report
 Samples To Be Taken At POE Only

10312 Rancho Sahuarita WC
 System ID 02/08/2007 System Name 07:48
003 MARK SEAMANS
 Sample Date 003 Sample Time 07:48 Owner/Contact Person MARK SEAMANS
 POE# 003 Owner/Contact Fax Number 520-625-1671

COMPLIANCE SAMPLE TYPE

- Reduced Monitoring Date Q1 Collected _____
 Quarterly Date Q2 Collected _____
 Composite of four quarterly samples Date Q3 Collected _____
 Date Q4 Collected _____

RADIOCHEMICAL ANALYSIS

>>>To be filled out by laboratory personnel<<<

Analysis Method	MCL	Reporting Limit	Contaminant Name	Cont. Code	Analyses Run Date	Result	Exceed MCL
	15 pCi/L		Adjusted Gross Alpha	4000			
600/00-02		3 pCi/L	Gross Alpha	4002	02/14/2007	5.4±1.0	
7500 - Rn			Radon	4004			
00-07	30 µg/L	(reserved)	Combined Uranium	4006			
			Uranium 234	4007			
			Uranium 235	4008			
			Uranium 238	4009			
	5 pCi/L	1 pCi/L	Combined Radium(226,228)	4010	02/15/2007	<0.4	
903.1		1 pCi/L	Radium 226	4020	02/15/2007	<0.3	
904.0		1 pCi/L	Radium 228	4030	02/15/2007	<0.4	

LABORATORY INFORMATION

>>>To be filled out by laboratory personnel<<<

MAP 2007

Specimen Number: RSE29647

Lab ID Number: AZ0462 Lab Name: Radiation Safety Engineering, Inc.

Comments: 0702803 003-02F RSE # 29647 Authorized Signature: [Signature]

Date Public Water System Notified: _____

DWAR 6: 2003

AMENDED REPORT



ADEQ MAP PROGRAM S Q X A

Chain of Custody
 Transwest Geochem, Inc.
 3725 E. Atlanta Ave., Ste. 2
 Phoenix, AZ 85040
 602-437-0330 Phone
 602-437-0660 Fax

System Name: RANCHO SAHUARITA WC
 System #: 10312 TGI WO# 0702803
 Sampling Site: Tucson
 Sampler's Name: Ralph Sprinth
 Sampler's Signature: *Ralph Sprinth*

EPDS	Date	Time	Matrix	Lab ID	524.2 (3-40 mL vials/ascorbic & HCl)	As, Ba, Cd, Cr, Hg, Se, Sb, Be, Tl, Ni (500 mL poly, HNO3)	Fluoride (125 mL poly, unpreserved)	CN (250 mL poly/NaOH)	504.1 (2-40 mL vials/Na2S2O3)	508.1 (1-1L gl. amber/sod. sulfite&HCl)	515.4 (2-250 mL glass amber/Sod Sulfite)	525.2 (2-1L gl. amber/sod. sulfite&HCl)	531.1 (2-40mL vials/monochloroacetic acid buffer/Na2S2O3)	547 (2-125 mL amber glass/Na2S2O3)	548.1 (2-1L amber glass, unpreserved)	549.2 (1L poly amber/Na2S2O3)	Dioxin (2-1L glass amber)	Sodium (500 mL poly, HNO3, not needed if metals collected)	Nitrate (1 125 mL poly, H2SO4)	Nitrite (1-125 mL poly, unpreserved)	Asbestos (1 L poly, unpreserved)	Gross Alpha (1 4L cubitainer, unpres)	
002	8/19/07	0759	DW	01	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
003	8/19/07	0748	DW	02	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
004			DW	out of range	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
			DW																				
			DW																				
			DW																				
			DW																				
			DW																				
			DW																				

Relinquished by (Signature): *Ralph Sprinth* Date/Time: 8/19/07 08:55
 Relinquished by (Signature): *R. Madala* Date/Time: 8/19/07 08:55
 Received by (Signature): _____ Date/Time: _____
 Received by (Signature): _____ Date/Time: _____

Comments: Note: Method 524.2 requires a trip blank

Proj #: A10 58°C
 Note: _____

Sample temperature: 5.8°C System Pop. > 3300? X Y

Arizona Department of Environmental Quality
Drinking Water Additional Radiochemical Analysis Report
 Samples To Be Taken At POE Only

RECEIVED
 APR 02 2007

10312 Rancho Sahuarita WC
 System ID 02/08/2007 System Name MARK SEAMANS
 Sample Date 07:59 Sample Time 520-399-1105 Owner/Contact Person
 POE# 002 Owner/Contact Fax Number

COMPLIANCE SAMPLE TYPE

- Reduced Monitoring Date Q1 Collected _____
 Quarterly Date Q2 Collected _____
 Composite of four quarterly samples Date Q3 Collected _____
 Date Q4 Collected _____

*****RADIOCHEMICAL ANALYSIS*****
 >>>To be filled out by laboratory personnel<<<

Analysis Method	MCL	Reporting Limit	Contaminant Name	Cont. Code	Analyses Run Date	Result	Exceed MCL
	15 pCi/L		Adjusted Gross Alpha	4000			
600/00-02		3 pCi/L	Gross Alpha	4002	02/14/2007	3.6±0.9	
7500 - Rn			Radon	4004			
00-07	30 µg/L	(reserved)	Combined Uranium	4006			
			Uranium 234	4007			
			Uranium 235	4008			
			Uranium 238	4009			
	5 pCi/L	1 pCi/L	Combined Radium(226,228)	4010	02/15/2007	<0.3	
903.1		1 pCi/L	Radium 226	4020	02/15/2007	<0.3	
904.0		1 pCi/L	Radium 228	4030	02/15/2007	<0.3	

*****LABORATORY INFORMATION*****
 >>>To be filled out by laboratory personnel<<<

Specimen Number: RSE29646
 Lab ID Number: AZ0462 Lab Name: Radiation Safety Engineering, Inc.
 Comments: 0702804 002-01A RSE # 29646 Authorized Signature: *Mark Seamans*
 Date Public Water System Notified: _____
 DWAR 6: 2003

MAP 2007

AMENDED REPORT

Item No. 5

WELL SITE LEASE

This Well Site Lease (the "Lease") is made and entered into this 23 day of July 2001 by and between THE TOWN OF SAHUARITA (the "Town") and RANCHO SAHUARITA WATER COMPANY, L.L.C., an Arizona limited liability company ("RSWC").

RECITALS

The following recitals are true and correct and form an integral part of this Lease:

- A. The Town is the owner of Well Site 14 described in Exhibit "A" attached hereto and incorporated herein by this reference, located in Block 18 of the Rancho Sahuarita subdivision, recorded in Book _____ at Page _____, Official Records of the Pima County Recorder's Office (the "Well Site").
- B. The Town desires to lease the Well Site to RSWC and RSWC desires to lease the Well Site from the Town to provide RSWC with the water necessary to supply the requirements of the Lake Park Area as defined in the Lake Agreement recorded at Book _____, Page _____, official records of the Pima County Recorder's Office, and any water necessary to supply the requirements of those additional lands to which the Town's Type 1 non-irrigation grandfathered right is appurtenant (the "Type 1 Lands"), which lands are depicted on the Town's Certificate No. 58-100316.0009, a copy of which is attached hereto as Exhibit B and by this reference incorporated herein. The Lake Park Area and the Type 1 Lands are collectively referred to as the "Type 1 Areas".

COVENANTS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Lease of Well Site. The Town hereby leases to RSWC and RSWC hereby leases from the Town the Well Site, the meter at the Well Site, all associated equipment and other personal property at the Well Site and any and all other water distribution systems located on the Well Site, all on the terms and conditions set forth in this Lease.

