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Arizona Corporation Commission Public Comment Form

ORIGINAL*Step 1*

This form should be used for public comments pertaining to a specific pending case only. Please be sure to reference the appropriate docket number so your comments are filed in the docket promptly. Please use the Consumers Services Assistance Form for complaints, inquiries or general inquiries.

Step 2

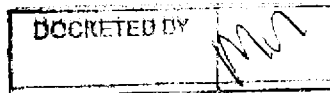
YOUR NAME Patti Lewis	DATE 1/1/2009
ADDRESS, CITY, STATE AND ZIP 5850 N Coral Bay, Kingman, AZ 86409	YOUR PHONE NUMBER (928) 757-4972
DOCKET YOU WISH TO COMMENT ON: Hualapai Valley Solar, LLC	DOCKET NUMBER 09-0541-00151
CASE OR UTILITY NAME Hualapai Valley Solar, LLC	YOUR POSITION ON THE DOCKET PRO <input type="radio"/> CON <input type="radio"/> OTHER <input checked="" type="radio"/>
YOUR E-MAIL ADDRESS patti@lewis.name	

Step 3

ENTER YOUR COMMENTS HERE:

Please review the enclosed protest letter I have compiled and included in this mailing.

Arizona Corporation Commission

DOCKETED**JAN 13 2010**ARIZONA CORPORATION
COMMISSION
DOCKET CONTROL

2010 JAN 13 P 1:54

RECEIVED

If you need additional space for your comments, please use the continuation page below.

Step 4

This form may be completed electronically, printed and mailed to:
Arizona Corporation Commission, Consumer Services Section, 1200 W. Washington St.
Phoenix, Arizona 85007;
or

You may e-mail it as an attachment to:
mailmaster@azcc.gov

ATTACHMENT TO LETTER OF PROTEST FORM
Hualapai Valley Solar, LLC Docket # 09-0541-00151

I live just off North Stockton Hill Road, Mohave County Arizona. I've watched the Arizona Corporation Commission hearings concerning several items. I appreciate the efforts made by this commission when I see they are protecting the public in making their decisions. Now I ask that the commissioners look at the creditability of the applicant, Hualapai Valley Solar, LLC and the people encouraging this water cooled plant.

Mitchell Dong is the owner (or Executive Director) of Hualapai Valley Solar, LLC and/or Mohave Sun Power, LLC. He was also the principal of Chronos Asset Management, Inc. (See Items # 1 A) **Robert Marsh**, who is listed as the projects finance director has a resume on the internet that states he has worked alongside Mitchell Dong, in the same businesses, for many years. This is not only including Chronos but also other investment companies. It seems rather strange that a man would "settle" for paying 2.2 million dollars in fines, penalties, and prejudgment interest if he was innocent of any wrong doing.

As a taxpayer and investor, I have seen the value of my retirement funds decrease by over forty percent due to stock manager's theft and market timing rackets. I question why the State of Arizona would give a green light to such persons who will be applying for 2.1 billion dollars of taxpayer's loan guarantees, tax credits and funds. Surely we, as citizens of Arizona and the United States, can do better.

I discussed the credibility issues I had with **Supervisor Gary Watson, District 1** (my district) concerning this company and others applying for major zoning changes, prior to his votes to change our general plans, and I was told that the Board of Supervisors was not allowed to examine the credibility of applicants seeking a major amendment to our general plans. He explained that the ACC would be responsible for checking these people out.

A large group of concerned citizens held a meeting, on July 30th, 2009, at the Iron Skillet Restaurant concerning the change in the general plans being requested by the water cooled solar plants. In the room, there were so many people that there was no "standing room only" left. Knowing the room was full of taxpayers objecting to water cooled plants, Supervisor Gary Watson spoke to us and he stated that he had to vote for the changes to our general plan because of Proposition 207. He said he had to follow the law and approve the major amendments to the general plan, even though he, as a rancher, was concerned about the water situation. He explained he had just spent two days repairing the well at his ranch. I went home and pulled up Proposition 207. There is nothing in that law that forces him to ignore the wishes of the people who already have land, homes and ranches in the area. As an elected official he has no right to ignore the demands of the stakeholders in the area affected so that some developer can come into Arizona from Spain or Massachusetts and change the rules of a general plan, just so they can get more money or benefit from free water under the land they are thinking of buying. I have my life invested in my land in Mohave County. I think Proposition 207 was voted in to protect my land so I could use it to the fullest, giving consideration to the general plan under which I acquired my land. Maybe that proposition has a double edged

sword that needs to be challenged in court, because I don't believe my land will be worth anything with dry wells on it. If general plans are changed by a select few, that devalues my land and the land of my neighbors. Should we not be compensated for the loss of our land values and the loss of our safety and welfare?

Supervisor Buster Johnson (District 3) states in the news that he gives all the credit and praises to **Don Van Brunt** for finding these folks and bringing them to Arizona. Mr. Johnson says that it was Don Van Brunt who brought in large industries such as North Star Steel and Griffith Energy to Mohave County. What he fails to state is that Don Van Brunt's projects are all water guzzling, major polluters that no other state wants! My friends and I have tried to set up meetings with Buster Johnson over the issues at hand, but he has refused our audience stating that he does not meet with anyone who lives outside his district. Transparency...Don't you love it!

I hope the commissioners will have time to review further some of the activities of Donald W. Van Brunt, but here are some starting places.

In 1982 he was caught by the U.S. Secret Service and, through plea agreements, pled guilty for the crime of counterfeiting, a felony.

In 1986, swearing he had never been convicted of a felony; he applied for and received an Arizona Contractor's license. He renewed his lies to the Registrar of Contractors and the bonding company in 1996 when he received a reinstatement of his license.

In March of 1988, he registered to vote as a Democrat, in the State of Arizona, swearing he had never been convicted of a felony. Then later on down the line he changed his registration to Republican, swearing again that he had never been convicted for a felony.

In Arizona, one must admit to the felony on applications and then an independent review is made, by the affected departments, of the records of the crooks and see if they have done their time and stayed out of trouble, If so, the crooks can get their civil rights restored by the sentencing judge and obtain their rights to vote and their contractor's licenses, etc. In 1999, the Federal District Court stated there is no record of Don Van Brunt's application for restoration of his civil rights.

In 2008, Don Van Brunt listed his occupation as the Executive Director of **M.C.E.D.A.** when he donated money to Buster Johnson's campaign. By the time that group got through twisting the facts about their "fine utilities project" called Griffith Energy, the taxpayers learned that Mr. Johnson and crew had mortgaged the jail just to pay Mohave County's debt on the project. According to the report submitted by **County Manager, Ron Walker**, the homeowners and other property taxpayers had the privilege of paying over \$400,000 for each job created by M.C.E.D.A.'s economic development efforts. Mr. Walker launched a campaign against water cooled plants when he found out how much of our water was actually guaranteed to Griffith Energy. The taxpayers of Mohave County were promised that there would be no more approvals of water cooled plants. In 2005 the promise was written into our General Area Plans. (Sec. 3.5) To date, Mr. Walker has had nothing to say about this water cooled plant that the taxpayers want to hear.

I am submitting an accounting for money given to M.C.E.D.A. by the Board of Supervisors and during some of Supervisor Johnson's tenure. (1995-2000) When Pete Byers was elected supervisor for district 1 in the year 2000, Supervisor Sockwell, District

2, voted with Mr. Byers most of the time, thus trumping Mr. Johnson's bids to "follow the money and forget the people's needs". Those two men were able to take Don Van Brunt's name off of the highway built by taxpayer's dollars and rename it the Griffith Parkway. (At taxpayers expense, of course!) The two pages I am submitting isn't the entire amount they spent, but if you read carefully, it is money that should have never been spent by the taxpayers of Mohave County and the pages total \$2,650,582.31. Most of that money went for infrastructure, much to bladed roads that go nowhere, in Yucca, Arizona. Note on page one an entry for \$100,000, "for Yucca Truck Stop". (It is the fifth entry from the bottom of the list.) It is now 2010 and there is still no truck stop in Yucca! I've included a few checks to show you where some of the money went. (See supporting documents under Items # 2 A)

I hope your records will allow you to review the State's case brought against North Star Steel, and all of the broken promises they made to the ACC and ADEQ. If not, the entire hearing records are on the internet. Their excuse for not applying the equipment necessary to reduce contaminates in the emissions was that the lower grid did not have enough room to allow Griffith to supply the necessary electricity to get their job done. Is there room on the grid for new projects such as the one proposed here?

North Star Steel was fined over 8 million dollars, but sadly for the people of our county who live in Golden Valley and Kingman, only about 2.5 million of that money was given back to the Golden Valley residents, in the form of road paving, to compensate them for the damages their bodies received by the major polluter. For several months our hospital had every piece of oxygen equipment they owned in use and many patients were sent to Sunrise Medical Center for help. The residents of the City of Kingman and the county areas surrounding north Kingman were given no relief by our state for their personal damages caused by North Star Steel.

As for Griffith Energy, they appear to be sucking up all the water they can from the Sacramento aquifer leaving the small landowners in Golden Valley unable to split their small parcels of land because there is no allocation for them to receive more water per acreage. Again, the Mohave County residents were assured by the Board of Supervisors and the county manager, Ron Walker, that no more water cooled plants would be accepted if the aquifers were in depletion. Speaking as an owner of five wells in the area, I believe they are in depletion.

I don't have to spend much time explaining the credibility of **Jim Rhodes**, the owner of the land planned for use in this project. I will tell you, briefly, how his antics affected me and my clients.

