



ORIGINAL

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(480) 839-5202
4 Attorneys for Keaton Development Company

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2008 JUN 13 P 1:02

AZ CORP COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

W-02169A-08-0301

6 IN THE MATTER OF THE APPLICATION OF)
7 KEATON DEVELOPMENT COMPANY FOR)
AN EXTENSION OF ITS CERTIFICATE OF)
8 CONVENIENCE AND NECESSITY FOR THE)
PROVISION OF WATER SERVICE IN)
9 PORTIONS OF LA PAZ COUNTY, ARIZONA,)
)
10)

DOCKET NO. W-02169A-08-_____

APPLICATION FOR EXTENSION
OF CERTIFICATE OF
CONVENIENCE AND
NECESSITY FOR WATER SERVICE

11 This Application is substantially in the form prescribed by the Commission.

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

13 Keaton Development Company
14 P.O. Box 905
Salome, Arizona 85348
15 (928) 859-3982

Arizona Corporation Commission
DOCKETED

JUN 13 2008

DOCKETED BY

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

17 William Scott, President
18 P.O. Box 905
Salome, Arizona 85348
(928) 859-3982

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

21 Joseph V. Fiano
Water Treatment Operators
and Environmental Consultants
22 14615 N. Fountain Hills Boulevard
Fountain Hills, Arizona 85268
23 (480) 837-6438

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

2 **Sallquist, Drummond & O'Connor, P.C.**
3 **Richard L. Sallquist**
4 **4500 S. Lakeshore Drive**
5 **Suite 339**
6 **Tempe, Arizona 85282**
7 **(480) 839-5202**

8 E. Attach the following exhibits that apply to you:

9 1. Certificate of Good Standing (if corporation)

10 **Please see attached Exhibit A.**

11 2. Corporate Resolution Authorizing this application (if required by the corporation's
12 Articles of Incorporation)

13 **N/A**

14 F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section
15 description) or **METES AND BOUNDS** survey. References to parcels and docket will
16 not be accepted.

17 **Please see attached Exhibit B.**

18 G. Attach a detailed map using the form provided as attachment B. Shade and outline the area
19 requested. Also indicate present Certificated area using different colors of shading and
20 outline.

21 **Please see attached Exhibit C.**

22 H. Attach a current balance sheet and profit and loss statement.

23 **Please see attached Exhibit D.**

I. Please provide the following information:

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

Please see attached Exhibit E.

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Residential:

First Year __ Second Year __ Third Year
Fourth Year __ Fifth Year

Commercial:

First Year -0- Second Year -0- Third Year -0-
Fourth Year -0- Fifth Year -0-

Industrial:

First Year -0- Second Year -0- Third Year -0-
Fourth Year -0- Fifth Year -0-

Irrigation:

First Year -0- Second Year -0- Third Year -0-
Fourth Year -0- Fifth Year -0-

Other: (specify)

First Year -0- Second Year -0- Third Year -0-
Fourth Year -0- Fifth Year -0-

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

Please see attached Exhibit E.

Residential Per Customer:

First Year Second Year
Third Year Fourth Year Fifth Year

Commercial:

First Year N/A Second Year _____
Third Year _____ Fourth Year _____ Fifth Year _____

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Industrial:

First Year N/A Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Irrigation:

First Year N/A Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Other: (specify)

First Year N/A Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

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

Please see attached Exhibit E.

First Year \$ Second Year \$ Third Year \$

Fourth Year \$ Fifth Year \$

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

Please see attached Exhibit E.

First Year \$ Second Year \$ Third Year \$

Fourth Year \$ Fifth Year \$

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

Please see Exhibit J

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

On-site facilities will be financed by the Developer using line extension agreements that will be submitted to the Commission.

1 L. Estimated starting and completion date of construction of utility facilities:
2 Starting date: **Upon ACC Approval** Completion date: **60 Days thereafter**

3 M. Attach the following permits:

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

5 **To be late filed as Exhibit F.**

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

8 **Please see attached Exhibit G.**

9 3. Arizona State Land Department approval. *N/A*

10 4. U.S. Forest Service approval. *N/A*

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

15 **Please see attached application marked as Exhibit H.**

16 If area requested is outside an Active Management Area, attach the developer's
17 Adequacy Statement issued by the Arizona Department of Water Resources if
18 applied for by the developer. *N/A*

19 If area requested is outside an Active Management Area and the developer does not
20 obtain an Adequacy Statement, provide sufficient detailed information to prove that
21 adequate water exists to provide water to the area requested. *N/A*

22 N. Attached hereto as **Exhibit I** are the Requests for Service from all Property Owners within
23 the requested Expansion Area.