2. Term of Lease. The term of this Lease shall commence effective as of the _____ day of _____, 2001 (the "Commencement Date") and shall expire ninety-nine (99) years after the Commencement Date unless otherwise extended or terminated under the terms and conditions set forth in this Lease (the "Expiration Date").

3. Rent. RSWC shall not pay any rent to the Town for the lease of the Well Site. However, in lieu thereof, RSWC shall faithfully and timely perform each and every obligation hereunder.

4. Rights Incidental with the Lease of the Well Site. The rights that are incidental to the leasing of the Well Site include the ability of RSWC to withdraw from the Well Site water incidental to the ground water rights set forth in Exhibit "B" attached hereto and incorporated herein by this reference. RSWC further reserves the right to attach "Type 2" grandfathered groundwater rights to the well to authorize withdrawals from the Well Site pursuant to such rights and a right to withdraw water from the Well Site pursuant to RSWC's own service area right. These rights that are incidental to the lease of the Well Site shall terminate at the Expiration Date.

5. Duty for Maintenance, Repair and Replacement. RSWC agrees, during the term of this Lease, to maintain the Well Site in a good and operable condition so that the well thereon is continuously capable, subject to subparagraph 21(x) hereof, of producing and delivering water in an amount, on an annual basis, equal to the maximum amount of water permitted to be withdrawn under the Type 1 grandfathered groundwater right owned by the Town. RSWC further agrees to deliver the Well Site and all the improvements located thereon, including but not limited to the machinery, on the Expiration Date in good working order, reasonable wear and tear excepted.

6. Operation and Maintenance of Well Site. RSWC will take over full operation and maintenance of the Well Site, and shall continue to maintain and use the well on that site during the term of this Lease and in accordance with paragraph 5 above. The well on the Well Site shall be tied into the Water Company's water system, although the water originating from the well on the Well Site shall be separately metered.

7. Type 1 Water Right to the Town. RSWC agrees to pump and deliver to the Town water in an amount up to the maximum water permitted under the Town's Type 1 Water Right and to make such water available at times and rates of delivery sufficient to meet the necessary water demands of the Type 1 Areas. In return for the pumping and delivery of this water to the Type 1 Areas, the Town shall reimburse RSWC that percentage of the actual cost of metered electric use at the Well Site that equals the percentage of the total metered water withdrawals from the Well Site as are delivered for use at the Lake Park Area. RSWC shall operate and maintain the well on the Well Site in such a manner that it is capable of delivering, on a first priority basis, up to fifteen percent (15%) of the Town's Type 1 water right in any given calendar month, provided such quantity is required to meet the Town's necessary water demands for the Type 1 Areas. In the event withdrawals of groundwater from the Well Site are insufficient to deliver the quantities of water set forth in this paragraph 7, RSWC shall provide groundwater to make up such shortfall from another lawful source. Water supplied to the Town shall be provided through existing or future water lines owned and maintained by either RSWC or Rancho Sahuarita I, LLC, an Arizona limited liability company (the "Developer"). At and after the Expiration Date, RSWC shall continue to convey the water withdrawn at the Well Site to the Type 1 Areas through transmission and delivery facilities of RSWC or the Developer at no cost or expense to the Town.

8. Right of RSWC to Withdraw Service Area Water from the Well Site. RSWC is, and shall be, entitled to withdraw service area water from the well but, in no event, will the

amount withdrawn by RSWC from the well for its service area right reduce the amounts of deliveries to the Type 1 Areas as provided for in Paragraph 7 above.

9. Meters. RSWC will see that a separate electric meter is installed at the Well Site that measures electricity used solely at the Well Site.

RSWC shall also install, operate and maintain a water meter on the well at the Well Site. RSWC shall also install, operate and maintain two separate meters for deliveries to the Lake Park Area. One of these two meters shall measure water deliveries to the lake and associated turf and landscape areas of the Lake Park Area. The second meter shall measure water deliveries to the restrooms, concession facilities, and other non-turf uses in the Lake Park Area.

The water that is withdrawn from the well on the Well Site and delivered to the Lake Park Area will be reported to the Arizona Department of Water Resources (ADWR) under the Type 1 water right owned by the Town. All water withdrawn from the well on the Well Site by RSWC and not delivered to the Lake Park Area shall be reported to DWR under RSWC's service area right or any Type 2 right RSWC may hold and that is appurtenant to the well on the Well Site.

10. Compliance with Law. RSWC shall not use the Well Site, nor permit anything to be done in or about the Well Site, which will, in any way, conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. RSWC shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any Board of Fire Underwriters or other similar bodies now or hereafter constituted relating to or affecting the condition, use or occupancy of the Well Site. The judgment of any court of competent jurisdiction or the admission of RSWC in any action against RSWC, whether the Town be a party thereto or not, that RSWC has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between the Town and RSWC.

11. Liens. RSWC shall keep the Well Site free from any liens or encumbrances arising out of any work performed, materials furnished or obligations incurred by or on behalf of RSWC. In the event any lien or encumbrance attaches to the Well Site arising out of RSWC's action or inaction, RSWC shall immediately remove such lien or encumbrance or provide a sufficient bond to protect and hold the Town harmless from such lien or encumbrance. In the event any lien or encumbrance attaches to the Well Site due to the action or inaction of RSWC and is not removed or bonded over by RSWC within thirty (30) days, such an event shall be deemed a default by RSWC under this Lease, and the Town may elect to pursue its remedies for default as set forth in paragraph 18 below.

12. Assignment and Subletting. RSWC shall not, either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease, the Well Site or any interest in either, and shall not sublet the Well Site or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (the employees, agents servants, and invitees of RSWC excepted) to use the Well Site, or any portion thereof, without first obtaining the written consent of the Town. A consent to one assignment, subletting, occupation, or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation, or use by another person. Consent to any such assignment or subletting shall, in no

way, relieve RSWC of any liability under this Lease. Any such assignment or subletting, without such consent, shall be void, and shall, at the option of the Town, constitute a default under the terms of this Lease.

13. Hold Harmless. RSWC shall indemnify and hold the Town harmless from and against any and all claims arising from RSWC's use of the Well Site including, but not limited to, claims arising out of or in any way related to the quantity or quality of water withdrawn and delivered from the Well Site to third persons or any other matter related to the water service provided by RSWC to third persons from the Well Site, or from any activity, work, or other thing done, permitted or suffered by RSWC in or about the Well Site and RSWC shall further indemnify and hold the Town harmless from and against any and all claims arising from any breach or default in the performance of any obligation on RSWC's part to be performed under the terms of this Lease, or arising from any negligence of RSWC or any officer, agent, employee, guest or invitee of RSWC and from all costs, attorneys' fees, expert fees or other liabilities incurred in the defense of any such claims or any action or proceeding brought thereon and in case any action or proceeding be brought against the Town by reason of such claim. RSWC, upon notice from the Town, shall defend the same at RSWC's expense by counsel reasonably satisfactory to the Town. RSWC, as a material part of the consideration to the Town, hereby assumes all risk of damage to property or injury to persons in or upon or about the Well Site, from any cause other than the Town's negligence; and RSWC hereby waives all claims in respect thereof against the Town. RSWC shall give prompt notice to the Town in case of casualty or accidents on the Well Site.

Neither the Town nor its agents shall be liable for any loss or damage to persons, resulting from fire, explosion, steam, gas, electricity, water or rain, or any other cause that may come on to the Well Site, unless caused by or due to the negligence of the Town.