He bought a 40 acre tract of land near one of my client's property in this same north Kingman area. At the time of his purchase of the 40 acres, the land was selling for less than one thousand dollars (\$1000.) an acre. Shortly after his purchase, he sold that 40 acres to another out of state based firm for some ten thousand dollars (\$10,000) an acre. When the property tax land values in the area were sent out, they showed my client having two forty acre tracts with a fair market value exceeding two hundred and seventy five thousand (\$275,000) each. My client appealed the increase in value that had gone from twenty four thousand (\$24,000) to two hundred and seventy five thousand (\$275,000) in one year, and we were told of the sale by Mr. Rhodes that triggered the computer to increase the value for everyone in the area. My client's appeal was won, and his fair market value brought back down, but you may want to investigate and find out

how many innocent taxpayers lost their property in the North Kingman area at tax sale, to Jim Rhodes because they didn't know about the appeal process. How many of our stimulus tax dollars will end up in the hands of Jim Rhodes on this project?

At his own hearing with the ACC Commissioners, Commissioner Mayes ask Mr. Rhodes what he thought should happen if the Golden Valley resident's wells went dry because of his projected water use in the Golden Valley area. His answer was: "They can drill deeper". Most of the citizens can't afford to drill deeper.

Those citizens are paying taxes on elevated land values due to Mr. Rhodes plans for Pravada, and all the while they are breathing and clearing dust from their homes due to the excavations made for Pravada that have yet to materialize because he is bankrupt. I understand that most of the wells Mr. Rhodes has drilled in the area are coming up dry. Does that tell you there is plenty of water in the Sacramento aquifer?

At this time, Mr. Rhodes and the same engineers he used for Pravada say there is plenty of water in the Hualapai aquifer. My question is, "Are you sure"? Better still, can the citizens who have stakeholder interests in that aquifer receive some sort of guarantee or bond that will protect them if their wells dry up after this plant starts pumping water? The only protection they have to date appears to be Proposition 207. As I stated above, Supervisor Gary Watson stated that the Board of Supervisors could not consider the water availability nor the applicant's creditability in making their decision to change our general plans and accepting water cooled plants. He said that is the job of the ACC. If his statement is true, the liability for losses goes to the ACC and the taxpayers of the State of Arizona.

Mohave County paid a hundred thousand taxpayer dollars to get the ADWR and USGS reports finished concerning the aquifer conditions. Well, they ran out of money, so as of today, they have made no finished report and they say a complete report could be a few years coming. (Items # 3) This article was written in 2006 and if it were posted today, 01/2010, it would be considered accurate. We did learn that the Hualapai aquifer has water that we will never be able to retrieve. The only complete reports that the citizens and landowners have seen are several years old. Considering that we have had over eight years of heavy drought, those old reports are worthless, unless you are a developer who can pay to get an engineer to confirm the findings in the old reports and slide it past people who don't know or don't care about the difference.

The Hualapai Solar Plant that is water cooled will most likely emit particulate matter through the evaporation process when the cold water hits the hot oil filled tubes. The ADEQ has not been able (for 11 years) to provide the name of a chemical or filter that will successfully lower the TDS in our water to make it less damaging. The test on my water, taken in December 2009, shows 1556 conductivity, or 778 ppm TDS.

In the 650 or so pages of this hearing notice, the solar plant planners state the semi trucks and construction crews will enter the project's area by going off highway 93, traveling east, on Pierce Ferry Road through Dolan Springs [through their school zone], on north east to the Stockton Hill Road turnoff and south on Stockton Hill Road, through the open range lands that cross the John T. Neal Ranch (now leased by Emmett Sturgal) and others, to the project site. The speed limit is an average of 45 MPH because of the open range land. Often one has to stop and wait for cattle to leave the road before proceeding. This entire route is only a poorly maintained, 2 lane, county road. I admit that the route choice stated in their report is better for the residents of Kingman than the

I-40 off ramp onto Stockton Hill Road at Beverly Ave and straight out to the project area. Beverly Ave is one of the most congested and dangerous intersections in the county. The hospital is at that intersection. Both routes put the lives of the residents at risk when you add some 2400 semi trucks carrying mirrors, glass troughs tanks and other heavy equipment onto these roads. The county leaders are aware of the dangers, but no plans have been made to provide an alternate, paved route to the project. Paving Antares Road off Route 66 to the east and using it for all access might be the safest idea. Supervisor Watson said there are no plans to widen Stockton Hill Road, and it will not be done.

Placing a demand for the improvement to Antares Road and the restricted use of same, could save lives. Will the Mohave County taxpayers get stuck building the proper road entrances like they did with Griffith Energy? With finances as they are today, corporate welfare should be out of the question.

The citizens of Mohave County were told that this water cooled solar plant will make every effort to use the effluent produced by the City of Kingman. Mr. LaRow stated that 10 million dollars have been allocated for the 20+ mile pipeline necessary to move the effluent. He said it is all downhill, so it will be easy to move. Supervisor Watson told us the price tag would be closer to 22 million. We were told by Jack Kramer City of Kingman Manager, that the taxpayers would not be footing the bill for bringing the effluent to this project, but the customers of the city water and sewer system have now received an average \$37.20 a month increase on their sewer bill. The money is to be spent on completing and expanding this same water treatment plant.

During Hualapai Valley Solar's public meetings at the hotel and the high school, we were told that photovoltaic would not be considered. In their application for a major amendment to our general plan, they requested the change for a concentrated solar project. No mention was made for a photovoltaic plant. How can they present one thing to the public with no alternative, and then add something different, "just in case", when they make their presentation to the ACC? What type of system is listed on the zoning use permit application?

The Supervisors broke all the rules for the general plan when they approved this major zoning change for a water cooled plant. We citizens worked hard to make that plan so it was fair to the majority of landowners in each area. It appears our time, money and community input was wasted. That's not good.

Had the public known this firm would even consider a photovoltaic project; the landowners affected might have been more helpful and receptive to the project. Our research and concentration has been steered to the effects of a concentrated solar project and its affect on our community. Our water supply and the safety of our families and our wildlife are important to our established way of life. As it stands today, and from what we were told in public meeting, I am truly concerned over the lack of transparency of this firm and our County Supervisors. Please review the DVDs of these P&Z Commission and board meetings for confirmation of what I write here today.

Conclusion:

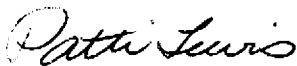
In an effort to protect the health, safety and welfare of the taxpayers of this whole state, we should do our best to eliminate the crooks, tell the people the whole truth, and respect the majority voices of the stakeholders. It appears to me that proposition 207 was an attempt to stop "spot zoning" in Arizona. If this project is approved, proposition 207

has failed to do its job. I hope you will carefully review the credibility of the people involved.

A water cooled plant is not acceptable. It is old fashioned technology (1980) and shouldn't even be considered "green" energy. It will replace one problem with other bigger problems. Our air and skies will look more like Phoenix than rural Mohave County. We cannot live without water and our children will suffer when the nitrates concentrate in the shallow water left in our private wells.

The photovoltaic plant is much needed and would be acceptable to me, provided the proper roads are used for ingress and egress and they are paved and provided prior to construction of the plant. It would be nice if the commissioners could approve such a plant for a more reputable firm.

Thank you for your time and consideration to my protest,



Patti Lewis
5850 N Coral Bay
Kingman, AZ 86409
patti@lewis.name
928-757-4972

On 01/02/09 I Mailed 6 copies to:
Arizona Corporation Commission
Consumer Services Section
1200 W. Washington St.
Phoenix, AZ 85007



ITEMS # 1 A

- 1. "Mitchell Dong Dinged" by Greg Newton**
- 2. U.S. S.E.C. Administrative Proceeding File # 3-12934**

Seeking Alpha

Seeking Alpha α

Mitchell Dong Dinged 1 comment

by: Greg Newton

January 28, 2008

One of the best things about any self-respecting securities snafu is the time it takes to disinter the bodies. More than four years after Eliot Spitzer publicly executed mutual fund market timing as an investment strategy, the US Securities and Exchange Commission announced Friday that it had settled its beef with Chronos Asset Management Inc. and its principal, Mitchell L. Dong, who agreed to cough up more than \$400,000 in fines and prejudgment interest, along with a civil penalty of \$1.8 million.



Chronos and Dong were among the largest hedge fund players in the market-timing racket, and did much of their business through Prudential Securities' Boston office; however, it also got into late-trading game through the not-so-good offices of those old stagers Clearing Broker A and Clearing Broker B.

Dong was also suspended from association "with any investment advisor" for 12 months, which might take some of the glow off his latest venture. Assuming, somewhat bravely given the complexities of these things, the ban covers unregistered advisors as well as those in submission to the SEC's yoke.

Chronos Asset Management Inc and Mitchell L. Dong
US Securities and Exchange Commission
Jan. 25 2008

Earlier on *NakedShorts*:
Mitchell Dong goes radioactive
Apr. 12 2007

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8883 / January 25, 2008

SECURITIES EXCHANGE ACT OF 1934
Release No. 57202 / January 25, 2008

INVESTMENT ADVISERS ACT OF 1940
Release No. 2696 / January 25, 2008

INVESTMENT COMPANY ACT OF 1940
Release No. 28135 / January 25, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-12934

In the Matter of

**Chronos Asset Management, Inc.
and Mitchell L. Dong,**

Respondents.

: ORDER INSTITUTING
: ADMINISTRATIVE AND CEASE-AND-
: DESIST PROCEEDINGS, MAKING
: FINDINGS, AND IMPOSING
: REMEDIAL SANCTIONS AND A
: CEASE-AND-DESIST ORDER
: PURSUANT TO SECTION 8A OF THE
: SECURITIES ACT OF 1933, SECTION
: 21C OF THE SECURITIES
: EXCHANGE ACT OF 1934, SECTIONS
: 203(e) and 203(f) OF THE
: INVESTMENT ADVISERS ACT OF
: 1940, AND SECTIONS 9(b) AND 9(f) OF
: THE INVESTMENT COMPANY ACT
OF 1940

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), Sections 203(e) and 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") and Sections 9(b) and 9(f) of the Investment Company Act of 1940 ("Investment Company Act") against Chronos Asset Management, Inc. ("Chronos") and Mitchell L. Dong ("Dong") (collectively "Respondents").