O. None of the area requested in the Expansion Area is within one mile of another public
service area or a municipality providing water service.

P. Attached hereto as **Exhibit J** is the Company's Preliminary Engineering Report on the
facilities needed to serve the Expansion Area.

Q. Wastewater service to the Expansion Area is provided by individual on-site septic tanks.

1 R. There are no golf courses, ornamental lakes, other aesthetic water features, greenbelts, or
2 parks within the Expansion Area.

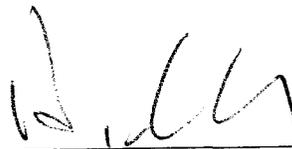
3 S. The Company's Back-Flow Prevention and Curtailment Tariffs are on file with the
4 Commission.

5 T. Attached hereto as **Exhibit K** is an Engineering Data Sheet showing the customer count and
6 consumption data for the latest 13 month period.

7 U. Attached hereto as **Exhibit L** is a form of Notice to property owners in the Expansion Area.
8 The signed affidavit of mailing or publication will be late filed as an exhibit.

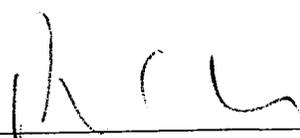
9 **DATED** this 13th day of June, 2008.

10 SALLQUIST, DRUMMOND & O'CONNOR, P.C.

11 By 
12 Richard L. Sallquist
13 4500 S. Lakeshore Drive, Suite 339
14 Tempe, Arizona 85282
15 Attorney for Keaton Development Company

16 Original and ten copies of the
17 foregoing filed this 13 day
18 of June, 2008, with:

19 Docket Control
20 Arizona Corporation Commission
21 1200 West Washington
22 Phoenix, Arizona 85007

23 

LIST OF EXHIBITS

<u>EXHIBIT</u>	<u>DESCRIPTION</u>
A.	CERTIFICATE OF GOOD STANDING
B.	LEGAL DESCRIPTION
C.	MAP OF EXISTING AND REQUESTED AREA
D.	2007 FINANCIAL STATEMENTS
E.	CUSTOMER COUNT AND REVENUE/EXPENSE COMPUTATIONS
F.	COUNTY FRANCHISE (Late Filed)
G.	ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY APPROVALS (Late Filed)
H.	APPLICATION FOR CERTIFICATE OF ADEQUATE WATER SUPPLY (Late Filed)
I.	REQUESTS FOR SERVICE
J.	PRELIMINARY ENGINEERING REPORT
K.	ENGINEERING DATA SHEET
L.	FORM OF NOTICE TO PROPERTY OWNERS

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

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

*****KEATON DEVELOPMENT COMPANY*****

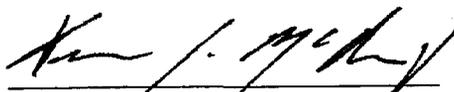
a domestic corporation organized under the laws of the State of Arizona, did incorporate on April 26, 1971.

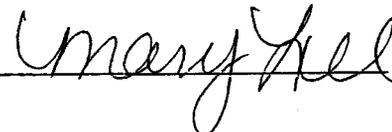
I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report,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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 1st Day of February, 2007, A. D.




