

ORIGINAL NEW APPLICATION



0000103136

BEFORE THE ARIZONA CORPORATION

RECEIVED

COMMISSIONERS

2007 FEB 23 P 2:05

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

AZ CORP COMMISSION
DOCUMENT CONTROL

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

DOCKET NO. W- WS-01678A-07-0116

APPLICATION FOR EXTENSION
OF CERTIFICATE OF
CONVENIENCE AND NECESSITY

Baca Float Water Company ("Baca Float" or the "Company"), an Arizona public service corporation, hereby applies for an order approving an extension of its existing Certificate of Convenience and Necessity ("CC&N") for water service to include an area within Sections 17 and 20, Township 21 South, Range 13 East, Santa Cruz County, Arizona, as more particularly described below. In support of this Application, Baca Float states as follows:

1. Baca Float is an existing public service corporation engaged in providing water utility service for public purposes within portions of Santa Cruz County, Arizona. The Company was first granted its CC&N in Decision No. 32233, May 31, 1960. The Company's management contact is:

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

Arizona Corporation Commission

DOCKETED

FEB 23 2007

DOCKETED BY [Signature]

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

3. The name, address, telephone number, facsimile number and e-mail address of the attorneys for Baca Float, upon whom service of all documents is to be made, are:

Snell & Wilmer

L.L.P.
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

1
2 Jeffrey W. Crockett
3 Kimberly A. Grouse
4 Marcie Montgomery
5 SNELL & WILMER L.L.P.
6 One Arizona Center
7 400 East Van Buren Street
8 Phoenix, Arizona 85004-2202
9 Phone: (602) 382-6000
10 Facsimile: (602) 382-6070
11 E-mail: jcrockett@swlaw.com
12 E-mail: kgrouse@swlaw.com
13 E-mail: mamontgomery@swlaw.com

14 4. All data requests or other requests for information should be directed to Mr. Brasher
15 and his attorneys at the addresses listed above.

16 5. W&M Tenants in Common have requested that Baca Float extend water utility service
17 to their property located within Sections 17 and 20, Township 21 South, Range 13 East. This
18 property is identified as "Tax Parcel 7" on the map attached at Exhibit 1. Copies of these letters
19 of request from the W&M Tenants in Common are attached at Exhibit 2a. Two additional
20 parcels, identified as Parcels "6" and "6B" on Exhibit 1, are also included in this Application.
21 These two tracts are owned by Presidio De Tubac, LLC; a letter requesting water utility service
22 from Presidio De Tubac, LLC is also attached hereto at Exhibit 2b.

23 6. A Certificate of Good Standing for Baca Float is attached at Exhibit 3.

24 7. A copy of Baca Float's Corporate Resolution authorizing the extension is attached at
25 Exhibit 4.

26 8. The area covered by this Application includes approximately 1300 acres and is
27 contiguous to Baca Float's existing CC&N. A map showing the boundaries of the Company's
28 existing CC&N is attached at Exhibit 5. The map attached at Exhibit 1 also illustrates how the
area requested in this Application is contiguous to the Company's existing CC&N.

9. A legal description for the area covered by this Application is attached at Exhibit 6.

10. Baca Float's balance sheet and profit and loss statement for the 12-month period
ending 2005 is attached at Exhibit 7. The Company's year-end 2006 financials have not been
finalized and will be filed with the Commission upon completion.

11. A copy of Baca Float's most recent Annual Report (2005) is attached at Exhibit 8.

12. The estimated numbers of new customers to be served in each of the first six years of water utility service to the area covered by this Application is as follows:

Year	New Units (Connections)	Residential Customers (2.5 per unit/connection)
1	40	100
2	50	125
3	60	150
4	70	175
5	80	200
6	100	250
Total	400	1000

13. The total projected annual water consumption, in gallons, by residential customers in the first six years of water utility service to the area covered by this Application is as follows:

Year	Total Number of Units	Estimated Water Demand (1000 gpd)	10% Lost & Unaccounted (1000 gpd)	Total (1000 gpd)	Total (mg per year)
1	40	10.0	1.0	11.0	4.0
2	90	22.5	2.25	24.75	9.0
3	150	37.5	3.75	41.25	15.1
4	220	55.0	5.5	60.5	22.1
5	300	75.0	7.5	82.5	30.1
6	400	100	10.0	110.0	40.2

14. Baca Float's estimated annual operating revenue and operating expenses for the first six years of operation in the new area covered by this Application are as follows:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Year	Number of Units	Value of New Units	Revenue	Expenses	Net Profit
1	40	\$11,520	\$132,960	\$120,700	\$12,260
2	50	\$14,400	\$147,360	\$124,075	\$23,285
3	60	\$17,280	\$164,640	\$128,125	\$36,515
4	70	\$20,160	\$184,800	\$132,850	\$51,950
5	80	\$23,040	\$207,840	\$138,250	\$69,590
6	100	\$28,800	\$236,640	\$145,000	\$91,640
Total	400	\$115,200	\$236,640	\$145,000	\$91,640

15. The new expenses for plant by year for each of the next six years are as follows:

Year	Plant Cost Projection
1	\$150,000 (40 units x \$3,750)
2	\$187,500 (50 units x \$3,750)
3	\$225,000 (60 units x \$3,750)
4	\$262,500 (70 units x \$3,750)
5	\$420,000 (80 units x \$3,750 + \$120,000 in additional expenses ¹)
6	\$375,000 (100 x \$3,750)
Total	\$1,620,000

The projections set forth immediately above assume that areas served under any order issued pursuant to this Application are contiguous to, and can be served from, Baca Float's existing water service infrastructure.

¹ Assumes drilling, construction and testing of a new production well in year 5.

1 16. The construction of the utility facilities needed to serve the area covered by this
2 Application will be financed primarily by advances in aid of construction and hook-up fees in
3 accordance with Commission regulations and Baca Float's applicable tariffs, as well as pursuant
4 to the terms of any main extension agreement between the Company and Baca Float Land
5 Development Limited Partnership.

6 17. The water facilities needed to serve the area covered by this Application will be
7 constructed as needed to provide service to customers. The estimated starting date for
8 construction of facilities is November 1, 2008, and completion is anticipated by 2014.

9 18. The Development is located within the boundaries of Baca Float's present Santa Cruz
10 County franchise for water.

11 19. ADEQ and the Arizona Department of Water Resources ("ADWR") will issue various
12 approvals to construct concerning facilities to serve the requested extension area, which will be
13 provided to the Commission as soon as they are issued.

14 20. The area covered under this Application is within the Santa Cruz Active Management
15 Area. Baca Float is a designated water provider having a designation of Assured Water Supply; a
16 copy of the Order from the ADWR is attached at Exhibit 9.

17 21. Notice of this Application will be given by publication in a newspaper of general
18 circulation as required by the Commission. Proof of publication will be filed with the
19 Commission.

20 22. This Application is in the public interest and should be granted. There is a present
21 need for water service in the area contiguous to the Company's existing CC&N. Baca Float is in
22 the best position to extend and provide water service to the area covered under this Application,
23 and expansion of service will benefit existing customers by allowing the cost of providing water
24 service to be spread over a larger customer base, as well as achieving greater economies of scale.

25 23. Baca Float is currently in compliance with all regulatory requirements applicable to its
26 provision of water utility service in Arizona, including all applicable orders, rules and regulations
27 of the Commission, ADEQ and ADWR.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

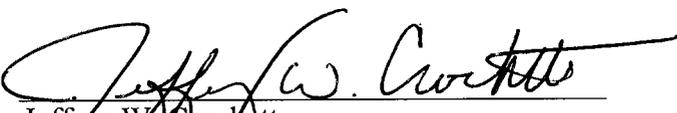
A. That the Commission schedule this application for a hearing, if necessary;

B. That the Commission enter an order approving the extension of Baca Float Water Company's CC&N to include the additional geographic areas requested by the Application as legally described in Exhibit 6; and

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

DATED this 23 day of February, 2007.

SNELL & WILMER LLP.