II.

In anticipation of the institution of these proceedings, Respondents have submitted an Offer of Settlement (the "Offer"), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Sections 203(e) and 203(f) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of 1940 ("Order"), as set forth below.

III.

On the basis of this Order and Respondents' Offer, the Commission finds¹ that:

Respondents

1. Chronos Asset Management, Inc. is a Delaware corporation based in Cambridge, Massachusetts that has been owned and controlled by Dong since it was incorporated in 1995. At all relevant times, Chronos provided investment advisory services to two hedge funds: Chronos Fund I, LP ("Chronos Onshore Fund") and Chronos Offshore Fund, Inc. ("Chronos Offshore Fund") (collectively, the "Chronos Funds"). Chronos has never been registered with the Commission.

2. Mitchell L. Dong, age 54, is a resident of Boston, Massachusetts. Dong is Chronos's founder and at all relevant times owned Chronos and served as its president and chief executive officer. Dong also served as director of the Chronos Offshore Fund. As principal owner of Chronos, Dong had the ultimate decision-making authority for Chronos's investments.

Summary

3. This case involves a fraudulent market timing and late trading scheme by hedge fund adviser Chronos and its principal, Dong. From January 2001 to September 2003 (the "Relevant Period"), Chronos and Dong used deceptive means to continue market timing in mutual funds that had previously attempted to detect and restrict, or that otherwise would not have permitted, Chronos's trading. In addition, from May 2003 to September 2003, Chronos traded mutual fund shares after 4:00 p.m. Eastern Time ("ET") while receiving the same day's price. By virtue of their conduct, Respondents willfully

¹ The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

violated, and aided and abetted and caused violations of, the antifraud and mutual fund pricing provisions of the federal securities laws.

Facts

4. Dong owned and controlled Chronos, which controlled the Chronos Funds. He also oversaw Chronos's overall operations and investment strategies. During the Relevant Period, Chronos managed approximately \$270 million for the Chronos Funds. Chronos used market timing as a primary investment strategy. It executed the strategy through the use of a proprietary statistical model that analyzed historical trading data and market trends and generated "signals" that determined whether and when Chronos should buy and sell mutual fund shares. Market timing includes: (i) frequent buying and selling of shares of the same mutual fund or (ii) buying or selling mutual fund shares in order to exploit inefficiencies in mutual fund pricing. Market timing, while not illegal *per se*, can harm other mutual fund shareholders because it can dilute the value of their shares, if the market timer is exploiting pricing inefficiencies, or disrupt the management of the mutual fund's investment portfolio and can cause the targeted mutual fund to incur costs borne by other shareholders to accommodate frequent buying and selling of shares by the market timer. From May to September 2003, Chronos also engaged in "late trading," whereby Chronos placed mutual funds trade orders after mutual fund companies calculated their daily net asset value ("NAV"), while obtaining the same day's NAV pricing.

Market Timing

5. During the Relevant Period, Respondents engaged in deceptive tactics by placing mutual fund trade orders with registered broker-dealer Prudential Securities, Inc. ("Prudential") that contained false and misleading information to hide Chronos's identity from mutual funds and otherwise facilitate Chronos' market timing strategies. Chronos disguised its identity and volume and frequency of its trading by using multiple customer account names (some of which were in the names of other corporate entities) and numbers.

6. Chronos's traders typically placed multiple mutual fund transactions per day with Prudential during the Relevant Period. Chronos opened its first account with registered representatives based in Prudential's Boston, Massachusetts branch office in January 2000. During the Relevant Period, Respondents were aware that mutual fund companies typically placed limits on the number of mutual fund trades that could be placed in a particular mutual fund and tracked mutual fund trades by customer name and customer account number. As a result, Respondents were aware that if they repeatedly placed short-term mutual fund trades using a single account name and number through one broker, the mutual fund companies would likely determine that Chronos's market timing was excessive and would block any further trades. Throughout the Relevant Period, through Prudential, Chronos was notified of "block notices" from mutual fund

companies prohibiting Chronos from further trading in those fund families because of Chronos's previous market timing activity.²

7. Respondents opened a total of 21 additional accounts at Prudential (between 2000 and February 2003) after Chronos was prohibited from trading in certain mutual fund families. Respondents maintained, and market timed through, these accounts until Chronos ceased its market timing activities in September 2003. Many of Chronos's accounts at Prudential bore names that appeared unrelated to Chronos, such as the names of a Chronos trader's wife, hometown and dog. The primary purpose in opening these accounts was to conceal the accounts' connection to Chronos and thereby allow Chronos to continue to trade in mutual funds that had previously attempted to prohibit it from trading due to market timing.

8. Chronos used separate Prudential accounts as part of a "rotation strategy" to disguise its market timing activities from mutual fund companies. As part of its rotation strategy, Chronos made multiple purchases into a fund family using multiple accounts and traded in one fund until an account was blocked. Then Chronos rotated the blocked account out of the fund into another fund, and continued to use the remaining accounts to trade in the original fund, with the intent of deceiving mutual funds as to their identity. Using its various accounts, Chronos also divided large trades into smaller-sized trades in an effort to "fly under the radar" of mutual funds that detected market timers by monitoring trades with high dollar values.

Late Trading

9. Rule 22c-1(a) under the Investment Company Act requires registered open-end investment companies ("mutual funds"), persons designated in such funds' prospectuses as authorized to consummate transactions in any such security, their principal underwriters, and dealers in the funds' securities to sell and redeem fund shares at a price based on the current NAV next computed after receipt of an order to buy or redeem. Late trading refers to the act of executing trades in a mutual fund's shares after the time as of which the mutual fund has calculated its NAV in a manner that allows the trade to receive that day's net asset value per share, rather than the next day's net asset value per share. Most mutual funds, including the funds Chronos traded, calculate their daily net asset value as of the close of major United States securities exchanges and markets (normally 4:00 p.m. ET). Although Respondents were not themselves subject to Rule 22c-1, persons subject to that Rule must sell mutual fund shares at the NAV next computed after receipt of the trade order.

10. From May 2003 to September 2003, Chronos late traded through two broker-dealers (Broker-Dealer A and Broker-Dealer B) (which were unrelated to Prudential). Broker-Dealer A and Broker-Dealer B submitted Chronos' mutual fund trades through clearing brokers (Clearing Broker-Dealer A and Clearing Broker-Dealer

² Block notices restricted market timing trading by, among other things, prohibiting future trades in specific accounts, by particular registered representatives or by broker-dealer, and typically included a statement concerning the mutual fund's aversion to market timing.

B, respectively), each of which had dealer agreements with the relevant mutual funds. Broker-Dealer A and Broker-Dealer B routinely allowed Chronos to communicate orders to purchase and sell mutual fund shares after 4:00 p.m. ET at that day's NAV. During this period, between approximately 4:00 and 4:15 p.m. ET each day, Chronos traders analyzed both aftermarket news reports and the movement in the futures market (which continues to trade until 4:15 p.m. ET) to determine whether to buy or sell large cap mutual funds. Chronos' late trading arrangements thus allowed the traders to purchase or sell mutual fund shares at prices set as of the market close with the benefit of the aftermarket information. Chronos thereby obtained a competitive advantage by being able to capitalize on the aftermarket news and futures market trading, while obtaining the previously calculated NAV.

11. Respondents realized significant profits as a result of the conduct set forth in paragraphs 4-10, above.

Violations of the Federal Securities Laws

12. As a result of the conduct described in paragraphs 5-8 and 11 above, Respondents willfully violated Section 17(a) of the Securities Act, which prohibits fraudulent conduct in the offer or sale of securities.

13. As a result of the conduct described in paragraphs 5-8 and 11 above, Respondents willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

14. As a result of the conduct described in paragraphs 9-11 above, Respondents willfully aided and abetted and caused Clearing Broker-Dealer A's and Clearing Broker-Dealer B's violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

15. As a result of the conduct described in paragraphs 9-11 above, Respondents willfully aided and abetted and caused violations of Rule 22c-1(a) of the Investment Company Act by Clearing Broker-Dealer A and Clearing Broker-Dealer B.

Undertakings

Respondent Dong undertakes to provide to the Commission, within 10 days after the end of the 12-month suspension period described below, an affidavit that he has complied fully with the sanctions described in Section IV below.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions specified in Respondents' Offers.

Accordingly, pursuant to Section 8A of the Securities Act, Section 21C of the

Exchange Act, Sections 203(e) and 203(f) of the Advisers Act and Sections 9(b) and 9(f) of the Investment Company Act, it is hereby ORDERED that:

A. Respondent Chronos is hereby censured;

B. Respondents Chronos and Dong shall cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Rule 22c-1 under the Investment Company Act;

C. Respondent Dong be, and hereby is, suspended from association with any investment adviser and is prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter for a period of 12 months, effective on the second Monday following entry of this Order; and

D. IT IS FURTHER ORDERED THAT Respondents shall together, on a joint and several basis, pay disgorgement in the amount of \$303,000 plus prejudgment interest in the amount of \$73,915.80, and pay a civil money penalty in the amount of \$1,800,000. Respondents shall satisfy this obligation by making payment to the United States Treasury within 30 days of the entry of this Order. Such payment shall be: (i) made by United States postal money order, certified check, bank cashier's check or bank money order; (ii) made payable to the Securities and Exchange Commission; (iii) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (iv) submitted under cover letter that identifies Chronos and Dong as Respondents in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to John T. Dugan, Associate Regional Director, Securities and Exchange Commission, Boston Regional Office, 33 Arch Street, 23rd Floor, Boston, Massachusetts 02110. Such disgorgement, prejudgment interest and civil money penalty may be distributed pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 ("Fair Fund distribution"). Regardless of whether such Fair Fund distribution is made, amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that they shall not, after offset or reduction in any Related Investor Action based on Respondent's payment of disgorgement in this action, argue that they are entitled to, nor shall they further benefit by offset or reduction of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding.