Executive Director

By 

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LEGAL DESCRIPTION

(Please see Attached)

EXHIBIT " ___ "

That portion of the NW 1/4 of Section 20, Township 5 North, Range 13 West, Gila and Salt River Meridian, La Paz County, Arizona, being more particularly described as follows:

Lot 3, Lot 4, and Lot 5 as shown on that Results of Survey on file at Record No. 1999-04542, Official Records of La Paz County, Arizona, and being more particularly described as follows:

BEGINNING at a brass cap in concrete marked "Holmquist RLS25074" at the West 1/4 Corner of said Section 20, said brass cap also being the Southwesterly corner of said Lot 5;

Thence $N0^{\circ}04'08''W$ along the West line of said NW 1/4 of said Section 20 (Westerly line of said Lot 5 and Lot 4) a distance of 1178.01 feet to an ADOT brass cap in concrete on the Southerly right-of-way line of U.S. Highway 60-70 (Northwesterly corner of said Lot 4);

Thence $N56^{\circ}24'10''E$ along said right-of-way line (Northerly line of said Lot 5 and Lot 3) a distance of 1277.45 feet to a 1/2" rebar with yellow plastic cap marked "TIERRA RLS31598" (Northerly corner of said Lot 3);

Thence $S33^{\circ}35'50''E$ along the Northeasterly line of said Lot 3 a distance of 632.12 feet to a 1/2" rebar with yellow plastic cap marked "TIERRA RLS31598";

Thence $S89^{\circ}50'04''E$ continuing along the Northeasterly line of said Lot 3 a distance of 1241.65 feet to a 1/2" rebar with yellow plastic cap marked "TIERRA RLS31598" on the East line of said NW 1/4 of Section 20 (Northeasterly corner of said Lot 3);

Thence $S0^{\circ}00'51''E$ along the East line of said NW 1/4 of Section 20 (Easterly line of said Lot 3 and Lot 5) a distance of 1355.75 feet to a 1/2" rebar with yellow plastic cap marked "RLS25074" at the Center 1/4 Corner of said Section 20 (Southeasterly corner of said Lot 5);

Thence $N89^{\circ}58'45''W$ along the South line of said NW 1/4 of Section 20 (Southerly line of said Lot 5) a distance of 2654.40 to the POINT OF BEGINNING.

Containing 89.1 acres, more or less.

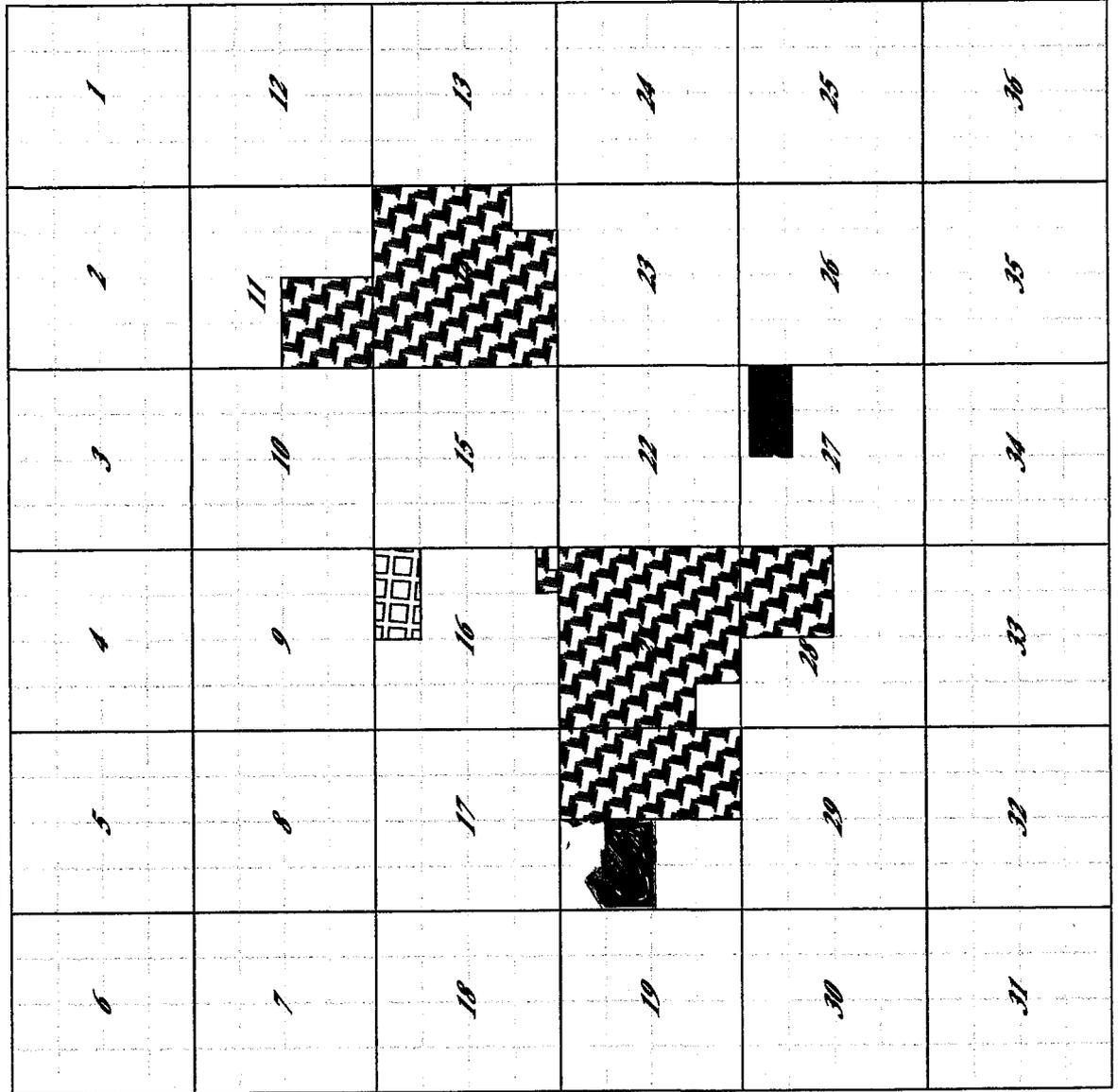
Basis of Bearings is $N56^{\circ}24'10''E$ along the Southerly right-of-way line of the Quartzsite-Wickenburg Highway (U.S. 60-70) as shown on the Arizona Highway Department right-of-way plans for Project F-022-1(1), sheet 5 of 46, As-Built, 12-07-61.