14. Utilities. RSWC shall pay for all water, gas, heat, light, power, sewer charges, telephone service and all other services and utilities supplied to the Well Site, together with any taxes thereon, except Town shall be responsible for its share of the Well Site electric use as is provided for in paragraph 7 above.

15. Taxes. RSWC shall pay, or cause to be paid before delinquency, any and all taxes levied or assessed and which become payable during the term hereof upon the Well Site or any personal or other property located on the Well Site.

16. Entry by the Town. The Town reserves, and shall at any and all reasonable times that do not interfere with RSWC's normal business have, the right to enter upon the Well Site to inspect the same, to post notices of non-responsibility, and to repair the Well Site.

17. Condemnation. If all or any part of the Well Site or any real or personal property rights located thereon shall be taken, either by the Town, or by any entity not a party hereto, for public or quasi-public use by right of eminent domain, or transferred by agreement in connection with such use, with or without any condemnation action or proceeding being instituted, this lease shall terminate as of the date title shall vest in the condemnor.

In the event the condemnation is by an entity not a party hereto, all compensation or damages awarded upon such taking shall go to the Town except for any portion that is attributable to the undepreciated book value of the equipment installed at the Well Site by RSWC.

In the event the Town is the condemnor, RSWC's only compensable interest will be the undepreciated book value of the equipment installed at the Well Site by RSWC and such interest specifically does not include any loss of current or future revenue streams generated by the sales of water withdrawn from the Well Site or the loss of the water production capability of the Well Site.

18. RSWC's Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by RSWC:

- A. The vacating or abandonment of the Well Site by RSWC.
- B. The failure by RSWC to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by RSWC, where such failure shall continue for a period of thirty (30) days after written notice thereof by the Town to RSWC; provided, however, that if the nature of RSWC's default is such that more than thirty (30) days are reasonably required for it to cure, then RSWC shall not be deemed to be in default if RSWC commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.
- C. The making by RSWC of any general assignment or general arrangement for the benefit of creditors; or the filing by or against RSWC of a petition to have RSWC adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against RSWC, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of RSWC's assets located at the Well Site or of RSWC's interest in this Lease, where possession is not restored to RSWC within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of RSWC's assets located at the Well Site or of RSWC's interest in this Lease, where such seizure is not discharged within thirty (30) days.
- D. The issuance of any citation or violation to RSWC by the Arizona Department of Water Quality, the Arizona Department of Water Resources or the Arizona Corporation Commission if any such violation or citation in any way prevent withdrawal and deliveries of water to the Lake Park Area and the citation or violation is not abated, corrected or cured within thirty (30) days of its issuance or RSWC takes other action within said period to eliminate the affect of the citation or violation on water deliveries to the Lake Park Area.

19. Remedies if Default by RSWC. In the event of any such default or breach by RSWC, the Town may, at any time thereafter, in its sole discretion, elect one of the following remedies:

- (a) Bring an action for damages for any loss suffered by the Town;
- (b) Bring an action for specific performance; or
- (c) Assume operation of the Well Site and any distribution or transmission systems necessary to serve the Lake Park Area or Type 1 Areas from the Well Site.

In the event the Town assumes operation of the Well Site, RSWC shall be obligated to pay the Town for any water withdrawn from the Well Site and delivered to meet RSWC's water service area needs or other obligations. The rate payable by RSWC to the Town for water to RSWC or for its benefit under this paragraph shall be set at an amount equal to the lowest rate chargeable by RSWC to any of its customer classes as reflected in RSWC's current rate tariff as approved by the Arizona Corporation Commission.

20. Default by the Town. The Town shall not be in default unless the Town fails to perform obligations required of the Town within a reasonable time, but in no event later than thirty (30) days after written notice by RSWC to the Town.

21. GENERAL PROVISIONS.

(i) Plats and Riders. Clauses, plats, riders and addendums, if any, affixed to this Lease, are a part hereof.

(ii) Waiver. The waiver by the Town of any term, covenant, or condition herein contained shall not be deemed to a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained.

(iii) Marginal Headings. The marginal headings and article titles to the articles of this Lease are not a part of the Lease and shall have no effect upon the interpretation of any part hereof.

(iv) Time. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

(v) Successors and Assigns. The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

(vi) Recordation. Neither the Town nor RSWC SHALL record this Lease, but a short form memorandum hereof may be recorded at the request of the Town.

(vii) Quiet Possession. Upon RSWC observing and performing all of the covenants, conditions and provisions on RSWC's part to be observed and performed hereunder, RSWC SHALL have quiet possession of the Well Site for the entire term hereof, subject to all the provisions of this Lease.

(viii) Receipt of Payment. Payment by RSWC of any amount due under this Lease shall not be deemed made until it is received by the Town.

(ix) Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended, or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

(x) Inability to Perform. This Lease, and the obligations of RSWC hereunder, shall not be affected or impaired because the Town is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of the Town. This Lease and the obligations (other than all payments due as herein provided) shall not be affected or impaired because RSWC is unable to fulfill any of its non-monetary obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of RSWC.

(xi) Partial Invalidity. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect.

(xii) Choice of Law. This Lease shall be governed by the laws of the State of Arizona.

(xiii) Attorneys' Fees. In the event of any action or proceeding brought by either party against the other, under this Lease, the prevailing party shall be entitled to recover for the fees of its attorneys in such action or proceeding, including costs of appeal, if any. In addition, should it be necessary for the Town to employ legal counsel to enforce any of the provisions herein contained, RSWC agrees to pay all attorneys' fees and court costs incurred.

(xiv) Notices. Every provision for notice, demand, or request required under any agreement between the parties or by applicable law, shall be deemed fulfilled by written notice, demand or request personally served on (or mailed or sent by nationwide commercial courier to, as hereinafter provided) the party entitled thereto or its successors or assigns. If mailed, such notice, demand or request shall be made certified or registered mail, deposited in any postal station enclosed in a postage paid envelope addressed to such party at its address and shall be deemed delivered to the party on the second (2nd) day after being deposited in the United States mail, if not received earlier. Change of address by a party shall be given by like written notice and shall be deemed to have been made on the second (2nd) day following posting as aforesaid. If commercially sent, the party giving such notice shall use a recognized nationally known commercial courier service (such as Federal Express) and shall be deemed to have been made on the first (1st) day after delivery to the courier.

TO THE TOWN:

Town of Sahuarita
Attention: Town Manager
P.O. Box 879
Sahuarita, Arizona 85629

with copy to the Town Attorney:

Daniel J. Hochuli, Esq.
Daniel J. Hochuli & Associates, P.C.
220 East Wetmore Road, #110
Tucson, Arizona 85705-1748

TO RSWC AT:

6339 East Broadway
Tucson, AZ 85710

(xv) Conflict of Interest. Pursuant to A.R.S. § 38-511, the state, its political subdivisions or any department of either, may, within three (3) years after its execution, cancel any contract, without penalty or further obligation, made by the state, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state, its political subdivisions or any of the departments or agencies of either is, at any time, while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

(xvi) Authority of RSWC. RSWC is a limited liability company. Each individual executing this Lease, on behalf of said limited liability company, represents and warrants that he or she is a duly authorized member of the limited liability company to execute and deliver this Lease on behalf of said limited liability company, in accordance with the Bylaws of said limited liability company, and that this Lease is binding upon said limited liability company.

22. The Town/RSWC REPRESENTATIONS.

A. The Town and RSWC SHALL comply with all applicable laws, statutes, ordinances, rules, regulations and orders in connection with the Lease and ownership of the Well Site.