For purposes of this paragraph, a “Related Investor Action” means a private damages action brought against Respondents by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Nancy M. Morris
Secretary

ITEMS # 2 A

- 1. Kingman Daily Miner 5/13/09 – Interests highlighted by Suzanne Adams**
- 2. The Standard 01/12/2000 – Don Van Brunt – Re: MCEDA facts – Dave Hawkins**
- 3. Mohave County Finance Records- 09/22/2000 – “Yucca Truck Stop”**
- 4. United States District Court – Van Brunt Judgment 08/03/1982**
- 5. Van Brunt ROC application – 05/21/1986**
- 6. Van Brunt –“Executive Director M.C.E.D.A.” 01/01/2008 BOS Johnson**
- 7. “An Overview of Mohave County” by Ron Walker – Partial w/interest highlighted – March 2004**
- 8. Kingman Daily Miner- Ron Walker – March 2004 –Environmental Concerns**



kdminer.com

Online news source for Kingman, Arizona & Mohave County

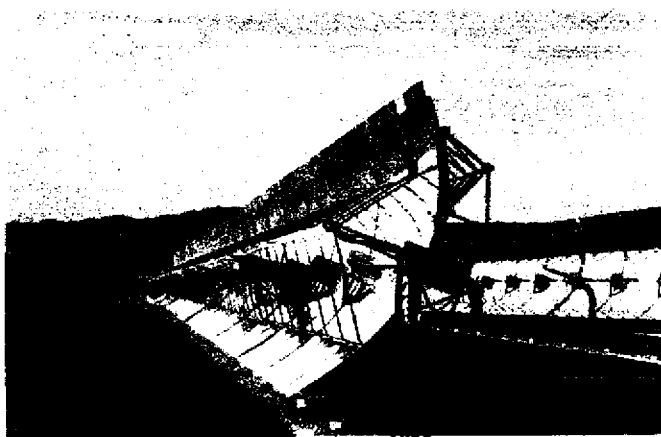
Another solar plant on tap

Director says project near Red Lake would be one of the largest in the world

Suzanne Adams

Miner Staff Reporter

Wednesday, May 13, 2009



KINGMAN - A fourth solar plant may be in the works for Mohave County. Mohave Sun Power, LLC has announced plans to build a 340-megawatt concentrating solar project about 27 miles north of Kingman, near Red Lake.

The project will be one of the largest in the world, said Greg Bartlett, project director.

The project will use the same parabolic trough technology with molten salt storage that Albiassa Solar has proposed for its 200-megawatt plant south of Interstate 40 and west of U.S. 93.

The Ranch at White Hills is building a solar facility that will provide energy to the development. And a

smaller solar project is slated for the Yucca area.

"This is proof that our (Arizona's) renewable energy standard is finally bearing fruit," said ACC Chairwoman Kris Mayes.

"It's a good deal," said Supervisor Buster Johnson. "It will attract a lot of attention to the area." It will also help in the battle for solar power with Phoenix, he said.

Sunlight will be collected at the Mohave Sun Power and Albiassa facilities using mirrored troughs and focused on a tube of oil running through the center of the troughs. The oil will be transported back to a central facility where it will be used to generate steam. Some of the energy will be stored in molten salt tanks until it is needed during peak energy times.

The company looked all over the Southwest before settling on Mohave County, Bartlett said. Some of the benefits to locating the project in Mohave County, as compared to Maricopa County, included a higher elevation, the remote area, the amount of water and the ability to acquire 4,000 acres from a private landholder, Jim Rhodes. The company has a purchase lease agreement with Rhodes for the property.

Mayes does not believe the property is part of the bankruptcy suit Rhodes filed last month.

Calls to Bill Marion of Purdue Marion and Associates, spokesman for Rhodes Homes, were not returned Tuesday before deadline.

According to information from Johnson's office, the plant will use about 1,500 to 3,000 acre-feet of water per year to wash the mirrors and generate steam. The plant intends to recycle some of the water. The company says it's well aware of the water concerns in the county and is spending a lot of time upfront on the issue, Bartlett said.

But the company won't know the exact amount of water the plant will use until the plans are finished and the quality of the water has been determined.

The ACC is watching the water issue carefully, Mayes said.

The plant may also use some fossil fuel or biodiesel to generate electricity on cloudy days, Bartlett said. They prefer to use a biofuel of some sort over a fossil fuel.

The new project is expected cost more than \$2.1 billion. The company has applied for a federal loan guarantee from the U.S. Department of Energy. The project is also eligible for a 30 percent Federal Investment Tax Credit.

If built, the project will create up to 1,500 jobs during its 2.5 to 3 year construction period, and offer more than 100 full-time jobs after the plant is completed. The company expects to start construction in the fourth quarter of 2010 and complete the project in the second half of 2013. It will operate under the name Hualapai Valley Solar, LLC.

The plant is expected to run for 25 to 30 years before needing to be upgraded.

However, there are still several issues the company must resolve before the plant can be approved by the ACC, Mayes said.

It still has to get permits from state and federal agencies for air and water quality. It must also prove to the ACC that it has someone to sell the power to.

According to Mohave Sun Power Executive Director Mitchell Dong's Web site, **the company is looking to sell the power to the highest bidder.** It has 14 possible purchasers for power. At least eight of those purchasers are in California, one is from Nevada, four are from Arizona, one from Colorado and the last one includes selling the power to large industry.

The company also has to show that it has a way to transmit the power, Mayes said. There are 500 kilovolt power lines in the area. The question is whether there is enough capacity left in the lines to transmit power from the proposed plant.

The project will also require an amendment to the Mohave County General Plan and zoning changes, both will have to be approved by the County P&Z Commission and the Board of Supervisors. The company plans to hold a public meeting on the project in mid June.

"I have to give (Don) Van Brunt a lot of credit," Johnson said. If it wasn't for Van Brunt, the county wouldn't have the tax dollars it does.

It was Van Brunt who brought in large industries such as North Star Steel and Griffith Energy and now Mohave Sun Power, he said.

Related Stories

[Small solar plant on P&Z agenda](#)

[Massive solar complex planned near Kingman](#)

Related Links

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Subject: Van Brunt

Date: Wed, 12 Jan 2000 09:58:08 -0700

From: Dave Hawkins <k99news@ctaz.com>

Organization: K99 Super Country

To: The Standard <standard@ctaz.com>

Indication that one of Mohave County's most powerful and controversial public figures was busted in a felony counterfeiting operation has surprised local officials. U.S. District Court records stored in the archives in Laguna Niguel, California reveal the 1982 indictment and conviction of Donald Whitman Van Brunt, 70.

Van Brunt heads up the Mohave County Economic Development Authority (MCEDA), an entity that is a current target of a federal criminal probe. Many times Van Brunt has invited the government and the press to check him out but he's never volunteered any hint of his involvement in the counterfeiting caper.

"I had no idea," said Paul McIntosh, the Mohave County manager who serves as a member of the MCEDA board. "I don't know anything about it."

A disbelieving Board of Supervisors Chairman Buster Johnson chuckled when presented court record details. "I didn't know Don had it in him," said an amused Johnson. "It does sound interesting you know."

In preparation for Wikieup area development project presentations before the county planning and zoning commission, Van Brunt was busy interacting with industry officials Tuesday and Wednesday. He said he would be bothered with questions.

"There's nothing that important that I have to interrupt what I'm doing now," Van Brunt said. Van Brunt, however, did take time to appear on KAAA-TV via a taped interview broadcast Wednesday morning. And, inconsistent with court records, Van Brunt offered a different story.

"I was not convicted," Van Brunt told KAAA talk show host Bill Larson. "I pleaded no contest."

The defendant has been convicted as charged of the offenses, "Manufacture, manufacture and possess government obligations," the records state.

Van Brunt explained to Larson and his radio audience that his involvement was simply a delivery of paper. The records, however, require greater participation.

The documents state that Joe Mangiameli was trying to sell his print shop in Simi Valley, California in April, 1982. Mangiameli tipped off authorities when he became suspicious of two prospective print shop buyers.

Mangiameli said the men had identified themselves as Wayne Powell and Lon VanSmutt who said he came from Seattle," the records state.

Mangiameli said he showed VanSmutt and Powell the shop and became suspicious when VanSmutt (later identified as Van Brunt) asked if the camera could pick up very fine lines and said they might have to board up the windows because they would be doing top secret government work. Mangiameli said both Powell and VanSmutt appeared to know very little

about the printing trade."

The court records show that Mangiameli's tip helped government agents infiltrate the operation. The print shop purchase was effected and the business was named Van Brunt Enterprises Inc, according to the documents.

The documents indicate that two agents helped print bogus bills at the print shop. Van Brunt and Powell were arrested at the Santa Ana shop by federal agents May 11, 1982.

"Inside the shop we seized approximately \$4-million in counterfeit currency as well as plates, negatives and various printing equipment used in the manufacture of counterfeit currency" the records state.

Van Brunt quickly waived his Miranda rights and rolled over on his co-defendant cooperating with the government, according to the court records.. "Van Brunt gave me a signed sworn statement of his involvement in the manufacturing of counterfeit currency and named Powell as his partner in the counterfeit operation."

That government assistance may explain seemingly light sentencing. The record indicates Van Brunt was placed on probation for three years and ordered to perform 1,000 hours of community service.

Van Brunt told KAAA-am that he was upfront about the counterfeit caper when originally employed by the first MCEDA board of directors. "When I went to work for MCEDA I made the board of directors aware of this incident. I didn't keep it from them."

Fred Eldean, a co-founder and original board member of MCEDA refuted Van Brunt's claim. Eldean said Van Brunt never disclosed the matter.