COUNTY: La Paz

RANGE 13 West

TOWNSHIP 5 North



 W-2169 (1)
Keaton Development Company

 W-1084 (1)
Salome Water Company

 Keaton Development Company
Docket No. W-02169A-07-0098
Amended Application for Extension

 Keaton Development Company
Docket No. W-02169A-08-0____
Filed June 2008

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06/09/08
Cash Basis

Keaton Development Company
Balance Sheet
As of December 31, 2007

	Dec 31, 07
ASSETS	
Current Assets	
Checking/Savings	
1000 - Bank Accounts	
1002 - Checking NBA 7609	-3,371.40
1010 - Petty Cash	1,773.69
1020 - Checking WF Bank	-11.00
Total 1000 - Bank Accounts	-1,608.71
Total Checking/Savings	-1,608.71
Accounts Receivable	
1200 - Accounts Receivable	-2,742.79
Total Accounts Receivable	-2,742.79
Total Current Assets	-4,351.50
Fixed Assets	
1610 - Land	8,200.00
1620 - Plant & Equipment	
162001 - Power Generating Equipment	25,693.94
162002 - Buildings	35,608.05
162003 - Pumping Eq & Appurtanances	84,539.36
162004 - Hydrants	26,856.12
162005 - Meters	2,614.75
162006 - Tanks	45,101.67
Total 1620 - Plant & Equipment	220,413.89
1630 - Wells & Springs	
163003 - Well #3	10,000.00
1630 - Wells & Springs - Other	72,495.45
Total 1630 - Wells & Springs	82,495.45
1640 - Water Distribution Lines	
164001 - Spare parts	3,221.93
164002 - Installed Lines	307,356.81
Total 1640 - Water Distribution Lines	310,578.74
1650 - Office Eq & Furn	4,709.09
1660 - Vehicles	3,000.00
1670 - Organization	1,250.00
1700 - Accumulated Depr	-263,345.85
Total Fixed Assets	364,301.32
Other Assets	
1810 - Loans to/from Officer	107,633.22
Total Other Assets	107,633.22
TOTAL ASSETS	467,583.04
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2200 - Payable to Southridge	18,610.00
2300 - Refundable Customer Deposits	4,771.36
2400 - Payroll Liabilities	
2410 - Federal Withholding	-230.93
2425 - Medicare Withheld	74.84
2400 - Payroll Liabilities - Other	5.00
Total 2400 - Payroll Liabilities	-151.15
Total Other Current Liabilities	23,230.21