B. The Town and RSWC shall not use any material on the Well Site that is listed or defined as a hazardous material under either state or federal law or that contains asbestos in quantities exceeding those permitted by applicable EPA or other governmental rules or regulations.

C. To the best of the Town's knowledge, the Well Site does not contain any substance deemed hazardous under federal, state, or local environmental statutes, ordinances, rules, regulations, or orders. There are no underground storage tanks for petroleum products or Hazardous Materials, active or abandoned, located on the land on which the Well Site is located. There are no environmental liens on the Well Site.

CONSULT YOUR ATTORNEY:

IF THIS LEASE HAS BEEN FILLED IN, IT HAS BEEN PREPARED FOR
SUBMISSION TO YOUR ATTORNEY FOR HIS APPROVAL.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the date and year first above written.

Date: July 23, 2001

TOWN OF SAHUARITA, an Arizona municipal corporation

ATTEST:

Sandra Olivas
Sandra Olivas, Town Clerk

By Zachary Freeland
Mayor Zachary Freeland

APPROVED AS TO FORM AND AUTHORITY
The foregoing Agreement has been reviewed by the undersigned attorney who has determined that it is in proper form and within the power and authority granted under the laws of the State of Arizona to the Town of Sahuarita.

Daniel J. Hochuli
Daniel J. Hochuli, Esq.
Attorney for Town of Sahuarita

Date: _____

RANCHO SAHUARITA WATER COMPANY, L.P.
an Arizona limited liability company

By Paul Hoop
Its: _____

COPY

Certificate Of Grandfathered Groundwater Right

COUNTY OF PIMA

STATE OF ARIZONA DEPARTMENT OF WATER RESOURCES

*This is to certify that pursuant to the provisions of
Title 45, Chapter 2, Arizona Revised Statutes*

TOWN OF SAHUARITA

P.O. BOX 879

SAHUARITA, ARIZONA 85629

is granted

TYPE I NON-IRRIGATION GRANDFATHERED RIGHTS

in the

TUCSON ACTIVE MANAGEMENT AREA

for 379.5 acre-feet of groundwater annually from January 1 through December 31. The rights are appurtenant to 126.5 acres of land described as follows:

An irregularly shaped parcel located in Township 16S Range 13E Section 36; Township 17S Range 13E Section 1; and Township 17S Range 13E Section 12; GSRB&M, as more fully described in the map attached hereto as Exhibit A and made part hereto by reference.

The use of groundwater under this right shall be for non-irrigation purposes in accordance with the laws of the State of Arizona and restrictions placed on use by the Director of the Department of Water Resources pursuant to Title 45, Chapter 2, Arizona Revised Statutes.

CERTIFICATE NO. 58-100316.0009

is granted this 11th day of April, 2000

ARIZONA DEPARTMENT OF WATER RESOURCES

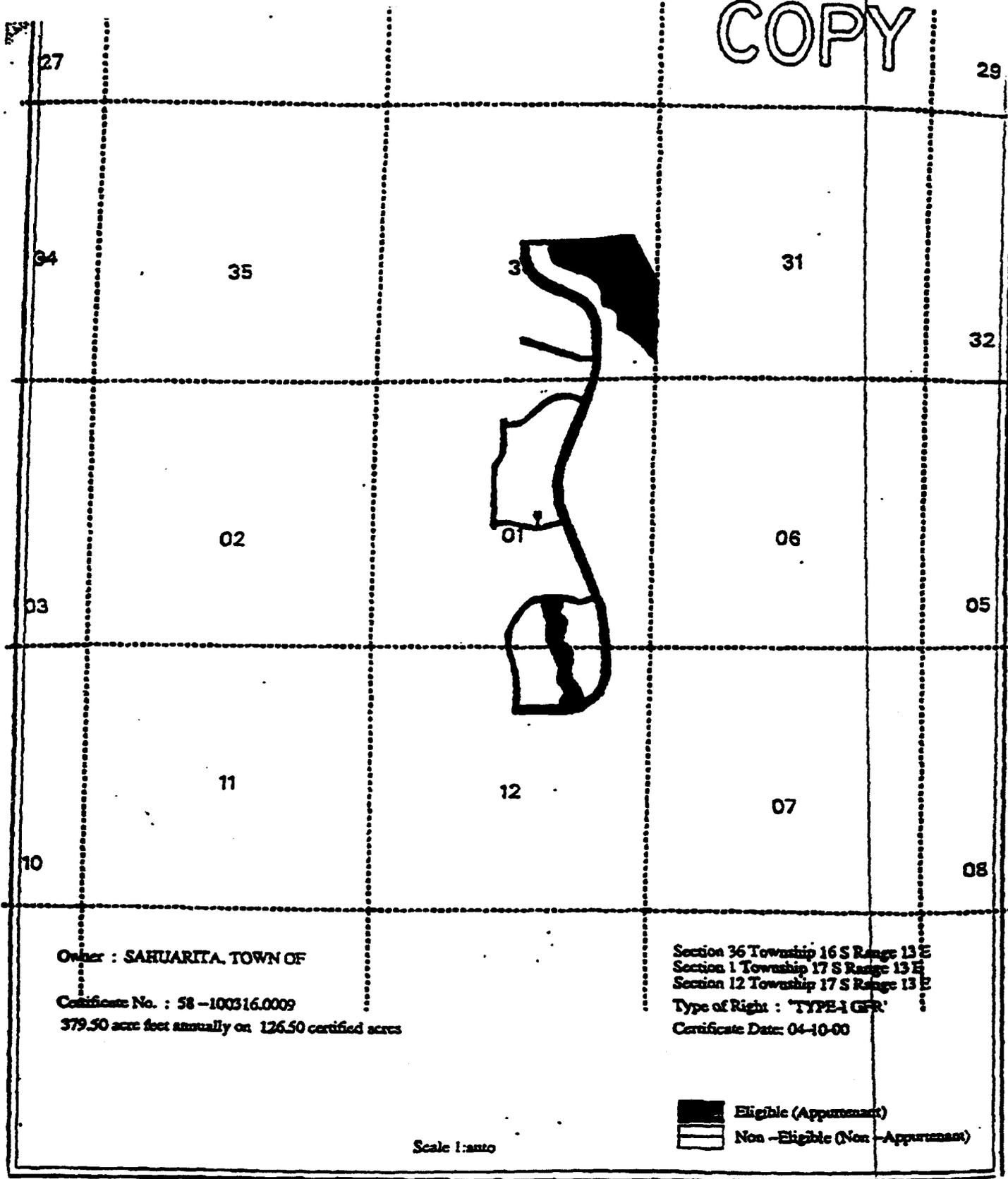


Ruthanne Jacobs
Tucson Active Management Area Director

The Department of Water Resources must be notified if the above named person(s) changes his address or conveys ownership of the rights to another person(s).