"I'm positive he didn't," Eldean said. "I know he's (Van Brunt) done an awful lot of things but I never suspected him of doing anything like that."

Eldean said MCEDA would never have hired Van Brunt if apprised of the counterfeit matter.

The court case revelations deeply disturb County supervisor Carol Anderson, a longtime Van Brunt critic. "It leaves a lot to concern, especially since Mr. Van Brunt is the forefront representing the county in economic development.

Anderson, Johnson and supervisor Jim Zaborsky noted that the board of supervisors provides roughly a \$250,000 annual budget to MCEDA but has no say over its personnel. They said they believe MCEDA should make an appropriate inquiry.

"Obviously, we'd like to hear exactly what happened and then once we can hear both sides of the story, something from Don on what his explanation of what happened and some verification if he says something different, then we're going to have to make a decision," Zaborsky said.

"If there's a problem here I'm not sure how to react or even think or what to do until I get some information," said MCEDA president Henry Varga.

"I'll have to look at what it is. I'd have to look at what the background is. I'd want to see the court documents. I would want to

interview Don then begin our own investigation," Varga said.

Varga said there may be no cause for any action if the fact finding effort determines that the episode does not prevent Van Brunt from doing his job.

INVOICE	P.O.	INV DATE	VOUCHER	WARRANT	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
106954 MOHAVE COUNTY ECONOMIC DEVEL AUTH										
021097		02/12/1997	2037	970212	76221	38,750.00	02/12/1997	INV PD		FOUR, INSTALLMENTS BOS 8-5-96
031400		04/11/2000	87390	04122000	177098	53,750.00	04/11/2000	INV PD		4TH QUARTER PAYMENT
032299		03/23/1999	56125	990323	155892	53,750.00	03/23/1999	INV PD		X AGREEMENT 2331, QUARTERLY FUND X
041498		04/21/1998	32594	980423	98837	53,750.00	04/21/1998	INV PD		X PURSUANT OT AGREEMENT 2331 BOS
051396		05/13/1996		960513	60461	347,472.00	05/16/1996	DIR PD		PASS THRU FUNDING
060500		06/06/2000	91843	06072000	180217	10,000.00	06/06/2000	INV PD		FUNDING FOR CD-ROM PROJECT
061900		06/20/2000	93000	06212000	180967	547.25	06/20/2000	INV PD		TRAVEL
062199		06/22/1999	63021	990623	160565	4,157.33	06/22/1999	INV PD		REIMBURSEMENT EXP
070598		07/08/1998	37873	990707	102813	78,750.00	07/08/1998	INV PD		PRODUCTION ECONOMIC DEVELOP
081897		08/20/1997	16006	980820	86575	12,916.65	08/20/1997	INV PD		AGREEMENT #2331
092099		09/21/1999	70771	09222000	165821	12,500.00	09/21/1999	INV PD		BUSINESS RETENTION & EXPANSION
092199		09/28/1999	71367	09292000	166169	53,750.00	09/28/1999	INV PD		X BOS AGREEMENT 233
1/21/00		03/01/2000	83832	03032000	174723	896.21	03/01/2000	INV PD		X RIEMB SHIVWITS MONUMENT COSTS
10395		10/05/1995		951005	48659	37,500.00	10/05/1995	INV PD		PER AGREEMENT 2331
10796		10/09/1996		961009	69572	38,750.00	10/09/1996	INV PD		PER CONTRACT # 2331
10898		10/14/1998	44659	991014	107769	53,750.00	10/14/1998	INV PD		BOS AGREEMENT
11/7/95		11/07/1995		111108	50504	25.00	11/09/1995	INV PD		BULLETTIN DONATION JTPA
12/19/95		12/19/1995		951221	52365	37,500.00	12/21/1995	INV PD		BOS AGREEMENT #2331
121598		12/29/1998	50380	991231	151684	53,750.00	12/29/1998	INV PD		3RD QTR PER CONTRACT
121699		01/12/2000	79606	01132000	171919	53,750.00	01/12/2000	INV PD		3RD QTR INSTALLMENT
1353		07/07/1995		950713	43826	9,000.00	07/13/1995	INV PD		INFRASTRUCTURE
2331		07/11/1995		950713	43826	37,500.00	07/13/1995	INV PD		FIRST INSTALLMENT 95/96
2331-4		01/28/1998	26844	980129	93941	37,500.00	01/28/1998	DIR PD		PER CONTRACT
2331-4TH		05/01/1996		960501	59954	37,500.00	05/01/1996	INV PD		4TH INSTALLMENT
2331-8		04/09/1997	5689	970409	78977	38,750.00	04/09/1997	INV PD		PER AGREEMENT BOS
2331-8		08/20/1996		960820	66593	38,750.00	08/20/1996	INV PD		PER AGREEMENT
2ND INSTALL		10/14/1997	19538	981016	89415	53,750.00	10/14/1997	INV PD		PER AGREEMENT # 2331
3RD INSTALL.		01/26/1995		950126	34312	31,250.00	01/26/1995	DIR PD		3RD INSTALLMENT
5 1		04/19/1995		950511	40377	290,000.00	05/11/1995	INV PD		X YUCCA ROAD IMPR. 2427
6/15/00		07/18/2000	95150	C072100	182511	47,300.00	07/18/2000	INV PD		QUARTERLY INSTALLMENT BOS APPR
6/5/00		07/11/2000	94721	C071300	182058	47,300.00	07/11/2000	INV PD		TRAVEL EXPENSES
60795		08/07/1996		960808	65929	113,307.00	08/07/1996	INV PD		X CONTRACT #KP951086TRN 2467
61995		06/21/1995		950621	42599	100,000.00	06/21/1995	INV PD		ECONOMIC DEVELOPMENT STUDIES
6595		06/08/1995		950608	41915	50,000.00	06/08/1995	INV PD		INFRASTRUCTURE
83095		08/31/1995		950901	46891	100,000.00	08/31/1995	INV PD		FOR YUCCA TRUCK STOP
AGMT 2331		04/03/1995		950406	38547	31,250.00	04/06/1995	INV PD		4TH INSTALLMENT
AGRMNT 2331		07/13/1999	64833	07142000	161638	53,750.00	07/13/1999	INV PD		1ST QRT FUNDING
JULY-AUG 97		08/06/1997	14999	980808	85903	25,833.32	08/06/1997	INV PD		AGREEMENT #2331
SHIVWITS		10/19/1999	73008	10212000	167305	1,077.61	10/19/1999	INV PD		REIMBURSE FOR EXPENSES

2,124,097.37

2,124,097.37

39 INVOICES

** END OF REPORT **

INVOICE	P.O.	INV DATE	VOUCHER	WARRANT	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
106954 MOHAVE COUNTY ECONOMIC DEVEL AUTH										
032299		03/23/1999	56125	990323	155892	53,750.00	03/23/1999	INV	PD	AGREEMENT 2331, QUARTERLY FUND
041498		04/21/1998	32594	980423	98837	53,750.00	04/21/1998	INV	PD	PURSUANT OT AGREEMENT 2331 BOS
062199		06/22/1999	63021	990623	160565	4,157.33	06/22/1999	INV	PD	REIMBURSEMENT EXP
070698		07/08/1998	37873	990707	102813	78,750.00	07/08/1998	INV	PD	PRODUCTION ECONOMIC DEVELOP
092099		09/21/1999	70771	09222000	165821	12,500.00	09/21/1999	INV	PD	BUSINESS RETENTION & EXPANSION
092199		09/28/1999	71367	09292000	166169	53,750.00	09/28/1999	INV	PD	BOS AGREEMENT 233
10898		10/14/1998	44659	991014	107769	53,750.00	10/14/1998	INV	PD	BOS AGREEMENT
121598		12/29/1998	50380	991231	151684	53,750.00	12/29/1998	INV	PD	3RD QTR PER CONTRACT
121699		01/12/2000	79606	01132000	171919	53,750.00	01/12/2000	INV	PD	3RD QTR INSTALLMENT
2331-		01/28/1998	26844	980129	93941	53,750.00	01/28/1998	DIR	PD	PER CONTRACT
AGRMNT 2331		07/13/1999	64833	07142000	161638	53,750.00	07/13/1999	INV	PD	1ST QRT FUNDING
SHIVWITS		10/19/1999	73008	10212000	167305	1,077.61	10/19/1999	INV	PD	REIMBURSE FOR EXPENSES
						526,484.94				
=====										
						526,484.94				
=====										
12 INVOICES										
=====										