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06/09/08

Cash Basis

Keaton Development Company
Balance Sheet
As of December 31, 2007

	<u>Dec 31, 07</u>
Total Current Liabilities	23,230.21
Long Term Liabilities	
2800 · N/P - Adv in Aid of Constr	
280002 · Sunshine Acres-Jim Cox	700.00
280003 · PhoenixAtlantic Properties	7,175.00
Total 2800 · N/P - Adv in Aid of Constr	7,875.00
2910 · WIFA Loan Payable	34,938.82
2920 · LaPaz County Back Taxes	16,598.68
2930 · Chapter 11 Payable	68,549.49
Total Long Term Liabilities	127,961.99
Total Liabilities	151,192.20
Equity	
3000 · Opening Bal Equity	252,004.81
3100 · Common Stock	50,000.00
3101 · Paid in Capital	25,000.00
3900 · Retained Earnings	4,761.36
Net Income	-15,375.33
Total Equity	316,390.84
TOTAL LIABILITIES & EQUITY	<u><u>467,583.04</u></u>

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06/09/08
Cash Basis

Keaton Development Company
Profit & Loss
January through December 2007

	Jan - Dec 07
Income	
4010 - Revenues	
401001 - Residential Water Revenues	181,451.84
401002 - Income from Late Fees	599.06
401003 - New Service/Reconnect Fees	3,113.78
401006 - Reimbursed Repairs	792.70
4011 - xLess Sales Tax	-11,919.72
Total 4010 - Revenues	74,037.66
Total Income	74,037.66
Expense	
6010 - Payroll Expenses	
601001 - Casual Labor	684.01
601003 - Officer Salary	9,430.00
601004 - Wages - Hourly	35,883.75
601005 - Payroll tax expense	4,581.00
601006 - Commission - Meter Reading	3,603.75
601007 - Work Comp Insurance	2,665.78
Total 6010 - Payroll Expenses	56,853.29
6110 - Office Expenses	
611001 - Bank Service Charges	919.87
611002 - Supplies	2,734.70
611003 - Postage & Delivery	1,736.10
611005 - Advertising	18.00
611006 - Telephone & Internet	6,146.38
611007 - Dues & Subscriptions	411.97
Total 6110 - Office Expenses	11,967.02
6120 - Auto Expense	
612001 - Fuel	5,142.03
612002 - Tax & License	356.17
612003 - Repairs & Maintenance	7,559.37
612004 - Insurance	914.53
Total 6120 - Auto Expense	13,972.10
6210 - Professional Fees	
621001 - Legal & Other Professional	5,000.00
621002 - Accounting	2,350.00
621003 - Management Fees	27,529.98
Total 6210 - Professional Fees	34,879.98
6310 - Utilities	19,189.97
6330 - Repairs & Maintenance	17,941.26
6340 - Water Testing & Fees	6,604.43
6350 - Mapping & Surveying	150.00
6510 - Insurance	5,218.00
6600 - Property Taxes - Current	10,709.29
6730 - Rental - Equipment	994.25
6810 - Permits/Licenses/Fees/Penalties	470.26
6820 - Interest Expense	
682001 - WIFA Interest	2,101.54
Total 6820 - Interest Expense	2,101.54
6899 - Chapter 11 Quarterly Fees	1,750.00
6901 - Bankruptcy Payments	6,611.60
Total Expense	189,412.99
Net Income	-15,375.33

KEATON DEVELOPMENTCOMPANY
Sunland Estates Development
 CC&N Application Revenue and Expense Computation

Revenue Computation

Developer/Owner	Tax Parcel Number	Total Lots	ANNUAL ABSORPTION						
			2009	2010	2011	2012	2013		
Phoenix Atlantic	2G,2H,2F	228							
Total			50	50	50	50	50	50	28
Average New Customers during Year			25	75	125	175	175	175	214