By 
Jeffrey W. Crockett
Kimberly A. Grouse
Marcie Montgomery
One Arizona Center
400 E. Van Buren
Phoenix, AZ 85004-2202
Attorneys for Baca Float Water Company

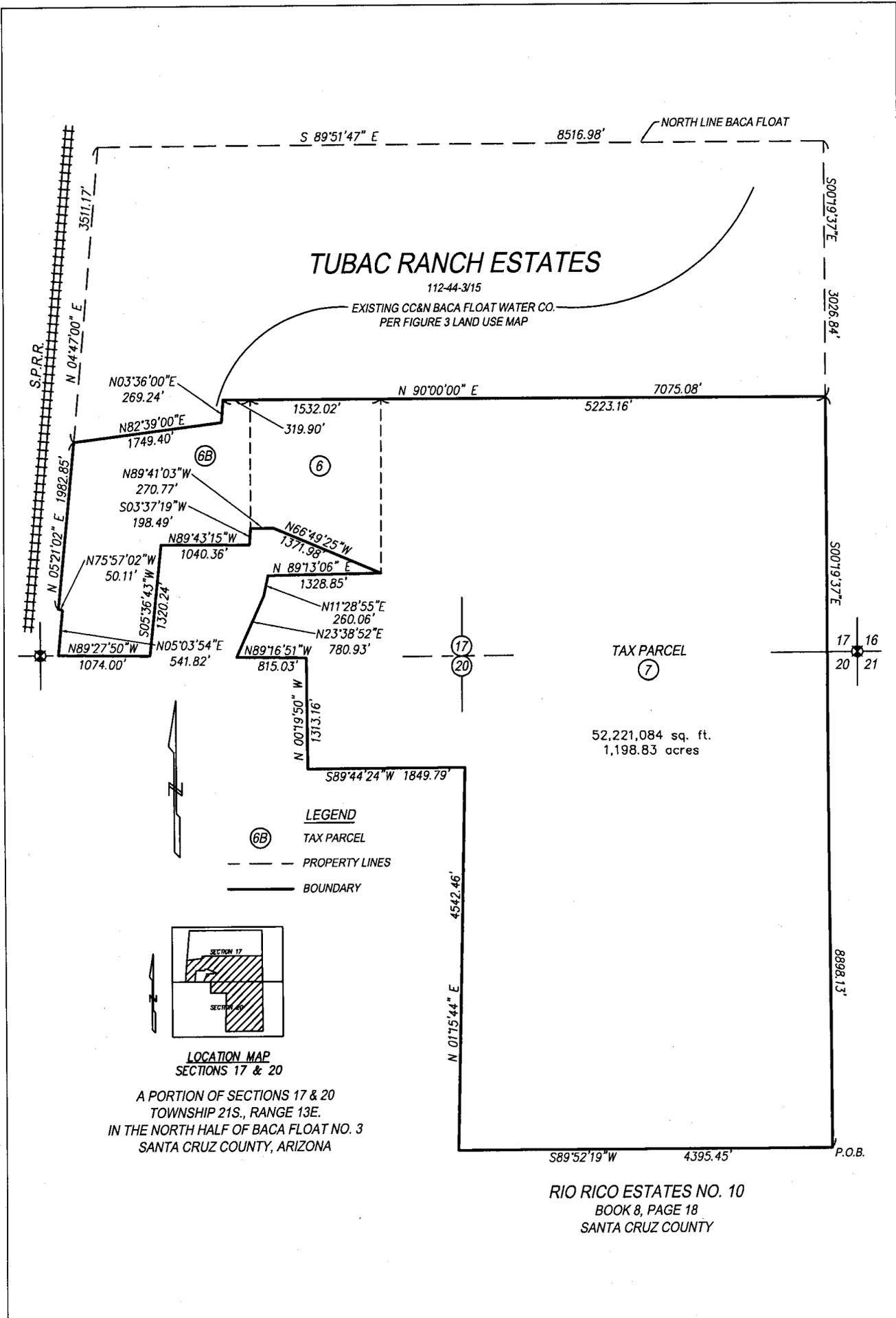
ORIGINAL and thirteen (13) copies filed this 23 day of February, 2007 with

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

LIST OF EXHIBITS

- Exhibit 1:** Map of Baca Float Water Co.'s CC&N extension area
- Exhibit 2a:** Request for water service from W&M Tenants in Common (Jan. 4, 2006)
- Exhibit 2b:** Request for water service from Presidio De Tubac, LLC (Feb. 21, 2007)
- Exhibit 3:** Baca Float Water Co.'s Certificate of Good Standing (Feb. 1, 2006)
- Exhibit 4:** Corporate Resolution of Baca Float Water Co. for extension of its CC&N (Apr. 5, 2006)
- Exhibit 5:** Map of Baca Float Water Co.'s existing CC&N area
- Exhibit 6:** Legal description of Baca Float Water Co.'s CC&N extension area
- Exhibit 7:** Baca Float Water Co.'s balance sheet and profit and loss statement for the twelve (12) month period ending 2005
- Exhibit 8:** Baca Float Water Co.'s 2005 annual report (Feb. 14, 2005)
- Exhibit 9:** ADWR Order and Designation of Assured Water Supply (DWR No. 26-400800.0000) for Baca Float Water Co. (Nov. 18, 2004) and Amendment to Decision and Order No. 26-400800.0000 (Oct. 25, 2005)

Exhibit 1



<p>MORRISON MAIERLE, INC. An Employee-Owned Company</p>	<p>Engineers 8710 N. Thornydale Road, Suite 140 Tucson, AZ 85742 Phone: (520) 573-6400 Fax: (520) 573-6401</p>	<p>DRAWN BY: CJH CHKD. BY: AT APPR. BY: AT DATE: 04/06/06</p>	<p>PROPOSED BACA FLOOD CC&N AREA FLOOD BOUNDARY LYING SOUTH OF FIGURE 3 LAND USE MAP</p>	<p>PROJECT NO. 8602.001</p>
			<p>TUBAC ARIZONA, SANTA CRUZ COUNTY</p>	<p>FIGURE NUMBER FIG. 1</p>

X:\8602\001-Tubac Ranch Est\ACAD\Survey\Water_serv_area.dwg Plotted by clyde holman on Nov/14/2006

Exhibit 2a

W&M Tenants in Common

5013 E. Washington St #100
Phoenix, AZ 85034

January 4, 2006

Mr. Gary Brasher
Baca Float Water Company
Two Tubac Road
PO Box 1536
Tubac, AZ 85646

Dear Mr. Brasher:

The undersigned owner of public record of the real property described on the attached, hereby requests that Baca Float Water company provide water service to the real property, also known as W&M Tenants in Common, which is located in Santa Cruz County, Arizona. The property is located in Township 21 South, Ranch 13 East.

I understand that provision of water service by Baca Float Water Company will be subject to approval of the Arizona Corporation Commission (ACC) and in accordance with the rules and regulations established by the ACC, the Arizona Department of Environmental Quality and other agencies having jurisdiction.

<p>MPS Properties, LLC, an Arizona limited liability company</p> <p>By: _____ Name: Gary T. Smith Title: Manager</p>	<p>KAM Properties, LLC, an Arizona limited liability company</p> <p>By: _____ Name: Gary T. Smith Title: Manager</p>
<p>Jokake Holdings – Butterfield, LLC, an Arizona limited liability company,</p> <p>by Jokake Holdings, LLC an Arizona limited liability company</p> <p>By: _____ Name: Gary T. Smith Title: Manager</p>	<p>TPB Properties, LLC, an Arizona limited liability company</p> <p>By: _____ Name: Gary T. Smith Title: Manager</p>
<p>CHUBASCO 49, L.L.C., an Arizona limited liability company,</p> <p>By: ESTATES PROPERTY DEVELOPMENT, LTD., an Arizona corporation, its Manager</p> <p>By: _____ James T. Heitel, President</p>	<p>THE BRIAN K. & MARGRIT E. SIEVER TRUST, dated November 1, 1993</p> <p>By: _____ Its: Trustee</p> <p>By: _____ Its: Trustee</p>

<p>MPS Enterprises, LLC, an Arizona limited liability company</p> <p>By: _____ Name: Gary T. Smith Title: Manager</p>	
---	--

W&M Tenants in Common

5013 E. Washington St #100
Phoenix, AZ 85034

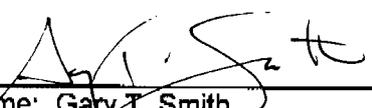
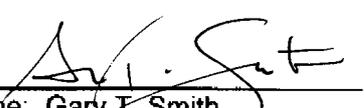
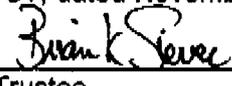
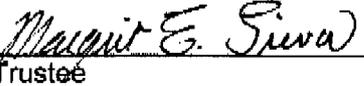
January 4, 2006

Mr. Gary Brasher
Baca Float Water Company
Two Tubac Road
PO Box 1536
Tubac, AZ 85646

Dear Mr. Brasher:

The undersigned owner of public record of the real property described on the attached, hereby requests that Baca Float Water company provide water service to the real property, also known as W&M Tenants in Common, which is located in Santa Cruz County, Arizona. The property is located in Township 21 South, Ranch 13 East.

I understand that provision of water service by Baca Float Water Company will be subject to approval of the Arizona Corporation Commission (ACC) and in accordance with the rules and regulations established by the ACC, the Arizona Department of Environmental Quality and other agencies having jurisdiction.