** END OF REPORT **

YUCCA MANAGEMENT CO. INC.
7989 TIMBER HORN CT
LAS VEGAS, NV 89117

TSB
BRANCH 19
JUL 12 1995

#40

PAY TO THE ORDER OF DON W VAN BRUNT

7-7-95

94-72/1224

FIVE THOUSAND

\$ 5,000.00

Bank of America
P.O. Box 98600 #18
Las Vegas, Nevada 89193-8600

020089520 07-14-95 00 3008

DOLLARS

FOR REIMBURSEMENT FOR EXPENDATURE

Kenneth Pak

⑆ 22400724 ⑆

⑆ 80215485 ⑆

⑆ 0080500000 ⑆

YUCCA MANAGEMENT

TSB
BRANCH 19
JUN 19 1995

#005

PAY TO THE ORDER OF DON VAN BRUNT

6-2-95

94-72/1224

TEN THOUSAND EIGHT HUNDRED THIRTY ONE

\$ 10,831.00

Bank of America
P.O. Box 98600 #18
Las Vegas, Nevada 89193-8600

020109598 06-21-95 00 2932

DOLLARS

FOR REIMBURSEMENT FOR EXPENDATURES

Kenneth Pak

YUCCA PROJECT

⑆ 22400724 ⑆

⑆ 80215485 ⑆

⑆ 0001083100 ⑆

Yucca Management Co.
B.O. Box 524
Yucca, Az

TSB
BRANCH 19

#006

JUN 30 1995

6-21-95

94-72/1224

PAY TO THE ORDER OF

DON W VAN BRUNT

91-504 TELLER 32 UMC

\$ 8834⁰⁰/_{XX}

EIGHT THOUSAND EIGHT HUNDRED THIRTY-FOUR

DOLLARS

Bank of America
P.O. Box 98600 #18
Las Vegas, Nevada 89193-8600

019054189 07-03-95 00 0810

Kenneth Pak

FOR REIMBURSEMENT FOR EXPENDATURE

⑆ 22400724⑆

180215485⑈

⑈0000883400⑈

YUCCA MANAGEMENT CORPORATION
7929 TIMBER HORN CT.
LAS VEGAS, NV 89117

1006

7-15-95

94-72/1224

Pay to the Order of DON W VAN BRUNT

\$ 10,423 -

TEN THOUSAND FOUR HUNDRED TWENTY THREE

Dollars

Bank of America

P.O. Box 98600 #18
Las Vegas, Nevada 89193-8600

JUL 26 1995

91-504 TELLER 32 UMC

FOR REIMBURSEMENT

Kenneth Pak

⑆ 22400724⑆

1006 180215485⑈

⑈0001042300⑈

YUCCA MANAGEMENT CORPORATION
7929 TIMBER HORN CT.
LAS VEGAS, NV 89117

1012

8-10-95

94-72/1224

Pay to the Order of DON W VAN BRUNT

\$ 1951 -

One thousand nine hundred fifty one

Dollars

Bank of America

P.O. Box 98600 #18
Las Vegas, Nevada 89193-8600

91-504 TELLER 32 UMC

FOR WATER

Kenneth Pak

⑆ 22400724⑆

1012 180215485⑈

⑈0000195100⑈

YUCCA MANAGEMENT CORPORATION
7929 TIMBER HORN CT.
LAS VEGAS, NV 89117

1024

9-9-95

94-72/1224

Pay to the Order of DON W VAN BRUNT \$ 14,088⁷¹/_{XX}

FOURTEEN THOUSAND AND EIGHTY EIGHT⁷¹/₁₀₀ Dollars

Bank of America

P.O. Box 8800 #18
Las Vegas, Nevada 89103-8000

For REIMBURSEMENT

Kenneth Pak

⑆ 22400724⑆ 1024⑆ 180215485⑆ ⑆0001408877⑆

YUCCA MANAGEMENT CORPORATION
7929 TIMBER HORN CT.
LAS VEGAS, NV 89117

1008

8-10-95

94-72/1224

Pay to the Order of DON W VAN BRUNT \$ 9,675⁰⁰/_{XX}

NINE THOUSAND SIX HUNDRED SEVENTY FIVE Dollars

Bank of America

P.O. Box 8800 #18
Las Vegas, Nevada 89103-8000

For REIMBURSEMENT 7-10 THRU 8-12

Kenneth Pak

⑆ 22400724⑆ 1008⑆ 180215485⑆ ⑆0000967500⑆

YUCCA MANAGEMENT CORPORATION
7929 TIMBER HORN CT.
LAS VEGAS, NV 89117

1010

8-10-95

94-72/1224

Pay to the Order of DON W VAN BRUNT \$ 7,340⁰⁰/_{XX}

SEVEN THOUSAND THREE HUNDRED FORTY Dollars

Bank of America

P.O. Box 8800 #18
Las Vegas, Nevada 89103-8000

For GRADER RENTAL
REIMBURSEMENT

Kenneth Pak

⑆ 22400724⑆ 1010⑆ 180215485⑆ ⑆0000734000⑆

YUCCA MANAGEMENT CORPORATION
7929 TIMBER HORN CT.
LAS VEGAS, NV 89117

1041

10-19-95

94-72/1224

Pay to the Order of DON W VAN BRUNT

\$ 3,827⁰⁰/_{xx}

THREE THOUSAND EIGHT HUNDRED TWENTY-SEVEN

Dollars Security features included. Write on back.

Bank of America

P.O. Box 98600 #18
Las Vegas, Nevada 89193-8600

OCT 19 1995

For 977 LOADER 1/2 MONTH WATER FUEL
2880-2 483- 464-
TELLER 32

Kenneth Pak

⑆ 22400724⑆ 1041 ⑈ 180215485 ⑈

⑆0000382700⑆

YUCCA MANAGEMENT CORPORATION
7929 TIMBER HORN CT.
LAS VEGAS, NV 89117

1043

10-20-95

94-72/1224

Pay to the Order of DON W VAN BRUNT

\$ 2,352⁵⁰/_{xx}

TWO HUNDRED THOUSAND THREE HUNDRED FIFTY TWO

Dollars Security features included. Write on back.

Bank of America

P.O. Box 98600 #18
Las Vegas, Nevada 89193-8600

For *Remittance for labor*

Kenneth Pak

⑆ 22400724⑆ 1043 ⑈ 180215485 ⑈

30 ⑆0000235250⑆

YUCCA MANAGEMENT CORPORATION
7929 TIMBER HORN CT.
LAS VEGAS, NV 89117

1050

NOV. 3. 95

94-72/1224

Pay to the Order of DON W VAN BRUNT

\$ 700⁰⁰/_{xx}

SEVEN HUNDRED

Dollars Security features included. Write on back.

Bank of America

P.O. Box 98600 #18
Las Vegas, Nevada 89193-8600

For *PAYMENT FOR RETIREMENT*

Kenneth Pak

⑆ 22400724⑆ 1050 ⑈ 180215485 ⑈

30 ⑆0000070000⑆

DEFENDANT

CENTRAL DISTRICT OF CALIFORNIA

DONALD WHITMAN VAN BRUNT

DOCKET NO. CR82-437-CBM

JUDGMENT AND PROBATION/COMMITMENT ORDER

AO-245 (8/74)

In the presence of the attorney for the government the defendant appeared in person on this date

MONTH DAY YEAR August 3, 1982

COUNSEL

WITHOUT COUNSEL However the court advised defendant of right to counsel and asked whether defendant desired have counsel appointed by the court and the defendant thereupon waived assistance of counsel. WITH COUNSEL William Hamilton, retained (Name of Counsel)

PLEA

GUILTY, and the court being satisfied that there is a factual basis for the plea, NOLO CONTENDERE, NOT GUILTY

FINDING & JUDGMENT

There being a finding/verdict of NOT GUILTY. Defendant is discharged. GUILTY. Defendant has been convicted as charged of the offense(s) of conspiracy to manufacture and possess counterfeit government obligations, in violation of Title 18, United States Code, Sections 371, 471 and 472, as charged in the one count indictment

SENTENCE OR PROBATION ORDER

The court asked whether defendant had anything to say why judgment should not be pronounced. Because no sufficient cause to the contrary was shown, or appeared to the court, the court adjudged the defendant guilty as charged and convicted and ordered that: The defendant hereby committed to the custody of the Attorney General or his authorized representative for imprisonment for a period of two (2) years. IT IS ADJUDGED that the execution of sentence, as to imprisonment only, is suspended and the defendant is placed on probation for a period of three (3) years, upon the following terms and conditions: 1. comply with all of the rules and regulations of the probation officer; 2. obey all laws; and 3. perform 1,000 hours of community service, as may be determined by the probation officer, taking into account the physical condition of the defendant. The bond of the defendant is ordered exonerated.

SPECIAL CONDITIONS OF PROBATION

ADDITIONAL CONDITIONS OF PROBATION

In addition to the special conditions of probation imposed above, it is hereby ordered that the general conditions of probation set out on reverse side of this judgment be imposed. The Court may change the conditions of probation, reduce or extend the period of probation, at any time during the probation period or within a maximum probation period of five years permitted by law, may issue a warrant and revoke probation for a violation occurring during the probation period.

COMMITMENT RECOMMENDATION

FILED: AUGUST 3, 1982 EDWARD M. KRITZMAN, CLERK by Joseph M. Levario, Deputy Clerk

It is ordered that the Clerk deliver a certified copy of this judgment and commitment to the U.S. Marshal or other qualified officer.

SIGNED BY

U.S. District Judge U.S. Magistrate

Signature of Consuelo B. Marshall Date AUGUST 17, 1982

CONSUELO B. MARSHALL

Date AUGUST 17, 1982

APPLICANTS, DO NOT WRITE IN THIS SPACE

STATE OF ARIZONA
REGISTRAR OF CONTRACTORS

Status Change _____ Year _____

Record No. PINIC 15758
Date Accepted 07/30/86
Fee \$245.00
Posted 4-25-86
Class 3
License No. 065160
Expires MAY 21 1988
Approved [Signature]

APPLICATION FOR
RESIDENTIAL
CONTRACTOR'S LICENSE
LICENSING

R. OF C.
NOTICE:
Falsification of any information
on this application is a felony.

Inactive: 12/29/93
Reinstated: 2/14/96

1982
1983

1998

1. Name of Business

Vanwood Construction Co.

Application must be PRINTED IN BLACK INK on typewriter. First verify with the Licensing Dept. in AZ that no other title exists for proposed contracting work. For instructions in name and instruction sheet.

2. Name of Business

Box 325 O.S.R.

1900 S Palagocunda Flagstaff Arizona 86001

3. Phone No.

502 565 3928

License Disposition applying for: General
 SEE NEW ADDRESS
 SEE NEW ADDRESS

5. Fax

P.O. Box 3688

455 E. Kingman Flagstaff Arizona 86001

6. To conduct business as (check one)

Individual Partnership Corporation
Partner Van Brunt

7. Name of Disputing Party

Donald

8. Disputing Party is (check one)

Owner Partner Corporate Officer Other

The persons listed below are (check one) individuals, the individuals applying, the partnership, all partners, the corporation, president or other officer of organization, the president, vice president, secretary, treasurer, or the equivalent of these officers. List the name, address and title of the Disputing Party. Arizona law prohibits a contractor being an individual, owner, partner or corporate officer on a contractor's license.