Year-end Additional Customers

Rates									
WATER									
Meter Size	5/8 x 3/4								
Average Monthly Consumption	7,500								
Monthly Minimum	\$ 16.00								
Gallons included in Minimum Commodity Charges:	0								
'0 to 8,000 Gallons	\$ 3.00								
'8,001 & Over	\$ 4.25								
Average Monthly Bill	\$ 47.88								
Annual Water Revenues			\$ 14,363	\$ 43,088	\$ 71,813	\$ 100,538	\$ 122,943		

Expense Computation

Ratio of Expenses to Revenue Water	91.76%								
Annual Water Expenses			\$ 13,179	\$ 39,538	\$ 65,896	\$ 92,254	\$ 112,814		

EXHIBIT E

**Request of Real Estate Property annexation to
Keaton Development Co.'s Water Services Area
Salome, La Paz County, AZ**

**To:
KEATON DEVELOPMENT CO
P.O. BOX 905
SALOME, AZ 85348**

**Tel. (928) 859-3982
Fax (928) 859-3984**

To Whom It May Concern:

I request Keaton Development Co. to provide water services to my property.

I understand that my property must be annexed to Keaton's Certificate of Convenience and Necessity and will post the appropriate amount of money for legal and other costs.

My information:

Name: PHOENIX ATLANTIC PROPERTIES L.L.C.

Address: 7349 Via paseo del sur # 515-173

Phone: (480) 905-1076

APN of the property to be annexed: 304-69-002G, 304-69-002H & 304-69-002F

Signature: 
By: Francois Martinet, Manager

Date: 10-10-2007

EXHIBIT I

SUNLAND ESTATES
PRELIMINARY DESIGN REPORT
FOR
POTABLE WATER SERVICE
FROM
KEATON DEVELOPMENT COMPANY

PREPARED BY
THE HARCUVAR CO.
P. O. BOX 70
SALOME, AZ 85348
928-859-3647
jim@harcuvarco.com

CONTENTS
PARAGRAPHS 1 - 7
FIGURES 1 - 5

EXHIBIT J

1.0 INTRODUCTION

Sunland is a 228 lot residential subdivision currently going through the plat approval process in La Paz County. A portion of Sunland is within the Keaton CC&N. The balance will be added to the CC&N. Due to Sunland's distance from Keaton and higher elevation, Keaton's pressure pumps can not supply Sunland without significantly raising distribution system operating pressures to existing customers. Therefore, Sunland will occupy a separate pressure zone. Well and storage improvements will serve existing customers and Sunland. Sunland will be served by separate pressure pumps and pressure tanks, supplied from the common storage tanks and wells.

2.0 KEATON'S EXISTING WATER USE

See Figure 1.

3.0 SUNLAND PROJECTED WATER USE

Sunland use and demand are projected to be greater than Keaton's existing customers. See Figure 2 for a projection of use and demand for each lot. See Figure 3 for projected use and demand for Sunland at build out. The annual water use for the new lots that are within Keaton's CC&N is projected to be 13.7 mgal/year. The annual water use for those lots proposed to be added to Keaton's CC&N is projected to be 7.1 mgal/year.

4.0 SUNLAND PROJECTED & KEATON EXISTING WATER USE & DEMAND

See Figure 3 for projection of water use and demand for Sunland combined with Keaton's existing.

5.0 KEATON EXISTING SUPPLY FACILITIES

See Figure 4 for a description of Keaton's existing wells, storage, pressure pumps and pressure tank. These data were provided from a report, funded by WIFA, done for Keaton by Gannett Fleming. Figure 4 also provides projected Keaton system additions required by Sunland at build out.

5.1 Wells

At build out the pump in Keaton well 2 will be replaced with a pump that discharges at least 147 gpm.

5.2 Storage

Storage requirements were calculated two ways.

(1) (Max day+fire flow volume)-smallest well daily flow-existing storage+equalization and dead storage=new storage. From Figures 3 and 4, $317,154 - 211,680 - 32,000 + 13,708 = 87,182$ gallons of new storage.

(2) (((max day+fire flow)-smallest well flow)*60)-existing storage+equalization and dead storage=new storage. From Figures 3 and 4, $((1,086-147)*60) - 32,000 + 13,708 = 38,048$ gallons new storage.

5.3 Pressure Pumps

The pumps were selected to provide a total maximum flow of 1,250 gpm.