<p>MPS Properties, LLC, an Arizona limited liability company</p> <p>By: <u></u> Name: Gary T. Smith Title: Manager</p>	<p>KAM Properties, LLC, an Arizona limited liability company</p> <p>By: <u></u> Name: Gary T. Smith Title: Manager</p>
<p>Jokake Holdings – Butterfield, LLC, an Arizona limited liability company,</p> <p>by Jokake Holdings, LLC an Arizona limited liability company</p> <p>By: <u></u> Name: Gary T. Smith Title: Manager</p>	<p>TPB Properties, LLC, an Arizona limited liability company</p> <p>By: <u></u> Name: Gary T. Smith Title: Manager</p>
<p>CHUBASCO 49, L.L.C., an Arizona limited liability company,</p> <p>By: ESTATES PROPERTY DEVELOPMENT, LTD., an Arizona corporation, its Manager</p> <p>By: _____ James T. Heitel, President</p>	<p>THE BRIAN K. & MARGRIT E. SIEVER TRUST, dated November 1, 1993</p> <p>By: <u></u> Its: Trustee</p> <p>By: <u></u> Its: Trustee</p>
<p>MPS Enterprises, LLC, an Arizona limited liability company</p>	

MPS Enterprises, LLC, an Arizona limited liability company

By: 

Name: Gary T. Smith

Title: Manager

W&M Tenants in Common

5013 E. Washington St #100

Phoenix, AZ 85034

January 4, 2006

Mr. Gary Brasher
Baca Float Water Company
Two Tubac Road
PO Box 1536
Tubac, AZ 85646

Dear Mr. Brasher:

The undersigned owner of public record of the real property described on the attached, hereby requests that Baca Float Water company provide water service to the real property, also known as W&M Tenants in Common, which is located in Santa Cruz County, Arizona. The property is located in Township 21 South, Ranch 13 East.

I understand that provision of water service by Baca Float Water Company will be subject to approval of the Arizona Corporation Commission (ACC) and in accordance with the rules and regulations established by the ACC, the Arizona Department of Environmental Quality and other agencies having jurisdiction.

MPS Properties, LLC, an Arizona limited liability company By: _____ Name: Gary T. Smith Title: Manager	KAM Properties, LLC, an Arizona limited liability company By: _____ Name: Gary T. Smith Title: Manager
Jokake Holdings – Butterfield, LLC, an Arizona limited liability company, by Jokake Holdings, LLC an Arizona limited liability company By: _____ Name: Gary T. Smith Title: Manager	TPB Properties, LLC, an Arizona limited liability company By: _____ Name: Gary T. Smith Title: Manager
CHUBASCO 49, L.L.C., an Arizona limited liability company, By: ESTATES PROPERTY DEVELOPMENT, LTD., an Arizona corporation, its Manager By: _____ James T. Heitel, President	THE BRIAN K. & MARGRIT E. SIEVER TRUST, dated November 1, 1993 By: <u>Brian K. Siever</u> Its: Trustee By: <u>Margrit E. Siever</u> Its: Trustee

MPS Enterprises, LLC, an Arizona limited liability company	
By: _____ Name: Gary T. Smith Title: Manager	

Exhibit 2b

PRESIDIO DE TUBAC, LLC



February 21, 2007

Gary Brasher
Baca Float Water Company
Two Tubac Road
PO Box 1536
Tubac, AZ 85646

Re: Request for Water Service

Dear Mr. Brasher:

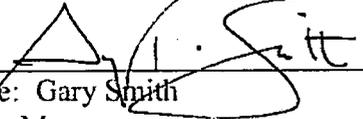
Presidio De Tubac, LLC, an Arizona limited liability company ("Presidio De Tubac"), hereby requests to be included in Baca Float Water Company's next application to extend its certificate of convenience and necessity. Please accept this letter as a request for water service from Presidio De Tubac for its real property generally located in Section 17, Township 21, Range 13 East, which is more accurately described in the attached legal description.

Please contact me if you have any questions. Thank you very much for your prompt consideration of this matter.

Sincerely,

Presidio De Tubac, LLC, an Arizona limited liability company

By: Jokake Holdings, LLC, an Arizona limited liability company, its manager,

By: 
Name: Gary Smith
Title: Manager

LEGAL DESCRIPTION EXHIBIT "A"

PARCEL NO. 1

THAT PORTION OF BACA FLOAT NO. 3 LAND GRANT AND ALL OF TRACTS 1 AND 3 AND PORTIONS OF TRACTS 2 AND 8 OF TUBAC RANCH ESTATES, ACCORDING TO BOOK 1 OF SURVEYS, PAGES 20 AND 21, RECORDS OF SANTA CRUZ COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A LEAD CAPPED PIPE ON THE EAST RIGHT-OF-WAY LINE OF THE TUCSON-NOGALES RAILROAD (SOUTHERN PACIFIC), SAID PIPE BEING THE SOUTHWESTERLY CORNER OF THE WEB RANCH, AS RECORDED IN THE OFFICE OF THE SANTA CRUZ COUNTY RECORDER IN DOCKET 546, PAGE 23.

THENCE NORTH 04°51'49" EAST ALONG THE EAST RIGHT-OF-WAY LINE OF THE TUCSON-NOGALES RAILROAD, A DISTANCE OF 2,689.26 FEET TO THE NORTHWEST CORNER OF SAID WEB RANCH;

THENCE SOUTH 87°06'19" EAST ALONG THE NORTH LINE OF SAID WEB RANCH A DISTANCE OF 257.57 FEET TO A ONE INCH LEAD CAPPED PIPE;

THENCE CONTINUING ALONG SAID NORTH LINE SOUTH 87°07'43" EAST A DISTANCE OF 227.92 FEET TO A ONE INCH LEAD CAPPED PIPE;

THENCE CONTINUING ALONG SAID NORTH LINE NORTH 84°28'51" EAST A DISTANCE OF 941.65 FEET TO THE NORTHEAST CORNER OF SAID WEB RANCH, ALSO BEING A POINT ON THE WEST LINE OF THAT PORTION OF TRACT 2 OF TUBAC RANCH ESTATES AS CONVEYED TO MPS PROPERTIES, LLC, AN ARIZONA LIMITED LIABILITY COMPANY AND BBF DEVELOPMENT LLC, AN ARIZONA LIMITED LIABILITY COMPANY IN SPECIAL WARRANTY DEED RECORDED IN 2006-09453;

THENCE ALONG SAID WEST LINE THE FOLLOWING COURSES AND DISTANCES;

THENCE SOUTH 06°46'43" EAST, A DISTANCE OF 120.34 FEET;

THENCE SOUTH 01°46'42" WEST, A DISTANCE OF 134.67 FEET;

THENCE SOUTH 05°27'48" WEST, A DISTANCE OF 200.49 FEET;

THENCE ALONG THE SOUTH LINE OF PROPERTY DESCRIBED IN DEED RECORDED IN 2006-09453 NORTH 86°49'04" EAST A DISTANCE OF 792.66 FEET;

THENCE NORTH 00°07'11" EAST ALONG THE EAST LINE OF THAT PORTION OF TRACT 2 OF TUBAC RANCH ESTATES AS CONVEYED IN 2006-09453 A DISTANCE OF 437.92 FEET TO A POINT ON THE SOUTH LINE OF TRACT 4 OF TUBAC RANCH ESTATES;

THENCE ALONG THE NORTH LINE OF TRACTS 2 AND 3, ALSO BEING THE NORTH LINE OF THAT CERTAIN PARCEL OF LAND CONVEYED TO GARY G. TROYER AND LESLIE J. TROYER, HUSBAND AND WIFE BY WARRANTY DEED RECORDED IN DOCKET 662, PAGE 609, THE FOLLOWING COURSES AND DISTANCES:

NORTH 82°08'49" EAST A DISTANCE OF 128.56 FEET;

THENCE SOUTH 87°27'02" EAST 295.89 FEET;

THENCE SOUTH 88°09'30" EAST 908.02 FEET TO THE NORTHEAST CORNER OF TRACT 3;

THENCE SOUTH ALONG THE EAST LINE OF SAID TRACT 3 OF TUBAC RANCH ESTATES SOUTH 00°13'24" EAST A DISTANCE OF 1595.14 FEET TO THE SOUTHEAST CORNER OF SAID TRACT 3. SAID POINT ALSO BEING THE NORTHWEST CORNER OF TRACT 8 OF TUBAC RANCH ESTATES;

THENCE NORTH 90°00'00" EAST ALONG SAID NORTH LINE TRACT 8 A DISTANCE OF 228.48 FEET TO A POINT, SAID POINT BEING THE NORTHEAST CORNER OF THAT PARCEL OF LAND CONVEYED TO GARY G. TROYER AND LESLIE TROYER, HUSBAND AND WIFE BY WARRANTY DEED RECORDED IN DOCKET 654, PAGE 812.