9.

PERSONNEL OF APPLICANT			TITLE	RESIDENTIAL ADDRESS	DATE OF BIRTH
FULL NAME (DO NOT USE INITIALS; if you have no middle name - leave blank)			Owner, Partner, Corporate President, Secretary, Treasurer, Qualifying Party		MO. DAY YEAR
FIRST	MIDDLE	LAST NAME			
Donald	Whitman	Van Brunt	Partner	Box 325 OSR Kingman	4/10/26 ✓
Steven	Lloyd	Atwood	Partner	1900 S Palagocunda	4/13/63 ✓

4/24/96

4/10/96

VERIFICATION

I (WE) THE UNDERSIGNED HEREBY APPLY FOR A CONTRACTOR'S LICENSE AND VERIFY UNDER PENALTY OF LAW THAT ALL THE INFORMATION CONTAINED HEREIN IS TRUE TO THE BEST OF MY (OUR) KNOWLEDGE AND BELIEF.

INSTRUCTIONS FOR SIGNING

AN APPLICATION FOR AN INDIVIDUAL OWNER must be signed by the Owner and by the Qualifying Party if the Owner elects not to qualify himself.

INDIVIDUAL

_____ Signature of Owner	_____ Date	_____ Signature of Qualifying Party	_____ Date
-----------------------------	---------------	--	---------------

A PARTNERSHIP APPLICATION must be signed by EACH member of the partnership and by the Qualifying Party if the Qualifying Party is not a member of the partnership.

PARTNERSHIP

<i>Donald Whitburn</i> Signature of Partner	<i>4/14/86</i> Date	<i>Donald Whitburn</i> Signature of Qualifying Party	<i>4-14-86</i> Date
<i>Steven Lloyd Atwood</i> Signature of Partner	<i>4/14/86</i> Date	_____ Signature of Partner	_____ Date
_____ Signature of Partner	_____ Date	_____ Signature of Partner	_____ Date

A CORPORATE APPLICATION must be signed by the PRESIDENT and SECRETARY and by the Qualifying Party if the Qualifying Party is not the President or Secretary.

CORPORATION

_____ Signature of President	_____ Date	_____ Signature of Secretary	_____ Date
_____ Signature of Qualifying Party		_____ Date	

PENDING APPLICATION

PEND # 15252

CONTRACTOR Harwood Const Co CLASS B

RECEIVED 4-21-86

RECEIVED	<u>4/22/86</u>	HOLIDAY POSTING	CANCELLATION
OPT ENTRY	<u>4-29-86</u>	<u>20 DAY POSTING</u>	ASSUMPTION
HISTORY CHECK	<u>4-29-86</u>	12% PERCENTAGE	OSME: <input checked="" type="checkbox"/> <input type="checkbox"/>
NAME AVAILABILITY	<u>4/29/86</u>	D.P. RESIGNATION	TRADE: <input checked="" type="checkbox"/> <input type="checkbox"/>
RETIRED/WITHDRAWN		INACTIVE STATUS	CONSUMER BOND
<u>APPROVED</u>	<u>4/30/86</u>	<u>RECOVERY PAID</u>	<u>4/30/86</u>
SEND EXP. CHECKS	<u>U</u>	FOLD	
EXP. CHECK DONE	<u>U</u>	FELONY	

Copy a Letter 4/30/86

La-son's this application form 5/14/86

Contributions more than \$25 (from INDIVIDUALS,

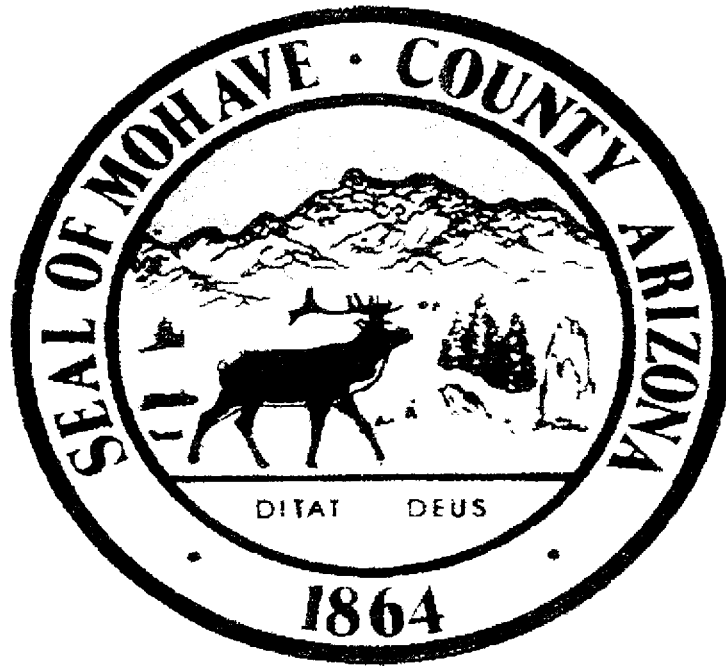
SCHEDULE A

JOHNSON FOR SUPERVISOR
 JUNE 30 REPORT
 January 1, 2008 to May 31, 2008

ID#

100

Name, Address, Occupation and Employer of Contributor	Date	Amount	To Date
KUDEN, JIM P.O. BOX 462045 ESCONDIDO, CA 92046 REAL ESTATE DEVELOPER SELF	04/15/2008	\$200.00	\$200.00
LE GRAND, GEORGETTE 3845 SARATOGA AVE. LAKE HAVASU CITY, AZ 86406 BOOKKEEPER HAVASU HARDWARE	04/15/2008	\$50.00	\$50.00
LE GRAND, SCOTT 3845 SARATOGA AVE. LAKE HAVASU CITY, AZ 86406 MANAGER HAVASU HARDWARE	04/15/2008	\$50.00	\$50.00
MC CORMACK, KEITH 2235 ALPINE DR. LAKE HAVASU CITY, AZ 86403 RETIRED <<employer not specified>>	04/15/2008	\$75.00	\$75.00
PIANO, DAVID 2126 MC CULLOCH BLVD #2 LAKE HAVASU CITY, AZ 86403 HAIR STYLIST SELF	04/15/2008	\$250.00	\$250.00
REYES, CYNTHIA HOLZER 3175 SADDLEBACK DRIVE LAKE HAVASU CITY, AZ 86406 RETIRED <<employer not specified>>	04/15/2008	\$50.00	\$50.00
REYES, IGNACIO 3175 SADDLEBACK DR. LAKE HAVASU CITY, AZ 86406 RETIRED <<employer not specified>>	04/15/2008	\$50.00	\$50.00
THOMAS, NOREEN C. 1295 AVALON AVE. LAKE HAVASU CITY, AZ 86404 RETIRED <<employer not specified>>	04/15/2008	\$50.00	\$150.00
VAN BRUNT, DONALD W. 2486 W. HI WAY + 66 KINGMAN, AZ 86401 EXECUTIVE DIRECTOR M.C.E.D.A.	04/15/2008	\$300.00	\$300.00
MOHR, WERNER 1026 GLENEAGLES DR. LAKE HAVASU CITY, AZ 86406 RETIRED <<employer not specified>>	04/17/2008	\$150.00	\$150.00



AN OVERVIEW OF MOHAVE COUNTY

**POPULATION, EARNINGS, AND
PERSONAL INCOME**

Ron Walker, County Manager

March 2004

Arizona's West Coast, Regional Tourism Profile, Compiled for the Arizona Department of Tourism

There are an estimated 32 million people within a 350 mile radius of Kingman and most of those are in Southern California. 2.2 million visitors come to the Arizona West Coast annually. 69% of those who travel here are from out of Arizona; that equals 1,518,000 out of state visitors. The Los Angeles area provided 37%, or 561,660 of these visitors.

Tourism Imports Real Dollars Into The Region

The average Arizona domestic overnight visitor spent \$75 per person per day in 2002. Arizona's West Coast Domestic Overnight Leisure visitors stayed for an average of 3.1 nights. Using these figures, over \$500,000,000 comes into the Arizona West Coast economy annually from tourism.

What Do They Spend It On?

The top spending areas for Overnight Leisure travel dollars in the region were: Transportation for 26%, food at 22%, shopping and entertainment for 17%. Participation rates for gambling, camping, boating/sailing and beach/waterfront activity in Arizona's West Coast region were the highest of all the regions.

Industry Groupings Contributions to Personal Income Were Addressed Above. The Next View is by Earnings and Jobs

From 1970 To 2000 Period, Average Earnings Per Job Dropped From \$31,080 To \$24,193 (In Real 2000 Dollars)

This measures wages and salaries for employees and proprietors, those who hold a job or operate a business. During the 1970 to 2000 period, earnings per job dropped from \$31,080 to \$24,193, below both national at \$36,316 and Arizona at \$33,050. Using the standard of 2080 hours annually that comes to: \$11.63 per hour. In 1970 that wage amounts to: \$17.45 per hour. From 1970-2000, 79% of new jobs have been Wage and Salary Employees. Proprietors contributed to 21% of growth in jobs. From 1970-2000, that portion decreased from 23%-21%.

How Much Should County Taxpayers Be Willing To Pay To Import Jobs Into The County?

Most Mohave County taxpayers have heard of the Griffith Energy project on I40 near Kingman. The project created approximately 25 jobs. The project was championed by the former Mohave County Economic Development Authority (MCDEA), using County Property Tax and Highway User Fund (HURF) dollars. The Property Taxpayers of Mohave County will pay over \$8 million, with HURF paying over \$2 million, for the project by the time all County debts are paid. (See Attachment for exact payment schedule.) The General Fund, your Primary Property Tax dollars, pays the annual principal and interest. Roads were built with Highway User Road Funds and not financed.