EXHIBIT B

COPY



Owner : SAHUARITA TOWN OF

Certificate No. : 58-100316.0009

379.50 acre feet annually on 126.50 certified acres

Section 36 Township 16 S Range 13 E

Section 1 Township 17 S Range 13 E

Section 12 Township 17 S Range 13 E

Type of Right : TYPE-1 GFR

Certificate Date: 04-10-00

-  Eligible (Appurtenant)
-  Non-Eligible (Non-Appurtenant)

Scale 1:2500

Item No. 8

Subj: FW: Mission Peaks and Section 16 legal descriptions
Date: 3/3/2008 4:41:10 PM US Mountain Standard Time
From: kwhatley@westlandresources.com
To: TubacLawyer@aol.com
CC: mseamans@ranchosahuarita.com, mathew.lawson@anciv.com

FYI, the legal descriptions for Mission Peaks and State Land have been approved by the ACC (see below)

-----Original Message-----

From: Barb Wells [<mailto:BWells@azcc.gov>]
Sent: Monday, March 03, 2008 4:45 PM
To: kristen whatley
Subject: RE: Mission Peaks and Section 16 legal descriptions

Just finished plotting this legal - it's perfect and can be filed as an amended legal description Thank you so much Sorry it took so long to get to it

-----Original Message-----

From: kristen whatley [<mailto:kwhatley@westlandresources.com>]
Sent: Friday, February 15, 2008 3:19 PM
To: Barb Wells
Cc: Mark Seamans; TubacLawyer@aol.com
Subject: FW: Mission Peaks and Section 16 legal descriptions

Hi Barb,

Attached is the revised legal descriptions for the Mission Peaks and State Land areas. Mike Georgalas with Stantec mentioned that he had spoken with you regarding the legal description for the Sahuarita Mission project and there was an agreement between you that no revisions were necessary from the original submitted legal description. Please review the attached legal descriptions and advise if they are acceptable.

Thanks for your time. Let me know if you have any questions or comments.

Kristen

Kristen L. Whatley, P.E.
WestLand Resources, Inc.
4001 E. Paradise Falls Drive
Tucson, AZ 85712
Phone:520-206-9585
Fax:520-206-9518

This e-mail and any attachments may contain confidential and privileged information. If you are not the intended recipient, please notify the sender immediately by return e-mail, delete this e-mail and destroy any copies. Any dissemination or use of this information by a person other than the intended recipient is unauthorized and may be illegal.

=====
This footnote confirms that this email message has been scanned to detect malicious content.

If you experience problems, please contact postmaster@azcc.gov
=====

This e-mail and any attachments may contain confidential and privileged information. If you are not the intended recipient, please notify the sender immediately by return e-mail, delete this e-mail and destroy any copies. Any dissemination or use of this information by a person other than the intended recipient is unauthorized and may be illegal.

Subj: **FW: Mission Peaks and Section 16 legal descriptions**
Date: 2/15/2008 3:18:55 PM US Mountain Standard Time
From: kwhatley@westlandresources.com
To: BWells@azcc.gov
CC: mseamans@ranchosahuarita.com, TubacLawyer@aol.com

Hi Barb,

Attached is the revised legal descriptions for the Mission Peaks and State Land areas. Mike Georgalas with Stantec mentioned that he had spoken with you regarding the legal description for the Sahuarita Mission project and there was an agreement between you that no revisions were necessary from the original submitted legal description. Please review the attached legal descriptions and advise if they are acceptable.

Thanks for you time. Let me know if you have any questions or comments.

Kristen

Kristen L. Whatley, P.E.
WestLand Resources, Inc.
4001 E. Paradise Falls Drive
Tucson, AZ 85712
Phone:520-206-9585
Fax:520-206-9518

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**LEGAL DESCRIPTION
RANCHO SAHUARITA WATER COMPANY BOUNDARY**

PARCEL 1

Portions of Sections 24 through 27, and 34 through 36, Township 17 South, Range 12 East and portions of Sections 19 and 30, Township 17 South, Range 13 East, Gila and Salt River Meridian, Pima County, Arizona and shown in Record of Surveys Book 41 at Page 22 and Book 45 at Page 92, records of Pima County Arizona, described as follows:

BEGINNING at the North one-quarter corner of said Section 27;

THENCE upon the North line of said Section, N 89°21'41" E a distance of 1341.87 feet;

THENCE continue upon said north line, N 89°20'54" E a distance of 1342.07 feet to the northwest corner of Section 26;

THENCE upon the north line of said Section 26, N 89°20'30" E a distance of 1322.48 feet;

THENCE continue upon said north line, N 89°20'16" E a distance of 1325.05 feet to the north one-quarter corner;

THENCE continue upon said north line, N 89°20'57" E a distance of 1336.10 feet;

THENCE N 89°20'28" E a distance of 1311.91 feet to the southwest corner of Section 24;

THENCE upon the west line of said Section 24, N 01°11'04" W a distance of 2639.36 feet to the west one-quarter corner;

THENCE continue upon said west line, N 01°08'44" W a distance of 1319.49 feet to the north line of the south one-half of the north one-half of said Section 24;

THENCE upon said north line, N 89°25'57" E a distance of 2657.64 feet;

THENCE continue upon said north line, N 89°23'50" E a distance of 1329.33 feet;

THENCE continue upon said north line, N 89°24'36" E a distance of 1139.69 feet to the westerly right-of-way of Mission-Twin Buttes Road, recorded in Road Maps Book 1 at Pages 20-23 and Book 12 at Page 31, records of said Pima County;

THENCE upon said westerly right-of-way the following 14 courses and distances:

1) S 12°26'32" E a distance of 6002.25 feet;

2) N 77°33'28" E a distance of 10.00 feet to a point on the arc of a non-tangent curve concave westerly, a radial line of said curve through said point having a bearing of N 77°33'31" E;

- 3) Southerly upon the arc of said curve, to the right, having a radius of 9269.74 feet and a central angle of $5^{\circ}15'49''$ for an arc length of 851.59 feet to a point of tangency;
- 4) S $07^{\circ}10'40''$ E a distance of 633.01 feet to a point of curvature of a tangent curve concave northwesterly;
- 5) Southwesterly upon the arc of said curve, to the right, having a radius of 955.37 feet and a central angle of $85^{\circ}29'56''$ for an arc length of 1425.64 feet to a point of tangency;
- 6) S $78^{\circ}19'16''$ W a distance of 588.25 feet to a point of curvature of a tangent curve concave northerly;
- 7) Westerly upon the arc of said curve, to the right, having a radius of 2824.93 feet and a central angle of $14^{\circ}32'34''$ for an arc length of 717.02 feet to a point of tangency;
- 8) N $87^{\circ}08'11''$ W a distance of 120.17 feet to a point of curvature of a tangent curve concave southeasterly;
- 9) Southwesterly upon the arc of said curve, to the left, having a radius of 1849.57 feet and a central angle of $52^{\circ}03'35''$ for an arc length of 1680.55 feet to a point of tangency;
- 10) S $40^{\circ}48'14''$ W a distance of 1259.01 feet to a point of curvature of a tangent curve concave northwesterly;
- 11) Southwesterly upon the arc of said curve, to the right, having a radius of 676.78 feet and a central angle of $10^{\circ}31'45''$ for an arc length of 124.37 feet to a point of tangency;
- 12) S $51^{\circ}19'59''$ W a distance of 2263.92 feet to a point of curvature of a tangent curve concave southeasterly;
- 13) Westerly upon the arc of said curve, to the left, having a radius of 756.78 feet and a central angle of $54^{\circ}16'41''$ for an arc length of 716.92 feet to a point of tangency;
- 14) S $02^{\circ}56'42''$ E a distance of 1284.38 feet to the northerly right-of-way of Twin Buttes-McGee Road recorded in Road Maps Book 2 at Pages 184-186, records of said Pima County;

THENCE upon said northerly right-of-way line the following 13 courses and distances;

- 1) S $89^{\circ}40'33''$ W a distance of 103.05 feet to a point of curvature of a tangent curve concave southerly;
- 2) Westerly upon the arc of said curve, to the left, having a radius of 2894.79 feet and a central angle of $7^{\circ}29'45''$ for an arc length of 378.72 feet to a point of tangency;
- 3) S $82^{\circ}10'48''$ W a distance of 187.02 feet to a point of curvature of a tangent curve concave northerly;