THENCE SOUTH 850.00 FEET TO THE SOUTH LINE OF SAID TRACT 8;

THENCE WEST 228.48 FEET TO THE SOUTHWEST CORNER OF TRACT 8. SAID POINT ALSO BEING THE SOUTHEAST CORNER OF TRACT 1 OF TUBAC RANCH ESTATES;

THENCE CONTINUING ALONG THE SOUTH LINE OF SAID TRACT 1, SOUTH 90°00'00" WEST 152.33 FEET TO THE NORTHEAST CORNER OF PARCEL 2 AS DESCRIBED IN SPECIAL WARRANTY TO GARY G. TROYER AND LESLIE J. TROYER HIS WIFE, RECORDED IN DOCKET 654, PAGE 824;

THENCE SOUTH 00°04'45" WEST ALONG THE EAST LINE OF SAID PARCEL 2 A DISTANCE OF 1859.97 FEET TO THE SOUTHEAST CORNER THEREOF SAID EAST LINE ALSO BEING A COMMON BOUNDARY WITH THAT PARCEL OF LAND CONVEYED TO THE PRESERVE AT TUBAC INC., LLC, AN ARIZONA LIMITED LIABILITY COMPANY IN 2006-10515;

THENCE NORTH 67°05'18" WEST, ALONG THE SOUTH LINE OF SAID PARCEL 2, ALSO BEING THE NORTH LINE OF THAT CERTAIN PROPERTY CONVEYED TO MAYNARD CLARK IN DOCKET 280, PAGE 149, A DISTANCE OF 1,371.59 FEET TO A 1/2 INCH REBAR MARKED 4397;

THENCE WEST A DISTANCE OF 270.92 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL 2 AS DESCRIBED IN DOCKET 654, PAGE 824;

THENCE SOUTH 03°22'01" WEST 198.49 TO AN IRON PIN ALSO BEING A POINT ON THE NORTH LINE OF THAT PARCEL OF LAND CONVEYED TO MYRON D. CLARK AND KATHERINE A. CLARK, HUSBAND AND WIFE IN DOCKET 830, PAGE 867;

THENCE WEST, A DISTANCE OF 1040.39 FEET TO AN IRON PIN, SAID PIN ALSO MARKING THE NORTHWEST CORNER OF THE PARCEL OF LAND CONVEYED TO MYRON D. CLARK AND KATHERINE A. CLARK IN DOCKET 830, PAGE 867;

THENCE SOUTH ALONG THE WESTERLY LINE OF SAID CLARK'S LAND, SOUTH 05°14'40" WEST, A DISTANCE OF 1,319.63 FEET TO THE SOUTHWEST CORNER OF SAID CLARK'S LAND, SAID POINT ALSO BEING ON THE SECTION LINE COMMON BETWEEN SECTION 17 AND SECTION 20, TOWNSHIP 21 SOUTH, RANGE 13 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION 17 LIES SOUTH 89°22'07" EAST A DISTANCE OF 507.81 FEET;

THENCE NORTH 89°22'07" WEST ALONG THE SOUTH LINE OF SECTION 17 A DISTANCE OF 1073.98 FEET TO AN IRON PIN IN THE EASTERLY LINE OF THE TUCSON-NOGALES RAILROAD (SOUTHERN PACIFIC) RIGHT-OF-WAY;

THENCE NORTH 4°43'31" EAST ALONG SAID EASTERLY LINE OF THE RAILROAD A DISTANCE OF 541.78 FEET TO AN IRON PIN;

THENCE NORTH 85°16'29" WEST, A DISTANCE OF 50.02 FEET TO AN IRON PIN;

THENCE NORTH 04°43'31" EAST, ALONG THE EASTERLY LINE OF THE RAILROAD, A DISTANCE OF 1980.95 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF THE BACA FLOAT NO. 3 LAND GRANT IN SANTA CRUZ COUNTY, ARIZONA AND OF TRACT 1, TUBAC RANCH ESTATES, AS SHOWN IN SURVEY RECORDED IN BOOK 1 OF SURVEYS AT PAGES 20 AND 21, RECORDS OF SANTA CRUZ COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A LEAD CAPPED PIPE ON THE EAST RIGHT OF WAY LINE OF THE TUCSON-NOGALES RAILROAD (SOUTHERN PACIFIC), SAID PIPE BEING THE SOUTHWEST CORNER OF WEB RANCH AS DESCRIBED IN PARCEL 2 OF DEED RECORDED IN DOCKET 546 AT PAGE 21, RECORDS OF SANTA CRUZ COUNTY;

THENCE NORTH 04 DEGREES 49 MINUTES 22 SECONDS EAST, ALONG SAID EAST RIGHT OF WAY LINE, A DISTANCE OF 1032.20 FEET;

THENCE NORTH 82 DEGREES 02 MINUTES 05 SECONDS EAST, A DISTANCE OF 1735.49 FEET TO THE EAST LINE OF THE AFOREMENTIONED PARCEL 2;

THENCE SOUTH 20 DEGREES 30 MINUTES 14 SECONDS EAST, ALONG SAID EAST LINE, A DISTANCE OF 113.86 FEET TO A POINT ON SAID LINE, SAID POINT BEING THE NORTHWEST CORNER OF THE AFOREMENTIONED TRACT 1, TUBAC RANCH ESTATES, AND THE TRUE POINT OF BEGINNING;

THENCE LEAVING SAID EAST LINE NORTH 89 DEGREES 50 MINUTES 04 SECONDS WEST, A DISTANCE OF 123.43 FEET;

THENCE SOUTH 03 DEGREES 27 MINUTES 14 SECONDS WEST, A DISTANCE OF 1421.98 FEET;

THENCE SOUTH 86 DEGREES 12 MINUTES 06 SECONDS EAST, A DISTANCE OF 578.69 FEET;

THENCE NORTH 04 DEGREES 57 MINUTES 40 SECONDS EAST, A DISTANCE OF 331.01 FEET;

THENCE NORTH 05 DEGREES 43 MINUTES 43 SECONDS EAST, A DISTANCE OF 273.30 FEET TO THE SOUTH LINE OF SAID TRACT 1 OF TUBAC RANCH ESTATES;

THENCE SOUTH 89 DEGREES 58 MINUTES 52 SECONDS EAST ALONG SAID SOUTH LINE, A DISTANCE OF 1117.87 FEET;

THENCE LEAVING SAID SOUTH LINE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 851.58 FEET TO THE NORTH LINE OF SAID TRACT 1;

THENCE NORTH 89 DEGREES 50 MINUTES 04 SECONDS WEST ALONG SAID NORTH LINE, A DISTANCE OF 1542.10 FEET TO THE TRUE POINT OF BEGINNING

PARCEL NO. 2 (LEASEHOLD PROPERTY)

A PORTION OF THE NORTH HALF OF BACA FLOAT NO. 3 SITUATED IN THE COUNTY OF SANTA CRUZ, ARIZONA DESCRIBED AS FOLLOWS:

THE WEST 9 FEET OF THE FOLLOWING DESCRIBED PARCEL LOCATED IN SECTION 17, TOWNSHIP 21 SOUTH, RANGE 13 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, SANTA CRUZ COUNTY, ARIZONA, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH QUARTER CORNER OF SECTION 17;

THENCE NORTH 89 DEGREES 22 MINUTES 07 SECONDS WEST, A DISTANCE OF 507.81 TO AN IRON PIN;

THENCE NORTH 5 DEGREES 14 MINUTES 40 SECONDS EAST, ALONG AN EXISTING FENCE ROW, A DISTANCE OF 1319.63 FEET TO AN IRON PIN;

THENCE EAST A DISTANCE OF 1040.39 FEET TO AN IRON PIN;

THENCE NORTH 78 DEGREES 37 MINUTES 33 SECONDS EAST, A DISTANCE OF 108.31 FEET TO AN IRON PIN;

THENCE SOUTH 55 DEGREES 07 MINUTES 28 SECONDS EAST, A DISTANCE OF 185.68 FEET TO AN IRON PIN;

THENCE SOUTH 8 DEGREES 39 MINUTES 23 SECONDS WEST, A DISTANCE OF 273.27 FEET TO AN IRON PIPE;

THENCE SOUTH 11 DEGREES 28 MINUTES 34 SECONDS WEST, A DISTANCE OF 260.05 FEET TO AN IRON PIPE;

THENCE SOUTH 23 DEGREES 36 MINUTES 44 SECONDS WEST, A DISTANCE OF 780.83 FEET TO AN IRON PIPE;

THENCE NORTH 89 DEGREES 22 MINUTES 07 SECONDS WEST, A DISTANCE OF 506.14 FEET TO THE PLACE OF BEGINNING.

Exhibit 3

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION
CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

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

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

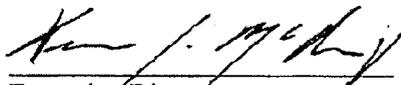
a domestic corporation organized under the laws of the State of Arizona, did incorporate on December 1, 1959.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 1st Day of February, 2006, A. D.