5.4 Pressure tank

A 10,000 gallon pressure tank was chosen due to the extreme range of flows that will be encountered between minimum day and maximum day plus fire flow.

5.5 Distribution System

3,960 feet of main will be needed to connect Sunland to Keaton. An additional 32,000 feet of main will be installed within Sunland.

6.0 PROJECTED CONSTRUCTION COSTS

See Figure 5.

7.0 WATER QUALITY

The water supply will continue to be wells 2 and 3 for existing customers and Sunland. Therefore, no change in water quality or water treatment construction costs are anticipated.

Keaton Actual Water Use 2007

Month	Pumped gal	Sold gal	Conn.	Pumped gpd	Pumped gpd/conn
1	2,329,860	1,957,870	482	76,598	159
2	2,076,486	1,912,050	490	68,268	139
3	2,280,667	2,036,310	488	74,981	154
4	2,101,465	1,927,940	486	69,089	142
5	2,438,984	2,237,600	496	80,186	162
6	2,431,076	2,236,500	484	79,926	165
7	2,442,300	2,236,500	484	80,295	166
8	1,970,909	1,831,700	484	64,797	134
9	2,632,500	2,282,100	482	86,548	180
10	2,242,500	2,086,500	483	73,726	153
11	2,319,900	2,075,100	484	76,271	158
12	1,873,000	1,700,100	485	61,578	127
Total	27,139,647	24,520,270			
Min	1,873,000	1,700,100	482	61,578	127
Avg	2,261,637	2,043,356	486	74,355	153
Max	2,632,500	2,282,100	496	86,548	180

Figure 1

Sunland Water Use and Demand
 Water use from ADWR and UofA
 Occupancy from Keaton

Interior	gpcd	(ADWR)	57			
People / du	(US Census)		2.17			
Interior	gpd/du		124			
Exterior	gpd/du	(ADWR)	178			
	Month	Interior gpd/du	Exterior gpd/du	Total gpd/du	Losses gpd/du	Pumped gpd/du
	1	124	64	188	19	207
	2	96	88	183	18	202
	3	85	147	232	23	256
	4	45	220	265	26	291
	5	42	271	314	31	345
	6	45	273	318	32	350
	7	39	288	328	33	361
	8	16	271	287	29	316
	9	86	205	291	29	320
	10	81	154	235	24	259
	11	111	92	203	20	223
	12	94	62	156	16	172
	Total					
	Min	16	62	156		172
	Avg	72	178	250		275
	Max	124	288	328		361
	Average day in maximum month			328		361
	Maximum day			492		541
	Peak hour			983		1,082

Figure 2

Keaton plus Sunland Projected Water Use and Demand

		Sunland Buildout	Keaton Existing	Total
Lots		228	486	714
Water supply				
Minimum day	gpd	39,228	61,578	100,806
	gpm	27	43	70
Average day	gpd	62,722	74,355	137,078
	gpm	44	52	95
Maximum day	gpd	123,315	133,839	257,154
	gpm	86	93	179
Peak hour	gpd	246,630	267,679	514,309
	gpm	171	186	357
Instantaneous	gpm	268	448	608
Fire Flow	gpm	1,000	0	1,000
Fire Storage	gal	60,000	0	60,000
Fire flow + maximum day	gpm	1,086	93	1,179
	gpd	183,315	133,839	317,154
Operational & dead storage	gal	6,272	7,436	13,708

Figure 3

Keaton Existing Facilities and Sunland Additions

		Existing	Sunland Buildout
Well 1	gpm	0	
	gpd	0	
Well 2	gpm	176	176
	gpd	253,440	253,440
Well 3	gpm	138	147
	gpd	198,720	211,680
Total	gpm	314	
	gpd	452,160	
Total existing storage	gal	32,000	
Pressure pump 1	gpm	260	
Pressure pump 2	gpm	200	
Pressure pump 3	gpm	200	
Pressure pump total	gpm	660	
Pressure tank 1	gal	5,000	
New storage	gal		87,182
Pressure pump 4	gpm		250
Pressure pump 5	gpm		290
Pressure pump 6	gpm		290
Pressure pump 7	gpm		420
Pressure pump total	gpm		1,250
Pressure tank 2	gal		10,000