4) Westerly upon the arc of said curve, to the right, having a radius of 1879.86 feet and a central angle of 13°26'00" for an arc length of 440.74 feet to a point of tangency;

5) N 84°23'12" W a distance of 927.54 feet to a point of curvature of a tangent curve concave northerly;

6) Westerly upon the arc of said curve, to the right, having a radius of 542.96 feet and a central angle of 14°05'45" for an arc length of 133.58 feet to a point of tangency;

7) N 70°17'27" W a distance of 166.64 feet to a point on the arc of a non-tangent curve concave southerly, a radial line of said curve through said point having a bearing of N 19°43'06" E;

8) Westerly upon the arc of said curve, to the left, having a radius of 602.96 feet and a central angle of 24°15'25" for an arc length of 255.27 feet;

9) S 85°36'25" W a distance of 63.46 feet to a point of curvature of a tangent curve concave southerly;

10) Westerly upon the arc of said curve, to the left, having a radius of 1939.86 feet and a central angle of 11°33'45" for an arc length of 391.47 feet to a point of tangency;

11) S 74°02'40" W a distance of 691.23 feet to a point of curvature of a tangent curve concave northerly;

12) Westerly upon the arc of said curve, to the right, having a radius of 1270.00 feet and a central angle of 13°15'46" for an arc length of 293.98 feet to a point of tangency;

13) S 87°18'26" W a distance of 48.88 feet;

THENCE N 00°47'09" W a distance of 1331.20 feet;

THENCE N 00°46'29" W a distance of 2038.55 feet;

THENCE N 89°13'05" E a distance of 1531.71 feet to the east line of the northeast one-quarter of Section 35;

THENCE upon said east line, N 01°11'55" W a distance of 1024.90 feet to the south one-quarter corner of Section 26;

THENCE upon the south line of said Section, S 89°18'08" W a distance of 1524.37 feet;

THENCE continue upon said south line, S 89°19'01" W a distance of 1124.01 feet to the northeast corner of Section 34;

THENCE upon the east line of said Section, S 01°23'09" E a distance of 1344.73 feet;

THENCE N 86°28'30" W a distance of 1378.82 feet;

THENCE N 00°07'13" W a distance of 1243.26 feet to the south line of Section 27;

THENCE upon the south line of said Section, S 89°18'00" W a distance of 1374.64 feet to the south one-quarter corner;

THENCE upon the west line of the east one-half of said Section 27, the following 4 courses and distances:

1) N 00°50'51" W a distance of 1316.70 feet;

2) N 00°49'57" W a distance of 1317.07 feet;

3) N 00°49'36" W a distance of 1317.21 feet;

4) N 00°49'40" W a distance of 1317.77 feet to the **POINT OF BEGINNING**.

**TOGETHER WITH:
PARCEL 2**

Portions of Sections 19 through 21, 29 and 30, Township 17 South, Range 13 East, Gila and Salt River Meridian, Pima County, Arizona and shown in Book 41 of Surveys, Page 22, Records of Pima County, Arizona described as follows:

BEGINNING at the northwest corner of Section 19;

THENCE upon the north line of said Section, N 89°06'58" E a distance of 2567.47 feet to the north one-quarter corner;

THENCE continue upon said north line, N 89°06'28" E a distance: 2628.85 feet to the northwest corner of Section 20;

THENCE upon the west line of said Section 20, S 01°41'07" E a distance of 30.00 feet;

THENCE N 88°43'21" E a distance of 1979.26 feet;

THENCE S 01°41'07" E a distance of 399.99 feet;

THENCE N 88°43'21" E a distance of 668.88 feet to the west line of the east one-half of said Section 20;

THENCE upon said west line, N 01°46'54" W a distance of 430.00 feet to the north line of said Section 20;

THENCE upon said north line, N 88°43'00" E a distance of 2647.38 feet to the northwest corner of Section 21;

THENCE upon the north line of said Section 21, N 88°57'37" E a distance of 1681.96 feet;

THENCE S 01°49'19" E a distance of 3226.42 feet to the northerly right-of-way of Twin Buttes Road, recorded in Surveys Book 5 at Pages 17 and 19, records of said Pima County, lying on the arc of a non-tangent curve concave northerly, a radial line of said curve through said point having a bearing of S 03°41'28" E;

THENCE upon said northerly right-of-way the following 30 courses and distances:

1) Westerly upon the arc of said curve, to the right, having a radius of 634.16 feet and a central angle of 2°43'13" for an arc length of 30.11 feet to a non-tangent line;

2) S 89°10'36" W a distance of 113.99 feet to a point on the arc of a non-tangent curve concave southerly, a radial line of said curve through said point having a bearing of N 00°51'39" W;

3) Westerly upon the arc of said curve, to the left, having a radius of 1436.65 feet and a central angle of 17°47'23" for an arc length of 446.06 feet to a non-tangent line;

4) S 71°14'59" W a distance of 433.16 feet to a point on the arc of a non-tangent curve concave southerly, a radial line of said curve through said point having a bearing of N 18°33'53" W;

5) Northwesterly upon the arc of said curve, to the left, having a radius of 2072.29 feet and a central angle of 7°50'43" for an arc length of 283.75 feet to a point of reverse curvature of a non-tangent curve, concave northerly, a radial line of said curve through said point having a bearing of S 26°29'45" E;

6) Westerly upon the arc of said curve, to the right, having a radius of 1649.24 feet and a central angle of 33°12'23" for an arc length of 955.83 feet to a non-tangent line;

7) N 83°16'46" W a distance of 300.48 feet to a point on the arc of a non-tangent curve concave southerly, a radial line of said curve through said point having a bearing of N 06°41'16" E;

8) Westerly upon the arc of said curve, to the left, having a radius of 2617.41 feet and a central angle of 19°23'31" for an arc length of 885.87 feet to a point of compound curvature of a non-tangent curve concave southeasterly, a radial line of said curve through said point having a bearing of N 12°39'55" W;

9) Southwesterly upon the arc of said curve, to the left, having a radius of 892.72 feet and a central angle of 26°06'18" for an arc length of 406.74 feet to a non-tangent line;

10) S 51°13'30" W a distance of 231.88 feet to a point of curvature of a tangent curve concave northwesterly;

- 11) Southwesterly upon the arc of said curve, to the right, having a radius of 856.38 feet and a central angle of 29°24'46" for an arc length of 439.62 feet to the west line of the east one-half of said Section 20;
- 12) Upon said west line, N 01°46'54" W a distance of 45.36 feet;
- 13) S 80°53'44" W a distance of 9.64 feet to a point on the arc of a non-tangent curve concave southerly, a radial line of said curve through said point having a bearing of N 09°16'22" W;
- 14) Westerly upon the arc of said curve, to the left, having a radius of 2189.63 feet and a central angle of 17°47'42" for an arc length of 680.06 feet to a non-tangent line;
- 15) S 62°58'37" W a distance of 766.40 feet to a point on the arc of a non-tangent curve concave northwesterly, a radial line of said curve through said point having a bearing of S 27°02'25" E;
- 16) Southwesterly upon the arc of said curve, to the right, having a radius of 2698.50 feet and a central angle of 7°13'17" for an arc length of 340.11 feet to a non-tangent line;
- 17) S 70°09'35" W a distance of 314.36 feet to a point on the arc of a non-tangent curve concave southeasterly, a radial line of said curve through said point having a bearing of N 19°46'58" W;
- 18) Southwesterly upon the arc of said curve, to the left, having a radius of 2001.81 feet and a central angle of 10°22'42" for an arc length of 362.60 feet to a non-tangent line;
- 19) S 59°47'07" W a distance of 404.63 feet to the west line of Section 20;
- 20) Upon said west line, S 01°41'07" E a distance of 49.31 feet to the southwest corner;
- 21) Upon the south line of said Section 20, N 89°02'25" E a distance of 5.45 feet to a point on the arc of a non-tangent curve concave southeasterly, a radial line of said curve through said point having a bearing of N 31°57'43" W;
- 22) Southwesterly upon the arc of said curve, to the left, having a radius of 1541.19 feet and a central angle of 3°38'01" for an arc length of 97.74 feet to a point of reverse curvature of a non-tangent curve concave northwesterly, a radial line of said curve through said point having a bearing of S 35°40'20" E;
- 23) Southwesterly upon the arc of said curve, to the right, having a radius of 1481.19 feet and a central angle of 5°34'21" for an arc length of 144.06 feet to a non-tangent line;
- 24) S 59°48'34" W a distance of 896.58 feet to a point on the arc of a non-tangent curve concave northerly, a radial line of said curve through said point having a bearing of S 30°11'18" E;