The County Jail was "mortgaged" through Certificates of Participation to finance the project. Homeowners and other property taxpayers have the privilege of paying over \$400,000 for each job created by economic development debacle. And this was called this Economic Development!

These project planners promised that Griffith locating to Mohave County would reduce local electric costs. Has anyone seen reduced electric costs? Merchant Plants, like Griffith, sell to the wholesale market, to the highest bidder. They are not a utility, and you cannot buy power from them for residential use. The project was sold to the public based upon a promised 5 year pay back period. Below is a summary of tax payments into the County General Fund and Expenses for the project by the General Fund. If 2003 is the first full payment, future payments will most likely decline through depreciation. To get closer to the pay back period, divide \$10,000,000 by \$252,888.14. That equates to 39.5 years payback not 5!

It should be noted that Griffith sued the State and Mohave County to reduce their taxable assessed value on personal property, which directly affects their tax obligation. They lost. They appealed. They lost. Now they have Senator Dean Martin, Republican District 6, introduce Senate Bill 2159 to change the law to cut them a tax break.

From the table below, the County has paid \$2,668,097 on the debt, so far. Griffith will have paid with the 2003 Tax Bill, \$264,300 and some change. For every \$1 paid in taxes, the taxpayers have paid over \$10 in debt payments.

County Loan Payments Payments/General Fund		Griffith Property Tax
1999		\$47.68
2000		\$900.32
2001	\$760,269	\$4044.47
2002	\$813,276	\$3421.70
2003	\$779,526	\$252, 888.14
2004	\$315,026	
2005		

In the recent past, the MCEDA tried to lure industry with tax reductions and other government concessions. They targeted \$10 per hour jobs. A \$10 per hour job equates to \$20,800 annual wage, almost \$3,400 below average job wages. Every job at this level will reduce the average earnings measurement. This is not to condemn this wage; for one earning below a \$10 per hour wage, that it is a nice raise. However, creating low end jobs does not contribute to improving average wage or per capita income. This shows the fallacy of measuring Economic Development by raw job numbers. Better measures revolve around Per Capita and Per Employee measures.

Mohave County manager proposes conservation, environmental action

KINGMAN – Mohave County Manager Ron Walker wants the Board of Supervisors to amend the county's Business Goals to include "natural resources planning and management."

"Mohave County's open space, clean air and water are important, and fragile, assets," he said. "The people who live here and the people who want to live here value these natural resources. But there are those who would take advantage of all of us and, in the process, destroy the very things that make life so good in our area. I want this county to take positive steps to protect and preserve our environment."

Walker has placed three items on the Board of Supervisors meeting agenda for Monday, April 16, that deal with environmental concerns.

He would like specific planning to take place regarding solid waste pollution.

"Illegal dumping has proliferated throughout our rural areas," he said. "Although our ERACE (Environmental Rural Area Cleanup Enforcement) program has been involved in many area-wide cleanups, we have been as effective against illegal dumping as battling an avalanche with a broom and dustpan. We need to map out specific objectives in dealing with this problem and take action."

Water availability and quality is the biggest problem rural Arizona has and will have in coming years, Walker said. "With growth, comes great thirst. Residential development and industrial corporate entities are competing for our water resources. Colorado River states continue to battle for river allocation,



Mohave County Manager Ron Walker

with Nevada being the most recent recipient of a greater share through the Arizona Water Banking Authority."

Pollution along the river is a serious concern, he said, as well as the contamination of ground water through the proliferation of septic tanks. "The Colorado River Regional Sewer Coalition has been working to bring federal funds to sewer river areas. Little major progress has been accomplished.

"Although Mohave County has set an example in building energy efficient facilities and pursuing a Green Building Certification for the new County Administration Building," he said, "we need to be more active in encouraging energy conservation for all new businesses, structures and services in our area."

Walker pointed out that Mohave County has signed agreements in prior years that have taken advantage of the governmental agency, the taxpayers and the future health of the environment.

ITEMS # 3 A

- 1. Water study in rural areas a step behind developers – AZ Republic 03/22/06**

Today | This Week

Water study in rural area a step behind developers

Shaun McKinnon
The Arizona Republic
Mar. 22, 2006 12:00 AM

Hydrologists have begun drilling into the desert outside Kingman as part of an in-depth study of whether the region's water resources can support a sprawling new community of more than 160,000 homes.

They hope to produce the first results in about two years, or about two years after a Las Vegas developer wants to start building.

It's an awkward situation for Arizona's water managers, who would prefer to map out the area's water resources before people start buying homes. But weak rural water laws force the state to work within the developer's plans instead of the other way around.

At issue is the critical question of whether there is enough groundwater in the remote Mohave County basins to supply the new subdivisions. Finding an answer is not always an exact science, and some experts fear the rush of new projects in rural Arizona could allow builders to sell homes without assurances that wells won't some day run dry.

"It's almost a paradox," said Frank Putman, an assistant director of the state Department of Water Resources. "We need people in the areas, drilling wells, to learn about the water. But we don't want to let too many in without knowing enough."

Rhodes Homes proposes to build about 130,000 homes in five subdivisions along U.S. 93 in northwestern Mohave County. A second developer, Las Vegas-based Leonard Mardian, has submitted plans for as many as 30,000 more houses. Together, the projects would result in more new houses than exist in all of Mohave County today.

The Water Resources Department already has told Rhodes that early studies suggest there isn't enough water to support the first two subdivisions. Experts hired by Rhodes insist there is, and the builder has offered to slow its plans until the state catches up.

A 100-year supply

The U.S. Geological Survey agreed to speed its hydrological study of the Mohave County water basins, delivering at least preliminary findings within two years. Meantime, state officials have started talks with Mohave County and other rural areas about creating a new level of water management that could aid in efforts to match growth with water supply.

At issue is the state's requirement that developers show a 100-year water supply before they build a subdivision. In Phoenix, Tucson and Prescott, homes can't be built without that assurance. In rural Arizona, a builder can push ahead even if the state decides there is inadequate water.

The Water Resources Department lacks the staff to conduct full-scale hydrologic studies of every subdivision submitted.

Because the law doesn't require a positive outcome, not all builders are willing to

do the work themselves.

"It's on the developer to show us what's out there," said Drew Swieczkowski, supervisor of the department's hydrology division. "We rely on what their hydrologists tell us. It's up to them to show us, so it's difficult."

Wells provide the most visible evidence of water that meets the "continuously available" requirement. If there have been wells in the area for a long time, the state can look at records; if not, it will want to see the results of test wells.

Swieczkowski said a history of wells is invaluable because it lets hydrologists learn how quickly water levels drop and how they're affected by outside influences, such as drought or active pumping.

Testing the aquifer

Knowing the geology of a water basin is also critical. Sandy soil holds more water than clay; fractured rock aquifers, like those in the state's higher elevations, store the least of all. Most areas of Arizona have been mapped, so that information isn't hard to find.

Hydrologists also want to know the depth of the aquifer, or how far a well has to be drilled to find water. That's when test wells are needed. If water is too deep, pumps will be needed to pull it out, which increases costs significantly and can make it too expensive for a particular use.

The aim is to produce a model that will let experts project water use into the future. The model needs to show how far water levels will drop over 100 years. State law says that if levels drop past 1,200 feet below the ground, the water supply is inadequate.

To that information, the state then adds the details of the proposed project: How many homes? Apartments? What kinds of businesses? Any golf courses? In short, how much water will this project demand? It's at this point that a builder can adjust plans, subtracting elements if the demand outstrips supply, but the law doesn't require it.

If all that sounds complicated, it is. That's why some developers take a pass and simply ask the state to issue a finding of inadequate water. In most cases, the builder can then begin construction with only a requirement that the state's finding is disclosed to homebuyers.

That option of ignoring the 100-year requirement has the potential to create bigger problems as growth accelerates, said Doug Dunham, manager of the state's Assured Water Office. Adjacent subdivisions could suck wells dry in an area that once appeared to have enough water.

Developer A, for example, could receive a finding of "adequate" and begin selling homes. Developer B could then come in and sell his own homes on nearby lots with no proof that there's enough water for the added residents.

"What was adequate in the first subdivision suddenly becomes inadequate," Dunham said.

Earl Engelhardt, who has served on a volunteer water advisory panel in Mohave County, doesn't buy into the 100-year rule at all.

"I don't view it as a very forward-looking plan," he said. Local leaders should look for what he described as "water in perpetuity," an assured water supply based on a balanced water budget. Growth should be linked directly with that water supply.

"Developers are putting our rights in jeopardy by building at breakneck speed without any water budget in place," he said. "We should never have to live in fear of running out of water."

Tools not in place

Rep. Tom O'Halleran, R-Sedona, wants to strengthen rural water laws, but his bills have flailed in the Legislature. One proposal, to give local governments clearer authority to reject subdivisions if there is no proof of adequate water, stalled in committee.

"We are not going to stop growing," O'Halleran said. "We do not have the tools in place. We need to protect the quality of life of our citizens. It's time to deal with this now."

The Arizona Corporation Commission is taking a close look at the private water company that would serve the first two Rhodes subdivisions. Commissioner Kris Mayes wants the board to scrutinize water supplies before granting the company an operating certificate.

Lawyers for Rhodes insist their hydrologists can prove there is enough water, but in the meantime, the builder will accept a conditional certificate based on the state's preliminary review.

That review said there is adequate water for fewer than half the homes - Rhodes estimates 23,000 - proposed for the first two projects.

Kimberly Grouse, one of the lawyers, said Rhodes will abide by Mohave County's zoning laws and "if the water supply proves inadequate, the area plan must be scaled back to accommodate the water supply that does exist."

State officials would prefer to see the results of the U.S. Geological Survey study before homes are built, but they admit they can't demand that delay.

"The USGS is going to do some good work, but their results are a couple of years away," Putman said. "Our problem is here now."