Executive Director

Order Number: 46328

Exhibit 4

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

April
~~February~~ 5, 2006

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

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

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

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

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

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

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

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

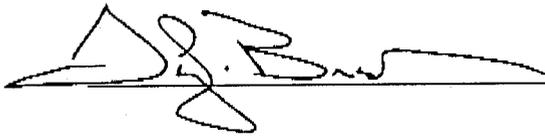
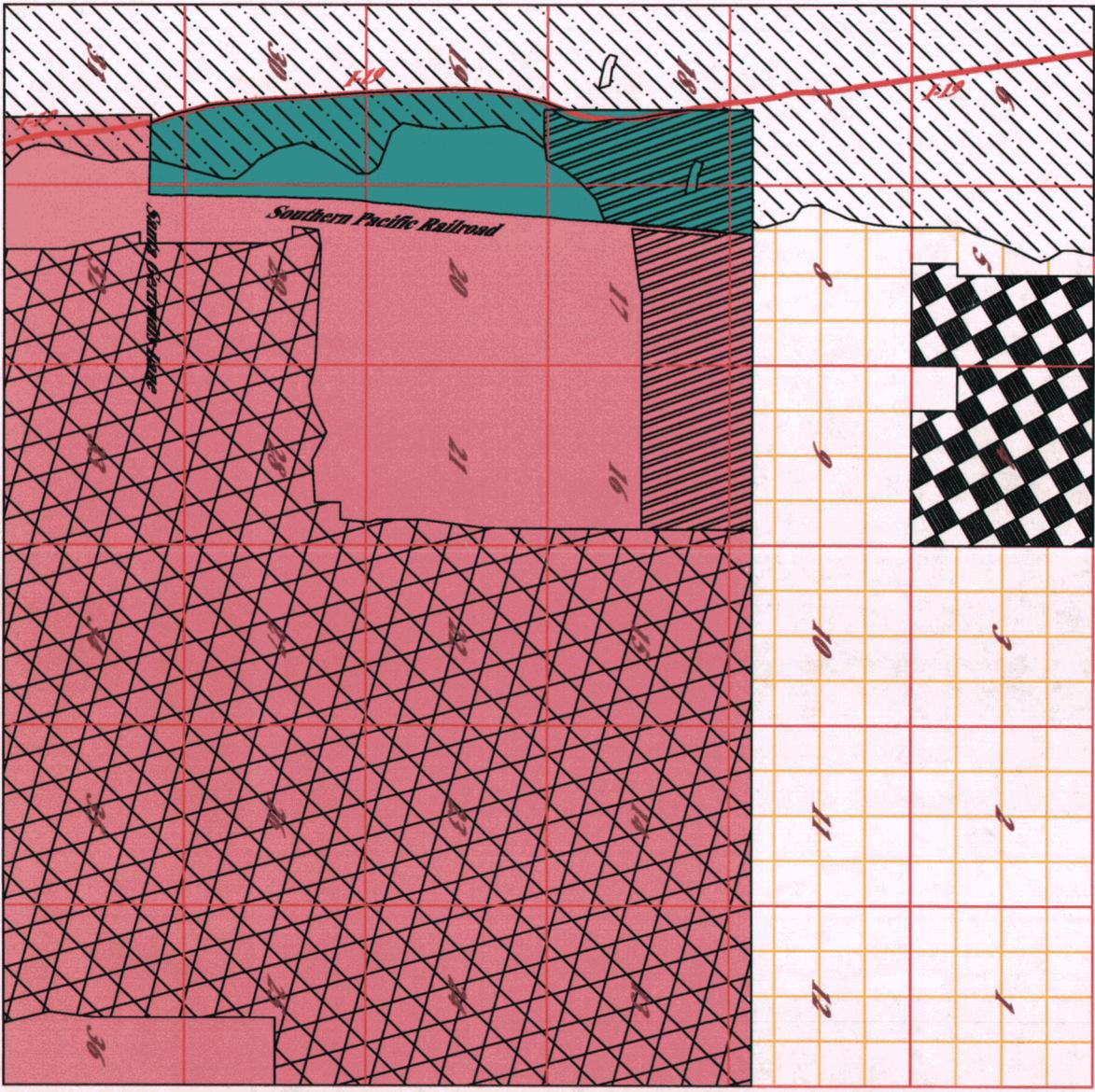
 4-5-06

Exhibit 5

COUNTY: Santa Cruz

RANGE 13 East



TOWNSHIP 21 South

-  WS-1303 (3)
Arizona-American Water Company
-  WS-1678 (1)
Baca Float Water Company, Inc.
-  WS-2676 (6)
Rio Rico Utilities, Inc.
-  W-2419 (2)
Tubac Water Company, Inc.
-  Sewer
-  Sewer

Exhibit 6

That portion of the Baca Float No. 3 Land Grant in Santa Cruz County, Arizona, more particularly described as follows:

Beginning at a point at the South East Corner of Tax Parcel No. 7;

Thence South 89° 52' 19" West along the North line of Rio Rico Estates No.10, as recorded in Book 8, Page 18, Santa Cruz County, Arizona, a distance of 4395.45 feet to a point;

Thence North 01° 15' 44" East, a distance of 4542.46 feet to a point;

Thence South 89° 44' 24" West, a distance of 1849.79 feet to a point;

Thence North 00° 19' 50" West, a distance of 1313.16 feet to a point;

Thence North 89° 16' 51" West, a distance of 815.03 feet; to a point;

Thence North 23° 38' 52" East, a distance of 780.93 feet to a point;

Thence North 11° 28' 55" East, a distance of 260.06 feet to a point;

Thence North 89° 13' 06" East, a distance of 1328.85 feet to a point;

Thence North 66° 49' 25" West, a distance of 1371.98 feet to a point;

Thence North 89° 41' 03" West, a distance of 270.77 feet to a point;

Thence South 03° 37' 19" West, a distance of 198.49 feet to a point;

Thence North 89° 43' 15" West, a distance of 1040.36 feet to a point;

Thence South 05° 36' 43" West, a distance of 1320.24 feet to a point;

Thence North 89° 27' 50" West, a distance of 1074.00 feet to a point;

Thence North 05° 03' 54" East, a distance of 541.82 feet to a point;

Thence North 75° 57' 02" West, a distance of 50.11 feet to a point along the East Right-Of-Way line of the Tucson-Nogales (Southern Pacific) Rail Road;

Thence North 05° 21' 02" East, a distance of 1982.85 feet to a point along the East Right-Of-Way line of the Tucson-Nogales (Southern Pacific) Rail Road, said point also being the South West Corner of Tubac Ranch Estates as recorded in Book 3, Page 15, Santa Cruz County, Arizona;

Thence North 82° 39' 00" East, a distance of 1749.40 feet along the Southerly

Property Line of Tubac Ranch Estates to a point;

Thence North 03° 36' 00" East, a distance of 269.24 feet to a point;

Thence North 90° 00' 00" East, a distance of 7075.09 feet along the Southerly

Property Line of Tubac Ranch Estates to a point along the West Property Line of Tubac
Foothills Ranch as recorded in Book 4 of Maps and Plats, Page 35, Santa Cruz County,
Arizona;

Thence South 00° 19' 37" East, along the aforementioned Property Line a distance of 8898.13
feet to the *True Point of Beginning*.

Subject to all matters of Record Santa Cruz County, Arizona.

Containing 1198.83 acres.

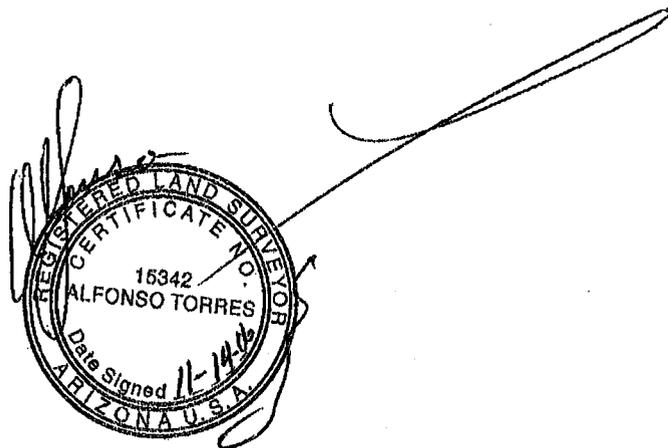


Exhibit 7

7:39 AM
 03/07/06
 Cash Basis

Baca Float Water Company, Inc.
Profit & Loss
 January through December 2005

	<u>Jan - Dec 05</u>
Ordinary Income/Expense	
Income	
Acctg Credit on Sales Tax	14.24
5700 · Sewer Income	42,892.24
5800 · Water Income	68,962.04
5940 · Hookup Fees	34,351.13
6000 · Misc. Income	-2,267.08
Total Income	<u>143,952.57</u>
Gross Profit	143,952.57
Expense	
Back Flow Inspections	829.29
6010 · Salaries and Wages	121,869.22
6110 · Automobile & Vehicle Expenses	161.91
6125 · Bank Credit Card Processing Fee	15.00
6132 · Casual labor	640.00
6135 · Cleaning	335.00
6137 · Construction Expenses	3,131.37
6138 · Contract Services	1,278.75
6140 · Contributions	1,240.00
6150 · Purchased Power	10,044.39
6155 · Depreciation Expense	1,513.00
6165 · Education - Seminars, etc.	310.00
6168 · Engineering	9,570.00
6170 · Equipment Rental	1,399.92
6172 · Equipment Purchase	814.77
6175 · Fees, Dues & Subscriptions	125.00
6180 · Chemicals	1,473.58
6200 · Repairs and Maintenance	23,959.06
6228 · Landscaping	822.05
6240 · Miscellaneous	1,111.61
6241 · Office Supplies & Expense	1,188.32
6245 · Permits & Fees	1,863.31
6250 · Postage and Delivery	192.86
6300 · Outside Services	61,633.26
6335 · Supplies	5,723.23
6336 · Taxes	14,656.76
6340 · Telephone	2,092.89
6350 · Water Testing	2,318.00
6410 · Rents	-880.00
6500 · Transportation Expenses	502.84
6570 · Insurance - General Liability	12,792.50
6590 · Insurance - Health and Life	1,826.70
Total Expense	<u>284,554.59</u>
Net Ordinary Income	-140,602.02
Other Income/Expense	
Other Income	
7005 · Other Income	5,542.06
Total Other Income	<u>5,542.06</u>
Other Expense	
8900 · Suspense Acct / Temp Clearing	0.00
Total Other Expense	<u>0.00</u>
Net Other Income	<u>5,542.06</u>
Net Income	<u>-135,059.96</u>