Figure 4

Keaton Additions Required by Sunland at Buildout	
Estimated Construction Costs	
Within Supply Compound	
Well pump installed	\$10,000
Storage installed	\$175,000
Pressure pumps installed	\$22,000
Pressure tank installed	\$50,000
Sub-total	\$257,000
Off site water main with valves, valve boxes, fittings and fire hydrants	\$120,000
On site water main with valves, valve boxes, fittings and fire hydrants	\$960,000
Total	\$1,337,000

Figure 5

Dick Sallquist

From: Keaton Development [keatonwater@msn.com]
Sent: Wednesday, June 11, 2008 9:04 AM
To: Dick Sallquist
Subject: FW: Keaton
Attachments: _0609082233_001.pdf

From: fmartinet@cox.net
To: keatonwater@msn.com
Subject: FW: Keaton
Date: Mon, 9 Jun 2008 22:36:28 -0700

P.Francois Martinet
Designated Broker
Net Land Realty, inc.
Tel. 480-905-1076
Fax. 480-905-0976
Cell. 602-903-0914
Fmartinet@cox.net

From: Jim Downing [mailto:jim@harcuvarco.com]
Sent: Monday, June 09, 2008 8:30 AM
To: Francois Martinet
Subject: Keaton

I'm going to send the attached to Keaton's lawyer after you review. The costs is figure 5 are for application purposes only. I also have the new legal description.

James D. Downing, P.E.

THE HARCUIVAR COMPANY
66768 Highway 60
P.O. Box 70
Salome, AZ 85348
Phone: (928) 859 3647
Fax: (928) 859 3145
Cell: (602) 531 3910

It's easy to add contacts from Facebook and other social sites through Windows Live™ Messenger. [Learn How.](#)

Keaton Actual Water Use 2007

Month	Pumped gal	Sold gal	Conn.	Pumped gpd	Pumped gpd/conn
1	2,329,860	1,957,870	482	76,598	159
2	2,076,486	1,912,050	490	68,268	139
3	2,280,667	2,036,310	488	74,981	154
4	2,101,465	1,927,940	486	69,089	142
5	2,438,984	2,237,600	496	80,186	162
6	2,431,076	2,236,500	484	79,926	165
7	2,442,300	2,236,500	484	80,295	166
8	1,970,909	1,831,700	484	64,797	134
9	2,632,500	2,282,100	482	86,548	180
10	2,242,500	2,086,500	483	73,726	153
11	2,319,900	2,075,100	484	76,271	158
12	1,873,000	1,700,100	485	61,578	127
Total	27,139,647	24,520,270			
Min	1,873,000	1,700,100	482	61,578	127
Avg	2,261,637	2,043,356	486	74,355	153
Max	2,632,500	2,282,100	496	86,548	180

Figure 1

1 PUBLIC NOTICE OF HEARING ON APPLICATION FOR AN
2 EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
3 BY KEATON DEVELOPMENT COMPANY

3 Keaton Development Company ("Company"), has filed with the Arizona Corporation
4 Commission ("Commission") an application for a Certificate of Convenience and Necessity
5 ("CC&N") to provide water service. Our records indicate that you are either currently a customer of
6 the Company or a property owner in the proposed extension area. If the application is granted the
7 Company would be the exclusive provider of water service to the proposed area. The Company
8 will be required by the Commission to provide these services under the rates and charges and terms
9 and conditions established by the Commission. The granting of the application would not
10 necessarily prohibit an individual from providing service to themselves from individually-owned
11 facilities on their property. The application is available for inspection during regular business hours
12 at the offices of the Commission in Phoenix at 1200 W. Washington Street, and at the Company's
13 offices in Salome, Arizona.

9 The Commission will hold a hearing on this matter. As a property owner you may have the
10 right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing
11 and make a statement on your own behalf. You may contact the Commission at the address and
12 telephone number listed below for the date and time of the hearing and for more information on
13 intervention. You may not receive any further notice of the proceeding unless requested by you.

12 If you have any questions or concerns about this application or have any objections to its
13 approval, or wish to make a statement in support of it, you may write the Consumer Services
14 Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-
15 800-222-7000 or appear at the hearing and make comment.