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25) Westerly upon the arc of said curve, to the right, having a radius of 1752.46 feet and a central angle of 30°05'12" for an arc length of 920.24 feet to a point of reverse curvature of a non-tangent curve concave southerly, a radial line of said curve through said point having a bearing of N 00°05'12" W;

26) Westerly upon the arc of said curve, to the left, having a radius of 869.19 feet and a central angle of 13°15'29" for an arc length of 201.13 feet to a point of reverse curvature of a non-tangent curve concave northerly, a radial line of said curve through said point having a bearing of S 13°21'52" E;

27) Westerly upon the arc of said curve, to the right, having a radius of 2325.40 feet and a central angle of 34°27'47" for an arc length of 1398.71 feet to a non-tangent line;

28) N 68°53'14" W a distance of 151.79 feet to a point on the arc of a non-tangent curve concave southerly, a radial line of said curve through said point having a bearing of N 21°04'23" E;

29) Westerly upon the arc of said curve, to the left, having a radius of 1010.68 feet and a central angle of 26°56'23" for an arc length of 475.21 feet to a non tangent line;

30) S 84°05'18" W a distance of 381.65 feet to the easterly right-of-way of Mission-Twin Buttes Road recorded in Road Maps Book 1 at Pages 20-23, records of said Pima County;

THENCE upon said easterly right-of-way, N 12°26'32" W a distance of 4625.24 feet

THENCE N 89°25'11" E a distance of 86.94 feet to the west line of Section 19;

THENCE upon said west line, N 01°14'52" W a distance of 1311.71 feet to the **POINT OF BEGINNING**.

TOGETHER WITH:
PARCEL 3

All of Section 16, Township 17 South, Range 13 East, Gila and Salt River Meridian, Pima County, Arizona, Except the north 75 feet.

TOGETHER WITH:
PARCEL 4

A portion of Section 35, Township 17 South, Range 12 East, Gila and Salt River Meridian, Pima County, Arizona and shown in Record of Surveys Book 41 at Page 22, records of Pima County Arizona, described as follows:

BEGINNING at the east one-quarter corner of said Section 35:

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THENCE upon the east line of said Section, S 00°16'41" E a distance of 1684.22 feet to the northerly right-of-way of Twin Buttes-McGee Road recorded in Road Maps Book 2 at Pages 184-186, records of said Pima County;

THENCE upon said northerly right-of-way, S 89°40'33" W a distance of 103.88 feet to the easterly right-of-way of Mission-Twin Buttes Road recorded in Road Maps Book 12 at Page 31, records of said Pima County;

THENCE upon said easterly right-of-way, N 02°56'42" W a distance of 1288.04 feet to a point of curvature of a tangent curve concave easterly;

THENCE northerly upon the arc of said curve, to the right, having a radius of 676.78 feet and a central angle of 43°13'34" for an arc length of 510.59 feet to the east line of said Section 35;

THENCE upon east line, S 01°46'39" E a distance of 73.92 feet to the **POINT OF BEGINNING**.

**TOGETHER WITH:
PARCEL 5**

A portion of Section 35, Township 17 South, Range 12 East and a portion of Section 2 , Township 18 South, Range 12 East, Gila and Salt River Meridian, Pima County, Arizona and shown in Record of Surveys Book 41 at Page 22, records of Pima County Arizona, described as follows:

BEGINNING at the northeast corner of said Section 2;

THENCE upon the east line of said Section, S 00°11'26" E a distance of 1214.24 feet to a point on the easterly right-of-way of Mission-Twin Buttes Road recorded in Road Maps Book 12 at Page 31, records of said Pima County;

THENCE upon said easterly right-of-way, N 02°56'42" W a distance of 2129.52 feet to the southerly right-of-way of Twin Buttes-McGee Road recorded in Road Maps Book 2 at Pages 184-186, records of said Pima County;

THENCE upon southerly right-of-way, N 89°40'33" E a distance of 100.94 feet to the east line of said Section 35;

THENCE upon said east line, S 00°16'41" E a distance of 913.05 feet to the **POINT OF BEGINNING**.

**TOGETHER WITH:
PARCEL 6**

A portion of Section 35, Township 17 South, Range 12 East and a portion of Sections 1 and 2, Township 18 South, Range 12 East, Gila and Salt River Meridian, Pima County, Arizona and shown in Record of Surveys Book 41 at Page 22 and Book 45 at Page 92, records of Pima County Arizona, described as follows:

BEGINNING at the south one-quarter corner of said Section 35;

THENCE upon the south line of said Section 35, S 89°36'56" W a distance of 1800.65 feet;

THENCE N 01°10'34" W a distance of 764.87 feet to the southerly right-of-way of Twin Buttes-McGee Road recorded in Road Maps Book 2 at Pages 184-186, records of said Pima County;

THENCE upon said southerly right-of-way the following 13 courses and distances;

1) N 87°18'26" E a distance of 294.56 feet to a point of curvature of a tangent curve concave northerly;

2) Northerly upon the arc of said curve, to the left, having a radius of 1330.00 feet and a central angle of 13°15'46" for an arc length of 307.87 feet to a point of tangency;

3) N 74°02'40" E a distance of 691.20 feet to a point of curvature of a tangent curve concave southerly;

4) Easterly upon the arc of said curve, to the right, having a radius of 1879.86 feet and a central angle of 11°33'45" for an arc length of 379.36 feet to a point of tangency;

5) N 85°36'25" E a distance of 66.39 feet to a point on the arc of a non-tangent curve concave southerly, a radial line of said curve through said point having a bearing of N 04°14'32" W;

6) Easterly upon the arc of said curve, to the right, having a radius of 542.99 feet and a central angle of 23°56'23" for an arc length of 226.87 feet to a non-tangent line;

7) S 70°17'27" E a distance of 166.87 feet to a point of curvature of a tangent curve, concave northerly;

8) Easterly upon the arc of said curve, to the left, having a radius of 602.96 feet and a central angle of 14°05'45" for an arc length of 148.34 feet to a point of tangency;

9) S 84°23'12" E a distance of 927.54 feet to a point of curvature of a tangent curve, concave northerly;

10) Easterly upon the arc of said curve, to the left, having a radius of 1939.86 feet and a central angle of 13°26'00" for an arc length of 454.81 feet to a point of tangency;

11) N 82°10'48" E a distance of 187.02 feet to a point of curvature of a tangent curve, concave southerly;

12) Easterly upon the arc of said curve, to the right, having a radius of 2834.79 feet and a central angle of 7°29'45" for an arc length of 370.87 feet to a point of tangency;