7:39 AM
 03/07/06
 Cash Basis

Baca Float Water Company, Inc.
Balance Sheet
 As of December 31, 2005

	Dec 31, 05
ASSETS	
Current Assets	
Checking/Savings	
0300 · Bank of the West 368010930	99,089.86
Total Checking/Savings	99,089.86
Total Current Assets	99,089.86
Fixed Assets	
3010 · Software	2,642.50
3100 · Physical Plant	22,419.15
3200 · Equipment	145,918.92
3250 · A/D Equipment	-4,732.07
3300 · Meters	20,285.09
3350 · A/D Meters	-317.60
3375 · Office FF&E	3,827.13
3400 · Land	2,167.00
3600 · WATER ASSETS	
3605 · Arsenic project	900.00
3610 · Transmission Lines	180,559.34
3620 · Wells	116,345.17
3625 · Well Yard Building	8,248.17
3630 · Storage	70,000.00
Total 3600 · WATER ASSETS	376,052.68
3700 · WASTEWATER ASSETS	
3710 · Septic Tanks, Lines, Etc	336,673.17
3720 · Treatment Plant	264,298.46
3700 · WASTEWATER ASSETS - Other	81,898.65
Total 3700 · WASTEWATER ASSETS	682,870.28
Total Fixed Assets	1,251,133.08
TOTAL ASSETS	1,350,222.94
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2200 · Sales Tax Payable	1,826.64
Total Other Current Liabilities	1,826.64
Total Current Liabilities	1,826.64
Long Term Liabilities	
4700 · Advance Aid in Constr - BFLD	494,831.61
4701 · Un-Depreciable Assets	1,054,620.40
Total Long Term Liabilities	1,549,452.01
Total Liabilities	1,551,278.65
Equity	
1110 · Retained Earnings	-328,318.13
3500 · Paid in Capital	247,202.38
3550 · Common Stock	15,120.00
Net Income	-135,059.96
Total Equity	-201,055.71
TOTAL LIABILITIES & EQUITY	1,350,222.94

Exhibit 8



STATE OF ARIZONA
CORPORATION COMMISSION
CORPORATION ANNUAL REPORT
& CERTIFICATE OF DISCLOSURE

AZ Corp. Commission
01112630

DUE ON OR BEFORE 04/01/2005 FYD4-05 FILING FEE \$45.00

The following information is required by A.R.S. §§10-1622 & 10-11622 for all corporations organized pursuant to Arizona Revised Statutes, Title 10. The Commission's authority to prescribe this form is A.R.S. §§10-121.A & 10-3121.A. YOUR REPORT MUST BE SUBMITTED ON THIS ORIGINAL FORM. Make changes or corrections where necessary. Information for the report should reflect the current status of the corporation. See instructions on page 4 for proper format.

RECEIVED

FEB 14 2005

ARIZONA CORP COMMISSION
CORPORATIONS DIVISION

1. -0054478-0
HACA FLOAT WATER CO., INC.
PO BOX 1536
TUBAC, AZ 85646

Business Phone: 520-398-3177 (Business phone is optional.)

State of Domicile: ARIZONA Type of Corporation: PROFIT

2. Statutory Agent: JACQUELINE BRASHER Physical Address, if Different:
Mailing Address: PO BOX 1536 Physical Address: 2 TUBAC RD
City, State, Zip: TUBAC, AZ 85646 City, State, Zip: TUBAC, AZ 85646

ACC USE ONLY
Fee \$45.00
Penalty \$
Renewal \$
Expedit \$
Resubmit \$

Use this box only if appointing a new Statutory Agent
If appointing a new statutory agent, the new agent MUST consent to that appointment by signing below.
I (individual) or We, (corporation or limited liability company) having been designated the new Statutory Agent, do hereby consent to this appointment until my removal or resignation pursuant to law.
Signature of new Statutory Agent
Printed Name of new Statutory Agent

3. Secondary Address: 929947

(Foreign Corporations are REQUIRED to complete this section.)

4. Check the one category below which best describes the CHARACTER OF BUSINESS of your corporation

- | BUSINESS CORPORATIONS | | NON-PROFIT CORPORATIONS | |
|------------------------|------------------------------------|---|--|
| 1. Accounting | 20. Manufacturing | 1. Charitable | |
| 2. Advertising | 21. Mining | 2. Benevolent | |
| 3. Architecture | 22. News Media | 3. Educational | |
| 4. Agriculture | 23. Pharmaceutical | 4. Child | |
| 5. Automobile | 24. Publishing/Printing | 5. Political | |
| 6. Banking/Finance | 25. Retail/Liquor | 6. Religious | |
| 7. Business Consulting | 26. Real Estate | 7. Social | |
| 8. Construction | 27. Restaurant/Bar | 8. Library | |
| 9. Contractor | 28. Retail Store | 9. Cultural | |
| 10. Credit Collection | 29. Science/Research | 10. Athletic | |
| 11. Education | 30. Sports/Spouting Events | 11. Science/Research | |
| 12. Engineering | 31. Technology (Computers) | 12. Hospital/Health Care | |
| 13. Entertainment | 32. Technology (General) | 13. Agricultural | |
| 14. General Consulting | 33. Television/Radio | 14. Animal Husbandry | |
| 15. Health Care | 34. Tourism/Convention Services | 15. Homeowners Association | |
| 16. Hotel/Motel | 35. Transportation | 16. Professional, commercial, industrial or trade association | |
| 17. Insurance | 36. Utilities | 17. Other | |
| 18. Insurance | 37. Veterinary/Medical/Animal Care | | |
| 19. Legal Services | 38. Other | | |

-0054428-0 BACA FLOAT WATER CO., INC.

Page 2

5. CAPITALIZATION: (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate. **Please Print or Type Clearly.**

5a. Please examine the corporation's original Articles of Incorporation for the amount of shares authorized.

Number of Shares/Certificates Authorized 0054428-0 Class A Series Within Class (if any) NONE
1512

5b. Review all corporation amendments to determine if the original number of shares has changed. Examine the corporation's minutes for the number of shares issued.

Number of Shares/Certificates Issued 1512 Class A Series Within Class (if any) NONE

6. SHAREHOLDERS: (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation. **Please Type or Print Clearly.**

Name: BACA FLOAT LAND DEV. Name: _____
 Ltd. PARTNERSHIP - 100% Name: _____

7. OFFICERS Please Type or Print Clearly. You Must List at Least One.

Name: <u>GARY P. BRASHER</u>	Name: <u>RICHARD M. Lockwood</u>
Title: <u>PRESIDENT</u>	Title: <u>SECT'Y. - TREASURER</u>
Address: <u>P.O. Box 1536</u>	Address: <u>P.O. Box 1536</u>
<u>Tubac, AZ. 85646</u>	<u>Tubac, AZ. 85646</u>
Date taking office: <u>9-1-87</u>	Date taking office: <u>9-1-00</u>
Name: _____	Name: _____
Title: _____	Title: _____
Address: _____	Address: _____
Date taking office: _____	Date taking office: _____

8. DIRECTORS Please Type or Print Clearly. You Must List at Least One.

Name: <u>GARY P. BRASHER</u>	Name: <u>RICHARD M. Lockwood</u>
Address: <u>P.O. Box 1536</u>	Address: <u>P.O. Box 1536</u>
<u>Tubac, AZ. 85646</u>	<u>Tubac, AZ. 85646</u>
Date taking office: <u>9-1-87</u>	Date taking office: <u>9-1-00</u>
Name: _____	Name: _____
Address: _____	Address: _____
Date taking office: _____	Date taking office: _____

Please Enter Corporation Name: BACA FLOAT WATER Co. File number 0054428-0 Page 3

9. FINANCIAL DISCLOSURE (A.R.S. §10-11622.A.9)

Nonprofit corporations must attach a financial statement (e.g. income expense statement, balance sheet including assets, liabilities). All other forms of corporations are exempt from filing a financial disclosure.

9A. MEMBERS (A.R.S. § 10-11622.A.6)

Only Nonprofit Corporations must answer this question.

This corporation **DOES** **DOES NOT** have members.

10. CERTIFICATE OF DISCLOSURE (A.R.S. §§10-1622.A.8 & 10-11622.A.7)

Has ANY person serving either by election or appointment as an officer, director, trustee, incorporator and/or person controlling or holding more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in any other corporation (Underlined portion pertains to business corporations only)

1. Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven year period immediately preceding the execution of the certificate?
2. Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraints of trade or monopoly in any state or federal jurisdiction within the seven year period immediately preceding execution of the certificate?
3. Or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven year period immediately preceding execution of this certificate where such injunction, judgment, decree or permanent order involved the violation of:
 - (a) fraud or registration provisions of the securities laws of that jurisdiction, or
 - (b) the consumer fraud laws of the jurisdiction, or
 - (c) the antitrust or restraints of trade laws of that jurisdiction?

One box must be marked. YES NO

If "YES", the following information must be submitted as an attachment to this report for each person subject to one or more of the actions stated in Items 1. through 3. above.

- | | | |
|---|---|--|
| 1. Full name and prior names used. | 5 | Date and location of birth. |
| 2. Full birth name. | 6 | Social Security Number. |
| 3. Present home address. | 7 | The nature and description of each conviction or judicial action; the date and location; the court and public agency involved, and the file or cause number of the case. |
| 4. Prior addresses (for immediate preceding 7 year period). | | |

11. STATEMENT OF BANKRUPTCY, RECEIVERSHIP or CHARTER REVOCATION (A.R.S. §§10-202.D.2, 10-3202.D.2, 10-1623 & 10-11623)

- A) Has the corporation filed a petition for bankruptcy or appointed a receiver? One box must be marked: YES NO
- B) Has any person serving as an officer, director, trustee or incorporator of the corporation served in any such capacity OR had or controlled over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in any other corporation which has been placed in bankruptcy, receivership or had its charter revoked, or administratively or judicially dissolved by any state or jurisdiction?

(Underlined portion pertains to business corporations only)

One box must be marked: YES NO

If "YES" to A and/or B, the following information must be submitted as an attachment to this report for each person subject to the statement above.

1. The names and addresses of each corporation and the person or persons involved. (e.g. officer, director, trustee or major stockholder)
2. The state in which each corporation was a) incorporated b) transacted business
3. The dates of corporate operation.
4. If any involved person (listed in #1) has been involved in any other bankruptcy proceeding within the past year, the name and address of each corporation.
5. Date, Case number and Court where the bankruptcy was filed or receiver appointed.
6. Name and address of court appointed receiver.

12. SIGNATURES: Annual Reports must be signed and dated by at least one duly authorized officer or they will be rejected.

I declare, under penalty of law that all corporate income tax returns required by Title 43 of the Arizona Revised Statutes have been filed with the Arizona Department of Revenue. I further declare under penalty of law that I (we) have examined this report and the certificate, including any attachments, and to the best of my (our) knowledge and belief they are true, correct and complete.

Name Richard M. Lockwood Date 2-11-05 Name _____ Date _____
 Signature Richard M. Lockwood Signature _____
 Title SECTY-TREASURER Title _____
 (Signator(s) must be duly authorized corporate officer(s) listed in section 7 of this report.)

Annual Report Instruction Sheet - READ ME! PLEASE FOLLOW THESE DIRECTIONS!

Page 4

This is the instruction sheet for the annual reporting process for all corporations doing business in Arizona. Every corporation must submit an annual report once a year. This annual report must be correctly filled out and submitted by the assigned due date or the corporation may be administratively dissolved or have its authority revoked by the State of Arizona. This is the only notice you will receive. According to A.R.S. §10-1622.F, penalties accrue on business corporation annual reports which are submitted late (after the due date). Corporations must use the annual report form prescribed by the Corporation Commission. No other format is allowed.

Please verify the business address and statutory agent and agent address information on page one. Strike out incorrect information. Correct information should be legibly written above or to the side of struck, incorrect information. Complete the remainder of the form - use the corporation's original articles of incorporation, amendment documents and corporate minutes as guides for the stock questions. **IMPORTANT:** The entirety of this document is public record, including addresses cited. **Use black or blue ink.**

- Section 1.** All corporations must state their name, address, zip code, domicile state, and type (e.g., nonprofit, business, sole, professional, business trust). Please list a business phone number.
- Section 2.** All corporations must state the name and address of the current Statutory Agent for the corporation. Correct information about the Statutory Agent is vital to the legitimate authority and status of the corporation. The statutory agent must provide both a physical and mailing address. If statutory agent has a P.O. Box, then they must provide a physical description of their street address/location. New Statutory Agents must consent to their appointment by signing the appropriate line. A corporation must amend their records at the Commission anytime the Statutory Agent is changed or whenever the Agent's designated mailing address changes. Do not sign in the space provided, unless you are appointing a new agent.
- Section 3.** Foreign (out-of-state/country) corporations must state their known place of business in this state and in the jurisdiction in which they are incorporated. List the primary address in Section 1, and the secondary address in Section 3.
- Section 4.** All corporations must check the category that best describes the character of their corporation in the applicable business or nonprofit corporation area.
- Section 5.** All business corporations must indicate the number of shares which they have authorized and issued, the class and series. All business trusts must indicate the number of transferable certificates held by trustees.
- Section 6.** All business corporations must indicate the list of apparent shareholders.
- Section 7.** Please list all principal officers. All corporations must have at least one duly authorized officer, with address.
- Section 8.** Please list all directors. All corporations must have at least one director per A.R.S. §§10-803.A & 10-3803.A.
- Section 9.** All Nonprofit corporations must file a financial disclosure statement. Nonprofit corporations meet their obligation by attaching one of the following documents: 1) Their most recent copy of Page 2, Form 99 filed with the Arizona Department of Revenue; OR 2) A copy of the corporation's Charitable Organization Financial Statement as filed with the Arizona Secretary of State pursuant to A.R.S. §44-8552; OR 3) A copy of the corporation's Treasurer's Report/Financial Statement prepared for the current fiscal year; OR 4) A copy of the financial statement prepared for the corporation's members; OR 5) A statement that the corporation conducted no business in Arizona in the past year. All other types of corporations are exempt from filing a financial disclosure. All Nonprofit Corporations must also indicate whether or not the corporation has members.
- Section 10.** All corporations must check either YES or NO in the Certificate of Disclosure. Those who check the "YES" box must supply the attachment required as explained in section 10.
- Section 11.** All corporations must check either YES or NO in the Statement of Bankruptcy, Receivership or Charter Revocation (both A and B). Those who check the "YES" box must supply the attachment required as explained in section 11.
- Section 12.** All corporations must read the declarations in this section. If they have complied, and if they have completed the Annual Report, then the applicable officer(s) listed in section 7 must acknowledge by signing and dating the report. The signature shall be at least one duly authorized officer.
- Sign, Date & Mail the Check and Annual Report.** Business corporations must send \$45. Nonprofit corporations \$10. Credit cards are not accepted. Business/profit corporations are subject to penalties if their report is submitted after its assigned due date. Contact the Annual Report section at 602-542-3285 (Phoenix) or 520-628-6560 (Tucson) or by FAX at 602-542-0082 for the penalty amount due.

MAKE CHECK PAYABLE TO:	ARIZONA CORPORATION COMMISSION
MAIL OR DELIVER TO:	c/o Annual Reports - Corporations Division
	1300 West Washington or 400 West Congress
	Phoenix, AZ 85007-2929 Tucson, AZ 85701-1347

Seek professional advice from your accountant, attorney, or other knowledgeable source if you need help with any section. The Commission's web site (www.cc.state.az.us) has more general information about annual reports and reporting requirements. The Annual Reports Section of the Corporations Division cannot give legal or tax advice, but you may call them with your other questions regarding this form at (602) 542-3285.

AR 2046
Rev. 01/2005

Exhibit 9

ARIZONA DEPARTMENT OF WATER RESOURCES

Office of Assured and Adequate Water Supply

500 North Third Street, Phoenix, Arizona 85004-3921

Telephone 602 417-2460

Fax 602 417-2423



JANE DEE HULL
Governor

HERB GUENTHER
Director

November 18, 2004

RECEIVED

NOV 19 2004

SNELL & WILMER

Carlos Ronstadt
Snell and Wilmer
One Arizona Center
Phoenix, AZ 85004-2202

Re: Designation of Assured Water Supply (DWR No. 26-400800.0000) Baca Float Water Company

Dear Mr. Ronstadt:

I am pleased to inform you that the Department of Water Resources has approved the application for a Designation of Assured Water Supply for Baca Float Water Company. We have enclosed the formal Decision and Order. The Decision and Order includes an itemization of Baca Float Water Company's responsibilities in maintaining the Designation.

Baca Float's status as a designated water provider demonstrates that Baca Float is taking a long-term perspective in managing water resources.

If you have any questions regarding these documents, please contact me at 417-2465, extension 7311.