13) N 89°40'33" E a distance of 105.94 feet to the westerly right-of-way of Mission-Twin Buttes Road recorded in Road Maps Book 12 at Page 31, records of said Pima County;

THENCE upon said westerly right-of-way the following 6 courses and distances;

1) S 02°56'42" E a distance of 2415.93 feet to a point of curvature of a tangent curve concave easterly;

2) Southerly upon the arc of said curve, to the left, having a radius of 756.78 feet and a central angle of 33°37'34" for an arc length of 444.14 to a point of tangency;

3) S 36°34'18" E a distance of 300.36 feet to a point of curvature of a tangent curve concave northeasterly;

4) Southeasterly upon the arc of said curve, to the left, having a radius of 756.78 feet and a central angle of 43°59'24" for an arc length of 581.03 feet to a point of tangency;

5) S 80°33'43" E a distance of 12.61 feet to a point on the arc of a non-tangent curve concave southwesterly, a radial line of said curve through said point having a bearing of N 09°26'20" E;

6) Southeasterly upon the arc of said curve, to the right, having a radius of 676.78 feet and a central angle of 34°25'30" for an arc length of 406.63 feet to the south line of the north one-half of said Section 1;

THENCE upon said south line, N 89°58'30" W a distance of 1111.01 feet to the east one-quarter corner of said Section 2;

THENCE upon the south line of the northeast one-quarter of said Section 2, N 89°49'13" W a distance of 2610.14 feet to the center one-quarter corner;

THENCE upon the west line of said northeast one-quarter, N 00°40'50" W a distance of 2605.25 feet to the **POINT OF BEGINNING**.

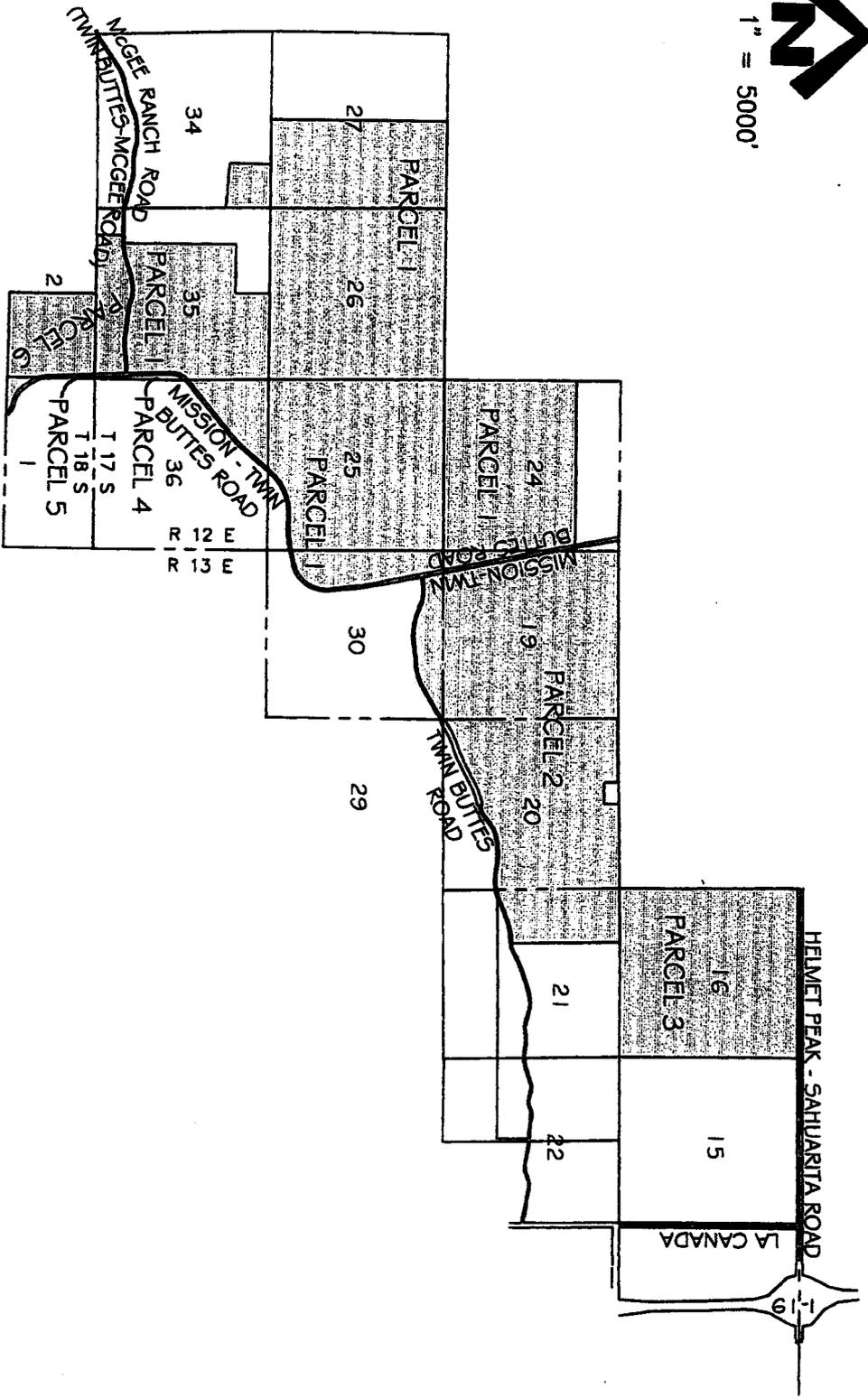
Prepared by:
PSOMAS



Ernest Gomez, AZ. R.L.S. 27739



SCALE: 1" = 5000'



P S O M A S

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95016-10

EXHIBIT B

RANCHO SAHUARITA WATER COMPANY BOUNDARY

PORTIONS OF SECTIONS 24-27, 34 & 35, TOWNSHIP 17 SOUTH, RANGE 12 EAST
AND PORTIONS OF SECTIONS 16, 19-21, 29 & 30, TOWNSHIP 17 SOUTH, RANGE 13
EAST AND PORTIONS OF SECTIONS 1 & 2, TOWNSHIP 18 SOUTH, RANGE 12 EAST
GILA & SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA

DATE: FEBRUARY 2008 • DRAWN BY: EG

E:\95016\10\Constraints\Legal\water_dist_bndy.dwg egomez Fri, 15 Feb 2008, 11:52am

Subj: **RE: CC&N Application**
Date: 2/15/2008 3:47:23 PM US Mountain Standard Time
From: mseamans@ranchosahuarita.com
To: mathew.lawson@anclv.com, cort@ranchosahuarita.com
CC: TubacLawyer@aol.com

There was a delay due to a request for more information, basically on the legal descriptions of the various properties. Mike Georgalas has left you a message to clarify Mission Peaks' legal description. Once that's back, the docs will be forwarded to the ACC to restart the clock.

Also we had an ADWR request on the modification of Assured Water Supply asking for the operating agreement. David McEvoy is researching the status.

Can you tell us the status on the Member Contribution agreement that is still not signed by ANC. We do not have a signed copy.

Mark J Seamans
General Manager, Sahuarita Water Company
PO Box 1520
Sahuarita, AZ 85629
ph 520-399-1105
fax 520-399-1095
mseamans@ranchosahuarita.com

From: Mathew Lawson [<mailto:mathew.lawson@anclv.com>]
Sent: Friday, February 15, 2008 3:11 PM
To: Cort Chalfant; Mark Seamans
Subject: CC&N Application

Cort and Mark,

Can you provide me an update of where we are at with the ACC application. If you have a schedule on the overall process that would be helpful.

Thanks,

Matt