Sincerely,

Doug Dunham, Manager
Office of Assured Water Supply

DMD/pmn

cc: Mr. Roy Tanney, Arizona Department of Real Estate
Mr. Alejandro Barcenas, Area Director, Santa Cruz AMA

1 DEPARTMENT OF WATER RESOURCES

2 BEFORE THE DIRECTOR

3
4
5 **IN THE MATTER OF THE APPLICATION OF**
6 **BACA FLOAT WATER COMPANY, INC.**
7 **FOR A DESIGNATION AS HAVING AN ASSURED**
8 **WATER SUPPLY**

) **AWS No. 2004-003**

) **DECISION AND ORDER**

) **No. 26-400800.0000**

9 On August 15, 2002, the Department of Water Resources (Department) received an application from
10 Baca Float Water Company, Inc. (Baca Float) requesting that the Department designate Baca Float as having
11 assured water supply pursuant to A.R.S. § 45-576(E) and A.A.C. R12-15-701 *et seq.* for Baca Float's
12 municipal water delivery system. On April 3, 2003 the Department determined the application to be complete.
13 On August 20, 2004 the Department gave public notice pursuant to A.R.S. § 45-578 and no objections were
14 filed with the Department.

15 After receiving Baca Float's request to be designated as having an assured water supply, and after
16 reviewing relevant information regarding the designation request, including: 1) the hydrologic information on
17 file with the Department for the proposed groundwater supply, 2) information submitted regarding Baca Float's
18 consistency with the management plan, 3) information provided by the Arizona Department of Environmental
19 Quality regarding the quality of the proposed sources of water, and 4) information regarding Baca Float's
20 financial capability to construct the necessary delivery system, treatment works and storage facilities, the
21 Department finds the following:

- 22 1. Baca Float is a private water company regulated by the Arizona Corporation Commission.
- 23 2. Baca Float has the legal authority, as granted by the Arizona Corporation Commission, to
24 deliver water to its customers located within the boundaries of its Certificate of
25 Convenience and Necessity as indicated on maps on file with the Department.
- 26 3. Baca Float has the right to withdraw and deliver groundwater to its customers pursuant to
27 service area right No. 56-000020.0000.
- 28 4. Baca Float currently serves groundwater to its customers. Baca Float has indicated that
groundwater withdrawals pursuant to this Designation shall be from well registration

1 number 55-558318 and well registration number 55-558319.

- 2 5. Baca Float's current and committed demand is 182 acre-feet per year, as of 2003.
- 3 6. Baca Float's total projected demand for the calendar year 2011 is estimated at 333 acre-
- 4 feet.
- 5 7. Baca Float's groundwater supply proven to be physically available is 350 acre-feet per
- 6 year.
- 7 8. Historic hydrologic information demonstrates that groundwater levels in the service area
- 8 currently range from a few feet to more than 100 feet with a minimal regional decline.
- 9 9. After one hundred years of pumping at 350 acre-feet per year, the depth-to-water inside
- 10 Baca Float's service area is not expected to exceed 1,000 feet below land surface.
- 11 10. Baca Float has demonstrated the financial capability to construct the necessary delivery
- 12 system and storage facilities to satisfy its projected demands through the year 2011.
- 13 11. Baca Float has demonstrated the physical, legal and continuous availability of
- 14 groundwater in an aggregate volume of 350 acre-feet per year for a minimum of 100
- 15 years which is greater than Baca Float's projected demand for calendar year 2011 of
- 16 approximately 333 acre-feet. After one hundred years, the depth-to-water under Baca
- 17 Float's service area is projected to be less than 1,000 feet below land surface.
- 18 12. The water supply that Baca Float intends to provide its customers currently meets all
- 19 federal and state water quality standards, based on compliance information provided by
- 20 the Arizona Department of Environmental Quality.

21 **Having reviewed the Findings of Fact, the Department makes the following Conclusions of**

22 **Law:**

- 23 1. An annual volume of 350 acre-feet per year of groundwater was found to be physically,
- 24 continuously and legally available to Baca Float for a minimum of 100 years as prescribed
- 25 in A.A.C. R12-15-703. The total volume of those supplies, 350 acre-feet per year,
- 26 exceeds Baca Float's projected demand of 333 acre-feet for the year 2011.
- 27 2. The water supply served by Baca Float currently meets the water quality requirements
- 28 specified in A.A.C. R12-15-704.
3. In accordance with A.A.C. R12-15-706, Baca Float meets the standard established for

1 determining consistency with the Santa Cruz Active Management Area Third
2 Management Plan.

3 4. Baca Float has satisfied the financial capability criteria prescribed in A.A.C. R12-15-707.

4 7. Baca Float has satisfied all the requirements for a designation of an assured water
5 supply.

6
7 **Having reviewed the Conclusions of Law, the Department hereby issues this Decision and**
8 **Order designating Baca Float as having an assured water supply, subject to the following**
9 **conditions:**

10 1. The Department reserves the right under A.A.C. R12-15-709 (A) to periodically review
11 and modify the designation for good cause as conditions warrant.

12 2. Pursuant to A.A.C. R12-15-709, the Department may, at any time, review, modify or
13 revoke this designation if the findings of fact or the conclusions of law upon which the
14 designation are based change or are invalid or if an assured water supply no longer
15 exists.

16 3. The Department's determination that an assured water supply exists for Baca Float is
17 based on its analysis of the water supplies pledged by Baca Float.

18 4. Pursuant to A.A.C. R12-15-704, Baca Float shall satisfy any state water quality
19 requirements established for its proposed use after the date of this designation.

20 5. Baca Float shall annually provide to the Department the following information in the
21 manner prescribed in A.A.C. R12-15-711:

22 a. The estimated future demand of platted, undeveloped lots located in Baca Float's
23 service area.

24 b. The projected demand at build-out for customers with which Baca Float has
25 entered into a notice of intent to serve agreement in the calendar year.

26 c. A report regarding Baca Float's compliance with water quality requirements.

27 d. The depth-to-static water level of all wells from which Baca Float withdrew water
28 during the calendar year.

e. Any other information requested by the Director to determine whether to Baca

1 Float is continuing to meet all the requirements necessary to maintain this
2 designation of assured water supply.

3
4 **IT IS HEREBY ORDERED THAT BACA FLOAT WATER COMPANY, INC. BE DESIGNATED**
5 **AS HAVING AN ASSURED WATER SUPPLY:**

6 DATED this 17TH day of November, 2004

7 
8 Herbert R. Guenther
9 Director
10 Arizona Department of Water Resources
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A copy of the foregoing
Decision and Order was
mailed certified this
18th day of November,
2003, to the following:

Mr. Gary Brasher/Mr. Richard Lockwood
Two Tubac Road
P.O. Box 1536
Tubac, Arizona 85646

Certified No. 7003-3110-0003-3244-9051

Mr. Roy Tanney
Arizona Department of Real Estate
2910 North 44th Street, Suite 100
Phoenix, Arizona 85040

Mr. Carlos Ronstadt
Snell and Wilmer
One Arizona Center
Phoenix, Arizona 85004-2202

Witnessed by: Norma J. Coupard

RECEIVED

OCT 26 2005

SNELL & WILMER

DEPARTMENT OF WATER RESOURCES

BEFORE THE DIRECTOR

IN THE MATTER OF THE APPLICATION OF)
BACA FLOAT WATER COMPANY, INC. FOR)
A DESIGNATION AS HAVING AN ASSURED)
WATER SUPPLY)

AWS No. 2004-003

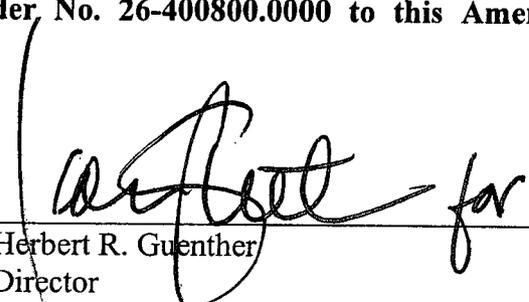
AMENDMENT TO DECISION
AND ORDER NO. 26-400800.0000

On November 17, 2004, the Arizona Department of Water Resources issued Decision and Order No 26-400800.0000, In the Matter of the Application of Baca Float Water Company, Inc. For A Designation as Having an Assured Water Supply. The purpose of this Amendment to Decision and Order is to correct the well registration numbers listed in Paragraph 4, beginning on page 1, line 26 of the Designation ("Paragraph 4). Paragraph 4 should read:

- 4. Baca Float serves groundwater to its customers. Baca Float has indicated that groundwater withdrawals pursuant to this Designation shall be from well registration number 55-559318 and well registration number 55-559319.

IT IS HEREBY ORDERED AMENDING DECISION AND ORDER NUMBER 26-400800.0000 by deleting Paragraph 4 and inserting Paragraph 4 above. It is further ordered attaching the Decision and Order No. 26-400800.0000 to this Amendment to Decision and Order for reference.

Dated 24th October, 2005


Herbert R. Guenther
Director
Arizona Department of Water Resources

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

A copy of the foregoing Decision and Order was mailed this 25 day of October, 2005 to:

Gary Brasher
Richard Lockwood
Two Tubac Road
P.O. Box 1536
Tubac, Arizona 85646

Roy Tanney
Arizona Department of Real Estate
2910 North 44th Street, Suite 100
Phoenix, Arizona 85040

Carlos Ronstadt, Esq.
Snell & Wilmer, L.L.P.
One Arizona Center
Phoenix, Arizona 85004-2202



H:\AWS\Baca Float\Amended Decision and Order.doc